



## TOSSD reporting format: Modalities of co-operation

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

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### I. BACKGROUND

1. The emerging TOSSD Reporting Instructions define, in Chapter 4, the reporting format, including the fields to be reported and their characteristics.
2. This paper discusses the field to indicate the development co-operation modalities and the possible taxonomy to be adopted.

### II. PURPOSE OF THE FIELD

3. TOSSD activities can be carried out using different modalities. For example, the support by providers of development co-operation can take the form of general support to the budget of a country, a project or programme, the hiring of technical experts, and many others.
4. Categorising these modalities of co-operation is important as it facilitates the identification and analyses of activities of a similar nature, and the presentation of the data in a meaningful manner for the users, including developing countries. At the same time, classifying these modalities can be challenging as they tend to evolve over time and can take hybrid forms. Also, in the specific context of TOSSD, a wide variety of approaches to development co-operation need to be reflected.

### III. POSSIBLE TAXONOMY

5. The OECD Creditor Reporting System (CRS) uses a classification of the “types of aid” (see Annex) that identifies the modalities of the transfers from the provider to the first recipient of funds. This classification is comprised of eight types of aid (indicated by a letter from A to H), which are broken down into 15 sub-types (indicated by a letter followed by a number). The types of aid look at development co-operation from the perspective of the provider, describing flows as either cross-border, in-donor country or transferred to the multilateral system or other partners (e.g. CSOs).
6. The CRS classification is a useful inspiration for the *modalities of TOSSD co-operation*. However, it contains some elements that may be unnecessary in the context of TOSSD, and may not contain some modalities that could be useful to identify in the era of the 2030 Agenda. Furthermore, there might be cases where it would be useful to apply more than one modality at the same time, which is not allowed in the type-of-aid classification. A series of modalities that the Secretariat proposes to the Task Force for consideration is discussed below.

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- **BUDGET SUPPORT** – Identifies contributions from the provider to the government budget of a recipient country, which has an exclusive responsibility for the use of the funds. Budget support can be generic (not sector allocated) or sectoral (e.g. energy, agriculture).
  - **PROJECTS** – Identifies specific inputs, activities and outputs supported by a TOSSD provider, to reach specific objectives/outcomes within a defined time frame, with a defined budget and a defined geographical area.
  - **EXPERTS AND OTHER TECHNICAL ASSISTANCE** – Includes the provision of provider-country personnel, or the financing of technical assistance using internationally or locally recruited experts, beyond technical assistance already embedded in the projects described above.
  - **SCHOLARSHIPS AND IMPUTED STUDENT COSTS IN PROVIDER COUNTRIES** – Includes financial awards for individual students, contributions to trainees and indirect (“imputed”) costs of tuition in provider countries to nationals of TOSSD-eligible countries. The inclusion of these items in TOSSD remains to be discussed.
  - **DEBT RELIEF** – All actions relating to debt (forgiveness, conversions, swaps, buy-backs, rescheduling, refinancing). The inclusion of this item in TOSSD remains to be discussed.
7. In addition to the above modalities, statistics on ODA include three types of **expenditures not involving resource transfers to recipient countries**<sup>2</sup>. These are: 1) administrative costs of donors not included as part of the projects or activities implemented; 2) development awareness (activities designed to increase public support for development co-operation in provider countries); and 3) costs for the temporary sustenance of refugees in provider countries during the first year of their stay. The eligibility of these items in TOSSD, and in the third case the temporary sustenance of migrants more generally, remains to be discussed. Moreover, the inclusion of contributions to international public goods and development enablers in TOSSD Pillar II may warrant the creation of a specific modality related to norms and knowledge creation activities.
8. The TOSSD taxonomy of modalities should also reflect the **specific framework of collaboration**, i.e. whether support is provided through triangular co-operation, South-South Co-operation or sharia-compliant Islamic finance.
- **SOUTH-SOUTH CO-OPERATION** – is a broad framework of collaboration among countries of the South<sup>3</sup> in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, intraregional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts.

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<sup>2</sup> Scholarships, student costs and debt relief also are not strictly a transfer of resources.

<sup>3</sup> According to the UN office of South-South co-operation, the term “South” or “Global South” refers to developing countries, which are located primarily in the Southern Hemisphere.

- **TRIANGULAR CO-OPERATION** – is a modality of multi-country partnership for which there is not yet an agreed definition, but a growing understanding of the roles of the three partners:
  - i. *The beneficiary partner* that requests support to tackle a specific development challenge.
  - ii. *The pivotal partner* that has proven experience in tackling the issue, and shares its resources, knowledge and expertise to help others do the same.
  - iii. *The facilitating partner* that helps connect the partners, supporting the collaboration financially and technically.
- **ISLAMIC FINANCE** – is sharia-compliant finance (the Islamic finance instruments are included in the financial instruments classification in the relevant categories).

9. Various forms of **financing arrangements** could also be separately identified, e.g. blended finance or co-financing involving domestic counterpart funds. This information could best be reported in a separate field, with multiple values.

- **BLENDED FINANCE** –signals the strategic use of development finance for the mobilisation of additional commercial finance towards sustainable development.
- **CO-FINANCING ARRANGEMENTS INVOLVING RECIPIENT COUNTERPART FUNDS** – signals the co-financing by the recipient country public institutions.
- **OFFICIALLY-SUPPORTED EXPORT CREDITS** – include both official direct export credits (i.e. loans extended by Export Credit Agencies (ECAs) to facilitate exports to developing countries) and officially -guaranteed/insured export credits (i.e. loans extended by the private sector but guaranteed/insured by ECAs to finance an export transaction).

#### **Treatment of support provided through core contributions and pooled programmes and funds**

10. The CRS type-of-aid classification also includes a category of “core contributions and pooled programmes and funds”, further subdivided into four sub-categories. The adoption (or exclusion) of these categories in the TOSSD framework is not straightforward. This is due to the TOSSD point of measurement (Section 1.2 of the Reporting Instructions), whereby any contributions to multilateral organisations, and to trust funds managed by multilateral institutions, should not be included in TOSSD. Rather, the organisations benefitting from these contributions should report, as only they can provide detailed information on the activities carried out. However, in practice, not all will be able to report and it needs to be decided whether the TOSSD framework should therefore include some data on the contributions to these organisations (to be recorded in any case in Pillar II).

11. The feasibility of collecting data on activities funded from core contributions and pooled programmes and funds is discussed below:

- **Activities funded from core support to multilateral organisations.** More than forty organisations already report these data to the OECD and should be in a position to adapt the data to comply with TOSSD. The TOSSD reporting format, being simpler than the CRS, could facilitate reporting by other multilateral institutions.
- **Activities funded by core support to NGOs, other private bodies, PPPs and research institutions.** These funds may involve numerous, mostly small-size, institutions. Internationally comparable data from these institutions are not available at this stage, so their involvement with TOSSD is uncertain. Outreach activities could be put in place starting with the largest institutions (e.g. ICRC, CGIAR).
- **Activities funded from contributions to specific-purpose programmes and funds.** Based on consultations with a number of major multilateral organisations ahead of the third Task Force meeting, it was confirmed that they can report on these specific-purpose programmes and funds. The feasibility of reporting by international or national NGOs on such funds remains to be assessed.
- **Basket funds / pooled funding.** These are contributions to multi-donor funds managed jointly by donors or by the recipient. The number of these activities - that embrace both pillar I and II – is limited.

## ISSUES FOR DISCUSSION

12. The following table summarises the information of modality of collaboration that might be included in the TOSSD Reporting Instructions. These values are mutually exclusive:

Name	Note
BUDGET SUPPORT	
PROJECT-TYPE INTERVENTIONS	
EXPERTS AND OTHER TECHNICAL ASSISTANCE	
SCHOLARSHIPS AND IMPUTED STUDENT COSTS IN DONOR COUNTRIES	Inclusion in TOSSD remains to be discussed.
DEBT RELIEF	Inclusion in TOSSD remains to be discussed.
NORMS AND KNOWLEDGE CREATION	

13. The following table presents the possible frameworks of collaboration to be used in combination with the previous information, with apposite flag(s). More than one flag could be indicated.

Name
SOUTH-SOUTH CO-OPERATION
TRIANGULAR CO-OPERATION
ISLAMIC FINANCE

14. Additional information on the financing arrangements could be collected as shown below. More than one flag could be indicated.

Name
BLENDED FINANCE MECHANISM
CO-FINANCING ARRANGEMENTS
EXPORT CREDITS

### Issues for discussion

- Do TOSSD Task Force members agree with the proposed categories of modalities of co-operation? Would you include or exclude any particular modality? Should a separate modality of “norms and knowledge creation” be created?
- Could contributions to non-reporting institutions be considered in TOSSD Pillar II?
- Do TOSSD Task Force members agree with the lists of frameworks of collaboration and financing arrangements? Would you include or exclude any particular item from these lists?

## ANNEX – Type-of-aid classification used in the CRS

<b>A</b>		<b>Budget support</b>
	A01	General budget support
	A02	Sector budget support
<b>B</b>		<b>Core contributions and pooled programmes and funds</b>
	B01	Core support to NGOs, other private bodies, PPPs and research institutes
	B02	Core contributions to multilateral institutions
	B03	Contributions to specific-purpose programmes and funds managed by international organisations (multilateral, INGO)
	B04	Basket funds/pooled funding
<b>C</b>		<b>Project-type interventions</b>
	C01	Project-type interventions
<b>D</b>		<b>Experts and other technical assistance</b>
	D01	Donor country personnel
	D02	Other technical assistance
<b>E</b>		<b>Scholarships and student costs in donor countries</b>
	E01	Scholarships/training in donor country
	E02	Imputed student costs
<b>F</b>		<b>Debt relief</b>
	F01	Debt relief
<b>G</b>		<b>Administrative costs not included elsewhere</b>
	G01	Administrative costs not included elsewhere
<b>H</b>		<b>Other in-donor expenditures</b>
	H01	Development awareness
	H02	Refugees in donor countries