

Switzerland
Comments on TOSSD proposal
July 2016

As mentioned in our last e-mail, we send you some additional comments regarding TOSSD (DCD/DAC/STAT(2016)19 / TOSSD compendium) :

DCD/DAC/STAT(2016)19 TOSSD

We thank the Secretariat for the document, which we find clear and well structured. The architecture is well conceived and follows the DAC principles. Nevertheless, there are still many questions to deal with:

- **external limits to the TOSSD:** is the scope still north-south flows or is the universality of Agenda 2030 to be considered (also with respect to the global public goods)? As for the private mobilization, we're not sure yet on whether it is really to be part of TOSSD –but if yes, it has to be reported separately and according to the OECD methodology.
- **the central eligibility criteria:** the decision tree is a good proposition but the link with the principle of “mutual benefit” isn't clear enough. The tree means to screen the intention (implementation of SDGs) whereas the mutual benefit would be the outcome. How and when would mutual benefit be assessed, is it ex-post? This might have an implication on the timeliness of data.
- **objective of TOSSD:** how shall it be used? Communicated? How to create acceptance? What will become of ODA? The document is a bit contradictory about the notion of “complement”, it seems rather that TOSSD will include ODA; and in terms of order of magnitude, ODA might lose its importance when compared to TOSSD
- **political use of TOSSD:** how can we be sure that no target will be defined for the TOSSD in future, not within DAC maybe, but outside DAC?
- **data management:** who will be in charge to collect and publish TOSSD? It seems likely to be the same persons that collect and report ODA data, but there are already resource problems for the mere ODA reporting. The strong link to ODA seems unquestionable, but if too strong, TOSSD might become just a spillover of ODA. On the other hand, if the link isn't strong enough, then there are risks of double-counting between TOSSD and ODA.
- **quality issues:** who is in charge of the quality? Same question as for the data collection
- **degree of detail of the information:** the document conveys the impression of pretty detailed information (CRS+++?). During the WP-STAT's discussion, it seemed that the information would be rather aggregated.
- **recognized opportunities:** TOSSD might set clarification to the outer boundaries of ODA (the grey zones), i.e. religion, culture, environment (not only climate change), human rights, peace and security, in-donor costs, anti-corruption, scientific cooperation, trade (incl. non-concessional flows), international justice, south south cooperation, triangular cooperation...but then again, how to prevent the spillover of ODA phenomenon?
- **country list for TOSSD:** seems to be needed, especially since some countries are actually graduating from ODA list (see comments further down)
- **organisation list for TOSSD:** seems ok. One way of identifying TOSSD organizations could be to look at non ODA data collected by members (ex: PIC and POP conventions). The proposition on multilateral flows is interesting, but might be difficult to explain. Would it imply that multilateral flows for ODA and TOSSD would never be presented together?
- **Purchase power parities:** is ok for us

With the compendium, the TOSSD discussion moves closer to an operational proposal. However some more fundamental questions with regards to TOSSD remain open:

Added value and scope of the TOSSD concept: What would be the incentive to engage in the TOSSD measure? The dynamic of the ODA is by a large part driven by the political ODA target. In the absence of an equivalent TOSSD target, what would be the motivation for countries to engage? Would we risk steering towards a TOSSD target? What would this imply for the role of ODA?

Universality of the Agenda 2030 versus North South flows: any reflection on the Agenda 2030 financing will have to start from the universality of the agenda. The perspective of the proposed TOSSD carves out a particularly shaped slice of international finance. It keeps the restriction on the recipient side to developing countries while the provider side is enlarged to developing countries and particularly the so called emerging economies. Given dynamic around the graduation of ODA recipients and the absence of a definition of “emerging economies”, this approach has risks. It links and invites the highly political discussion on classification of countries with the TOSSD concept. It is also at odds with the universal approach of the Agenda 2030.

An alternative approach would be to define TOSSD along truly universal lines. At the same time this could still allow an analysis and calculations flows between country groups (but without linking the concept to particular subsets of countries).

Mutual benefits vs public goods: the notion of “mutual benefits” is a central eligibility criterion. At the same time it is hard to define and can be politically controversial. The examples given in para 30 of publicly supported DFI can also be understood as crowding out domestic private sector and enforcing markets access of foreign companies.

An alternative approach would be to use the notion of public good (national, regional, global) and the economic concept of spill over and free rider (as of common interest). This concept seems much clearer and it justifies public investment. We would welcome if the reflection and synergies on public goods is depend in the further discussion.

Role of private sector: It is clear that private sector plays an important role and private sector mobilization is crucial for the agenda 2030. However to aggregate private sector resources with public resources does not lead to clarity and transparency. Particularly “attribution” will be difficult to assess in a (typical) complex financing scheme. It is undoubtedly important to have good and differentiated measures for private resource mobilization (including pure private sector financing). However such a measure should be a separate item and not aggregated into a TOSSD measure.

Best regards,

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