

Inter-Agency and Expert Group on SDG Indicators: Working Group on Measurement of Development Support

Research Item 1: South-South Co-operation

TOSSD methodology on South-South Co-operation, including the measurement of in-kind technical co-operation

Contribution by the TOSSD Task Force Secretariat, September 2020

I. Introduction

1. The Addis Ababa Action Agenda acknowledges the importance of South-South co-operation (SSC), its longstanding principles and distinctive attributes. It also highlights the potential of SSC in a number of areas, such as strengthening capacity building, knowledge sharing and development effectiveness¹. The 2030 Agenda also calls for enhanced SSC in SDG 17, targets 17.6 and 17.9². The new statistical framework Total Official Support for Sustainable Development (TOSSD) aims to collect coherent, comparable and transparent data on all official and officially supported resources for the attainment of the SDGs in developing countries. SSC is a key component of this new framework.

II. Context: why should a measure of development support include South-South Co-operation?

2. Comprehensive and detailed information on the increasingly complex development co-operation landscape is crucial for developing countries to use resources effectively, fill financing gaps, avoid overlaps and promote synergies among different initiatives. Despite increasing recognition of SSC as a key contribution to development and continuous dialogue in multiple fora³, an international consensus has not yet been reached on how to measure SSC. This leads to an incomplete picture of development co-operation at the global level.

3. Many Southern providers already measure their SSC. Some of them do this in monetary terms e.g. Chile, Mexico and Turkey, while others have opted for only sharing non-monetary and qualitative information. For in-kind technical co-operation, the monetisation enables the presentation of data in a unified manner as part of broader resources provided for sustainable development. This is key for any international statistical framework on development support.

4. TOSSD could represent an opportunity for Southern providers to test a methodology on measuring SSC. The International TOSSD Task Force that has developed the first version of the TOSSD methodology includes representatives from 24 countries, 16 of which are from the global South. Representatives come from either national statistical offices or development co-operation and planning units in these countries.

5. In 2019, the Secretariat launched a data survey to test the TOSSD concept and feasibility of reporting to the TOSSD framework. The survey confirmed that TOSSD is well suited for the reporting of SSC providers. Three SSC providers – Costa Rica, Indonesia and Nigeria – reported officially for the first time

¹ See [Addis Ababa Action Agenda](#), paragraphs 28, 56, 57 and 120.

² See the [2030 Agenda for Sustainable Development](#).

³ Examples of SSC fora are found in [Besherati and MacFeely \(2019\), Defining and Quantifying South-South Cooperation](#), sections 2-3 (pages 5 and 6).

in an international and comparable statistical system on financing for sustainable development.⁴ In addition, a representative of the Institute for Applied Economic Research (Ipea) of Brazil carried out a reporting test on SDG 13 using 2016 data. Turkey, which already reports to the CRS system, is another SSC provider that participated in the data survey and reported for the first time at activity-level. All these providers found TOSSD reporting feasible.

III. What is SSC in the context of TOSSD?

6. The description of SSC in TOSSD is in line with that of the UN Office of South South co-operation: “a broad framework of collaboration among countries of the South 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.” SSC is separately identified with a binary code under a category called “framework of collaboration”. Reporters can therefore indicate whether the activity is in the form of SSC and/or triangular co-operation.⁵

7. SSC is not limited to in-kind technical co-operation. **TOSSD covers all types of SSC resources for sustainable development**, including financial support through grants and loans extended by Southern providers⁶.

8. A specific methodology has been designed to value **in-kind technical co-operation** as follows⁷:

- “In-kind technical co-operation is defined as technical co-operation implemented using public officials of the reporting country.
- Given the differences in salary levels of public officials across countries, the value of in-kind technical co-operation is calculated by applying the purchasing power parity (PPP) conversion factor for private consumption to the salary costs of the public official(s) involved in the technical co-operation activity. The reporting country provides data on the salary costs corresponding to time actually spent by the official(s) in the recipient country, including time spent on preparation and follow-up. The PPP calculation is made by the Secretariat collating TOSSD data for all countries.
- Other expenses related to the implementation of in-kind technical co-operation, which include all costs incurred to deploy the official, such as flights, per-diem, accommodation, internal transportation within the recipient country and training, are also included in TOSSD. These expenses are reported separately from the salary costs, and the PPP factor is not applied.”

9. The treatment of in-kind technical co-operation was thoroughly discussed by the International TOSSD Task Force before deciding on a methodology⁸. The Task Force considered two options – applying the PPP factor or using a standard salary table – but had initially no strong views on the advantages on one over the other. However, there was broad support for measuring in-kind technical co-operation in a way that is statistically relevant and addresses the needs and concerns of Southern providers, and it was agreed that a consultation would be held with them.

10. The Secretariat sought several opportunities to consult with Southern providers (countries and institutions) and some Task Force members reached out to countries in their region to gather their views.

⁴ Other reporting initiatives exist (e.g. Costa Rica reports to the Ibero-American General Secretariat), however these initiatives are generally carried out at the regional level and not comparable across regions.

⁵ TOSSD also tracks triangular co-operation. See [TOSSD Reporting Instructions](#), paragraphs 43-44 and 112-114 available at www.tossd.org.

⁶ Financial support in TOSSD is measured on a cash-flow basis.

⁷ See [TOSSD Reporting Instructions](#), paragraphs 55-57.

⁸ The issue was discussed at the [first](#), [second](#), [third](#) and [sixth](#) meetings of the International TOSSD Task Force. The action points of these meetings are also available at <http://www.oecd.org/dac/tossd/tossd-task-force.htm>.

In September 2018, the TOSSD Task Force Secretariat was invited by Brazil to participate in an international seminar on Methodologies and Tools for International Cooperation Measurement, where many Southern providers from Latin America and beyond (e.g. Morocco and Turkey) presented their methodologies for measuring international co-operation. The topic was also discussed bilaterally with a number of Southern countries/organisations, namely Chile, Colombia, Costa Rica, Mexico, Morocco, Peru, Nigeria and the SEGIB. Among the Southern countries consulted (and based on further in-desk research conducted by the Secretariat), none used a standard salary table to measure technical co-operation at that time. Chile and Mexico both used the PPP factor methodology. This is why the Task Force then decided to measure in-kind technical co-operation applying the PPP factor in the TOSSD context, noting however that this methodology may be reviewed to take into account further suggestions from Southern providers⁹.

IV. Conclusion and questions for discussion

11. SSC represents a critical contribution to sustainable development and as such should be included in a comprehensive measure of development support. TOSSD could represent an opportunity for Southern providers to test a methodology on measuring SSC in an international statistical framework. The International TOSSD Task Force is open to suggestions from other Southern providers on how to improve the methodology to measure and value in-kind technical co-operation.

Proposed questions for discussion

- Do members of the Working Group have comments and/or suggestions on the TOSSD methodology to measure in-kind technical co-operation? (cf. paragraph 8 of this document)
- Is the methodology to measure in-kind technical co-operation suitable for measuring SSC in the context of the indicator 17.3.1.? If not, which adjustments would be needed to further fine tune or develop the methodology?

⁹ See [TOSSD Reporting Instructions](#), footnote 25, page 14.