

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

DAC Working Party on Development Finance Statistics

SECRETARIAT'S PROPOSAL TO CLARIFY THE REPORTING INSTRUCTIONS FOR REPORTING ON TRIANGULAR CO-OPERATION

**Formal Meeting of the DAC Working Party on Development Finance Statistics
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This paper aims to clarify the DAC statistical converged reporting directives with regards to reporting on triangular co-operation, in order to better capture data on triangular co-operation projects by DAC members and other development co-operation providers.

Members are invited to:

- (i) state whether they agree with the clarification on the ODA-eligibility of TrC in paragraphs 13-14; and
- (ii) approve the inclusion of paragraph 15 in the Reporting Directives.

This document is presented FOR DISCUSSION and APPROVAL under item 6 of the draft annotated agenda DCD/DAC/STAT/A(2018)3/REV1.

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SECRETARIAT'S PROPOSAL TO CLARIFY THE REPORTING INSTRUCTIONS FOR REPORTING ON TRIANGULAR CO-OPERATION

BACKGROUND

1. In October 2015, the Secretariat presented a proposal¹ 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 within two years on the implementation of the proposal, possibly with a view of refining the definition in consultation with partners in and beyond the OECD.²

2. After two years of implementation, only Germany used the code in 2017 to report on 2016 flows. In 2018, the Czech Republic, Luxembourg, Portugal and the United Kingdom have so far reported their triangular co-operation flows using the bi_multi 8 code. The Secretariat has consulted members to find out why the code was not used by other countries that have triangular co-operation activities. Several required further explanations and indicated challenges in reporting their TrC. This paper aims to clarify the reporting instructions for triangular co-operation activities.

3. Reporting to the OECD on triangular co-operation is particularly critical in 2018, ahead of the second High-level United Nations Conference on South-South Cooperation (BAPA+40 Conference), which will take place in Buenos Aires, Argentina, from 20 to 22 March 2019. OECD data on triangular co-operation can therefore feed the BAPA +40 process and discussions on triangular co-operation, illustrating the importance and increasing use of this modality of development co-operation. In addition, the BAPA+40 process can also rely on the data included in the OECD Repository of Triangular Co-operation Projects,³ which gathers evidence of triangular co-operation activities since 2012. The Repository includes, at the time of writing, over 600 triangular co-operation projects. These projects were gathered through surveys (2012 and 2015)⁴ and additional research with triangular co-operation providers.

¹ See [DCD/DAC/STAT\(2015\)23](#).

² See [DCD/DAC/STAT/M\(2015\)5](#) for the summary record.

³ The Repository is available here: [available here: http://www.oecd.org/dac/dac-global-relations/triangular-co-operation-repository.htm](http://www.oecd.org/dac/dac-global-relations/triangular-co-operation-repository.htm)

⁴ From the 203 survey questionnaires that were sent to representatives from countries and international organisations, 73 replies were received.

4. There are differences between the reporting of triangular co-operation activities through the CRS and the information gathered in the Repository. Comparing the two datasets is difficult because the Repository does not collect information at the same level of granularity as the CRS does. The Secretariat aims at gathering as much information on triangular co-operation as possible in the CRS to have more regular and granular data.

UNDERSTANDING TRIANGULAR CO-OPERATION

5. Triangular co-operation is a modality of multi-country partnership that has gained traction in recent years. Although there is no international agreed definition for triangular co-operation, an understanding is emerging on the three roles that actors engaged in triangular co-operation 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 often has proven experience tackling the issue, and shares its resources, knowledge and expertise to help others do the same; and
- iii. The facilitating partner, that helps connect the partners, supporting the collaboration financially and technically.

Partners include countries, international organisations, civil society, private philanthropy, private sector and academia.

6. Conceptualising triangular co-operation as above would allow both past and present models of triangular co-operation to be captured. In the past, triangular co-operation was understood as an activity whereby a DAC member (or an international organisation) was supporting South-South co-operation. This model is still the one mainly used by United Nations organisations and by some DAC members. However, against the backdrop of the 2030 Agenda for Sustainable Development and a changing development co-operation landscape, the Secretariat suggests to opt for the broader concept. This would also reflect the current practice of several DAC members and Participants (e.g. European Union, Spain, New Zealand, United Arab Emirates) as well as the conclusions of the Global Partnership Initiative (GPI) for Effective Triangular Co-operation.⁵

7. The characteristics of triangular co-operation have also been discussed in meetings of the international Task Force developing the new TOSSD measure and it has been agreed that triangular co-operation will be tracked in TOSSD. The description of triangular co-operation in the Emerging TOSSD Reporting Instructions is based on the three roles above.

RESULTS OF THE CONSULTATION CONDUCTED BY THE SECRETARIAT

8. The Secretariat held a consultation process and the DCD Director sent a letter on 10th July 2018 [DCD/JMdS (2018)46] to encourage members to report their TrC activities in the CRS. The consultation included a discussion during the formal meeting of the WP-STAT which took place on 13-15 June 2018, followed by bilateral discussions with Canada, Czech Republic, France, the European Union, Italy, New Zealand, Norway, Portugal, Spain, United Arab Emirates, the United Kingdom and the United States. Many

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

of these countries were willing to review their portfolios to identify their triangular co-operation activities in their CRS reporting.

9. For some members, the share of triangular co-operation that was ODA-eligible was unclear. This was the case of members working with a pivotal partner that was not on the DAC List of ODA Recipients.

10. Other members requested further clarification on the distinction between triangular and trilateral co-operation activities. For some countries the two terms are used interchangeably. For others trilateral co-operation refers to activities where two high-income countries (from the global North) co-operate in a beneficiary country that is a developing country (from the global South), whereas TrC means that a high-income country supports South-South co-operation. For the Secretariat, this understanding of trilateral co-operation would fall under the previously described conceptualisation of triangular co-operation, as long as the three roles can be identified in the activity.

11. Moreover, geographical location and income levels do not always go hand in hand. The group of South-South co-operation providers is very diverse. For instance, several members of the G77 are high-income countries, yet consider themselves Southern providers.

12. Finally, not all members were able to report on their triangular co-operation activities. For some, it was technically impossible to disentangle the triangular co-operation components of broader bilateral or regional projects or programmes.

PROPOSED CLARIFICATION ON THE REPORTING DIRECTIVES

13. First, it should be clarified that providers of development co-operation can report financial flows committed and disbursed for a triangular activity, when beneficiary countries are ODA-eligible even though some of the resources committed and disbursed are channelled through a country that is not ODA-eligible. However, if a country that is not ODA-eligible receives financial/and or technical support from the facilitating country that is not intended to benefit the ODA eligible country, then these amounts cannot be reported as ODA.

14. Second, TrC activities might also be implemented with a multilateral provider of development co-operation, when the multilateral actor takes on a pivotal or facilitator role. These activities could be reported in the CRS using the same bi_multi code 8. In order to identify the pivotal country with which the activity is implemented, reporters use the CRS field «Channel of delivery ».

PROPOSAL FOR INCLUSION IN THE DIRECTIVES

15. It is proposed to change the definition of the CRS bi_multi code for TrC (edit text in current paragraph 366 of the Converged Statistical Reporting Directives) as follows:

“Activities where there are at least three actors 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 a ODA-eligible country; (ii) a pivotal partner, which has proven experience tackling the issue, and shares its resources, knowledge and expertise to help others do the same; 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, international organisations, civil society, private

philanthropy, private sector and academia. Joint programming, pooled funding or delegated co-operation should not be assigned bi_multi 8, unless the three roles are represented in the activity.

16. **Members are invited to:**

(i) state whether they agree with the clarification on the ODA-eligibility of TrC in paragraphs 13-14; and

(ii) approve the inclusion of paragraph 15 in the Reporting Directives.

17. It is further proposed that the Secretariat report back to the WP-STAT on the implementation of the proposal within two years, with a view of further clarifying and refining the definition of triangular co-operation, if needed.