



The quantification of in-kind technical co-operation in TOSSD¹

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I. INTRODUCTION

1. The treatment of technical co-operation was discussed at the first, second and third meetings of the TOSSD Task Force. During these meetings, Task Force members agreed that, when experts are contracted in the international market, the price of the contract is already internationally comparable and can be recorded in TOSSD. Language was proposed and agreed upon for paragraphs 43 and 44 of the emerging TOSSD Reporting Instructions. Concerning the treatment of in-kind technical co-operation, the Task Force discussed two options – applying the purchasing power parity (PPP) factor or using a standard salary table – but had no strong views on one or the other. However, there was broad support for measuring in-kind technical co-operation in a way that is statistically relevant and that addresses the needs and concerns of Southern providers, and it was agreed that a consultation would be held with them. Since then, the Secretariat has sought several opportunities to discuss the treatment of in-kind technical co-operation in TOSSD with Southern providers.

II. CONSULTATION WITH SOUTHERN PROVIDERS

2. On 17-18 September 2018, the government of Brazil organised an international Seminar on Methodologies and Tools for International Cooperation Measurement. During this seminar, several Latin American providers presented their methodology for measuring technical co-operation. The Secretariat had been invited to present the proposed methodologies for measuring technical co-operation in TOSSD, and to contribute to the debate. This event represented an ideal opportunity to gather views from Southern providers from Latin America, and as such served as a perfect way to consult with them as envisaged by the Task Force.

3. The topic has also been discussed bilaterally with a number of Southern provider countries, namely Chile, Colombia, Costa Rica, Mexico, Morocco, Peru and Nigeria. The discussions with Costa Rica and Nigeria were held during the TOSSD pilot studies conducted in 2018, addressing their dual roles as recipients and providers of development co-operation. The development co-operation that they provide mainly consists of technical co-operation activities.

4. Among the Southern providers consulted, none uses a standard salary table to measure technical co-operation. For example, Chile measures the real cost; Mexico uses the PPP factor; Costa Rica measures the real cost, but also estimates the value of the accumulated knowledge with an additional component that varies depending on whether the expert has more or less than 10 years of

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experience. A number of other countries are in the process of elaborating or choosing the measurement methodology.

III. PROPOSAL FOR MEASURING IN-KIND TECHNICAL CO-OPERATION AND WORDING FOR THE REPORTING INSTRUCTIONS

5. Based on the consultations, it has emerged that no country currently uses the standard salary table. The PPP methodology is used by a number of potential TOSSD reporters to specifically measure the opportunity cost of their in-kind technical co-operation i.e. the cost of not having the public official conducting his/her regular duties for the time of the intervention. Moreover, the PPP methodology is widely used in economic and development studies, by multilateral institutions and other actors, and is technically easy to implement.

6. Therefore, the Secretariat proposes that in-kind technical co-operation is monetised in TOSSD by using the PPP methodology. In order to implement this, reporters would need to separate the cost of the salary of the public official(s) involved in the implementation of the activity from other related costs, such as per-diem, accommodation and transportation. The PPP calculation, i.e. application of the PPP factor to the salary costs, would be done by the Secretariat collating the data for all countries.

7. The Reporting Instructions on measuring technical co-operation could also include text that allows the future TOSSD governing body to consider data collection based on any methodology adopted by Southern providers, for example in the BAPA+40² process. The inclusion in the TOSSD framework of possible qualitative indicators agreed by Southern providers could be further discussed in that context.

8. In any case, it is anticipated that there will be opportunities for reviewing the methodology after the TOSSD framework has been put in place. First data on TOSSD will help assessing the needs and capacities of reporters and partner countries.

9. The wording proposed for the emerging TOSSD Reporting Instructions, to be inserted in the placeholder for in-kind technical co-operation, is as follows:

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) factor to the salary costs of the public official(s) involved in the technical co-operation activity.³ 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.

² Second High-level United Nations Conference on South-South Co-operation to be held in Buenos Aires, Argentina, in March 2019.

³ This methodology may be reviewed to take into account any outcome of the BAPA+40 process regarding the valuing of technical co-operation.

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 be applied.

Issues for discussion

Do Task Force members agree with using the PPP methodology to measure in-kind technical co-operation in the TOSSD system?

If NOT,

- Shall the Task Force adopt the standard salary table for initial TOSSD reporting? Which salary table shall be used as the standard?*
- If both the standard salary table and PPP factors were to be used, which methodology would be the basis for calculating main TOSSD aggregates?*

Do Task Force members agree with the principle of revising the methodology, in consideration of any methodology adopted by Southern providers in the BAPA +40 process?