

Personal comments on TOSSD from Erik Haites

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1. The focus, naturally, is on flows from developed to developing countries (both undefined), but includes south-south cooperation. South-north flows are not mentioned. I can envision flows that support development in the developing country -- such as enhancing the market for exports in developed countries -- as well as flows that undermine its development -- such as outflows of illegally obtained funds. And perhaps the amounts are too small to matter initially.

2. Inclusion of "Fm" in the providers perspective in Figure 6 implies that 100% of the funds borrowed by the multilateral institutions are "credited" to developed countries even though most of them have developing country shareholders and some of them have excellent credit ratings for their share of the callable capital. Fm could be dropped from the providers perspective for multilateral institutions or some approach to attribution is needed.

3. While Figure 7 is conceptually clear every decision will require some judgement in practice, so clear guidance that would lead to similar judgments by different people becomes very important. Furthermore, some activities will cover both eligible and ineligible activities. Then it will be necessary to decide whether to report the total amount for the activity perhaps rated (principal, significant as for ODA) or to estimate the share attributable for eligible activities.

4. Universal agreement on activities that address climate change does not exist. There is no single agreed list of mitigation activities; "clean coal" is among the controversial activities.

5. Even if there is agreement that an activity addresses climate change, some activities do not have an operational definition -- adaptation, energy efficiency, sustainable transport, etc. And attribution of the amount of the associated finance is very difficult, the share of an activity due to adaptation, the share of the cost of equipment due to energy efficiency, etc. The MDBs are dealing with adaptation in this way, but work on other types of activities will be needed.

6. As noted in the paper a list of eligible countries and international organizations will be needed. Information on the recipient organizations, at least the types of recipient organizations, (recipient national government, recipient sub-national government, recipient NGO, recipient private entity, international NGO, provider NGO, provider private entity, etc) will be of great interest and should be systematically collected. Based on current climate data less than half of the funds go to recipient national governments, so they do not appreciate the scale of support provided.

7. The categories of instruments should be carefully defined and the amounts should be tracked by instrument. That is likely to involve further attribution by activity; splitting the TOSSD eligible amount among multiple instruments. The sum of the values of the instruments is likely to exceed the financial flows for an activity if contingent instruments such as guarantees are included.

8. Figure 6 does not include mobilized private finance as part of the TOSSD concept. Private flows from provider to recipient countries are included, but are beyond TOSSD. If the TOSSD concept is to be expanded to private finance, perhaps the first step should be to include the "F" flows in figure 6. Paragraphs 71 through 76 and 83 through 85 suggest that mobilized private finance is part of TOSSD. If so Figure 6 should be modified.

9. Data on inflows from providers to multilateral organizations is of relatively little interest because it provides only an indication of the level of effort of the providers. The outflows from those organizations are much more relevant for recipients. And specific information on the recipient countries, the purposes, the instruments, etc is available only for the outflows not the inflows.

I have no specific comments on the data to be reported -- commitments, disbursements, reflows -- or the conversion to common currency (or effort) units -- PPP or market exchange rates, except to note that tracking disbursements and reflows greatly increases the quantity of data that needs to be collected.