

IAEG-SDGs Working Group on Measurement of Development Support

Progress report to the IAEG-SDGs
Open Meeting



El futuro
es de todos

Gobierno
de Colombia

2nd November 2021

1.1. General Context



Background

- The Working Group was established in May 2020 (first meeting 27th May)
- **14th Meeting** held on 14, 15 & 20 of September, 2021 (Meetings on a monthly basis)



Objective

- Further develop and refine the measurement of development support in line with the 2030 Agenda under target 17.3 “Mobilize **additional** financial resources for **developing countries** from **multiple sources**”.



Reporting to the IAEG-SDG's

- **1st**: IAEG-SDG's Open Meeting (October 2020)
- **2nd**: 11th Meeting of the IAEG-SDG's (November,2020)
- **3rd**: Written report as an input for the 52nd United Nations Statistical Commission
- **4th**: Report to the IAEG-SDG's Open Meeting (March 2021)
- **5th**: Report to the IAEG-SDG's Open Meeting (June 2021)
- **6th** Report to the IAEG-SDG's Open Meeting (September 2021)

Eastern Africa:	Middle and Southern Africa:	Western Africa	Northern Africa:
Kenya	South Africa [^]	Ghana ^{*^}	Egypt ^{*^}
United Republic of Tanzania*	Cameroon*		
Western Asia:	Central, Eastern, Southern, and South-Eastern Asia:	Oceania	The Caribbean
Jordan	China [^]	Samoa*	Cuba
	India		Grenada*
	Japan ^{*^}		
Central and South America:	Eastern Europe:	North America and Northern, Southern and Western Europe	
Colombia ^{*^}	Russian Federation*	France ^{*^}	Switzerland
México		Norway [^]	USA [^]
		Sweden ^{*^}	

*	Members of the IAEG-SDG's
^	TOSSD International Task Force Members or Observers
	Member/observers of the SSC Sub-group

Observers
Brazil
The Netherlands
Republic of Korea
Germany

Observers/Secretariat Support
United Nations Conference on Trade and Development (UNCTAD)
Organization for Economic Cooperation and Development (OECD)

Open Consultation

- 15 questions were asked regarding the discussions held within the UNWG-MDS until 20th August 2021.
- Extended the deadline until 27th August 2021.
- 121 responses were received

Briefing G77 & China

- Presentation of the SSC conceptual framework.
- Requested for support over planned pilot studies on the application of the SSC conceptual framework.
- General support of the attendants to the conceptual framework.

13th Meeting

- Review of the draft proposal for consultation and the consultation process.
- Report of the SSC Sub-Group.

7th Meeting SSC Sub-Group

- Report of the general work done by the Sub-Group.
- Presentation and discussion of the latest version of the SSC conceptual framework.
- 4 countries offered to participate in pilot studies: Brazil, China, Colombia and Mexico

14th Meeting

- Overview of the results of the Open Consultation.
- Discussion over further refinements to the overall proposal.
- Integration of the SSC conceptual framework into the overall proposal.
- Results of pilot study conducted with OECD.

6th July

7th September

14, 15 & 20 September

13th Meeting

16th July - 27th August

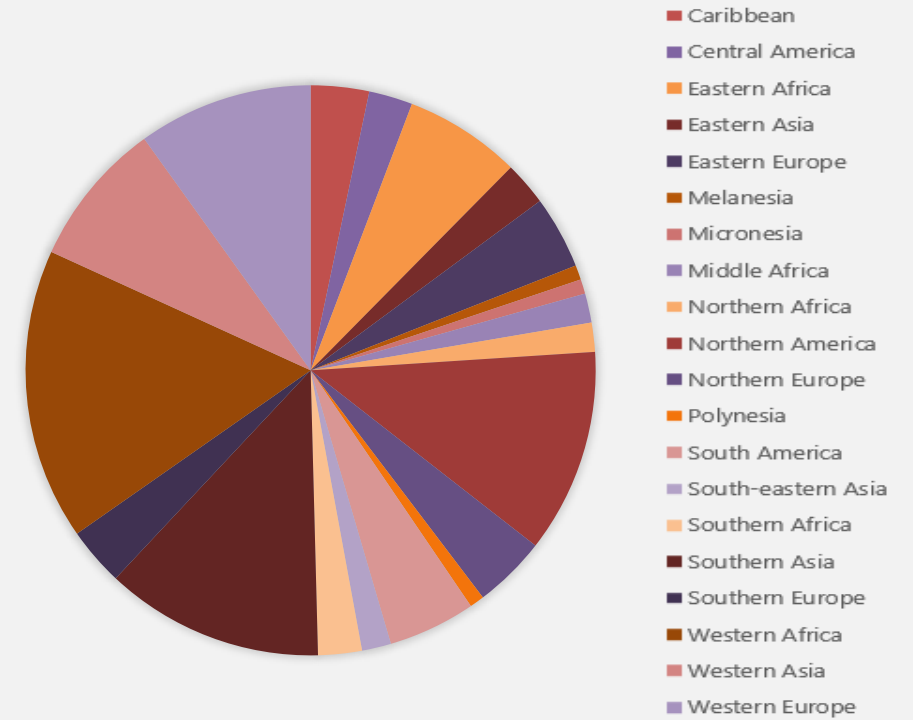
17th September



3. Results of the Open Consultation (16th July – 27th August)

Total responses:	121
Duplicated and accidental responses	9
TOTAL REMAINING RESPONSES	112
Non-Governmental Organizations	43
Governmental entities	41
NSO's	31
Other entities	10
International and Regional Organizations	9
Private sector	9
Academia	4
Local and Regional Governments	2
Major Groups	2
Central Bank	1
Other	1

Large variety of stakeholders responded



Geographic representation of every region and sub-region.

GENERAL SUPPORT TO THE PROPOSAL

Average "yes" answers			Average "have concerns" answers			Average "no" answers		
Government	Non-government	I&R Organization	Government	Non-government	I&R Organization	Government	Non-government	I&R Organization
69%	82%	62%	21%	9%	24%	11%	9%	14%



4.1. South-South Cooperation Conceptual Framework

Chair:

India

Secretariat:

UNCTAD

Observers:

Russian Federation and the OECD

Participation of countries of all regions in which South-South cooperation takes place:

- Brazil, China, Colombia, Cuba, Egypt, Ghana, India, Mexico, South Africa and the United Republic of Tanzania.

Methodology:

- Categorized elements of South-South cooperation;
- Identified categories which are appropriate for i) measurement and ii) monetization; and
- Investigated and agreed on categories and groups to be included in the measure of SSC.

Work plan executed:

- Brazil and Mexico prepared a matrix of alternatives for grouping SSC modalities, then refined with contributions of China.
- Invited the OECD to present the TOSSD methodology to build upon existing experiences.
- The sub-group achieved a wide agreement on the conceptual framework of measuring SSC.



4.2. South-South Cooperation Conceptual Framework

Main results:

- **The Co-Chairs of the Working Group and UNSD asked UNCTAD to act provisionally as a co-custodian** of the new indicator being developed under target 17.3.
- **The sub-group created three distinctive categories to classify the different modalities of SSC:**
 - Group A: Financial South-South cooperation modalities.
 - Group B: Non-Financial South-South cooperation modalities (suitable for monetization).
 - Group C: Non-Financial South-South cooperation modalities (quantification through non-monetized methodologies).
- **Some challenges remain** related on an acceptable international comparison methodology of measuring SSC.
 - **Several SSC providers have volunteered to pilot test the methodology in collaboration with UNCTAD.**

The G77+China (NY) was briefed on 17th September 2021. Overall support was expressed towards the SSC Conceptual Framework



5. 14th Meeting of the UNWG-MDS

14th September

- Discussion on the integration of the SSC conceptual framework into the proposal
- Results of the pilot study conducted by the OECD
- Overview of the results of the Open Consultation

15th September

- Discussion over the main concerns reflected on the Open Consultation
 - ✓ Mobilized Private Finance
 - ✓ Distinction between “Northern” and “Southern” providers.
 - ✓ Other exclusions (Peace and Security and Export Credits).

20th September

- The Secretariat and the Co-Chairs presented a new proposal based on the discussions.
- Further refinements were suggested .
- The Secretariat presented the timeline for the presentation of the proposal to the IAEG-SDG and the UNSC.

Outcomes:

Consensus over the integration of the SSC Framework into the proposal

General support to the last amendments made by the Secretariat and the Co-Chair.

The last refinements to the proposal were discussed through the Wiki platform (21.09-24.09)



6. Timetable

- **2 November 2021:** Review of the proposal by the IAEG-SDG's
Proposal submitted on 12 October
- **16 November 2021:** 15th Meeting of the UNWG-MDS
Review of progress and next steps
- **December 2021:** Report to the UNSC containing IAEG-SDG's final proposal
- **March 2022:** 53rd session of the United Nations Statistical Commission



The Proposal

Full name of the Indicator: Additional financial resources mobilized for developing countries from multiple sources

17.3.1 **Gross receipts** by developing countries of:

- a. Official sustainable development grants,
- b. Official concessional sustainable development loans,
- c. Official non-concessional sustainable development loans,
- d. Foreign direct investment,
- e. Mobilised private finance (MPF) on an experimental basis subject to review in the 2025 review of SDG indicators (*MPF is a memorandum item in view of the possible overlap with FDI. Data will exclude private finance raised in individual developing countries themselves.*)
- f. Private grants

Proposal of Custodian Agency(ies):

Co-custodians OECD and UNCTAD

Goal and target addressed:

SDG Target 17.3 Mobilize additional financial resources for developing countries from multiple sources



Ten key features of the proposal

1. Includes **criteria to identify flows that can be considered as supporting sustainable development**.
2. Fully **complies with the Addis Ababa Action Agenda and promotes transparency** by dividing flows into six sub-indicators, each of which records a unique financing flow with a distinct nature and concessionality.
3. Addresses SDG Target 17.3 Mobilize additional financial resources for developing countries from multiple sources
4. All data represent new financing flows to developing countries covering **more traditional flows** (grants, loans and FDI) and flows that represent **additional or new types of financing** (MPF and private grants).
5. It follows the **recipient perspective**.
6. Unanimous consensus of the UNWG-MDS members over the **South-South Cooperation conceptual framework** and further support of the G77 and China.
7. It is **built upon previous** work from OECD and UNCTAD, as well as on the Total Official Support for Sustainable Development Task Force (TOSSD Task Force).



Ten key features of the proposal

8. Not only the proposal contains flows that promote transparency, the process itself has been **open and transparent**. Its progress was consistently reported in the IAEG-SDGs Open Meetings and the Open Consultation included a wide participation from multiple stakeholders (refer to slide 5).
9. Through the **technical discussions** held on the Working Group, exclusions to the proposal were made, considering the availability of information, the results of pilot studies and the sustainable development criteria agreed upon by the WG. Moreover, it is also important to acknowledge the role played by members in the WG that are also members of the TOSSD Task Force.
10. Exclusions:
 - ❑ Set of **well-considered exclusions within the flows**: (i) Debt relief, (ii) in-donor refugee costs, (iii) administrative costs not allocated to specific development activities, (iv) and peace and security expenditures other than those reportable as official development assistance (ODA).
 - ❑ Set of **flows that are not covered** because they are both commercially motivated and debt-creating: i) Private non-concessional loans, (ii) Portfolio investment, (iii) Export credits, whether official, officially-supported, or private, (iv) Short-term flows with an original maturity of 1 year or less, (v) Any other flows that are not within the scope of the proposed sub-indicators.



Methodological considerations

- ❑ **Process:** The methodology has been developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators' Working Group on Measurement of Development Support in its deliberations during the period of May 2020 – September 2021. The Working Group's draft indicator proposal was submitted to an open consultation from 16 July to 27 August 2021 during which it received broad support and constructive suggestions by 112 respondents from across the world, representing a wide variety of stakeholders. The process was finished following further refinements after the open consultation, during its 14th Meeting on 14th 15th and 20th September 2021.
- ❑ **Built on existing work:** The indicator builds on existing work, in particular standard OECD and UNCTAD data collections and the work of the TOSSD Task Force. For instance, the proposed sustainable development criteria builds on the work of the TOSSD Task Force.
- ❑ **Conceptual framework on South-South cooperation:** It is underpinned by an initial conceptual framework on South-South cooperation, allowing reporting by countries that practice South-South cooperation.



Methodological considerations

❑ Note:

- ❑ The proposal reflects a **broad agreement** among members of the Working Group on all main aspects. Nevertheless, the proposal **also reflects a compromise** with some countries less comfortable than others with certain aspects of the proposal.
- ❑ A particular concern of some countries are the exclusions which however were extensively discussed. The exclusions do not imply a judgment on the importance of the certain flows or activities but rather reflect the consideration whether they should be included in this indicator.
- ❑ For example,
 - ❑ Debt relief is very important, but it does not represent additional financial resources in the framework of target 17.3 and its accounting within the sub-indicators would drastically affect their meaning (reduce their relevance) as measures of new inflows of financial resources.
 - ❑ Including in-donor refugee costs or general administrative costs would mean counting domestic expenditures in source countries that do not reach developing countries.
 - ❑ Expanding peace and security expenditures beyond those allowed as official development assistance would open the coverage to flows that do not necessarily promote economic development and welfare of developing countries as their main objective (e.g., international police liaison, drug interdiction, repression of organized crime, counter-terrorism, military training)



Data availability and pilot studies

- ❑ The proposal is **based on existing and planned data collections** by OECD and UNCTAD
 - ❑ For OECD, this includes data collected through Total Official Support for Sustainable Development (TOSSD) reporting as well as traditional OECD-DAC-CRS reporting.
 - ❑ For UNCTAD, this includes existing data on foreign direct investment (sub-indicator 17.3.1.d.) which are compiled by recipient countries themselves and reported to UNCTAD.
- ❑ **Pilot studies** regarding all sub-indicators where global reporting is shared by OECD and UNCTAD:
 - ❑ In its pilot data collection, the OECD was able to provide, as requested and as applicable, data for all sub-indicators for 140 developing countries and territories in all regions.
 - ❑ Multiple countries practicing South-South cooperation agreed to conduct of pilot studies while UNCTAD is committed to supporting others in their reporting.

Results of OECD pilot study confirmed data availability and relevance !

Source = TOSSD, tosssd.online 2019 Gross disbursements, USD million	Indicator 1. Official sustainable development grants	Indicator 2. Official concession al sustainable development t loans	Indicator 3. Official non- concession al sustainable development t loans	Indicator 4. Mobilised Private Finance				Indicator 5. Private grants (Source = OECD data collection on philanthropic flows for sustainable development, https://stats.oecd.org/Index.aspx?DataSetCode=DV_DCD_PPF)		
				Origin of funds mobilised			Grand Total	Grants	Non-grants	Grand Total
Recipient country				Beneficia ry country	Third developin g country	Other countries				
Total	107,384	44,024	64,249	7,276	222	37,526	45,024	7,434	1,406	8,839
Africa, regional	1,295	218	315	190	7	2,210	2,408	248	5	252
Albania	228	61	166	15		1	16	1		1
Algeria	146	0	1					0		0
America, regional	347	45	162			155	155	52	0	52
Angola	204	45	633			914	914	0		0
Antigua and Barbuda	20	5	0			0	0			
Argentina	205	196	2,173	17		1,936	1,953	18		18



OECD and UNCTAD are the expected to become co-custodians

- ❑ Brief interventions by OECD and UNCTAD

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