Item 3. Questions 3 and 8

Presentation of the TOSSD concept and data by TOSSD Task Force members

IAEG-SDGs - Working Group on the Measurement of Development Support
Virtual meeting, 15 October 2020

Outline

- **General overview of Total official support for sustainable development (TOSSD)**

- **The concept of sustainability in TOSSD**

- **Data availability and quality in TOSSD**

Outline

General overview of TOSSD

- **The concept of sustainability in TOSSD**

- **Data availability and quality in TOSSD**
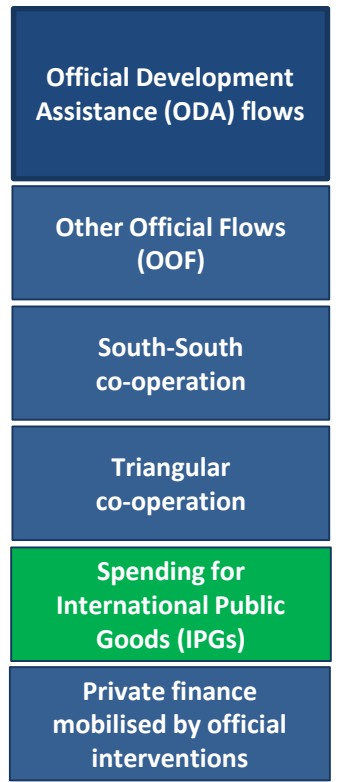
Overview of TOSSD

The TOSSD framework is very close to the components considered by the working group and can be adjusted to include changes proposed by the group

TOSSD reporters

Bilateral providers (traditional and Southern providers)

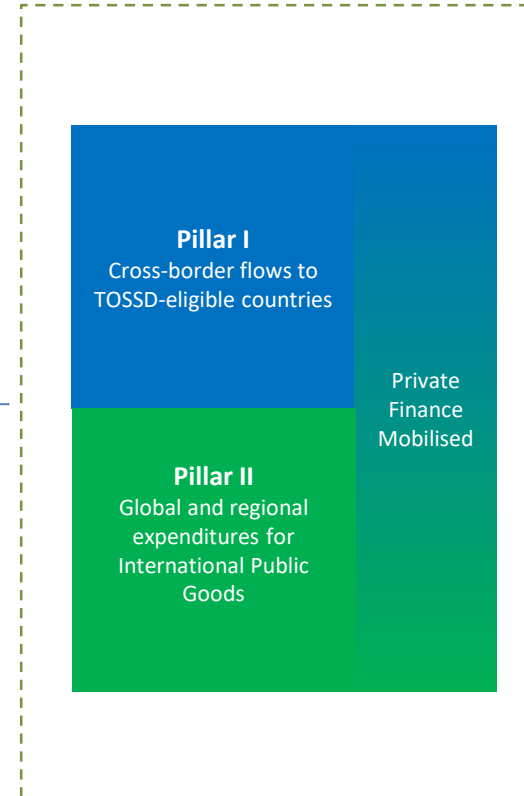Multilateral providers (MDBs and other IFIs, UN agencies, other multilateral organisations)

Components considered in TOSSD

Official Development Assistance (ODA) flows

Other Official Flows (OOF)

South-South co-operation

Triangular co-operation

Spending for International Public Goods (IPGs)

Private finance mobilised by official interventions

Current data availability

■ complete   ■ partial   ■ not available

Sustainability test

Does it support Sustainable Development?

YES

NO

Excluded

TOSSD framework

Pillar I
Cross-border flows to TOSSD-eligible countries

Private Finance Mobilised

Pillar II
Global and regional expenditures for International Public Goods

A framework developed by a Task Force of about statisticians and development practitioners over three years

- Established in 2017, following the **3rd International Conference on Financing for Development** (See AAAA, paragraph 55).

- **Mandate of the Task Force:** to develop the new measure for sustainable development financing called TOSSD (definitions, measurement parameters and methodologies, eligibility criteria).

- **Membership**: the TOSSD Task Force is <u>not</u> a body of the OECD (which only hosts the Secretariat). The Task Force has a broader membership.

Co-chairs:
Mr Risenga Maluleke (South Africa) and Mr Laurent Sarazin (European Union)

Members
7 national statistical offices
(all from partner countries / emerging providers)
9 DAC members
10 Partner Countries & Non-DAC Providers
3 int. organisations

Observers

Five observers:
CSOs, CAITEC from China, Germany, Norway, Romania
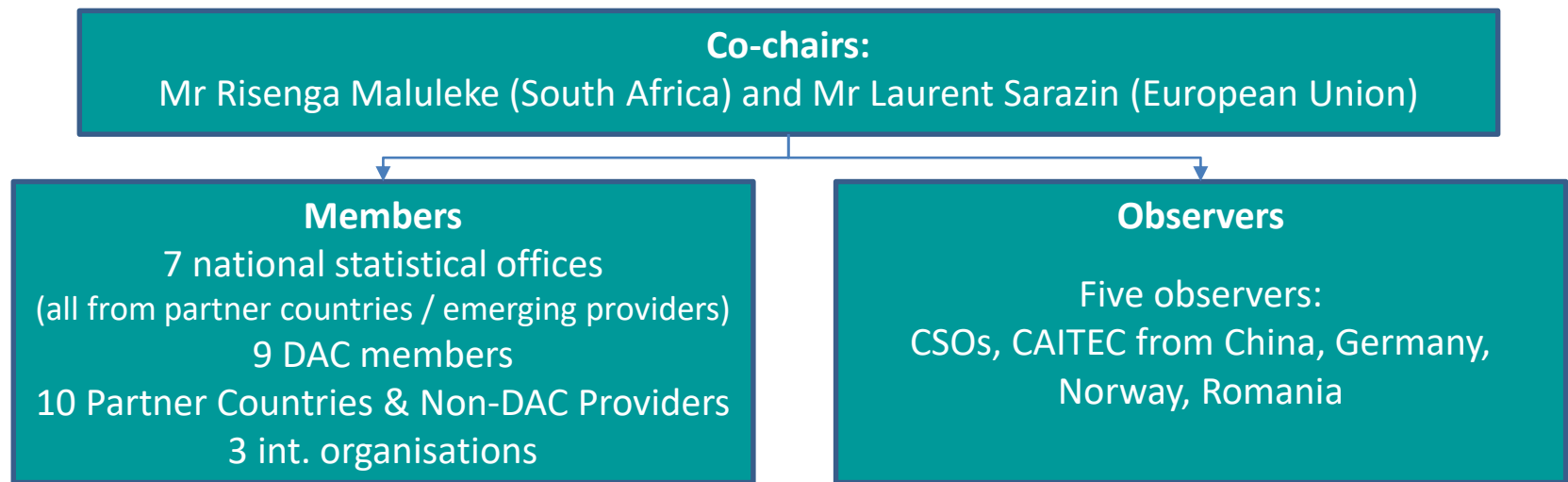
- **Monitoring**: All documents are posted on the Task Force website to allow for "open, inclusive and transparent" discussions: www.tossd.org

Outline

- **General overview of TOSSD**

The concept of sustainability in TOSSD

- **Data availability and quality in TOSSD**

What concept of "development support" should apply? (question 3)

- The concept used in TOSSD is **"sustainable development"** in line with the concept applied in the 2030 Agenda and the SDG indicator framework.
  - For example, Goal 17 aims to "Strengthen the means of implementation and revitalize the Global Partnership for **Sustainable Development**".

- This entails a change in paradigm in the measurement of development support, **to take into account all components that affect sustainable development, beyond ODA**:
  - On the one hand, sustainable development support is broader than ODA as it encompasses non-concessional flows, South-South flows and areas where ODA is quite restrictive (such as peace and security – SDG 16 or climate – SDG 13).
  - On the other hand, not all ODA is necessarily "sustainable" and would not qualify as sustainable development finance (e.g. non-renewable energy).

The sustainable development concept in TOSSD focuses on sustainable development and follows the UN definition

The concept of "Sustainability" in TOSSD is defined and elaborated in different parts of the TOSSD methodology (called "TOSSD Reporting Instructions") as follows:

1. **The Preamble provides the overall context and includes some basic safeguards related to sustainable development (paragraph 5).**

2. **The basic definition of sustainable development used in TOSSD is the one used by the United Nations (paragraph 10).**

   – *"The concept of "Sustainable Development" is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (Brundtland Report).*

   – The concept of sustainable development is then linked to the three dimensions of sustainability (economic, social and environmental) referred to in the 2030 Agenda (Paragraph 11).

The sustainable development concept in TOSSD is directly linked to the 2030 Agenda and the SDGs

3. **The definition is operationalised by linking TOSSD activities to the SDG targets** *(Paragraphs 47-49)*. In the context of TOSSD, an activity is deemed to support sustainable development if:

- it **directly contributes to at least one of the SDG targets** as identified in the official list of SDG targets developed and maintained by the United Nations Statistical Commission (**UNSC**) and

- if **no substantial detrimental effect** is anticipated on one or more of the other targets.

4. **Additional "eligibility criteria" (or safeguards) are also specified for certain areas of support to International Public Goods (Annex E of the Reporting Instructions) :** research & development, climate change, peace & security, and support to refugees and protected persons. Additional themes will be treated in a similar manner in the future.
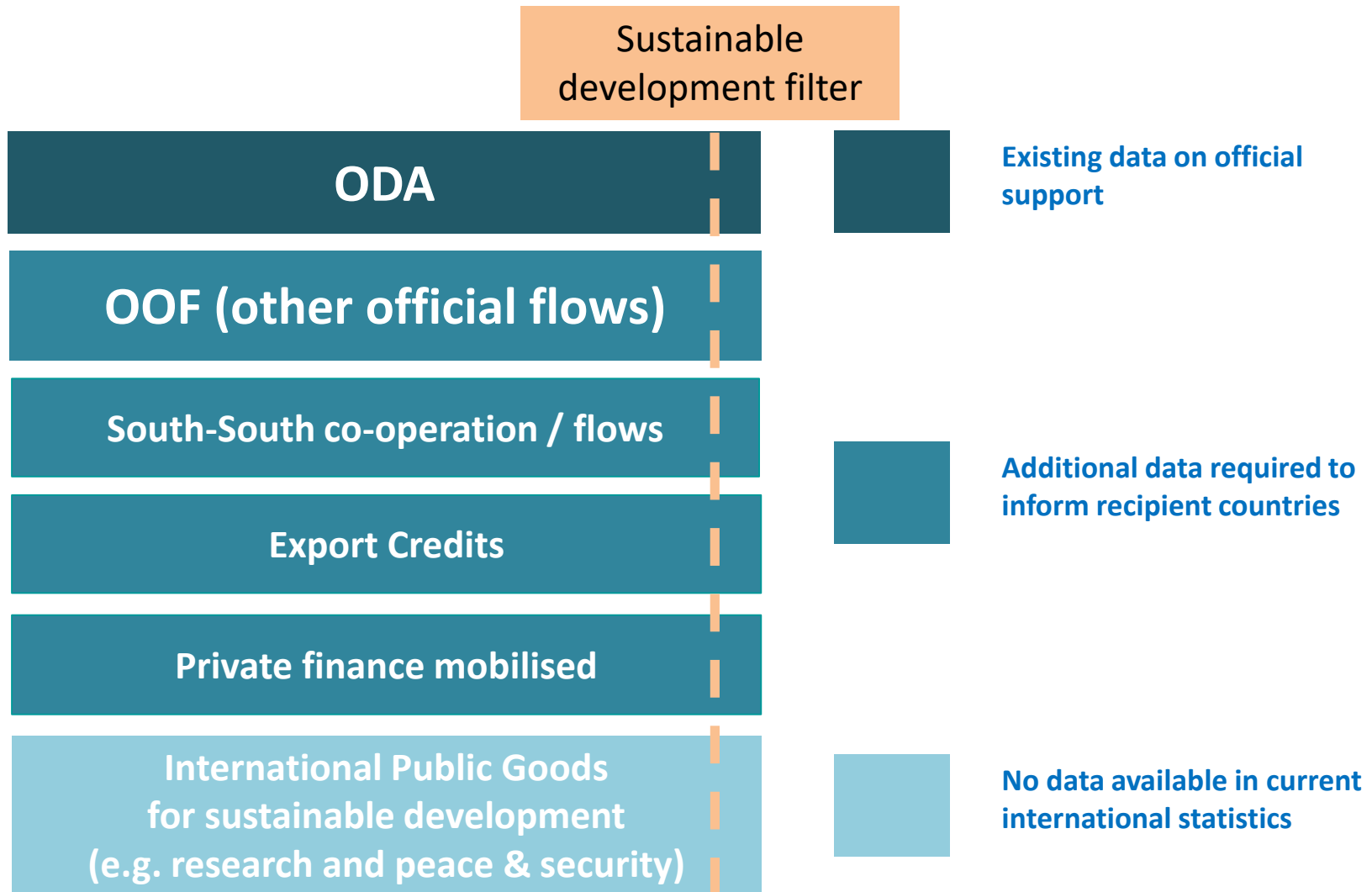
Quality control on the "sustainability" of development aspects

- **Sustainable development is a concept that will evolve over time, but the proposal is a starting point to be refined over time with greater UN involvement**:
  - A concept of sustainability that is gradually being fine-tuned and developed, but for which the UN needs further involvement
  - Some providers are still in the process of setting up their internal systems to be able to report their individual activities against SDG targets.

- **Some sectors have been identified as potentially non-sustainable.**
  - For example, as part of the data quality assurance, the Secretariat goes back to countries and organisations having reported non-renewable energy projects to enquire about their contribution to sustainable development and their potential detrimental effects. The provider is responsible for the data it provides.

- **What happens if a recipient country vetos a specific activity:**
  - A rare case (most activities are included in national development strategies), but it can happen, so there is a need for such a process.
  - A pilot process will be put in place in 2021 to compare TOSSD data with recipient country data. Pilots have also been carried out for example in Nigeria, Costa Rica and Indonesia.
  - The principle is that the sustainability aspect of the activity will be examined and discussed between the provider and the recipient, and the activity will possibly be removed from the reporting depending on the outcome of the discussion.

Application of the "sustainable development" concept in TOSSD

Sustainable development filter

ODA — Existing data on official support

OOF (other official flows)

South-South co-operation / flows

Additional data required to inform recipient countries

Export Credits

Private finance mobilised

International Public Goods for sustainable development (e.g. research and peace & security) — No data available in current international statistics

Outline

- **General overview of TOSSD**

- **The concept of sustainability in TOSSD**

Data availability and quality in TOSSD

Data availability and quality – process followed

TOSSD data flow

Year +1

| Submission | Verification | Feedback | Validation | Publication |

Pillar I:
30 July

Pillar II:
1 October

30 November

15 December
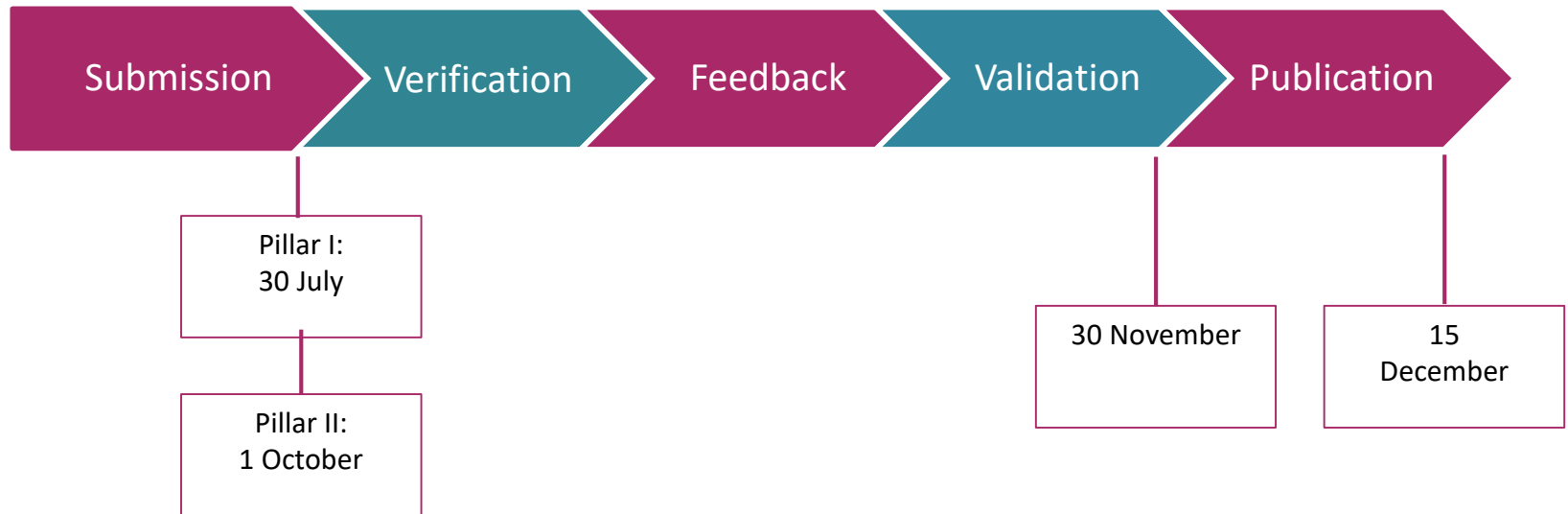
Data availability and quality – process followed
A process that accommodates both traditional and southern providers

Some basic principles

- **TOSSD is a "project"-based system, recording information at the activity level with:**
  - A methodology (called Reporting Instructions)
  - A reporting form comprised of 28 fields (more than 50 fields for ODA reporting), not all mandatory, focusing on key aspects/characteristics of support for sustainable development.
  - A series of TOSSD classifications

- **Data are publicly available**, allowing for a high level of transparency and scrutiny by all stakeholders.

Data collection

- **Data collection on TOSSD is organised around a network of focal points in about 90 provider countries and multilateral institutions.** The focal point from the country or from the multilateral organisation collates and verifies the data before transmitting them to the custodian agency. For now, the custodian agency is the OECD but the custodianship could be shared in the future (e.g. with another UN agency, a multilateral bank, etc.).

- **TOSSD reporting:**
  - **For ODA reporters, reporting is directly linked with the ODA process to minimise** reporting burdens and to maintain clear correspondences.
  - **For Southern providers, reporting has proven to be feasible** : there are much less reporting requirements than for ODA.

Data quality
A multi-layer and proven quality assurance system

- **Data verification / quality assurance:**
  - **The custodian agency verifies the conformity** of the data with the TOSSD Reporting Instructions and provides feedback on the data to the focal points.
  - **Processes followed are the same than with ODA, but with a different set of criteria:** The approach, methods and tools used to verify the quality of TOSSD data are very similar to the quality controls undertaken over many years by the OECD on statistics on ODA and other development finance flows.
  - **Projects / activities can be removed if they don't meet the criteria:** if the Secretariat considers that an activity does not meet the criteria, it requests the reporting country or institution to provide additional justification or suggests removing the activity from TOSSD.
  - **Reporting countries and institutions are ultimately responsible** for the quality and accuracy of the data reported. They must ensure that activities and expenditures included in their TOSSD data comply with the TOSSD eligibility criteria.
  - **A quality review of the Reporting Instructions by the IAEG-SDGs working group is welcome.** In fact, TOSSD was proposed as an indicator under target 17.3 during the 2020 Comprehensive Review of SDG indicators and it is in the mandate of the group to also possibly look at the TOSSD methodology for the purpose of informing indicator 17.3.1.
  - **A pilot study will be carried out in 2021** with the first TOSSD data to compare TOSSD data with recipient country data.

- **Data publication**
  - The custodian agency publishes the data in **a central TOSSD database : https://tossd.online/** (currently available with Survey data).
  - **Data are public,** which is another incentive for reporters to ensure data quality.

Data quality:
some examples of the added value of looking much beyond ODA

- **Non-concessional flows** are not included in ODA (in OECD statistics, OOF amounted to **USD 60 billion in 2017**).

- **Private finance mobilised** is not part of ODA either (**USD 40 billion in 2017**).

- **Contributions to International Public Goods** are only partly reflected in ODA. TOSSD captures the normative and standard-setting role of international organisations (e.g. **USD 3 billion for the UN Secretariat activities**). TOSSD will capture the **global response to the COVID-19** crisis (e.g. international research, development of treatments and vaccines).

- **Data from emerging providers are only partially covered in international statistics,** while the ambition for TOSSD is to include all providers. In the Survey, **Costa Rica, Indonesia, Nigeria, Turkey (and the Brazil Institute of Applied Economic Research as an unofficial data submission) reported their South-South and Triangular Co-operation**.
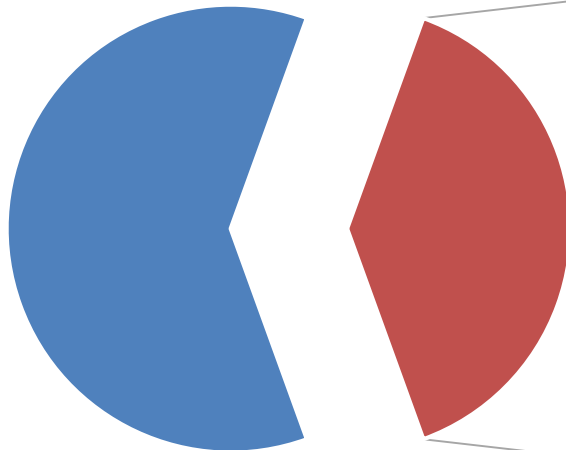
Data quality:
illustration of the added value of looking much beyond ODA

— For **Indonesia, 100 new activities** were reported in TOSSD, representing an **increase of 60% in volume terms**.

Current statistics on development finance in Indonesia
USD 5 billion

Including:

- Migration management with IOM, by Australia

- Regional Counter-Terrorism Maritime Security Programme with Interpol, by Canada

- Biodiversity conservation by UNDP

- Statistics on labour, trade and finance by SESRIC

Additional data collected through the TOSSD Survey, USD 3 billion

A possible way forward for including the sustainability dimension in the indicator

Working group components	Proposal to take into account the "sustainability" dimension of the SDGs and the 2030 Agenda	Notes
ODA (grants, loans, Technical Co-op, other)		**The proposal is very close to the components considered by the working group.** The new indicator would include the subset of ODA and OOF that is cross-border and considered sustainable (= only the subset of ODA that is cross-border, that can be linked with an SDG target and that does not have a substantial detrimental effect on one of the other targets).
OOF	**OFFICIAL SUSTAINABLE CROSS-BORDER FLOWS TO DEVELOPING COUNTRIES** (concessional and non-concessional sustainable resource flows, including South-South flows)	
EXPORT CREDITS		**The proposal is very close to the component considered by the working group.** The new indicator would include a subset of export credits that directly contributes to sustainable development.
SOUTH-SOUTH FLOWS (grants, loans, Technical Co-op, other)		**The proposal is very close to the component considered by the working group.**
SOUTH-SOUTH COOPERATION		
MOBILIZED PRIVATE FINANCE	**MOBILIZED PRIVATE FINANCE**	**Same component as the working group component.**
INTERNATIONAL PUBLIC GOODS	**INTERNATIONAL PUBLIC GOODS**	**This component appears critical to the 2030 Agenda on Sustainable development.** TOSSD is proposing a first methodology to measure support for IPGs.

A possible way forward

Working group components	Proposal (taking into account the "sustainability" dimension of the SDGs and the 2030 Agenda)	Notes
FDI	**TOSSD does not include this component as the Task Force could not find a methodology to confirm that these flows target sustainable development.** However, they could be included as a memo item because these flows partly support sustainable development and, given their magnitude, are important for global monitoring.	
PORTFOLIO INVESTMENTS	**TOSSD does not include this component as the Task Force could not find a methodology to confirm that these flows target sustainable development.** TOSSD does not include this as we could not find a methodology to confirm that these flows target sustainable development. This could however be included as a memo item.	
OTHER PRIVATE FLOWS, INCLUDING FOUNDATIONS, NGOS ETC.	**TOSSD does not include this component.** However, these flows can be critical in certain sectors (e.g. philanthropy is the third bilateral provider to the Health Sector) so this component could be useful to include as a memo item.	

Thank you!