

How to operationalize the criteria of sustainable development as part of an indicator proposal for SDG Target 17.3

(proposal as of 14 April 2021)

The 2015 Summit which established the SDGs did not set out a clear definition or concept of sustainable development, and it is not actually mentioned in Target 17.3. However, there is broad agreement in the Working Group that support for developing countries should serve sustainable development.

At the 9th meeting participants agreed that in order to identify flows that could be considered as supporting sustainable development, a “combined approach” of general overarching criteria and some specific exclusions could be used. Based on previous discussions of the group, which also build on the work of the TOSSD Task Force, the following cascading approach is suggested to identify flows that can be considered as supporting sustainable development:

1. Flows identified individually, such as an activity in the DAC reporting system, should be included if they directly support either (a) at least one of the SDG targets or (b) an objective in the recipient country’s development plan, with the following exceptions:
 - a. Flows for activities where a substantial detrimental effect is anticipated on one or more of the other targets;
 - b. Flows where the recipient country objects to their characterization as supporting sustainable development;
 - c. Expenditures for peace and security beyond DAC ODA rules;¹
 - d. In-donor refugee costs (since the benefits of this spending to developing countries are unclear);
 - e. Export credits (because development is not the purpose of export credits);
 - f. Debt forgiveness and rescheduling (because these are not new flows); and
 - g. Any other flows that are not within the scope of the proposed sub-indicators.
2. Flows under proposed indicators and sub-indicators for which data are only available at the aggregate country to country level (including probably South-South flows and FDI) are considered as supporting sustainable development, with the following exceptions:
 - a. The recipient country objects to their inclusion; or
 - b. The exceptions under 1. fully apply if respective portions of the flows can be identified.

Note: Some sub-indicators may contain a mixture of flows that are activity-specific and aggregate level data and therefore require assessment against 1 and 2 respectively.

¹ See [CONVERGED STATISTICAL REPORTING DIRECTIVES FOR CRS AND DAC QUESTIONNAIRE](#) - 28 May 2018, paras. 108-126. For comparison with the TOSSD proposal, see [TOSSD Reporting Instructions, Annex E](#).