

Inter-Agency and Expert Group on SDG Indicators: Working Group on Measurement of Development Support

Research Item 2: International Public Goods

TOSSD methodology on the reporting and measurement of International Public Goods

Contribution by the TOSSD Task Force Secretariat, September 2020

I. Introduction

1. One of the key characteristics of the SDGs is their universality. The 2030 Agenda calls for all countries to “work to implement the Agenda within [their] own countries and at the regional and global levels”. Therefore, a measure of development support should not only take into account activities taking place in-country, but also at the regional and global levels, i.e. investments in International Public Goods (IPGs).

II. Context: why should a measure of development support include the financing for International Public Goods?

2. Several SDGs directly require global actions. For example, the challenges related to combatting climate change (SDG 13) or the conservation of oceans, seas and marine resources for sustainable development (SDG 14) cannot be addressed by any one country alone. Achieving sustainable development in recipient countries will also depend, to a significant extent, on the provision of IPGs such as stable international financial and trading systems or knowledge and technology. These IPGs might not involve activities in developing countries; nonetheless, they will clearly provide benefits to these countries.

3. The COVID-19 crisis has also reminded the international community of the global nature of infectious diseases and the necessity for a global and coordinated response to the pandemic. The pandemic has called for an international response that addresses the specific needs of developing countries, in the short term to cope with the pandemic and in the long term to facilitate economic recovery. At the same time, it demonstrates the necessity to invest in health as an International Public Good.

III. What are International Public Goods in the context of TOSSD?

4. Support to International Public Goods is one of the two pillars of the TOSSD framework. This section presents in a succinct manner the conclusions of the Task Force regarding the definition of IPGs and other related concepts, as well as the overall structure of the framework.¹

¹ The background papers of the Task Force related to IPGs are available at: <http://www.oecd.org/dac/tossd/tossd-task-force.htm>; in particular from the 4th meeting: [Tackling the second part of the TOSSD definition; Peace and security](#); 5th meeting: [Definition of the second pillar of TOSSD; Migration](#); 6th meeting: [Delineation of TOSSD Pillar II; Research as a global public good \(by ODI\)](#); 7th meeting: [Research, science, technology and innovation in TOSSD](#); 8th meeting: [Treatment of contributions to peace and security; Climate Change; Global Macroeconomic and Financial Stability; Biodiversity](#).

A. Definition of International Public Goods, global challenges and development enablers in TOSSD

5. **International Public Goods (IPGs)** are goods which provide benefits that are non-exclusive and available for all to consume at least in two countries.² The term “good” refers to resources, products, services, institutions, policies and conditions.³

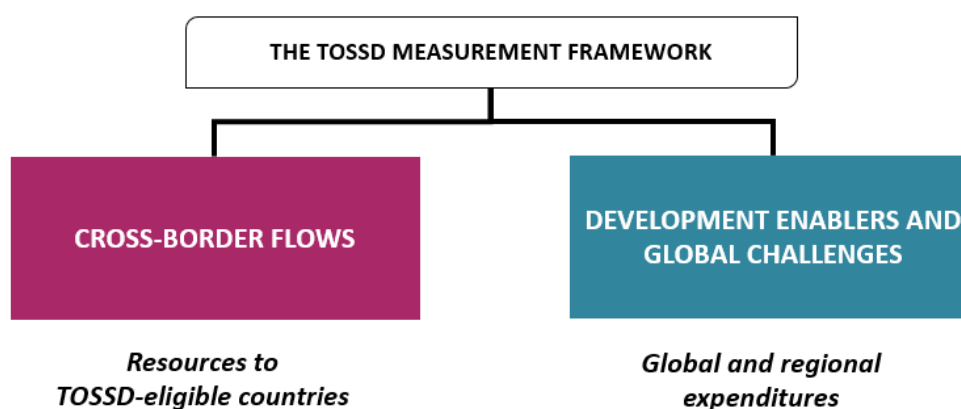
6. The notion of International Public Goods is coupled with two other notions⁴ that the TOSSD Task Force considered as complementary. The notion of “**Global challenges**”, which are issues or concerns that bring disutility on a global scale and that need to be addressed globally⁵, and the notion of “**Development enablers**”, which are the means that help provide IPGs and/or address global challenges. They often have the characteristics of IPGs and can be seen as “intermediate” IPGs as opposed to final IPGs.

B. IPGs can be tracked separately from “cross border flows” to recipient countries

7. To differentiate between direct support to developing countries and support to IPGs, TOSSD was designed as a two-pillar framework (see Figure 1) that tracks officially-supported i) cross-border resource flows to developing countries and ii) global and regional expenditures, in support of IPGs, development enablers and to address global challenges.⁶

8. IPGs include Global Public Goods, whose benefits are nearly universal (e.g. stable climate), Regional Public Goods, whose benefits extend to countries that belong to the same region (e.g. transboundary water management), and other IPGs whose benefits are neither global nor regional (e.g. bilateral trade agreements). The “regional” dimension can also apply to “challenges” (e.g. acid rains can be considered as a regional challenge) and “development enablers” (e.g. regional peacekeeping activities).

Figure 1. The two-pillar TOSSD statistical measurement framework⁷



² Not all countries have adopted the concept of International Public Goods.

³ See paragraph 15 of the TOSSD Reporting Instructions at www.tossd.org.

⁴ See paragraphs 16 to 18 of the [TOSSD Reporting Instructions](#).

⁵ There is a significant overlap between IPGs and global challenges. Global challenges are often the opposite of IPGs (e.g. climate change and stable climate). However, not all activities addressing global challenges are IPGs (e.g. primary education programmes).

⁶ See paragraph 15 of the TOSSD Reporting Instructions. Also, a binary code indicating whether the activity falls under Pillar I or Pillar II is available in the TOSSD database.

⁷ The List of TOSSD recipient countries includes for any reporting year: All countries and territories that are present on the “DAC List of ODA recipients” and other countries and territories that have activated the TOSSD opt-in procedure (more information on the Opt-in procedure can be found in the Annex B of the [TOSSD Reporting Instructions](#)).

IV. How are International Public Goods measured in the context of TOSSD?

9. TOSSD covers global and regional expenditures provided in support of IPGs and development enablers and/or to address global challenges. It includes activities whose benefits are of transnational reach and resources that are provided at two levels:

- Activities of multilateral, global or regional, institutions that promote international co-operation for sustainable development (e.g. norm-setting, international oversight, knowledge generation).
- Certain expenditures incurred by providers in their own countries (e.g. medical research).

10. In order for an activity to be included in a measure of development support it is important to identify criteria that will allow data reporters to know whether this activity is “eligible”, i.e. that it indeed supports sustainable development, and can therefore be included in the indicator.

11. The TOSSD framework has proposed several layers of eligibility criteria: General eligibility criteria, specific eligibility criteria for IPGs and additional clarifications on eligibility of certain IPGs/global challenges/development enablers (peace and security, research and development, climate change, and refugees). As regards the latter, the TOSSD Task Force recognises that the international community will identify more topics for which additional clarifications need to be developed. The sections below present the various eligibility criteria in detail and experience on the availability of data on the financing of IPGs.

A. General TOSSD eligibility criteria

12. To be eligible, an activity **first needs to support sustainable development**. The concept of “Sustainable Development” in TOSSD is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.⁸

13. “Sustainable Development” in the TOSSD context is **inherently linked to the Sustainable Development Goals** as agreed in the 2030 Agenda.^{9 10} Activities recorded as TOSSD support the implementation of the SDGs by generating sustainable economic growth, ensuring social inclusion, without compromising the environment.

14. An activity, is deemed to support sustainable development if:¹¹

- **It directly contributes to at least one of the SDG targets** as identified in the official list¹² of SDG targets developed and maintained by the United Nations Statistical Commission (UNSC) and
- **No substantial detrimental effect is anticipated on one or more of the other targets.**¹³

⁸ See Paragraph 10-11 of the [TOSSD Reporting Instructions](#). Definition first used in the Brundtland Report. (See Report of the World Commission on Environment and Development: Our Common Future”, Chapter 2 “Towards Sustainable Development”, p. 41, New York: United Nations, 1987.) It contains within it two key concepts: i) the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and ii) the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs.

⁹ See “Transforming our world: the 2030 Agenda for Sustainable Development”: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

¹⁰ Taking into account linkages with sustainable development frameworks established at regional or sub-regional level e.g. by the African Union Commission. See <https://au.int/en/agenda2063>.

¹¹ See Section 2.2.1 of the TOSSD Reporting Instructions.

¹² <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

¹³ There may be cases where reporters cannot find a direct link with one of the SDG targets. This is due to the fact that SDG targets represent a global ambition and may therefore not encapsulate all dimensions of a given developmental issue in their final agreed wording. If a reporter cannot find a direct link between one of its activities providing a critical contribution to sustainable development and an SDG target, the reporter will still be able to report it, linking it to a goal and providing an appropriate justification.

B. Specific eligibility criteria for IPGs, development enablers and global challenges¹⁴

15. In addition to criteria under A., to be reportable as support to IPGs in TOSSD, an activity needs to:

- Provide substantial benefits to developing countries or their populations, and/or
- Be implemented in direct co-operation with developing countries, or private or public institutions from these countries, as a means of ensuring the benefit to developing countries or their populations.

16. The first criterion is meant to exclude public investments that exclusively or overwhelmingly benefit provider countries' own populations. In particular, support for domestic activities whose benefits are only shared by the population of the provider country (e.g. primary education, climate adaptation) are not eligible to TOSSD. The second criterion recognises the importance of international co-operation, in particular the involvement of developing countries in global issues, as put forward by the 2030 Agenda. In the case of multilateral organisations, "direct co-operation with developing countries" is presumed when some developing countries are members of the organisation.

C. Clarifications on the eligibility of certain IPGs/global challenges/development enablers

17. Additional guidance on the eligibility of certain activities in Pillar II are provided in a dedicated Annex of the TOSSD Reporting Instructions and relate to four topics: **peace and security**¹⁵, **climate change, research and development, and refugees**. For the purpose of this particular paper, these clarifications, which are quite detailed, have not been included but can be consulted in the Annex E of the TOSSD reporting instructions¹⁶ and could be further discussed by the Working Group if deemed relevant.

D. Experience on data availability on IPGs

18. The recent 2019 TOSSD data survey confirmed that **data on the financing of IPGs can be collected and provide additional useful information critical to sustainable development**. For example, the data survey allowed to capture additional expenditures that contribute to **international peace and security**. **USD 2 billion** of these expenditures were collected from eleven providers. In terms of peace and security areas, the majority of the activities related to international peace operations, but other examples include combating people smuggling or the elimination of chemical weapons. The data survey also captured **USD 2.5 billion of additional R&D expenditures** that contribute to IPGs, including programmes related to research on climate action or the environment. Another example is the **contribution to global normative, policy and research activities** from major multilateral organisations. **USD 2.8 billion of expenditures from the United Nations regular budget** were included in the survey, covering a wide range of sectors (environment, peace and security, economic and social work, human rights, etc.).

V. Conclusion and questions for discussion

19. To be comprehensive, a measure of development support should include contributions to International Public Goods, development enablers and to address global challenges.

20. There is a data gap in international statistics in critical areas of sustainable development, such as Peace and Security, R&D and climate change. Support to refugees is also not sufficiently well tracked, reason for the Global Compact on Refugees Indicator Framework citing TOSSD as a data source for several indicators¹⁷. Data on efforts made at the regional and global levels are also needed for an efficient

¹⁴ See Chapter 3 of the [TOSSD Reporting Instructions](#).

¹⁵ These criteria were established notably following a dedicated pilot study including country analyses. See Bejraoui, A., V. Gaveau and J. Benn (2019), "TOSSD - Tracking peace and security expenditures in support of the SDGs", *OECD Development Co-operation Working Papers*, No. 66, OECD Publishing, Paris, <https://doi.org/10.1787/02e67566-en>.

¹⁶ See the [TOSSD Reporting Instructions](#).

¹⁷ See the [Global Compact on Refugees Indicator Framework](#) (Indicators 1.1.1, 1.1.2, 1.2.1, 4.1.1. and 4.1.2.)

global response to COVID-19. Other areas may need to be further explored, such as biodiversity, financial stability and migration.

21. The TOSSD experience has shown that it is possible to identify specific criteria of what can be considered as support to IPGs. The Task Force would welcome suggestions from the IAEG-SDGs working group on possible improvements to the existing criteria and methodology.

Proposed questions for discussion

- Do members of the Working Group have comments and/or suggestions on the TOSSD methodology to measure International Public Goods? (cf. paragraphs 5-6 and 9-17 of this document).
- Is the methodology to measure IPGs suitable for inclusion in the indicator 17.3.1.? If not, which adjustments would be needed to further fine tune or develop the methodology?