# TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT (TOSSD)

## Game changer or mirage?

**Total Official Support for Sustainable Development, or TOSSD, is a new statistical metric that has been in the making for almost ten years and seeks to capture global efforts in support of sustainable development. It could significantly shape the future of development finance. ActionAid, AidWatch Canada and Oxfam are publishing this discussion paper to shed light on how TOSSD works in practice, its ambitions and shortcomings and the range of political perspectives on this new metric.**



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# ACRONYMS

| | |
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| AAAA | Addis Ababa Action Agenda |
| COP | Conference of the Parties (UNFCCC) |
| CPA | country programmable aid (DAC) |
| CPDE | Civil Society Partnership for Development Effectiveness |
| CRS | Creditor Reporting System (DAC) |
| CSO | civil society organization |
| DAC | Development Assistance Committee |
| DCD | Development Cooperation Directorate (OECD) |
| DFI | development finance institution |
| GHG | greenhouse gas emission |
| GNI | gross national income |
| GPEDC | Global Partnership for Effective Development Cooperation |
| IAEG-SDGs | Inter-Agency and Expert Group on SDG Indicators (UN) |
| IATI | International Aid Transparency Initiative |
| IPG | international public goods |
| IPEA | Institute of Applied Economic Research (Brazil) |
| LDC | least-developed country |
| LMIC | lower-middle-income country |
| MDB | multilateral development bank |
| ODA | official development assistance |
| OECD | Organisation for Economic Co-operation and Development |
| OOFs | other official flows |
| SDG | Sustainable Development Goal |
| SSC | South-South cooperation |
| TOSSD | Total Official Support for Sustainable Development |
| UMIC | upper-middle-income country |
| UNDP | United Nations Development Programme |
| UNFCCC | United Nations Framework Convention on Climate Change |

# SUMMARY

The purpose of this report is to inform and stimulate debate within and among civil society organizations (CSOs) on Total Official Support for Sustainable Development (TOSSD). TOSSD, a new statistical metric currently being developed, is intended to provide a comprehensive picture of global, official and officially supported resource flows to promote and support sustainable development in developing countries. A primary motivation for the development of TOSSD is the international community's 2015 commitment to fully finance Agenda 2030 and its 17 Sustainable Development Goals (SDGs), documenting the need to move from billions in aid to trillions in SDG financing. While it relates closely to resources for Agenda 2030 and its 17 SDGs, the proposal for such a metric also evolved from reflections on official development assistance (ODA) by members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) in 2012. TOSSD is currently being considered within the United Nations (UN) system as a potential SDG indicator.

This report is based on a review of TOSSD documentation and CSO analysis as well as in-depth interviews with key informants from civil society, donors, the DAC and independent experts. The interviews centred on key questions that address the political context for TOSSD, its implications for the CSO agenda in development finance, and the political future of TOSSD. The paper that follows elaborates in detail the political origins and evolution of TOSSD as a metric to track financing related to Agenda 2030; opportunities and challenges in tracking and incentivising financing to address poverty, inequality and environmental sustainability; its responsiveness to partner-country needs; and its future governance.

The expectation is that this summary of perspectives on TOSSD and the accompanying paper can help shape CSO deliberations on TOSSD as well as policy positions and advocacy strategies.

This Executive Summary focuses on the different political perspectives on TOSSD, raised during the interviews, with a short explanation of the rationale that can be presented for each.[1]

CSOs have been closely following (and influencing) the development of TOSSD, with mixed reactions and perspectives. While not mutually exclusive, views include the following:

1. Broadly supportive. Some CSOs see the value of TOSSD as a metric for promoting the broad transparency of public financing for SDGs for developing-country partners, while acknowledging some limitations, which can be addressed and revised as annual data are reviewed.
2. Sceptical but with conditional support. Some CSOs are sceptical about the credibility of the metric as set out so far and are concerned about donors' political purposes in light of stagnant levels of ODA but see value in the metric for both improving the transparency of financing for the SDGs in developing countries and tracking resources otherwise not covered by ODA.
3. TOSSD not legitimate/not needed. Other CSOs consider the process, which has to date taken place largely outside the United Nations, to be an illegitimate expression of the Addis Ababa Action Agenda call for wide consultation in the development of an agreement on a TOSSD metric.

Ideally this Executive Summary should be read alongside the full paper, which provides much greater detail on the different dimensions of TOSSD, its strengths and its weaknesses. It is structured under the following questions:

- What is the value proposition for TOSSD?
- How should international public goods be assessed in TOSSD?

- What are the tensions between TOSSD and ODA?
- How is TOSSD to be managed and governed? How does the outcome for governance affect CSO TOSSD positioning?

This three-part structure is the author's construction to enable discussion and does not reflect any given interview. Some of the key elements highlighted may not be mutually exclusive. The three questions also do not tackle significant technical issues in the current structuring of TOSSD, particularly for Pillar 2. The latter are covered in detail in various sections of the paper (sections 4 and 5). Much more detail on developing-country concerns is also elaborated in section 6 of the paper. Each section has a boxed summary of the highlights of that section.

**1. What is the value proposition for TOSSD?**

*Background considerations on value added for TOSSD (see section 2.3):*

As set out in the preamble to the *Reporting Instructions* and the 2019 OECD submission to the UN Statistical Commission, TOSSD is intended to

1. **Build a comprehensive picture of resource flows** in support of sustainable development in developing countries.
2. **Create a globally shared international statistical framework** relating to support for the SDGs.
3. **Promote and enable greater transparency and accountability** for the full array of officially supported development finance.
4. **Enable informed strategic planning**, identifying gaps and priorities, with credible information on resource flows.
5. **Facilitate learning and exchange of good practice** among developing countries in relation to development resources.
6. **Enable more informed policy discussions** about the quality of development finance.
7. **Build insight into the extent to which the international community is financing global enablers** and responding to global challenges, hitherto unavailable.
8. **Create appropriate incentives** for using international public finance and risk mitigation instruments to mobilise additional resources for development.

To what extent are these TOSSD value propositions credible, both politically and technically?

**Three CSO perspectives**

| *A. Broadly supportive* | *B. Sceptical, but with conditional support* | *C. TOSSD not legitimate/not needed* |
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| • To meet Agenda 2030 and its SDGs, it is essential to systematically track concessional and non-concessional financing for these goals. Tracking resource flows for sustainability is the most distinctive aspect of TOSSD versus ODA.<br>• When the international community gets to 2030, we need a credible measure, rooted in reliable statistics, of what the community did or did not do to meet the financing needs for | • TOSSD has the potential to provide data for contesting issues on development finance relevant to Agenda 2030 and SDGs in partner countries. In this context, it is better to know (have data) than to be in the dark; this does not require CSOs to endorse TOSSD.<br>• While greater access to data on development flows at the country level is a value added, concern exists about data quality and additionality of flows (reinforced by | • The 'value' of TOSSD cannot be assessed on technical grounds separate from the politics of development finance. DAC donor failure to realize commitments (ODA), combined with the marginalization of the UN and developing-country members in determining what should happen with development finance, has deeply undermined trust (not just with TOSSD).<br>• The TOSSD process cannot be 'fixed' at this stage as there are no options available that acknowledge these more fundamental issues |

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| Agenda 2030, for which data on ODA is insufficient.<br>• The recipient perspective is key to its value. TOSSD addresses long-standing partner-country concerns about transparency for external flows for development in their country, which for middle-income countries especially have become more varied and complex.<br>• TOSSD will have value as a statistically credible metric if it can continue to take advantage of the technical expertise of the DAC in designing a systematic statistical approach to measuring flows (irrespective of the governance of the metric). As with ODA, its *Reporting Instructions* will require many changes and clarifications as data are collected.<br>• With South-South cooperation (SSC) playing an increasing role in development finance for many countries, TOSSD can have particular value if it captures increasing levels of these flows (including non-financial) and demonstrates its value to other SSC providers (supporting creative country access points for data from non-participating providers such as China and India).<br>• Developing countries have an interest in reporting their contributions to international public goods (IPGs) related to achieving the SDGs.<br>• TOSSD is not about accountability (there are no provider targets), but rather about greater | presumptions that donors ’game the system’ for their benefit).<br>• TOSSD can reinforce a false narrative about filling the SDG financing gap, in that it does not take account of all relevant financing flows, such as illicit capital, trade pricing, and fossil-fuel energy investments (i.e., ‘international public bads’).<br>• Aspects of TOSSD may have substantial value for improving transparency in some areas, but the metric is caught in a tension between the universality in Agenda 2030, which implies broad inclusion of provider finance at all levels, and the importance of the recipient perspective, which is intended to strengthen transparency for policy purposes at the country level.<br>• TOSSD’s value would be enhanced by concentrating on improving data on development support from all providers for partner-country SDG priorities, including SSC, with data that complement ODA country flows. Data on support for Agenda 2030 may have value, but as a separate exercise, clearly mandated by UN Statistical Commission.<br>• TOSSD would have added value if it were linked more directly to existing processes to assess development effectiveness of these flows, which is as important as documenting the flow (e.g., through the Global Partnership for Effective Development Cooperation).<br>• The increasing complexity of TOSSD may result in an ever-widening disconnect between | and work to build trust by addressing them. Any technical merits to TOSSD’s tracking of finance beyond ODA are superseded by this reality.<br>• There is a long pattern of having the UN endorse what has been developed elsewhere in a less representative space, at the OECD or in another forum, and claim it illegitimately as a UN agenda.<br>• Pursuing TOSSD undermines political efforts to change basic inequalities that are part of the environment affecting the dysfunctionality of the UN. Sometimes the only tool available for those who disagree is to just block.<br>• A lack of broad consistent buy-in across many non-traditional providers will undermine the relevance and credibility of TOSSD as a comprehensive measure sufficiently different from what already exists. This issue is relevant for TOSSD data for SSC and triangular cooperation, which has been a key underlying driver for extending a global SDG metric.<br>• TOSSD is part of a long-established donor pattern of reforming ODA but always avoiding direct equitable dialogue with partner countries on what is needed.<br>• TOSSD’s value added is affected by a narrow focus on consulting partner countries that only involves seeking views and extracting advice on TOSSD’s usefulness as a predetermined global metric, rather than an |

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| transparency for all forms of development financing to enable better policy making for Agenda 2030 at all levels.<br>• CSOs should not underestimate the value of TOSSD's opening practical opportunities to engage many providers, including some non-DAC providers, and partner countries on issues relating to their development finance, including ways in which support for IPGs may or may not support progress in key SDGs for 'leaving no one behind.' | technical experts and officials, politicians and public support for development. While useful data for development analysts, it may be difficult to communicate CSO concerns. | open-ended approach. TOSSD is the only option on the table.<br>• In a recipient approach, ownership is a key value that requires systematic exploration of bottom-up alternatives—e.g., enhancing existing management information systems or national statistical or national accounts capacities; identifying missing data and country means to capture it; using country systems—that may be seen as adding more value than restructuring country systems to be compatible with a global metric. |

**2. How should TOSSD be assessed: What are the tensions between TOSSD and ODA?**

Background considerations on TOSSD and ODA (see section 5.1):

TOSSD *Reporting Instructions* (February 2020): 'TOSSD aggregates by provider will not by any means replace ODA as a measure of donor effort, nor will they undermine some providers' commitment to reach the UN ODA/GNI target of 0.7%' [para 6].

*Total Official Support for Sustainable Development (TOSSD): A new statistical measure for the SDG era* (TOSSD Brochure, 2020): 'TOSSD complements the Official Development Assistance (ODA) measure by also capturing other types of support, including non-concessional flows, South-South cooperation, Triangular cooperation, activities to address global challenges and private finance mobilised by official interventions.'

*Draft TOSSD Strategy Paper by the co-chairs of the International TOSSD Task Force* (August 25, 2020): 'As co-Chairs, our vision is that, within five years, TOSSD should become a <u>pre-eminent</u> measure of resources in support of sustainable development in developing countries' [preamble and para 6, emphasis added].

*Draft TOSSD Strategy Paper by the co-chairs of the International TOSSD Task Force* (August 25, 2020): 'By focusing more explicitly on sustainable development as the overarching concept, TOSSD has the potential, from a measurement perspective at least, of **breaking the mould of the traditional aid narrative**. It would mean moving from the provider-recipient, North-South logic to a framework where every country can potentially be both provider and recipient [para 14, emphasis in original]. … TOSSD would help in a concrete manner the broader movement of **shifting from a logic of aid to one of partnerships'** [para 15, emphasis in original].

*Draft TOSSD Strategy Paper by the co-chairs of the International TOSSD Task Force* (August 25, 2020): '[O]pposition finds roots in **the risk of TOSSD competing with the ODA measure**. TOSSD will not replace ODA, which will remain the measure of donor effort by the OECD DAC. The TOSSD Reporting Instructions spell this out and were devised by the Task Force with the clear purpose of limiting the risk to the maximum extent possible' [para 18, emphasis in original].

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| Unlike ODA's accountability to the UN 0.7% of gross national income (GNI) target, there is no comparable provider target for TOSSD. |

| **Three CSO Perspectives** | | |
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| *Broadly supportive* | *Sceptical, but with conditional support* | *Dismissive* |
| • TOSSD has been deliberately designed to avoid provider targets so as not to compete with ODA as an accountability measure of donor effort; the data dashboard has no option for searching for individual provider aggregates.<br>• TOSSD does not itself create incentives to marginalize ODA. Political incentives towards capturing a broader picture for development finance have existed prior to and outside of TOSSD, including from some CSOs, who also wish to shift the discussion to other financial flows. On the donor side, there have been major efforts to mobilise finance through development finance institutions (DFIs), for example, but with mixed transparency.<br>• When a new metric is introduced, there will be uncertainty and tension between TOSSD and ODA tension, but irrespective of TOSSD, the DAC, CSOs and developing-country partners would still need sharp political strategies and new narratives to renew support for ODA among major donors (and the pandemic may offer space to do so, at least in the short term). | • TOSSD creates more transparency but also feeds political incentives for politicians to shift their development cooperation narrative away from weak ODA performance towards a fresh SDG-related metric where they can demonstrate a wider range of resource flows but with major aspects (Pillar 2) unrelated to cross-border flows to developing countries.<br>• It is critical to enhance political support for ODA, but by focusing only on ODA, CSOs may limit our attention to least-developed countries (LDCs) and lower-middle-income countries (LMICs), whereas non-concessional official financing for upper-middle-income countries (UMICs) and some LMICs, as well as major SSC providers, are increasingly important.<br>• If TOSSD's focus is transparency, particularly for developing-country partners, and not accountability, then why is there a need for headline global aggregate figures (particularly when such figures may be a distortion of real support for development in partner countries)?<br>• While better understanding of resource flows is positive, CSOs distrust the framing of TOSSD in the narrative of partnerships and challenge the notion that the North-South divide is not | • ODA's continued preeminent relevance for the global South, measuring concessional North-South flows, is rooted in centuries of historic injustice; for many in the global South this is the context for insisting that donors live up to their ODA commitment of 0.7% of GNI.<br>• The threat to ODA is not so much replacement by a TOSSD metric, but rather ODA's continued political marginalization in discourse on development cooperation, where a flat or shrinking ODA is seen as needed mainly as a resource for tackling extreme poverty.<br>• An alternative narrative should focus on the central importance of ODA for the SDGs, meeting long-standing donor ODA commitments, and its uniqueness in incentivising other resource flows towards the SDGs, addressing inequality and leaving no one behind.<br>• ODA must be strengthened through concerted attention to development effectiveness principles, particularly democratic country ownership.<br>• In contrast to ODA, other financial modalities have no inherent coherence with the core |

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| • TOSSD can demonstrate overall trends that highlight the need for more concessional aid to address conditions of poverty, inequality, and social justice, to which such aid is well suited.<br>• All TOSSD stakeholders must resist any move to establish provider targets for TOSSD. TOSSD must remain SDG demand-driven and structured to avoid any focus on provider aggregate effort.<br>• TOSSD is not about challenging ODA but rather building knowledge and improving policy making on development-related flows and non-DAC providers, rooted in good statistics, which now are often hidden. | the defining reality for most in the global South. How can there be equal partnerships in a world defined by growing inequality within and between countries?<br>• While strongly supporting more and better ODA, some developing countries appreciate the space in TOSSD to profile their own contributions to Agenda 2030 (e.g., climate mitigation, refugees hosted in their countries), beyond their characterization as only recipients in the framework of ODA.<br>• | purposes of Agenda 2030 and leaving no one behind. Increasing ODA and strengthening its norms creates the appropriate framework for incentivising other flows. TOSSD's narrative of 'partnerships' undermines this central role for ODA. |

**Background considerations on TOSSD and IPGs (see section 5.2):**

Some critical areas in Pillar 2 may create conditions for massive inflation of reportable activities. The notion of inflation of TOSSD relates to the inclusion of activities that fail to clearly demonstrate their adherence to the core objectives and orientation of TOSSD and is not a reflection on the relative importance of the activities themselves. The activities include those related to climate change, peace and security, migration, hosting students in provider countries, global financial stability and combatting the coronavirus pandemic. The result, particularly in Pillar 2, may be more confusion than clarity of purpose in providing resources for IPGs relating to SDGs 'with substantial benefits' [*Reporting Instructions,* §70] to developing countries and to those furthest behind.

**3. How is TOSSD to be managed and governed? How does the outcome for governance affect CSO TOSSD positioning?**

- Background considerations (see sections 2 and 7):
- The notion of TOSSD originated as part of the DAC modernization process for ODA, initiated in 2012, to better capture provider resources for sustainable development.
- The OECD presented TOSSD at the 2015 Addis Financing for Development Conference, which agreed to 'hold open, inclusive and transparent discussions … on the proposed measure.'
- In 2017 DAC created the International TOSSD Task Force with 29 members, 16 of which are from developing countries, including Brazil and South Africa, 9 donors, 3 international organizations, and 5 observers, including China, Germany and CSOs. The Task Force is supported by the DAC Secretariat but operates independently from DAC political bodies.

- The Task Force conducted six partner-country pilot studies on the TOSSD proposal, met with CSOs in five countries where its meetings took place, and had three consultations with CSOs in the DAC CSO Reference Group. It received and published on its website CSO input and commentary on the agenda items for each Task Force meeting. All meeting reports and related documentation are available on its website.
- In 2019 the Task Force published the first iteration of *Reporting Instructions*, which were updated in February and October 2020.
- In March 2019 the OECD, on behalf of the Task Force, submitted TOSSD/*Reporting Instructions* to the UN Statistical Commission and then to the Inter-Agency and Experts Group on SDG Indicators (IAEG-SDGs) to be considered as an indicator for SDG 17.3. The latter concluded that more work was needed on its methodology through representative UN processes. To that end a working group was created, chaired by Colombia and Norway, to resolve issues and report back in time for the meeting of UN Statistical Commission in March 2022.
- It is not clear whether the UN working group will agree to use the existing framework for TOSSD as its starting point for refining the methodology or whether it will try to propose a different framework for measuring development support.
- Depending on the outcome of the UN process, the prospects for a political home for TOSSD in the UN are uncertain. Failure in the UN could also mean limited participation of South-South cooperation providers such as China and India.
- At their February and October 2020 meetings, the Task Force co-chairs proposed the creation of an International TOSSD Forum, a voluntary inter-governmental body that would provide political oversight, accompanied by a smaller technical body to refine TOSSD under the direction of the Forum. It was agreed that the UN would be the preferred option for governance and that the Task Force should await the outcome of the UN process by 2022.
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| **Three CSO perspectives** | | |
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| *A. Broadly supportive* | *B. Sceptical but with conditional support* | *C. TOSSD not legitimate/not needed* |
| • There is a consensus that political home for the metric should be the UN, which would establish future directions, make adjustments, and work with a technical body that could take several forms, including a joint initiative between the OECD DAC and UN statistical capacities. But there is acknowledgement and concern that such an arrangement may not be politically possible at this time.<br>• Political support and active engagement by a wide range of partner countries (through the | • Some CSOs are sceptical of the legitimacy of the metric with no involvement of the UN, given the commitment in the AAAA, but they do not dismiss TOSSD solely on this basis.<br>• While the Task Force has broad membership and there have been consultations to build inclusion, these have been controlled largely by the Task Force itself, and consultations have been framed entirely by TOSSD. They do not consider issues beyond TOSSD related to improving partner-country statistical systems | • Those who will benefit most from TOSSD are provider-country politicians with consistently weak performance on ODA.<br>• Another voluntary political forum for TOSSD (along the lines of GPEDC), largely under the direction of providers, perpetuates their interests, further undermines legitimate UN political processes, and may be irrelevant without the large SSC providers.<br>• Attention should be focused on strengthening existing reporting metrics for other official flows (OOFs) to improve DAC provider |

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| UN or in a voluntary forum) is essential for the future of the metric.<br>• It is important for both legitimacy and the statistical integrity of the metric to keep a separation between inclusive and representational political oversight and direction and its technical development. While not perfect, this arrangement has worked well over time for ODA within the DAC.<br>• There was no systematic response by any UN body to the TOSSD reference in the AAAA. Past experience shows that the UN system seldom initiates work to develop an innovative idea, but rather brings such ideas on board once their efficacy is demonstrated by support from sufficient numbers and diversity of member states.<br>• Given the politics of the UN, there are several ways it could be included in TOSSD political governance outside the UN system (e.g., Global Partnership for Effective Development Cooperation [GPEDC]).<br>• Any arrangement outside the UN must be independent of the DAC in both design and practice but would not preclude a Development Cooperation Directorate (DCD) supporting technical role, taking advantage of its experience with ODA. The UN bodies have strong statistical capacities but not so much in developing a metric along these lines. | and access to relevant information for SDG planning.<br>• If the International TOSSD Forum is a 'big and inclusive tent,' independent from the DAC, it may be sufficient to provide credible political oversight and to propose adjustments to the metric, which would be further developed technically.<br>• Credible structures outside the UN will likely have greater potential than UN bodies to include direct representation by other stakeholders such as CSOs. CSOs have experience working both inside processes and offering critical voices outside these structures, but to be effective they should pursue a common agenda on TOSSD.<br>• CSOs can maintain a critique no matter where TOSSD is lodged (with a shadow report if necessary). They should not shy away from controversy and engagement in building a better metric (as CSOs do with ODA).<br>• It is better to know than be in the dark. There is value in having access to credible data beyond ODA in a central systematic and fully accessible database, despite failure to lodge metric governance at the UN.<br>• But TOSSD data must add value from what already exists and include significant representation of SSC (perhaps through other channels).<br>• As an alternative to creating a new voluntary TOSSD forum, TOSSD could be integrated as a dimension of the GPEDC under its | accountability to the SDGs, while promoting further accountability for SSC at the partner-country level.<br>• OECD DAC has strong technical capacities in statistics and best practices but politically mismanaged the TOSSD as a country-led process from the beginning. This now precludes a meaningful outcome from a late engagement with the UN on an inclusive metric for support for development and the SDGs (the AAAA commitment).<br>• CSOs should avoid being politically instrumentalised in a TOSSD process for the sake of a bit more transparency through a metric that has important aspects that are flawed.<br>• While favouring a UN resolution, it is not for civil society to give its blessing or not to a particular metric. But it is essential for civil society to come to an overarching narrative, based on analysis of what is being proposed. There can still be different CSO strategies in engaging the process (CSOs participate in the World Economic Forum both inside and outside despite a strong critique). |

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| • Full inclusion of many SSC providers is essential for the credibility and usefulness of the metric. Working with partner countries, there may ways to report data on China and India, which may not wish to participate directly in the metric.<br>• TOSSD is in its early stages of development, and it will continue to be revised in the coming years as reporting experience is assessed, both in terms of political direction and technical flaws that need correction. This has been shown by 50 years of experience with ODA, which is still being revised. | commitment to transparency (this would involve revisiting the purpose and structure of the metric). | |

# 1 INTRODUCTION

Total Official Support for Sustainable Development (TOSSD), a new statistical metric currently being developed, is intended to provide a comprehensive picture of global official and officially supported resource flows to promote and support sustainable development in developing countries. The primary motivation for the development of this metric is the 2015 commitment by the international community to fully finance Agenda 2030 and its 17 Sustainable Development Goals (SDGs), which will entail moving from billions in aid to trillions in SDG financing. While it relates closely to resources for Agenda 2030 and the 17 SDGs, the proposal for such a metric also evolved from reflections on official development assistance (ODA) by members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) in 2012. TOSSD is currently under consideration within the UN system as a potential SDG indicator.

Civil society organisations (CSOs) have been closely following (and influencing) the development of TOSSD, with mixed reactions and perspectives. The range of views includes the following (which are not mutually exclusive):

- **Broadly supportive.** Some CSOs see the value of TOSSD as a tool for broadly ensuring the transparency of public finance for SDGs for developing-country partners, while acknowledging some limitations, which can be addressed and revised as annual data are reviewed.
- **Sceptical but with conditional support**. Some are sceptical about the credibility of the metric as set out so far and are concerned about donors' political purposes in light of stagnant levels of ODA, but they see value in the metric both for improving the transparency of financing for SDGs in developing countries and for tracking resources otherwise not covered by ODA.
- **TOSSD not legitimate/not needed.** Some consider the process, which has to date taken place largely outside the United Nations, to be an illegitimate expression of the Addis Ababa Action Agenda call for wide consultation in the development of an agreement on a TOSSD metric.

This paper is a scoping exercise, drawing on existing documentation and perspectives on TOSSD. Its purpose is to inform and stimulate further debate on TOSSD within and among CSOs and with the broader international community. It is based on readily available TOSSD documentation and CSO analysis as well as a range of in-depth interviews with key informants from civil society, donors, and the DAC.

The expectation is that the paper will help shape CSO policy positions and advocacy strategies on TOSSD. What are the opportunities to better track and incentivise financing for the SDGs? If TOSSD becomes a central metric in development cooperation, what are its potential implications for the future of ODA? It is particularly important to better understand its efficacy in drawing resources to key SDGs for 'leaving no one behind': reducing poverty (SDG 1), promoting gender equality and women's empowerment (SDG 5), addressing the climate emergency (SDG 13), and reducing inequality (SDG 10). Assuming the importance of an international consensus on the time-specific goals in Agenda 2030, are there better alternatives for holding the international community to account by effectively tracking resources for financing a complex set of SDGs with 169 targets? How can CSOs help improve the metric as it evolves over time, just as ODA has evolved over the past 50 years?

The paper is structured in six substantive sections, organized around core questions:

1. What is TOSSD and the process for its development, including its value proposition?
2. Is TOSSD a credible metric for development finance transparency and for accountability?
3. What are the lessons from the preliminary pilot TOSSD data for 2017?
4. What is the value added from TOSSD in incentivizing finance to address poverty, inequality and environmental sustainability?
5. Does TOSSD reflect and respond to partner-country needs, including the monitoring of development cooperation resource flows for their SDG priorities?
6. Will TOSSD move from an OECD-generated metric to be housed in the United Nations?

In addition, a number of annexes provide details on the components of the metric, compare it with ODA, and analyse preliminary findings of the pilot data survey conducted in 2019 on 2017 and 2018 data for some select providers.

# 2. WHAT IS TOSSD AND HOW WAS IT DEVELOPED?

## 2.1 WHAT HAS BEEN THE PROCESS FOR DEVELOPING TOSSD?

**Key Issues**

***TOSSD origins.***

The original notion for TOSSD came out of a concern in the OECD DAC to better capture the full range of provider resources for sustainable development in partner countries. It also responds to a more universal interest in tracking the needed resources to realize Agenda 2030 and the SDGs. The 2015 Addis Ababa Action Agenda (AAAA) agreed to 'hold open, inclusive, and transparent discussions … on the proposed measure.' Unfortunately, no United Nations body has picked up and developed this commitment. Instead, it has been developed by an international TOSSD Task Force outside the UN system through an informal but inclusive process, with a diversity of perspectives from provider and recipient officials, serving in their individual capacities. CSOs hold observer status on the task force, have full access to documentation and have critiqued and responded to various aspects of TOSSD's development.

***Where does it stand now?***

An updated draft of the Reporting Instructions was published in February 2020. Pilot data were collected in 2019 for FY2017 (and some in 2018). In 2020 the Task Force launched a full data collection process for 2019 data. In June 2019 the OECD submitted TOSSD to the UN Statistical Commission as an indicator for SDG 17.3. The Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) acknowledged the importance of measuring all financial flows for the SDGs, but several members from the global South called for refining the methodology through a UN process, consistent with §55 of the AAAA. To this end, the IAEG-SDGs created a working group made up of UN members, which will finalize a methodology for a metric and advise on its inclusion as an indicator for SDG 17.3 by 2022.

In 2012, noting changes in development finance architecture and actors, the DAC launched a review of the relevance of ODA as a metric for donor accountability (as part of the DAC's ODA modernization agenda). Is it fit-for-purpose for fully tracking donor contributions to sustainable development? As part of this assessment, the DAC acknowledged that it had not paid sufficient attention to capturing flows for developing countries beyond those that qualified as ODA, which are called other official flows (OOFs) in the OECD DAC statistics. Although the framework for ODA had been refreshed over the years, that for OOFs had not, and OOFs are not well reflected in DAC member reporting.

Because it was assumed that many of these OOFs are directed to sustainable development investments in a growing number of developing countries, particularly middle-income countries, it is important to track them more systematically. Consequently, the concept of TOSSD was proposed and launched at the DAC High Level Meeting (HLM) in 2014. In doing so DAC Members reaffirmed the centrality and relevance of ODA as 'a crucial part of international development co-operation in implementing the post-2015 agenda.'[2] TOSSD has been developed and promoted by the DAC since then.

The DAC was successful in bringing a proposal to develop the TOSSD framework to the UN 2015 Financing for Development Summit, with the Addis Abba Action Agenda (AAAA) affirming that

> We will hold open, inclusive and transparent discussions on the modernization of the ODA measurement and on the proposed measure of 'total official support for sustainable development' and we affirm that any such measure will not dilute commitments already made [§55].

Until late 2019, however, there had been no official discussions within the UN system of proposals about the scope and development of TOSSD.[3] Furthermore, there had been no proactive political leadership on the part of UN bodies to follow up on this 2015 commitment in the AAAA.

Instead, in 2017 the DAC created a broad-based International TOSSD Task Force, with major technical support from the DAC Secretariat and several key donors such as the European Union. Once established, the task force functioned independently of DAC political structures. Membership on the task force includes both statistical and development officials from different governments, including from the global South, as well as from several multilateral stakeholders.[4] In late 2019 it added three CSO members selected by the DAC CSO Reference Group as observers.[5] Its mandate has been 'to further elaborate the features of TOSSD and prepare a first set of Reporting Instructions for submission to a variety of international bodies and groupings.'[6] It is important to note, in the context of the AAAA framework, that this mandate to create reporting instructions is not derived from any UN process.

At an informal level the TOSSD process has been inclusive. Before the creation of the Task Force, the DAC prepared a 'TOSSD Compendium for Public Consultation' (June 2016) and published comments from 27 respondents, including Oxfam, Development Initiatives, Eurodad and Reality of Aid.[7] The Task Force has consulted with civil society, conducting three in-depth consultations with CSOs from the DAC CSO Reference Group (with participation from both the global North and global South). It has also met with CSOs in countries where there have been Task Force meetings (Canada, Costa Rica, Ghana, Indonesia, South Africa, and Sweden). However, a CSO participant in the South Africa meeting said the session did not offer meaningful opportunities for providing input or achieve any sense of buy-in.

With the support of the European Union (EU), the Task Force has conducted five partner-country pilot studies to gather partner-country perspectives, assess the magnitude of TOSSD flows to each country, and determine potential opportunities and technical challenges in verifying and using TOSSD data at the country level. Studies have been completed in Burkina Faso, Costa Rica, Nigeria, the Philippines, and Senegal, with one scheduled for Bangladesh in 2020 and postponed owing to the pandemic (see section 6 for details on the outcomes of the studies). A pilot study was also undertaken about including activities relating to peace and security in TOSSD as an international public good (following a consultation on this subject with CSOs in early 2019).[8] In the context of the COVID-19 pandemic, the Task Force is considering developing a pilot study on issues relating to health expenditures and TOSSD.

The Task Force completed the first comprehensive draft of the TOSSD *Reporting Instructions* in June 2019 and made slight updates in February and October 2020. The *Reporting Instructions* were developed with substantial discussion both within and beyond the Task Force and involving more than DAC members, including CSOs, as noted.[9] A key document, the *Reporting Instructions* sets out the main purposes of the metric and details the rules for what should be reported by TOSSD providers. The *Reporting Instructions,* along with all studies and documents related to their development, are fully transparent and available on the TOSSD website.[10] The *Reporting Instructions* are not final but are intended to be revised based on the experience of data collection in various areas over the coming years.

In 2019, with the support of the DAC, the Task Force conducted a pilot survey of providers to collect an initial round of TOSSD data (mainly from 2017, with some data from 2018). Not all providers participated in this pilot survey. Some of these data were collected while the *Reporting Instructions* were still being developed, particularly for Pillar II. As a result, pilot data, which are analysed in section 4, highlight the potential for TOSSD data but do not reflect actual trends in resource flows. The first comprehensive data collection, based on the current *Reporting Instructions*, was undertaken in 2020 for 2019 data, with the results expected to be available in March or April 2021. The survey data are publicly available through a TOSSD web dashboard.[11]

On behalf of the Task Force, the OECD proposed the TOSSD metric (*Reporting Instructions*) as an SDG indicator to the UN Statistical Commission in June 2019 and then to the UN Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) in October 2019.[12] The OECD/Task Force proposal is a limited one for TOSSD to be included as an additional indicator for SDG target 17.3.[13] These efforts met with some resistance.

In response, the IAEG-SDGs acknowledged the importance of measuring financial flows relating to the SDGs, but based on the objections of several members (Colombia and Ghana), it concluded that a UN-supported process was required to further refine the methodology.[14] To this end, the IAEG-SDG created a working group whose mandate is to finalize a methodology over the course of two years, with potential inclusion of this indicator in the global indicator framework in 2022.[15] The 21-country working group is led by Colombia and Norway and includes 10 country members from the Task Force as well as more countries from all regions.[16] It is important to note that members of the working group from the global South, which are also members of the Task Force, represent the political perspectives of their governments at the UN, whereas Task Force representation has been mainly technical and may not reflect their government's stance at the UN.

Each country member can choose two representatives—one with a statistical background relating to the IAEG-SDGs and another covering the measurement of development support. The UNSD (the Statistics Division of the Department of Economic and Social Affairs [UNDESA]) is the Secretariat of the working group, and the OECD and United Nations Conference on Trade and Development (UNCTAD) provide 'substantive support' to the group. The Working Group will determine a proposal by consensus or submit various proposals to the IAEG-SDGs for discussion. It is scheduled to make its report by October/November 2021.[17]

The working group had three meetings through August 2020 (and monthly meetings were planned through December 2020). At these early meetings the group mainly debated the approach it would take towards its work. In August it created three work streams: South-South cooperation, international public goods and mobilized private finance. Debate has revolved around whether the Task Force's framework for TOSSD should be adopted as a starting point and on outstanding methodological issues such as South-South cooperation. Some members called for a broader discussion not limited to the TOSSD framework.

In an initial survey of working group members on areas for inclusion in an indicator to measure development support, there was consensus on ODA, foreign direct investment, and South-South cooperation. Other non-concessional flows were listed as 'maybe,' and international public goods were rated as 'probably no.' A presentation of the TOSSD framework did not take place until its fifth meeting, in October 2020.[18]

Given that the TOSSD framework took more than three years to reach its current stage, a total review and new framework would require considerable work and would not likely be completed in the two-year timeframe leading up to November 2021. It is also unclear to what degree a new process would be consultative outside the UN-based working group. There is no clarity on the final decision-making process, and specifically the role of the IAEG-SDGs and the UNSD. Section 7 returns to the Task Force discussion of options for TOSSD governance issues going forward from the working group.

# 2.2 HOW IS THE TASK FORCE'S PROPOSAL FOR TOSSD STRUCTURED?

**Key Issues**

**TOSSD's basic structure:** A TOSSD activity must contribute directly to at least one SDG with no detrimental effect on other SDGs. TOSSD captures provider resources from a recipient perspective (in contrast to ODA, which offers a provider perspective). These resources include both provider cross-border flows (Pillar 1) and provider support for international public goods, development enablers and global challenges (Pillar 2) that relate to achieving the SDGs.

**Substantial benefit to TOSSD-eligible countries:** As a metric with a recipient perspective, Pillar 2 activities as international public goods must also demonstrate substantial benefit to a TOSSD-eligible country and/or be implemented in direct cooperation with a TOSSD-eligible country, private or public institution. 'Substantial benefit' is not defined, and issues have arisen in the scope for the inclusion of activities in Pillar 2.

The structure of TOSSD and the current proposed rules for inclusion of activities are set out in the *Reporting Instructions* (February 2020 version).[19] The framework and rules were developed by the Task Force. CSOs have had opportunities to contribute their perspectives on draft *Reporting Instructions* with substantive comments on the overall framework for the metric and on the inclusion of different areas of resource transfer (see below for outstanding issues).

A TOSSD activity financed by a provider is deemed to support sustainable development if it contributes directly to at least one SDG 'and if no substantial detrimental effect is anticipated on one or more of the [SDG] targets' [*Reporting Instructions*, §47].

The TOSSD metric is made up of two distinct pillars of activities (see Annex 1 for details):

> **Pillar 1: All cross-border flows to TOSSD-eligible countries (see below) by bilateral and multilateral providers (from a recipient perspective).** Multilateral flows from a recipient perspective are those flows received by the recipient countries, not those provided by donors to multilateral organizations. Private sector resources captured in Pillar 1 are those private sector flows mobilized by official resources (including various guarantees) but are reported separately from official flows in TOSSD.
>
> **Pillar 2**: **All provider expenditures in support of International Public Goods (IPGs), development enablers, and global challenges, in which benefits are transnational in reach.**[20] Expenditures for IPGs may take place in provider countries, TOSSD-eligible countries, or regional or global institutions but must demonstrate substantial benefit to a TOSSD-eligible country and/or be implemented in direct cooperation with a TOSSD-eligible country or private or public institution [*Reporting Instructions,* §70].

All activities are to be reported at the activity level, with some consideration to commercial confidentiality issues in mobilized private sector resources; these might possibly be aggregated at the country level for this reason. (See section 5.3 for a discussion of the treatment of mobilized private sector flows.)

The metric is intended to have a recipient perspective—that is, it reflects financial flows as received by partner countries. All activities must be directed to, or benefit, TOSSD-eligible countries. Eligible countries include not only DAC-defined ODA-eligible countries, but also any country that has 'activated the TOSSD opt-in procedure.' Traditional donors are expected not to use the opt-in procedure [*Reporting Instructions*, §50 and §51].

As a recipient metric, TOSSD does not include donor core contributions to multilateral organizations; rather, it measures multilateral flows based on annual multilateral outflows to recipient countries. This approach is distinct from official development assistance (ODA), which is intended to be an accountability metric for providers and is thus reported from a provider perspective (it measures all concessional finance that donors have committed or disbursed for developing countries, including to multilateral organizations, irrespective of when countries receive these resources).

A recipient perspective for TOSSD is important for developing countries because it has the potential to enhance country ownership by increasing transparency for all external official resources received for the purposes of development and achieving the SDGs. At the same time, it will require strengthening countries' statistical capacities and adapting their existing systems (see section 6).

## 2.3 WHY TOSSD? THE TASK FORCE'S VALUE PROPOSITION

**Key Issues**

**A credible framework that meets expectations?** The value proposition for TOSSD is both comprehensive and ambitious. To what extent is this TOSSD value proposition credibly reflected in the scope of activities captured by current *Reporting Instructions*? Does this framework lay the foundation for reliable data that meet high statistical standards and demonstrate additionality to what is already available? This value proposition is an important reference for future revisions to the *Reporting Instructions* based on the early experience of provider annual reporting.

The TOSSD value proposition can be derived from the *Reporting Instructions* Preamble, the OECD 2019 proposal submitted to the IAEG-SDGs and various Task Force documents (see Annex 2 for Task Force and OECD text that establishes these eight points). At no point has the Task Force elaborated a theory of change that clarifies how TOSSD will achieve these goals.

In summary, to carry out its value proposition, TOSSD is intended to

1. Build a comprehensive picture of resource flows in support of sustainable development in developing countries.
2. Create a globally shared international statistical framework relating to support for the SDGs.
3. Promote and enable greater transparency and accountability for the full array of officially supported development finance.
4. Enable informed strategic planning, identifying gaps and priorities, with credible information on resource flows.
5. Facilitate learning and exchange of good practice among developing countries in relation to development resources.
6. Enable more informed policy discussions about the quality of development finance.
7. Build insight, hitherto unavailable, into the extent to which the international community is financing global enablers and responding to global challenges.
8. Create appropriate incentives for using international public finance and risk mitigation instruments to mobilize additional resources for development.

If fully implemented, the TOSSD framework could have significant implications for the future of development finance, the tracking of financial flows for development in developing countries, and existing providers' accountability for their commitments to ODA. To what extent are these TOSSD value propositions credible (practical, consistent with sustainable development, and verifiable)? Does the current framework lay the foundation for reliable data that meet high statistical standards and demonstrate additionality to what is already available?

While there are no easy or definitive answers to these questions, this report sets out some evidence on the *Reporting Instructions* to date, different perspectives on and observations of stakeholders, and analysis of preliminary data that can contribute to developing CSO perspectives. Well-informed civil society voices will be essential as the future of TOSSD is finalized. CSOs are consistent in seeking to maximize development finance that targets the ending of poverty, the reduction of inequality, women's empowerment, and the promotion of sustainable development in ways that leave no one behind. They are also firm in their commitment to development effectiveness principles that give priority to country ownership of their development priorities. To what degree can TOSSD (in its current and possible future iteration and revisions) be a tool that contributes to these important development goals?

# 3. IS TOSSD A CREDIBLE METRIC FOR DEVELOPMENT FINANCE TRANSPARENCY AND ACCOUNTABILITY?

**Key Issues**

**Credibility of a statistical system.** The credibility, accuracy, reliability, relevance and comparability of a statistical system must be rooted in a clear understanding of, and consistency in, what is being measured.

**Broad undefined references to sustainability, the SDGs and international standards.** TOSSD is still a work in progress. The focus of TOSSD is on sustainable development, which the *Reporting Instruction*s defines very broadly. The linkage of TOSSD activities with Agenda 2030, the 17 SDGs, and their 169 targets as a comprehensive development agenda provides few limitations to the scope of what can be reported. The preamble of the *Reporting Instructions* also contains broad references to international standards, including development effectiveness, which is largely inoperable.

**Reporting large in-donor country expenditures under Pillar 2.** Given the universality of Agenda 2030, many SDG-related activities located in provider countries can be reported under Pillar 2. There is little if any analysis by the Task Force of these potential areas for inclusion in Northern donor countries in terms of the crucial *Reporting Instructions* requirement to 'provide substantial benefits to TOSSD-eligible countries or their populations.' Pillar 2 provides space for acknowledging contributions to IPGs by countries in the global South, which may also require greater attention to strengthening (and alignment) of statistical systems.

**Human rights standards absent as practical safeguards for assessing eligibility of activities.** While human rights standards are broadly referenced as 'safeguards' in the preamble [§5], they have had little impact on the *Reporting Instructions* to date. It is particularly important to pay attention to free, prior and informed consent by affected communities and populations in contexts of contested environmental and resource extraction.

**Wide mixture of financing instruments hard to reconcile.** TOSSD allows for a range of financing instruments, including loan and investment guarantees, other unfunded contingent liabilities, debt relief, and some export credits, make it difficult to interpret aggregate figures for TOSSD.

**The need for clear guidance.** As of January 2021, the Task Force had been unable to agree on more specific criteria for including or excluding specific activities (e.g. coal-related activities under climate finance or anti-terrorism measures). The Task Force will continue to discuss the October 2020 Secretariat proposal on operationalizing sustainability by focusing on fossil fuel eligibility as well as other examples from recent data collection. This work could be the basis for developing a common approach to further revisions of the *Reporting Instructions* to ensure consistent reporting for broad areas in Pillar 2, such as domestic climate mitigation activities, consistent with international agreements.

The Task Force's *Reporting Instructions* states, 'The TOSSD framework is designed to provide a coherent, comparable and unified system for tracking resources for sustainable development' [§2]. Later, it promises a TOSSD system that 'is operated to ensure the quality of statistical outputs (relevance, coherence, accuracy, reliability, timeliness and punctuality, interpretability and accessibility) and statistical processes (sound methods, cost efficiency and non-excessive burden on reporters)' [§23]. It notes that trust 'is the very foundation of a statistical system' [§23]. How should the detailed *Reporting Instructions* at this stage be judged against these criteria? Will the resulting metric meet the expectations of the value proposition set out by the Task Force?

## 3.1 WHAT IS BEING MEASURED AND REPORTED AS SUSTAINABLE DEVELOPMENT?

Credibility, reliability and relevance in a statistical system are rooted in a clear understanding of, and consistency in, what is being measured. The intention is for TOSSD to measure 'all officially supported resource flows to promote sustainable development in developing countries' (Pillar 1) and to 'support development enablers and/or address global challenges at regional or global levels' (Pillar 2).

How clear is the notion of sustainable development in TOSSD? Sustainable development is defined broadly [§10] but is then linked to Agenda 2030's 17 Sustainable Development Goals [§11] with their 169 targets. Yet as of January 2021, the Task Force had been unable to agree on guidance for operationalizing a shared notion of sustainability for TOSSD (i.e. on specific criteria for including or excluding activities). The Task Force Secretariat elaborated the issues in two Issues Papers, which were discussed at its February 2020 and October 2020 meetings, respectively, without a final resolution on operationalizing sustainability in TOSSD reporting of eligible activities.[21]

Current eligibility criteria in the *Reporting Instructions* are open to wide or difficult interpretation: adherence to global and regional standards [§5]; link to an SDG target, taking account of detrimental effects on other targets [§11]; and the generation of 'sustainable economic growth, ensuring social inclusions, without compromising the environment [§11].' The February Issues Paper rightly points out that 'the essence of the SDG agenda is to take the *bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path'* [emphasis in the original].[22]

A transformative framework implies considerations that go beyond environmental issues to include intergenerational equity, human rights, democratic country ownership and financial sustainability. The meaning of sustainability has been politically contested for decades by both governments and civil society. Definitions range from vague notions of sustainable economic growth, to assessments of immediate environmental impacts, to representations of highly complex and dynamic interactions of ecological limits, embedded economic activities, and related social foundations.

Yet a transformative framework for sustainability seemingly has little influence on the actual implementation of TOSSD for determining eligible activities. The focus to date has been on critically important environmental issues relating to the energy sector.

A review of the pilot data indicates that providers used different interpretations of sustainability, adherence to standards and SDG targets in reporting a wide range of activities to TOSSD, including several environmentally sensitive sectors. For example, more than 67% of reported activities in the energy sector were in support of non-renewables (coal-fired, oil-fired and natural gas–fired electric power plants).[23] The October Issues Paper reviewed the complexity of energy projects from the point of view of assessing sustainability and concluded that the changing options for renewables 'makes official support to fossil fuels even less likely to be sustainable and justifiable.' [§12]

To help provide guidance on sustainability in contested areas, the Task Force agreed at its February 2020 meeting that, in the interest of transparency, providers should publish their policies on environment and social standards (ESS). At the October 2020 meeting, the Secretariat proposed distinguishing between greenfield operations (new energy infrastructure) and brownfield operations (investments in existing energy operations to reduce greenhouse gas [GHG] emissions) [§13].[24] It suggested that if renewable options are technically, financially and economically feasible, they should be favoured, even if they are not the least-cost option [§16]. TOSSD should include only renewable greenfield investments unless no other option exists, and then brownfield operations only if they lead to measurable GHG emission reductions. In summary, 'TOSSD activities should pursue the objective of avoiding or minimising project emissions, through viable technological choices, rather than pursuing immediate costs-savings at the expense of future generations' [§17].

Unfortunately, the October meeting did not produce an agreed-upon approach, and the Secretariat was instructed to come back with further investigation based on lessons from the first data survey. Members stressed the complexity of sustainability assessments and the necessity of a case-by-case approach. The Task Force will continue to discuss the October proposal on assessing fossil fuel eligibility as well as other examples from data collection, which could be the basis for developing a common approach.[25]

In all of the discussion, there has been no mention of the importance of human rights standards and safeguards, particularly the need to ensure the free, prior and informed consent of affected communities and populations in contested environmental and resource extraction contexts.

In response to the Task Force process, CSOs have called for clear and consistent rules for delineating eligible activities in the context of an integrated approach to sustainability and the requirement of bold and transformative steps that address the climate emergency. Others point out that it may be difficult for the Task Force to reach agreement on guidance along these lines. The reality is that different provider countries have very different politics surrounding the paths towards sustainable development (e.g., Japan and Australia support coal-fired energy projects[26]). The breadth of 17 SDGs with 169 targets also creates wide scope for different and often legitimate interpretations of relevant activities. Without clear guidance on sustainability, the key feature of TOSSD, it may be difficult to achieve consistent reporting for Pillar 1, and particularly for the broad areas covered by Pillar 2, in support of a transformative Agenda 2030.

## 3.2 WHAT ARE THE LIMITS ON REPORTING INTERNATIONAL PUBLIC GOODS?

Pillar 2 allows providers to report expenditures in support of IPGs, development enablers and global challenges (see Annex 1 for definitions). The interpretation of these terms in the *Reporting Instruction*s is expansive, including many potentially eligible activities at the global, regional and bilateral levels (ranging from actions to confront the pandemic, to anti-terrorism measures, to bilateral trade agreements) [§20]. According to the *Reporting Instructions,* Pillar 2 includes any activity that 'promotes international cooperation for sustainable development,' which may involve norm setting, international oversight, knowledge generation, or other more direct actions (such as peacekeeping operations or engagement with partner countries' military).

Given the universality of Agenda 2030, expenditures can be reported by both Northern and Southern countries and can be incurred in either the provider country (e.g. GHG mitigation actions) or in TOSSD-eligible countries [§65]. Pillar 2 provides space for acknowledging contributions to IPGs by countries in the global South, which may also require greater attention to strengthening (and alignment of) statistical systems in developing countries.

Annex E of the *Reporting Instructions* gives additional guidance, including general principles and safeguards, on key areas such as research and development, climate action, peace and security, and refugees and protected persons (these areas are discussed further below). Nevertheless, providers still have a high degree of discretion in determining the scope of relevant activities to report, and at this point there are no mechanisms to check and validate activities against stated safeguards in the *Reporting Instructions*.

Despite the crucial criterion for Pillar 2—'provide substantial benefits to TOSSD-eligible countries or their populations' [§70]—there has been little reference to, much less analysis of, these potential benefits in Annex E's guidance on acceptable activities in controversial areas (or in other recent papers on other IPGs such as global macro-economic stability). There is a significant tension at the heart of TOSSD between being true to the universality of Agenda 2030 (which was called for by developing countries in 2015) and a strictly interpreted recipient perspective in reporting activities for the metric. In many cases benefits to partner countries from IPGs are largely assumed, and some providers have been reporting all IPG-related financing.[27]

The Task Force considers the *Reporting Instructions* to be a 'work in progress' whose guidance will be revised and adapted based on the experience of the initial years of data collection. Several members of the Task Force have pointed to the history and evolution of ODA as a metric that has been revised and clarified, based on reporting experience and external critiques, over the past 30 years.

## 3.3 HOW CAN INCONSISTENT INSTRUMENTS AND MEASUREMENTS BE RECONCILED?

Given that TOSSD is designed to provide developing countries with a full and comprehensive picture of official flows for sustainable development priorities in their countries, it allows for a wide range of financial instruments to fund TOSSD-eligible activities. These instruments include not only grants, loans at face value, direct investments, and purchase of equities, but also export credit guarantees and other unfunded contingent liabilities as well as some export credits [§98–§108] ('explicitly designed to contribute to sustainable development objectives' [§108]). The reporting rules for some instruments, such as loan and investment guarantees, are unclear and may be inconsistent between providers.[28]

This breadth of instruments, however, can also be problematic for people's understanding of the meaning of TOSSD aggregates, and for their credibility, as various instruments have very different implications for actual official flows to TOSSD-eligible countries. They mix cash-flow measurements (grants and loans) with those that involve no actual cash flow (guarantees) and export credits, which benefit primarily provider-country exporters. Export credit guarantees, as well as other forms of guarantees, can potentially involve large amounts of financing, depending on how they are reported (see footnote 28). While reflows are acknowledged in the Reporting Instructions for loans, there is no obligation to take these reflows into account as TOSSD is reported as gross disbursements, not net disbursements. How might the sale of equities whose purchase was originally accounted for in TOSSD be included in a subsequent year, for example?

Among the modalities that can be included in TOSSD is debt relief, which includes 'all actions relating to debt restructuring (forgiveness, conversions, swaps, buy-backs, rescheduling, refinancing)' [§91]. It is to be included under Pillar 1 even though it involves no actual cross-border flow. Debt relief will emerge as an important issue for TOSSD as it becomes a critical component of the international response to the impacts of the COVID-19 pandemic in developing countries.

The inclusion of debt cancellation has been controversial in ODA and was a significant factor in inflating ODA levels in the 2000s. While debt relief can provide important benefits to the indebted country by freeing up public resources for development purposes, the actual value of debt relief can be significantly less than the face value of the debt and total interest forgiven, which providers can claim as official support (because some of this debt might never have been repaid or existing payments may have already exceeded the original loan). It is not clear how provider inclusion of total debt relief can be reconciled with TOSSD, which is intended to be a recipient view of flows in support of sustainable development.

A key issue is how TOSSD will avoid 'double counting' if it allows debt cancellation as a new provider expenditure while also counting the original loan in previous years. To address this issue, the Secretariat undertook a consultation with some partner-country representatives and made a proposal to the October 2020 meeting, which was accepted.[29]

# 4. WHAT ARE THE LESSONS FROM THE 2019 PILOT COLLECTION OF TOSSD DATA FOR 2017?

**Key Issues**

**Transparency of data at the activity level.** The TOSSD dashboard allows a user to access data by activity, by recipient perspective (consistent with TOSSD's mandate), by pillar, by SDG, and by sector (CRS format). A provider perspective is available only by downloading of detailed activity-level data from the dashboard.

**Incomplete data collected in the pilot.** The TOSSD dashboard has activity details for US$285bn in official disbursements for sustainable development in 2017 (US$335 in commitments). Four South-South cooperation (SSC) providers reported US$23bn in commitments, including US$8.4bn from Turkey. Most activities (73%) were reported under Pillar 1 and closely aligned with Development Assistance Committee (DAC) Creditor Reporting System (CRS) country programmable aid. It is important to acknowledge that this was a pilot exercise that was never intended to be comprehensive, and the resulting data should not be analysed as a precise picture of financing for sustainable development through TOSSD.

**TOSSD additionality.** The Task Force noted that pilot providers reported 15% additional data through TOSSD not previously available from the OECD. But much of the 'additional' data on multilateral flows reported as 'new' from a recipient perspective had already been reported from a provider perspective in the CRS (US$10.5bn) or consisted of export credit guarantees involving no actual official flows (US$4.1bn). Only 5% of Pillar 1 activities were a record of additional flows to partner countries (8%, if only those providers who reported additional activities are included). Analysis of Pillar 2 data suggests the possibility of significant additional finance that is not captured by the DAC CRS, including domestic IPG expenditures for all provider countries.

**Can TOSSD be comprehensive?** Will enough providers view the additionality of TOSSD (particularly for Pillar 2) as a sufficient incentive to warrant the difficult task of putting systems in place and sensitizing other departments to implement the required data collection? This issue has been noted for OECD donors and is highly relevant for SSC providers and developing-country contributions to IPGs. Full data collection in 2020 will reveal more about TOSSD's coverage.

**Is one comprehensive metric necessary?** While data exist for many aspects of TOSSD, these data are not easily accessible or comparable as they are scattered in many databases with different criteria and may result in double counting. Several important areas for SDGs, including SSC and developing-country contributions to IPGs, are not currently covered. Some CSO stakeholders question the value-added of a comprehensive and systematic database. While many others acknowledge the value of a credible, reliable and comparable global metric for tracking flows for the SDGs, substantial questions remain about whether the donor and partner-country investments needed to strengthen and adapt appropriate statistical systems in developing countries will be forthcoming. Without such investments, how feasible and useful will TOSSD be, even assuming that technical issues about what should be reported are resolved over time?

In 2019, based on an incomplete version of the *Reporting Instructions* from June 2019, the TOSSD Task Force launched a pilot data collection exercise that was implemented by its Secretariat, based at the OCED's Development Cooperation Directorate (DCD). The Task Force reported that 19 (out of 29) DAC members, 5 other country providers, 9 multilateral organizations, 3 bilateral South-South providers, and 5 multilateral trust funds responded with data to the survey.[30]

The Task Force has made the pilot data available through a dashboard designed for this purpose. Through this web portal it is possible to download the raw activity-level data that were submitted in the pilot survey.[31] Unfortunately, owing to the pilot and preliminary status of the data, only 12 providers have allowed external access to their survey data; all other providers' activities (both bilateral and multilateral) are identified as 'aggregate.'[32] Annex 4 sets out some observations and a detailed analysis of these data for 2017 (excluding Turkey's 2018 data), which is also summarized in Section 4.1 below.

It is essential to acknowledge that these pilot data relate to an exploratory process whose purpose was to shed light on the practicalities of TOSSD data collection consistent with the *Reporting Instructions* and 'to provide evidence on its usefulness for monitoring the financing of the SDGs.' The DCD Task Force Secretariat points out that the data are incomplete and do not present a balanced picture of actual trends in financing for sustainable development and that they should not be used for such an analysis.[33] The expectation is that the data collection underway in 2020 for 2019 TOSSD-relevant data will be more comprehensive. The analysis of pilot data below, therefore, does not so much indicate actual trends in development finance as it highlights the types of analysis that might be possible with more complete TOSSD data.

# 4.1 TOSSD DATA DASHBOARD

The draft TOSSD dashboard allows users to access data by recipient perspective, by pillar, by SDG, and by sector (CRS format), but not by provider. Provider data are accessible by downloading activity-level data from the dashboard (similar in format to activity-level CRS data) into a spreadsheet and then sorting by provider. This structure is intended to reinforce the TOSSD's recipient perspective, but at recent TOSSD Taskforce meetings some providers have challenged it .

The Task Force has designed the web dashboard for TOSSD in a way that is easy to use and fully transparent at the activity level (requiring downloading the raw data), based on the agreed reporting schedule for TOSSD and subject to the pilot nature of the exercise and the actual data limitations outlined below.[34]

- **Total TOSSD reported.** The dashboard captures a total of $335.0bn in TOSSD commitments (and US$285.5bn in disbursements) but reports US$272bn as 'aggregate' commitments.[35] For the 12 identified providers, including 5 DAC providers (Denmark, France, Spain, and Sweden, plus EU Institutions as a related multilateral provider), US$44bn in commitments are identified for 2017. Six SSC providers (Costa Rica, Indonesia, Nigeria, Saudi Arabia, Turkey, and the Islamic Development Bank) reported a total of US$23bn in commitments (including US$8.4bn for Turkey in 2018).
- **Allocation to pillars.** Most TOSSD activities captured in the survey related to Pillar 1. For all providers (including aggregate), 73% of funding commitments are reported under Pillar 1 and 27% under Pillar 2. For the 5 identified DAC providers, 55% are reported under Pillar 1 and 45% under Pillar 2.[36] This allocation is not surprising at this stage, given the challenges of collecting data for Pillar 2, the short timeframe for pilot data collection by providers, and the addition of data from the CRS for the non-reporting DAC donors.

There is a close correlation between ODA country programmable aid (CPA) plus humanitarian assistance commitments ($20.6bn) for 2017 ODA and Pillar 1 commitments ($24.3bn) for the 5 DAC providers whose data are identified. These TOSSD pilot data draw heavily from ODA CRS data already reported. Task Force members point out that CRS data were deliberately used to ease the reporting burden in these initial stages of TOSSD pilot reporting. The assumption is that the scope of reporting will gradually increase as provider systems allow. Systematic reporting of data for 2019 and the next few years will reveal how much data DAC donors will actually report for Pillar 1 beyond CPA and humanitarian assistance. As noted below, export credits made up a large part of new data under this pillar.

- **Incomplete data for Pillar 2.** It is apparent that providers could not take full advantage of the potential to report activities in all areas covered by Pillar 2 (see Annex E of the *Reporting Instructions*). The four DAC country providers reported only in-donor refugee costs based on the amounts reported for ODA in 2017—not beyond the first year, as is permitted for TOSSD. Similarly, for peace and security activities, TOSSD reporting aligned closely with the ODA peace and security activity reporting for the 5 DAC providers with identifiable data. These results are likely due to the survey's pilot nature and currently inadequate means for capturing financing data for some of these potential areas.
- **Financing modalities.** Projects are the principal modality for TOSSD activities (71%). For the five identified DAC providers, 80% of activities were in the form of grants and 17% were loans.[37] These breakdowns are not available for the other aggregate reporting providers and will be highly dependent on the current practices of individual provider countries (e.g., France, Germany, Japan, and Korea have high levels of loans in their ODA and presumably in other TOSSD areas of interest).
- **Allocation to SDGs.** In reporting a TOSSD activity, providers are asked to identify the SDG target(s) to which this activity is directed. To enable this process, the TOSSD Secretariat provided a mapping of SDGs with DAC sector codes.[38] The TOSSD dashboard is able to collate this information in a data tree that assigns a percentage of total TOSSD activities to related SDGs.

  Overall, reporting providers targeted the following SDGs in 2017:

    SDG 8 (productive employment): 12%;

    SDG 16 (peaceful societies): 11%;

    SDG 1 (ending poverty): 11%;

    SDG 10 (reducing inequality): 6%;

    SDG 5 (gender equality): 6%.

  The relative weight of activities in these various SDGs is affected by the pilot nature of the exercise and by incomplete reporting on Pillar 2 activities in the survey. More than three-quarters (77%) of reported SDG-related activities were under Pillar 1.
- **Country and regional allocations.** Only 20% of TOSSD pilot activities were directed to least-developed and low-income countries in 2017, with upper-middle-income countries receiving the highest share, at 31%. Africa received 26% of TOSSD financial flows, and Asia, 31%. Sixteen per cent of TOSSD activities, mainly in Pillar 2, were not directed to any recipient country, as might be expected given Pillar 2's focus on international public goods and development enablers. These allocations may provide an interesting perspective on the relative emphasis of TOSSD development finance and the country and regional allocation of ODA (when there is full TOSSD data collection).
- **Sector allocation.** The top five sectors for TOSSD activities, accounting for 48% of financing, were transportation and storage (13%), energy (11%), government and civil society (10%), banking and financial services (7%) and humanitarian aid (7%). Despite the apparent focus on SDGs 1, 5, 8, 10 and 16 noted above, these five sectors are generally not the ones that target poverty and inequality (with the exception of government and civil society). There is insufficient information to analyse this discrepancy.

- **Missing and inconsistent data.** The Secretariat to the Task Force stated that some providers reported activities that other providers excluded; the main example is support for coal-fired power under non-renewable energy. As noted, there is not yet a common understanding about how two to operationalize a sustainability criterion with appropriate safeguards.

  TOSSD data fields include concessionality, amounts mobilized and leveraging mechanisms, but these fields were not completed by reporting providers in the pilot survey. Notably, TOSSD's reporting framework does not require providers to indicate allocations according to the DAC Gender Purpose Codes, the Climate Finance Purpose Codes, or the Biodiversity Purpose Codes. Similar to the CRS, information in the field for the activity description is often missing or limited. Deeper analysis often requires searching manually for key words in the Excel spreadsheet for areas not covered by the different fields, which makes analysis and validation challenging. Some Task Force members are suggesting a key word field or hashtag to capture these elements. In October 2020 the Task Force agreed to add a multiple-objective data field for 2020 data to flag COVID-19–related activities (to be collected in 2021), but work to integrate tracking of other important purposes for development flows requires urgent attention.[39]

- **Additionality.** The Task Force calculated that those providers participating in the survey reported 18% additional financing for Pillar 1, not previously available to the OECD (26% if only providers that reported additional activities are included).[40] It is important to examine a breakdown of this additionality.

  A total of US$21bn in additional financing were reported under Pillar 1. Of this amount, US$9.7bn (46%) were non-concessional flows made up of US$5.1bn in loans and US$4.6bn in export credits.[41] Almost 90% of the export credits were in the form of guarantees, which may be important for mobilising private sector finance but do not in themselves constitute an official flow to TOSSD-eligible countries. A further US$10.5bn (50% of additionality in Pillar 1) were for concessional multilateral flows, which the Secretariat suggests are flows that are 'better tracked' through reporting under TOSSD's recipient perspective. Yet many of these flows are already captured by the DAC CRS as provider flows to multilateral organizations.

  Setting aside the multilateral flows (US$10.5bn) and export credit guarantees (US$4.1bn), only 5% of Pillar 1 activities were additional flows (8% for those providers who reported additional activities).42 While more additional activities will be captured in the actual data collection for Pillar 1 starting in 2020, so far additional activities as actual flows to partner countries are modest.

  For Pillar 2, the Secretariat calculated that providers reported an additional US$19.4bn in activities not covered by the DAC CRS.[43] Of this amount, US$11.6bn were domestic IPG expenditures in provider countries and US$7.8bn were expenditures at the global or regional level. Additional global and regional expenditures represented 24% of reported activities under Pillar 2 (32% if provider perspective core contributions to multilaterals are excluded),[44] demonstrating that there could be significant additional activities under Pillar 2 for both domestic IPG expenditures and regional or global IPGs.[45]

  An important dimension of the intent of TOSSD is to capture additional data on development flows for non-DAC South-South cooperation providers and developing-country IPGs, which would be an important additionality. The extent to which this intention will be realized will be apparent over the next TOSSD reporting cycles. These providers face many technical challenges in reporting relevant flows and other activities. It may even be possible to capture some flows relating to China and India by relying on recipient countries (see the discussion in sections 4.3 and 6.1).

# 4.2 CAN TOSSD CAPTURE ALL TYPES OF OFFICIAL SUPPORT FROM ALL PROVIDERS?

The comprehensive scope of TOSSD is a key element of its comparative advantage for developing countries and its usefulness for tracking flows for Agenda 2030. But given the voluntary nature of reporting different components, will providers be able to live up to this claim in a credible way?

The evidence from the 2019 TOSSD pilot data survey is incomplete, but there are some indications that different providers are likely to report different levels of comprehensive data. Many of the pilot reported data for the 2019 survey come directly from provider reports to the OECD's CRS, which focuses on ODA and other official flows (OOFs).[46] Sweden reported only eligible activities from its CRS data and suggested that it could not identify the SDG purpose of any export credits (only the export material financed). Switzerland identified some areas relevant to TOSSD beyond those reported through CRS but was 'a little worried to extend the Survey beyond the usual scope of data contributors, as the mandate for doing so was not clear to them.'[47] Norway stated that its priority is its commitments to the ODA target of 1% of gross national income (GNI) and 'did not want to divert these [data-gathering efforts] to other [TOSSD] tasks.' Denmark plans to enhance its reporting of TOSSD data in 2020 but reported that for the pilot survey there were 'difficulties in motivating other ministries to provide data,' particularly for 'ministries that do not report on ODA.' Other donors such as Canada reported that some non-ODA data are already collected under its 'international assistance' and that it would launch a survey with other departments.

At this stage many providers do not have systems in place to gather Pillar 2 data from non-development-oriented government departments not already participating in the CRS data process. At its October 2019 meeting, the Task Force acknowledged that the Secretariat was offering support to assist providers, including SSC providers, to engage institutions beyond the current development actors (on research, on domestic climate mitigation). Will enough providers view the additionality of TOSSD for these areas as a sufficient incentive to warrant the sometimes-difficult task of sensitizing other departments and implementing complex data-gathering systems for this purpose? The outcomes of the first official data collection in 2020 will provide more answers to this question.

A lack of broad, consistent buy-in by many non-traditional providers, as noted, will also undermine the TOSSD's relevance and credibility as a comprehensive measure sufficiently different from what already exists. This issue is relevant for TOSSD data on SSC and triangular cooperation, which have been key drivers underlying the development of a global SDG metric.

Although various partner-country officials participated in the Task Force and five countries collaborated in TOSSD pilots,[48] SSC data in the 2019 survey were limited. In the creation of the UN working group on TOSSD, a number of developing countries, which are both recipients and providers of development cooperation, questioned the coherence of the current TOSSD methodology with the practices of South-South cooperation. Costa Rica, for example, reported that its various databases are not compatible and that reporting to TOSSD would require a 'legal framework … to be established under which the autonomous bodies, including the public universities, would be required to report their co-operation initiatives and projects.'[49]

Costa Rica is but one example. Both providers and recipient countries will need to invest much more in strengthening statistical capacity in developing countries and adapting these country systems to enable them to contribute and receive important national data relevant to TOSSD (see section 6.2).

Recently Brazil produced a detailed paper that sets out many of these issues in relation to its Cobradi database.[50] This database, created by the Brazilian Cooperation Agency and the Institute of Applied Economic Research, has since 2005 captured data and information about the main activities that Brazil has been carrying out with developing countries.[51] The paper compares the TOSSD fields with the Cobradi framework and identifies several critical areas where there is currently incoherence between the two. Similar issues have been identified in the country pilot studies for Costa Rica, Indonesia and Nigeria (see section 6).

While Brazil has agreed to report to TOSSD, the paper suggests that both frameworks need to be adapted so that Brazil's South-South cooperation, and SSC more generally, can be accurately captured in TOSSD. The paper committed Brazil to make its own adjustments, but it also concludes that 'it is very important that TOSSD methodology takes into account the several initiatives that are typical of international cooperation taking place among less developed economies but differ from the pre-dominantly finance-oriented approach adopted so far by TOSSD.'[52]

Overall, a better picture of the scope for reporting will be available once the 2019 data is published in early 2021. It is also true that a systematic metric for ODA took years to fine-tune with specific reporting criteria and quality assurances, and it remains under review through the work of the DAC Working Party on Development Finance Statistics (WP-STAT). Given the far-reaching complexities of TOSSD, with an ambition far beyond ODA, it should not be judged too hastily on pilot or early reported data, as a similar process of learning from actual reporting and political discussions on the scope for the metric will be crucial for years to come.

## 4.3 WILL TOSSD INCLUDE MUCH NEW DATA THAT ARE NOT ALREADY ACCESSIBLE?

There is no doubt that a fully implemented TOSSD could give access to a much broader and more systematic set of data in support of Agenda 2030 and its 17 SDGs, particularly under Pillar 2 (see the discussion of additionality in section 4.1). Beyond issues of data credibility, scope and relevance noted above, a key question for some CSOs has been how many of these data are already available in various separate datasets? Could these data sources be coalesced into a useful and accessible format, one that addresses the primary purposes of TOSSD? Annex 3 sets out a number of available sources for development finance data relating to Pillar 1, Pillar 2 and South-South cooperation, some of which already inform the different components of TOSSD (such as the OECD Creditor Reporting System).

Others have asked whether one comprehensive metric is even necessary. Acknowledging the data-collection challenges for providers and multilateral institutions as well as the concerns about a credible TOSSD statistical foundation, could the legitimate interests of developing-country partners in tracking flows be served by enhancing and improving access to existing data sources? Indeed, different sources for significant aspects of TOSSD-relevant data already exist in a variety of formats.

The Task Force's peace and security pilot study[53] demonstrates that it is possible to examine different data sources and establish a framework for aggregating finance in relation to specific SDG-relevant themes. Would this approach be sufficient to understand key trends for realizing the SDGs? The DAC regularly publishes some development finance statistics from a recipient perspective for ODA and other resource flows as well as for climate-related development finance.[54] Can these databases be extended systematically into non-ODA and multilateral finance without going as far as a new TOSSD metric? While the author does not have the technical background (and access to the design and structure of various databases) to properly answer these questions, it seems that such options were not seriously considered before the Task Force was launched and TOSSD was developed. Now that TOSSD has been elaborated, they may be moot. There is also a strong case to be made for the efficacy of a systematic framework, rather than a patchwork of incompatible databases, from which to extract comprehensive data for tracking flows and support for the SDGs. Partner countries are already challenged in relating to ODA data through the CRS.

No doubt a disaggregated approach, even if it were feasible, would pose major difficulties in achieving comprehensive and comparable coverage, differences in what exactly is being measured in each system, issues with streamlining for easy use, and concerns for double counting between systems. The effort to align existing datasets with the SDGs and country planning processes may have proven as time consuming and fraught with methodological problems as TOSSD, which has distinct advantages of being systematic and structured with a common reporting framework.

There is no global systematic tracking of multiple existing sources of development finance in relation to SDGs and their targets, which is a primary purpose for TOSSD.[55] Moreover, some current TOSSD areas—such as research and development related to the SDGs, some eligible IPGs activities like peace and security or climate mitigation activities in provider countries, and South-South cooperation flows—are not captured by any global database. While the OECD DAC has developed an algorithm that uses machine-based learning to sort DAC CRS data by SDG, its capacity to assess the reality of what is actually being funded is questionable. (TOSSD's SDG marker in the pilot survey, which deliberately mapped much the same data to SDGs and CRS sector codes without machine learning, produced very different outcomes.)

Relying on existing and unrelated data sources alone may therefore not produce a comprehensive and systematic global analysis of financial flows linked to the many SDG targets with statistical credibility. The value proposition for TOSSD remains strong. But the question still stands: Will the political motivation and perceived value-added of TOSSD for tracking flows related to Agenda 2030 be sufficiently high for providers and developing-country partners to make the considerable investments in systems and processes needed to make this new metric comprehensive, credible, reliable and useful over time?

# 5. WHAT IS THE VALUE ADDED FROM TOSSD IN INCENTIVIZING FINANCE TO ADDRESS POVERTY, INEQUALITY AND ENVIRONMENTAL SUSTAINABILITY?

**Key Issues**

**A focus on poverty, inequality and environmental sustainability?** The TOSSD dashboard can track provider resources against individual SDGs. In the 2019 pilot survey (which may not be representative of TOSSD's potential data), 40% of total provider commitments targeted seven SDGs that address poverty, inequality and environmental sustainability, including gender equality and women's empowerment. However, only 62% of these resources were cross-border flows, compared with 77% of the resources committed to all SDGs.

**Increased country-level accountability for SDG financing?** If fully implemented as a credible statistical metric, TOSSD could provide activity-level data that would allow developing countries and other stakeholders to identify and analyse resources allocated to specific SDGs that are key for leaving no one behind. Beyond the data, parallel capacities would need to be strengthened to analyse the data, to integrate it into country planning and SDG processes, and to look at actual impacts and consequences for poor and vulnerable people, including women, children and Indigenous peoples. These latter aspects are not the direct responsibility of TOSSD as a metric but are important in assessing its value-added.

**Incentivising providers difficult and unlikely.** Given the current questions around disparate data and vague TOSSD reporting requirements, it is unlikely that TOSSD as currently conceived will incentivise providers to increase their support for sectors relating to poverty, inequality and environmental sustainability. A credible metric would improve some aspects of accountability related to these goals but would need to be accompanied by strong motivation, political pressure and ethical standards for development finance. Ultimately, focusing more concessional ODA on these goals will be an important catalyst for progress and should be increased and strengthened accordingly. But TOSSD does provide a potential counterpoint for situating these investments in the broader spectrum of investment in the SDGs in developing countries.

The Task Force's value propositions (section 2.3) have stressed a role for TOSSD in incentivising resource allocations to the broad range of SDGs and their targets. While the targets for all SDGs are essential and interrelated, the international community agreed in 2015 that implementation of Agenda 2030 should be framed by an overarching commitment 'to leave no one behind' in the context of existing human rights obligations.

This overarching priority might imply particular importance for tracking progress for SDG 1 (ending poverty), SDG 2 (ending hunger), SDG 3 (ensuring healthy lives), SDG 4 (ensuring inclusive and equitable quality education), SDG 5 (gender equality), SDG 10 (reducing inequality), and SDG 13 (urgent action to tackle climate change). While the TOSSD dashboard has the capacity to track TOSSD activities against individual SDGs, there is no facility in the dashboard to aggregate such activities in relation to efforts that address a combined focus on poverty, inequality and environmental sustainability.[56]

These seven SDGs could be understood as prioritising sustainability, reducing poverty and inequality. If taken together, an analysis of the 2017 survey data suggests no particular priority (excepting SDG 1, ending poverty, which made up 11% of resources). Commitments allocated to the seven were 40% of total commitments for all SDGs. Almost two-thirds (63%) of activities for these SDGs were reported under Pillar 1. But more activities (38%) were reported under Pillar 2 (international public goods) for these seven SDGs than were reported for all 17 SDGs together (23%), suggesting that there was somewhat less emphasis on direct resource transfers to developing-country partners in support of the seven. Only 56% of resources for ending poverty, 42% for reducing inequality, and 55% for climate change were reported under Pillar 1.[57]

If fully implemented as a credible statistical metric, TOSSD could provide activity-level data that would allow developing countries and other stakeholders to identify and analyse resources allocated to specific SDGs that are key for leaving no one behind. It could potentially improve accountability with regard to Agenda 2030 and enhance country-level knowledge about provider activities in relation to each SDG. A comprehensive, credible and statistically viable metric is an important assumption for such a scenario.

Beyond the data, parallel capacities would need to be strengthened to analyse the data, to integrate it into country planning and SDG processes, and to look at actual impacts and consequences for poor and vulnerable people, including women, children and Indigenous peoples. (See the discussion on statistical capacities in developing countries in section 6.2.) While TOSSD can be structured to better enable qualitative assessments, no dataset can provide such analysis. Datasets can only enhance quality analysis through rigorous rules for inclusion and some independent validation (the latter requiring considerable investment of human resources).

While the data cannot be taken as indicative of trends, and the metric itself is in the early stages of development, the early results in the pilot survey raise questions about interpreting this data, particularly under Pillar 2. The allocation of activities to SDGs in the dashboard seems to indicate a modest bias towards poverty reduction and peaceful societies, with somewhat less priority for inequality and gender equality. But an analysis of the sectoral allocation of these same resources points to sector priorities that generally do not target poverty and inequality, including gender equality (see section 4.1).

It is hard to see how such disparate data and results can incentivise donors to give priority to Agenda 2030's overarching goal of leaving no one behind. At this stage there are too many questions about the meaning of the data and what is included in its broad scope for Pillar 2. Given the broad range and loose definitions of reportable activities (particularly for Pillar 2), will TOSSD ever be able to assemble an accurate picture of resource flows for SDGs in developing countries? With many potentially confusing or misunderstood results, might TOSSD in fact weaken accountability through existing metrics for flows to developing countries (e.g., ODA to least-developed countries and Sub-Saharan Africa, gender purpose codes or climate finance for adaptation), even taking into account the weaknesses of these metrics?

Given the importance of concessional finance for catalysing progress in reducing poverty and inequality and addressing environmental crises, ODA will remain the preeminent measure of providers' commitment to these goals. As such it must have a preeminent place in the international agenda and be increased and strengthened according to agreed-upon development effectiveness principles. But TOSSD has the potential to situate these ODA investments within a wider spectrum of official investment, including non-concessional official support, designed to realise the SDGs in developing countries.

## 5.1 PROFILING RESOURCES FOR REDUCING POVERTY AND INEQUALITY: TOSSD AS A CHALLENGE TO ODA

**Key Issues**

**The promised pre-eminence of ODA for provider accountability remains uncertain.** Despite Task Force assurances, a strong political incentive could exist for providers to draw attention to non-ODA and non-concessional financial instruments and flows that they see as important contributions towards their SDG commitments. The Task Force co-chairs highlight TOSSD as 'a <u>preeminent</u> measure of resources in support of sustainable development in developing countries [emphasis added].' However, unlike ODA's accountability to the UN 0.7% GNI target, it is essential to resist any comparable provider target for TOSSD.

**Breaking the mould of the traditional aid narrative? T**he Task Force co-chairs are promoting TOSSD as the foundation for 'breaking the mould of the traditional aid narrative.' This can be read as a remarkable departure from the notion that TOSSD is primarily about greater transparency for developing-country partners of all flows for Agenda 2030. It reinforces CSO concerns about TOSSD's potential challenge to ODA, and for many in the global South and North, it ignores their experience of the persistence of deeply unequal North-South power dynamics.

The preamble to the *Reporting Instructions* is clear that 'TOSSD aggregates by provider will not by any means replace ODA as a measure of donor effort, nor will they undermine some providers' commitment to reach the UN ODA/GNI target of 0.7%' [para 6]. This commitment has been reiterated repeatedly by the Task Force in consultations and in communications over the past three years. ODA is about accountability for provider/donor effort (for most donors tied to the UN 0.7% GNI target), while TOSSD is about transparency and scope of resources from a recipient perspective made available for the SDGs (for which there is no target). Because TOSSD is not intended to be an accountability metric, it is essential that there be no provider targets. The differences between TOSSD and ODA are described in Annex G of the *Reporting Instructions*. (For a more detailed comparison of the two metrics see Annex 5.)

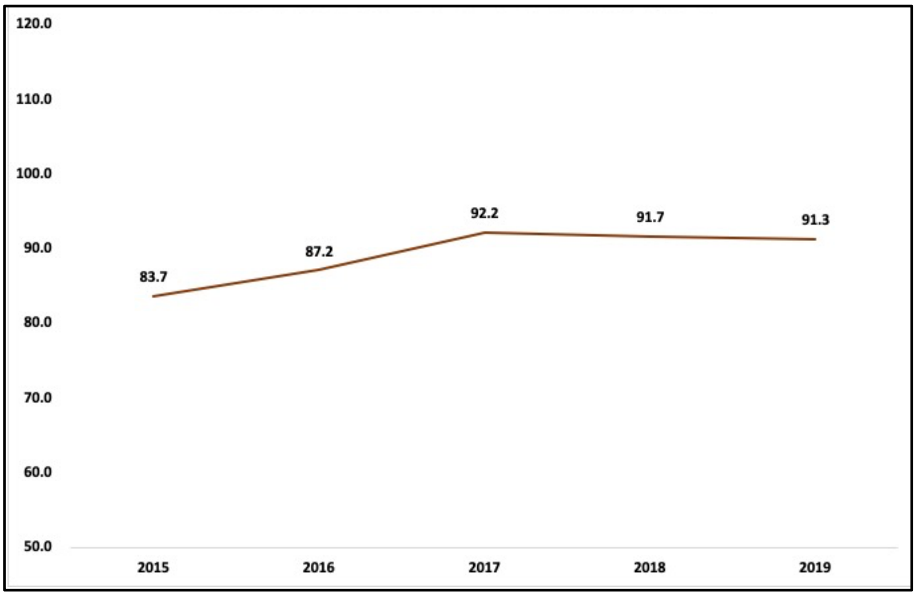
Despite these assurances, a strong political incentive may exist for providers to draw attention to non-ODA and non-concessional financial instruments and flows that they see as important contributions towards their SDG commitments. In a draft TOSSD strategy paper, for example, the TOSSD co-chairs mention ODA in passing as the measure of donor effort [para 18] but highlight in bold TOSSD as 'a *pre-eminent* measure of resources in support of sustainable development in developing countries' [emphasis added] [para 6].[58] This paper goes on to assert that TOSSD is in provider countries' own interest,

> as they are under increased pressure by their citizens to tackle sustainable development challenges, including climate change. TOSSD makes publicly available

evidence on resources invested in sustainable development, both at home (e.g. in climate mitigation) and abroad [para 18].[59]

Given the evolution of TOSSD as an initiative of the DAC and its continued support by the DCD, it is not surprising that many in the global South may question TOSSD's relevance to their priorities for tracking and assessing development finance.

**Figure 1: Real Bilateral ODA (billions of constant 2018 US$), 2015–2019**




Source: AidWatch Canada.

Note: Real ODA is ODA in constant US dollars less in-donor refugee and student costs and debt cancellation.

These incentives for providers may also be driven by the fact that bilateral real ODA[60] has risen by only 9% since 2015 and was flat between 2017 and 2019 (see Figure 1). Many of those consulted within civil society, along with some partner countries, have suggested that TOSSD may legitimize the lack of donor progress in reaching the UN's ODA target of 0.7% of GNI and the target of directing 0.15–0.20% of GNI to ODA for least-developed countries.[61] Such political concerns are not alleviated by TOSSD proponents' assertion that the goal of TOSSD is not to hold donors accountable for flat-lined ODA but to create transparency for financial flows to SDGs beyond ODA.

In the view of the co-chairs (a view supported by many members of the Task Force), TOSSD has the potential 'of *breaking the mould of the traditional aid narrative*,' which 'would mean moving from a provider-recipient, North-South logic to a framework where every country can potentially be both provider and recipient [para 14, emphasis in original].… This could be politically valuable, as TOSSD would help in a concrete manner the broad movement of *shifting from a logic of aid to one of partnerships'* [para 15, emphasis in original].[62] The strategy paper leaves this notion of partnerships in the context of real inequalities in power and resources among partners largely unexamined.

This strategy paper is the first clear expression of TOSSD's political purpose by those individuals leading the development of the metric. It may be read as a remarkable departure from the notion that TOSSD is primarily about greater transparency for developing-country partners and finance for the SDGs and may be a potential challenge to ODA accountability, despite the assurance of the *Reporting Instructions*.

Along with developing-country partners and others, CSOs have long stressed the need to move away from a charitable and hierarchical aid paradigm towards one of aid based in solidarity and accompaniment of developing-country priorities. TOSSD's vague language of 'partnerships' can easily mask the persistence of the deeply unequal power dynamics between the global North and the global South. However, it is also important to acknowledge that development finance on commercial terms is increasingly important for a growing number of upper-middle-income countries (UMICs). Such finance cannot be characterized as 'solidarity' or 'accompaniment,' but for these countries transparency regarding this finance may be equally or more important than ODA, where flows are relatively minor in comparison.

For many CSOs, however, this Task Force narrative potentially marginalizes donors' explicit accountability for their commitment to provide concessional development resources (0.7% of their GNI to ODA), in recognition of the impacts of centuries of colonialism and imperialism that profoundly benefited development in the North. It seems also to co-opt South-South cooperation providers' notion of mutual partnerships that they characterized their aid. As the 'pre-eminent' metric, based on the universality of SDGs, TOSSD may be seen to measure largely provider resource flows (and potentially their performance in the future) irrespective of the global and structural inequalities of the North-South divide.

In this context, many CSOs remain deeply concerned about the future of ODA as a crucial metric for provider accountability and are committed to its growth as a concessional resource for reducing poverty and inequality in least-developed and middle-income countries. Although there are no provider targets in TOSSD, these concerns will grow if TOSSD evolves into an annual aggregate figure for each provider, not replacing but rather masking donors' accountability for their ODA performance.

Nevertheless, there is also critical support for TOSSD among some CSOs based on an expressed need for developing countries and the global community to better understand flows beyond ODA and their links to SDGs at the country and global level. Some suggest that TOSSD could return to its original purpose as mainly a recipient-based measurement, documenting the different flows at the activity level, without any requirement for aggregation into a total TOSSD figure (which may in any case lack credibility given some issues raised below). However, it is difficult to imagine some providers refraining from taking advantage of the opportunity to emphasize a higher TOSSD headline figure as evidence of their 'much greater effort' for sustainable development than might be reflected in stagnant ODA disbursements for these purposes and decades of failure to realize the 0.7% target.

A recent example may be a harbinger of future concerns. Canada's July 2019 interim national plan for monitoring its progress in achieving the SDGs proposed only two indicators for itself for SDG 17: (1) the number of open datasets published by the Government of Canada, and (2) total official support for sustainable development, in Canadian dollars, by type.63 At this stage, the plan is ambiguous, so not too much should be read into these indicators. It does confirm that Canada will support an SDG Data Hub to which it will publish data on all current international SDG indicators, including ODA indicators for SDG 17.64 At the same time, however, its Canadian National Indicator Framework, which includes only TOSSD, is 'meant to begin the process of standardizing metrics to measure Canada's progress in achieving the SDGs and to help Canada set its level of ambition and priority areas of action.'65

Canada recently demonstrated the importance of ODA as a critical development resource in the context of the impacts of the pandemic, with new one-off COVID-related aid investments of up to Cdn$1bn in 2020/21. Canada does have robust data and good transparency for its ODA, but given that its ODA accounted for 0.27% of its GNI in 2018/19, it is also a relatively weak performer in relation to SDG 17's specific ODA targets.

Some providers may be tempted to emphasize the broader TOSSD metric rather than ODA as an alternative public expression of their accountability to developing countries. This is not yet the case for Canada. Its Statistical Report on International Assistance 2018–2019, published in May 2020, dedicates only one page to TOSSD as 'a new statistical measure for the Sustainable Development Goals era' [page 9]. The text explains the differences with ODA and then reports that Canada documented 'Cdn$6.6bn in total support for sustainable development abroad for the calendar year 2018.'66 This was composed of Cdn$5bn for Pillar 1 cross-border flows and Cdn$1.6bn for Pillar 2 towards regional and global challenges. At this stage, most of these flows are derived from ODA, which are well reported in the Statistical Report.

## 5.2 CRITICAL ISSUES IN PILLAR 2: AN INFLATION OF PROVIDER COMMITMENT TO SDGS IN PARTNER COUNTRIES?

This section examines in more detail some critical areas in Pillar 2 that may create conditions for massive inflation of reportable activities. The notion of 'inflation' of TOSSD relates to the inclusion of activities that do not clearly adhere to the core objectives and orientation of TOSSD and is not a reflection on the relative importance of the activities themselves. The result, particularly in Pillar 2, may be more confusion than clarity of purpose in providing resources for IPGs relating to SDGs 'with substantial benefits' to developing countries and to those furthest behind [*Reporting Instructions,* §70]. Section 6 will look at TOSSD in relation to partner-country needs.

### TOSSD and climate finance

**Key Issues**

**Lack of agreement on what and how to report climate finance.** TOSSD data relating to climate finance lack statistical rigour, mirroring loose reporting rules under the UN Framework Convention on Climate Change.

**Potential for TOSSD 'inflation.'** Providers from both the global North and South will be able to report all mitigation activities in the provider country under Pillar 2 on the premise that all countries benefit from such investments. But do these investments demonstrate *substantial* benefits to TOSSD-eligible countries?

Accountability for climate finance is affected by the absence of firm rules agreed upon by the international community through the United Nations Framework Convention on Climate Change (UNFCCC) that allow for a rigorous assessment of climate-specific net assistance reaching recipient countries. Key problems include countries grossly overestimating the climate relevance of reported funds and reporting the face value of funding volumes—including concessional and non-concessional loans, export credit guarantees, and mobilised private investments—rather than the actual net assistance that countries receive. Following the 2018 Conference of the Parties (COP 24), broad agreement was reached for the Paris Rulebook, which mandates transparency in the reporting of climate finance by developed countries in relation to their obligations to provide support for mitigation and adaptation in developing countries as per the Paris Agreement's Article 9. The final adoption of the reporting rules has yet to happen, but the current drafts leave it to donors' discretion what activities they can report (e.g., coal-related expenditures that reduce GHGs), how such finance should be reported to the UNFCCC, and how to report projects where a climate objective is only one of several project objectives. Most donors currently apply flat rates to all of the commitments/disbursements; these range from 100% to 20%, and donors exercise discretion in reporting concessional loans at grant equivalency or at face value.

The TOSSD *Reporting Instructions* [Annex E] states that TOSSD will not replace the obligations of all countries party to the UNFCCC to determine and report their climate financing to that body. The OECD also produces reports on donors' climate-related development financing based on Rio markers, purpose coding for mitigation and adaptation financing reported to the DAC as ODA, reports on climate financing by multilateral organizations, and providers' biennial reports to the UNFCCC.[67]

Yet it seems that TOSSD intends to be another comprehensive measure of climate-related finance in the context of SDG Goal 13. The metric will capture all cross-border climate-related financing (including non-concessional financing) to TOSSD-eligible countries under Pillar 1. These amounts will be drawn largely from what is already reported to the DAC CRS, using a methodology for climate reporting similar to that noted above. Beyond these climate investments, TOSSD will also include under Pillar 2 all activities for climate by multilateral organizations, regardless of the purpose of the institution. Providers can also report 'climate actions in the provider country, or in a non-TOSSD-eligible country, and that convey transnational benefits, [*Reporting Instructions*, p. 36] and in particular government expenditures for domestic mitigation efforts.[68]

Reportable climate actions in provider countries may be massive in scale and seriously inflate TOSSD. Such expenditures include climate change research and knowledge creation, GHG sinks (carbon capture, storage and reforestation), and all investments that limit or mitigate emission of GHGs. While these are essential climate investments in donor countries, for TOSSD the question is their demonstrable substantial benefits for TOSSD-eligible countries. More positively these activities may also make up a significant proportion of SSC for some providers. In the pilot data survey Indonesia, for example, reported US$6.4bn in domestic mitigation expenditures, making up almost all of its reportable TOSSD activities (with an additional US$16.4 million reported under Pillar 1).69

The rationale for inclusion is that provider-country mitigation of GHGs benefits all countries, including TOSSD-eligible countries, by limiting potential future impacts of global climate change. CSOs argue that inclusion of climate change investments in Northern provider countries blurs the intention of TOSSD to measure substantial benefits to TOSSD-eligible countries, which implies a bias towards these countries in a given activity. Not all providers will report these expenditures, thereby creating further distortions in aggregate amounts for Pillar 2.

The Task Force has also suggested that reporting these mitigation efforts is an added value in TOSSD because these provider-country investments are not currently reported to the UNFCCC. But the Task Team has not addressed why TOSSD should be the channel for such reporting instead of the UNFCCC, where mitigation commitments are made.

## TOSSD and peace and security expenditures

**Key Issues**

**What can be reported in TOSSD for peace and security may open the scope for TOSSD 'inflation'?** Under both Pillar 1 and Pillar 2, providers can report peacekeeping operations, disarmament activities (including chemical and nuclear weapons), law enforcement activities, including the fight against crime and terrorism, and specific engagements with partner-country military (see Annex 5 for details).

**With what practical safeguards and commitment to implement them?** The reporting of these activities will be fraught with unresolved issues. How will reporters ensure that such measures focus on SDGs with partner countries as the main beneficiary? The *Reporting Instructions* lists six safeguards to ensure peace and security activities are consistent with the purposes of TOSSD. Nevertheless, the implementation of these safeguards is at the provider's discretion in areas that are highly contested as positive contributions to achieving the SDGs. There is no practical external validation for reported activities. The Task Force's own pilot study analysed various possible peace and security areas and makes little systematic reference to the suggested safeguards as it rationalizes what should or should not be included.

**Contested terrain.** It is generally acknowledged that security actions in themselves are not sustainable. There is no conclusive evidence that peace alone can directly result in development progress for Agenda 2030 (see Annex 5 for details).

In March 2019, following a consultation with the Task Force, 22 CSOs and platforms urged participating governments 'to take a cautious approach to including military-security assistance as part of TOSSD,' being careful to rule out inclusion of such assistance 'where there is a credible risk of negative impacts.'[70] But there are also divergent views. An African CSO commentator, while sceptical overall about TOSSD, pointed to the central role that peace and stability play in Africa's long-term development. He saw the importance of measuring related resources for TOSSD, 'including humanitarian, safety and capacity building operations conducted by security forces,' when mandated by the UN or a regional body such as the African Union (AU).[71] What is currently being measured in TOSSD, and with what practical safeguards?

The Reporting Instructions (Annex E) sets out some general principles and safeguards in provider reporting of peace and security activities:

- Commitment to do no harm, including consideration of intended and unintended consequences of interventions for both populations and other SDG targets;
- Transparency through provision of sufficiently detailed descriptions to allow scrutiny;
- Exclusion of lethal equipment, with the exception of peacekeeping operations;
- Compliance with international conventions and protocols, including international human rights law, refugee law, international humanitarian law and the Oslo guidelines;
- Compliance with development effectiveness principles (ownership of SDG priorities by recipient countries); and
- Review mechanism through the TOSSD governance body.

These are commendable safeguards, but their implementation is at the sole discretion of providers who determine the eligibility of peace and security activities. For some of these activities relating to security, their support for sustainable development is highly contested, not least by those who are directly affected. There has been a 30-year debate between those who give priority to measures to enhance 'national security' versus those who promote an alternative vision of 'human security.'[72] In practice, there is no process for external validation against the proposed safeguards. Any review by a monitoring body would likely involve potentially thousands of reported activities, which can be both complex and somewhat subjective (interpreting ‘do no harm’ or various conventions), and likely not feasible with the limited staffing capacities available for verification.[73]

The safeguards were the outcome of a comprehensive and detailed pilot study by the Task Force of the inclusion of potential peace and security activity areas in TOSSD.[74] But several important safeguards proposed in the pilot study did not make it into the *Reporting Instructions*. For example, the pilot study suggested that included activities should focus on development outcomes and be supported by evidence-based strategies. They must not crowd out development budgets. The pilot study proposed that there be a clear separation of peace- and security-related activities and that transparency be a non-optional eligibility criterion.

How seriously will providers treat these safeguards? Worryingly, the pilot study’s own analysis of different possible peace and security areas makes little systematic reference to the suggested safeguards as it rationalizes what should or should not be included. When confirming inclusion, the pilot report often uncritically assumes the validity of the agencies’ claims that their activities conform to the TOSSD mandate and safeguards rather than testing those claims. The review mechanism mentioned above has never been elaborated by the Task Force.

What can be reported? Based on the pilot study and discussions in Task Force meetings, the *Reporting Instructions* (Annex E, pp. 37–38) in the end establishes a broad range of activities that may be reported as TOSSD (see also Annex 5). These include:

- Peacekeeping operations, both those mandated by the UN and other peacekeeping operations mandated by non-military regional organizations, where ‘a justification should be provided that the mandate is focus on the protection of civilians, not on defeating an enemy’;
- Disarmament activities, including the elimination of biological, chemical and nuclear weapons;
- Law enforcement activities, including the fight against organized crime and terrorism, which should be guided by the UN Global Counter-Terrorism Strategy;[75] and
- Specific engagements with partner-country military, for improving their accountability and management under democratic control, for training in activities with a development impact, or for the delivery of humanitarian assistance.

See Annex 5 for an elaboration of what can be included in each of these areas.

Annex 4 analyses reported peace and security disbursements in the 2017 TOSSD data as well as data from the pilot peace and security study. The pilot survey of TOSSD data for 2017 reported a relatively modest US$593.3 million in security sector reform activities (0.2% of total reported activities) and US$1.2bn for civilian peace building (0.4% of total reported activities).[76] A comparison with the pilot peace and security study data demonstrates that this TOSSD reporting is low and incomplete (not unexpected given the pilot nature of the survey and the fact that many of these activities lies outside what is normally reported as ODA).

The peace and security pilot study aggregated US$15.9bn in 2017 in eligible expenditures for five specific areas—peace operations, disarmament, law enforcement (including the fight against terrorism and organized crime), engagement with the military, and international tribunals.[77] The low level of reported peace and security activities in the pilot survey data is likely the result of low participation in the pilot survey by multilateral organizations involved in these areas. It can be expected that disbursements for these purposes will likely increase as providers implement systems for capturing financing for peace and security in their TOSSD reporting.

The inclusion of these different peace and security activities in a TOSSD measure of support for SDGs, with partner countries as the main beneficiaries, is fraught with significant and unresolved issues. In fact, how to include peace and security as a relevant area for SDG 16 was itself highly contested in 2015 and remains divisive, with no agreement in the UN about specific types of peace and security activities that can support SDG 16.[78] It is generally acknowledged that security actions in themselves are not sustainable. CSOs have been alert to the securitization of the development agenda over the past decade. There is also no conclusive evidence that peace alone is sufficient for achieving progress on Agenda 2030. On the other side, the broad rationale is that ending conflict is a precondition for other IPGs and development progress and therefore relevant to achieving the SDGs.

Among the issues raised in the pilot study, in commentary from CSOs, and in some of the country pilots are the following (see Annex 5 for an elaboration of these points): (1) the potential for crowding out focused budgets by inflating TOSSD; (2) the intrusion of providers' foreign policy priorities into TOSSD; (3) the inability to account for unintended consequences that arise from peace operation activities; (4) the risk that failure to apply safeguards results in assumptions about the relevance of the activity; (5) lack of agreement on the scope of anti-terrorism actions and what constitutes an anti-terrorism organization; and (6) unclear parameters about anti-terrorism training and engagement with militaries.

In its current formulation—under which providers may inflate TOSSD aggregates by including broad, loosely defined, and sometimes contested areas of peace and security spending and peacekeeping operations—there is a strong risk to the statistical consistency, comparability and credibility of this metric in relation to its overarching purpose of improving transparency of flows to advance SDGs in partner countries.

## Refugee and migration-related expenditures and imputed student costs in TOSSD

**Key Issues**

**Grounds for including in-donor costs for refugees in provider countries.** Inclusion of refugee-related costs in Pillar 2 is justified as providing substantial benefit to TOSSD-eligible countries or their populations and by the 2018 UN Global Compact on Refugees. Support for refugees in provider countries is consistent with TOSSD's stated focus on populations. While some Northern donors were less keen to include this category of expenditure, several developing-country representatives in the Task Force argued for its inclusion in order to reflect their considerable support of refugees within their borders.

**Greater transparency but potential for TOSSD inflation.** The *Reporting Instructions* allow for the inclusion of five distinct sets of refugee-related costs, including expenditures for the first 12 months (similar to ODA), costs beyond this 12-month period to the extent that the refugees do not have rights similar to the possession of residency or nationality of that country, costs related to the voluntary return of refugees to their home country, and costs associated with the integration of refugees up to a five-year limit. With very different treatment of refugees in different provider countries (including between developing countries that are host to many more refugees than Northern donors), these provisions may result in both inflation of TOSSD with in-provider country expenditures and reduced consistency between provider countries.

Support for refugees is an international obligation of all countries under the 1951 Geneva Convention Relating to the Status of Refugees. Although the SDGs have no specific goal or target relating to refugees, Agenda 2030 states the following:

We will cooperate internationally to ensure safe, orderly and regular migration involving full respect for human rights and the humane treatment of migrants regardless of migration status, of refugees and of displaced persons. Such cooperation should also strengthen the resilience of communities hosting refugees, particularly in developing countries [para 29].

The Task Force also cites the 2018 UN Global Compact on Refugees as a framework for TOSSD inclusion of support for refugees.[79]

Temporary support for refugees for their first 12 months in the donor host country is an ODA-eligible expenditure. The Task Force not only agreed to accept ODA-eligible expenditures, but also extended the timeframe and content of eligible expenditures to be included in TOSSD under Pillar 2.[80]

The framework for Pillar 2 in the Reporting Instructions [para 70] states that TOSSD activities should 'provide substantial benefits to TOSSD-eligible countries or their populations' [emphasis added]. Costs for refugees and protected persons can be included 'for the first 12 months of stay, and also beyond that period, to the extent that the individual is not recognised by the competent authorities of the country in which he/she has sought asylum as having the rights and obligations which are attached to the possession of residency or nationality of that country' [Reporting Instructions, Annex E, emphasis in original]. It also allows for the inclusion of costs for persons in refugee-like situations in countries that are not signatories to the 1951 Geneva Convention (the Gulf states, for example).

Developing-country members on the Task Force in particular promoted this provision, as costs can be claimed by all providers, including developing-country providers, where in fact most refugees reside.

At its October 2020 meeting the Task Force extended eligible expenditures to include costs associated with the integration of refugees in the provider country, which can include 'activities that promote the integration in the economy and culture of the provider country (including language training, vocational training, employment programmes, awareness on national culture).'[81] The Task Force agreed to a limit of five years for these expenditures.

TOSSD will now capture the following as separate reporting modalities: (1) basic support for refugees and protected persons in the provider country (up to 12 months of their stay); (2) basic assistance for refugees and protected persons in the provider country (beyond the 12-month period); (3) support for refugees and protected persons in other countries of asylum; (4) support for refugees, asylum seekers and protected persons voluntarily returning to their countries of origin, nationality, or last habitual residence (TOSSD-eligible countries); and (5) costs incurred in provider countries for promoting the integration into their economy of asylum seekers, refugees, protected persons and migrants from TOSSD-eligible countries. Although some of these data are collected under the CRS and reported as ODA (item 1, some of items 3 and 4), TOSSD will provide a comprehensive and disaggregated picture of provider support for refugees.[82]

Some CSOs have advocated moving in-donor support for refugees from ODA, where there has been a long-standing objection to their inclusion, to TOSSD. According to recent DAC guidelines, it seems that these expenditures will remain in ODA and will be even more fully present in TOSSD.[83]

At its February 2019 meeting the Task Force defined eligibility of refugee-related costs beyond 12 month as 'that period to the extent that a working visa has not been issued (in which case the refugees are considered integrated in the provider's economy).'[84] Provider countries have very different policies for regularizing refugee status in terms of residency and nationality, a situation that may inflate TOSSD and reduce comparability between some providers that host large numbers of refugees, particularly with the addition of integration costs as agreed at the October 2020 Meeting.[85]

The eligibility criteria for ODA allows donors to include both scholarships for students from developing countries studying in the provider country and an imputed cost to the education system not covered by student fees. The Task Force agreed to include scholarships and other financial awards to students from TOSSD-eligible countries studying in provider countries under

Pillar 1 and to include imputed costs of tuition (not covered by fees paid) under Pillar 2. There is some rationale for scholarships and in-donor country imputed costs under ODA, which has a provider perspective. But some developing-country partners have objected to their inclusion in TOSSD, given TOSSD's recipient perspective and issues of sustainability related to potential brain drain from Southern countries to Northern countries when these students do not return to their countries of origin after their studies.[86]

# Global financial stability and TOSSD

**Key Issues**

**Inclusion of IMF finance in TOSSD is highly contested.** The Secretariat recommends including only norm-setting expenditures, not rescue packages. But can norm setting be separated from the impacts of rescue packages, whose impacts are highly contested in recipient countries? There is agreement in principle by the Task Force to this proposal, but wording for the *Reporting Instructions* is still pending.

At its February 2020 Task Force meeting, members considered a paper by the Secretariat that discussed the inclusion in TOSSD of global macroeconomic and financial stability provider support as an international public good.[87] The stated rationale is that macroeconomic stability is a precondition for sustainable development and qualifies as a 'system issue' in SDG 17.3. The Secretariat had proposed to include only resources relating to international standard setting and surveillance activities aimed at (1) preventing macroeconomic sources of instability; (2) limiting the vulnerability of the financial sector; and (3) strengthening international financial infrastructure. Resources for bailing out advanced countries (such as Greece) are excluded 'given the large amounts involved and the potential controversies that this inclusion would trigger.'[88]

While the Secretariat's proposal was accepted in principle, there is no agreement on the wording for the *Reporting Instructions* consistent with these areas. Such wording still must be confirmed.

Much of the financing suggested for inclusion consists of expenditures made by the International Monetary Fund (IMF). For 2019 the Secretariat paper estimated economic surveillance activity expenditures at US$294m for multilateral surveillance and IMF bilateral surveillance at US$340m. Expenditures for 'the development of international financial architecture' were USUS$46m in 2019. Estimates of annual loans for bailing out Greece were put at US$43.5bn in 2017, far in excess of all additional activities reported in the TOSSD data survey![89]

CSOs tracking the development of TOSSD have argued that all such activities by the IMF are beyond the scope of TOSSD.[90] The Secretariat paper argues that only norm-setting and monitoring activities will be included. However, norm setting and monitoring are closely related to crisis rescue activities by the IMF and other bodies, because the former establishes the basis for the latter. There has been little attempt to assess and agree on the relevance of the proposed activities to the TOSSD criterion of 'significant benefits' for developing countries because IMF policy interventions are often highly contested by both governments and populations in these countries.

The IMF's macroeconomic policy conditions often marginalize developing countries owing to the undemocratic structures of the IMF and other financial institutions. There is no agreement on evidence that such measures promote sustainable development in ways that reduce poverty and inequality and leave no one behind. Policy conditionality and promotion of austerity measures in recent IMF loans relating to the COVID-19 crisis are highly controversial given the critical importance of having fiscal space not only to respond to the pandemic immediately but also to support poverty and inequality reduction in its aftermath.[91]

The inclusion of IMF expenditures for macroeconomic stabilization, even in the limited scope proposed by the Secretariat, may lead to a substantial inflation of TOSSD with activities that undermine the legitimacy of the metric for those wishing it to focus on substantial and demonstrable benefits to sustainable development in TOSSD-eligible countries.

# Tracking COVID-19 expenditures

| **Key Issues** |
| --- |
| The TOSSD Secretariat will develop and manage a multiple-objective data field for provider responses to COVID-19 consistent with the *Reporting Instructions* for both Pillar 1 and Pillar 2 (following the guidance in Annex E for research and development).<br><br>TOSSD can demonstrate its value added by providing a comprehensive picture of the international community's financial support for pandemic responses in relation to overarching goals for sustainable development, investment in related international public goods, and support for relevant activities in TOSSD-eligible countries. |

At its October 2020 meeting, the Task Force saw TOSSD as an important and relevant tool for the international community to track COVID-19 responses beyond what might be considered ODA-eligible.[92] Although a specific ODA purpose code for COVID-19 responses is now operational, it relates only to the health sector.

TOSSD will allow a comprehensive 'tracking of the global response to COVID-19, mainly through 1) direct, cross-border support to partner countries to control the pandemic and its socio-economic consequences (Pillar I) and 2) contributions to multilateral initiatives and research and development of, for example, COVID-19 vaccines and treatments (Pillar 2).'[93] The Secretariat has published a FAQ document that discusses eligible expenditures.[94] Research and development (R&D) activities in provider countries, including the development of a vaccine, can be included in TOSSD (but not necessarily in ODA) if these investments meet the criteria for IPGs set out Annex E of the *Reporting Instructions*. These conditions are quite open ended but include only activities with open access to research results and the promotion of access in TOSSD-eligible countries.[95]

The Secretariat will coordinate its approach to tracking with the DAC and the International Aid Transparency Initiative (IATI) and will launch a special survey in early 2021 to test its methodology for collecting these data. At the October meeting, the Task Force agreed that the Secretariat would develop and manage a multi-purpose data field for TOSSD that would capture COVID-related activities with different policy objectives beyond the health sector.

# 5.3 INCLUSION OF MOBILISED PRIVATE FINANCE IN TOSSD: WHERE DOES IT FIT IN A METRIC FOR OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT?

**Key Issues**

**What role will mobilised private finance play in TOSSD?** The TOSSD data survey will collect data on amounts of official mobilisation of private sector finance and report these data separately from official resources for Pillar 1 and Pillar 2.

**Greater transparency but mixed modalities may make the result difficult to interpret.** Approximately half of mobilized private sector finance recorded in the pilot survey was through loan and investment guarantees and lines of credit. Inclusion in TOSSD may result in an inflated perception of the official resources actually available to the recipient country.

**Unresolved contested issues.** Among issues of concern are (1) the difficulty of establishing causal links with specific SDGs and the potential for double counting; (2) the lack of actual resource transfers to recipient countries (e.g., export credit guarantees); (3) differences in methodologies between the OECD and the multilateral development banks; and (4) the need for coherence with human rights standards and development effectiveness principles.

The Task Force's pilot survey reported that providers mobilised approximately US$40bn in private sector funds in support of sustainable development in 2017.[96] Future TOSSD data surveys will collect data on private sector financing mobilised by official resources from (1) official agencies, including state and local governments and their executive agencies, and (2) public sector corporations over which governments have control [*Reporting Instructions*, §13 and §39].

Early in the process of establishing the parameters for TOSSD with the Task Force, CSOs were able to secure a commitment that mobilised financing would be reported separately from Pillars 1 and 2. In the summary of the 2017 data, the Task Force highlighted a total of US$295bn in official financing for TOSSD (the total of Pillars 1 and 2) and then pointed to US$40bn in additional mobilised resources. However, no details on this mobilised financing are currently available in the TOSSD dashboard.

Mobilised private sector financing falls under Pillar 1 in that 'the point of measurement of resources mobilised is at the level of the transaction with the recipient country' [*Reporting Instructions*, §61].[97] However, the range of official mechanisms through which such financing is mobilised is quite extensive, including 'guarantees/insurance; syndicated loans; shares in collective investment vehicles (CIVs); credit lines; direct investment in companies; grants and loans in simple co-financing arrangements; and project finance schemes' [*Reporting Instructions*, §60].

This approach will enable greater transparency for the levels of mobilised financing that providers consider to address the purposes of sustainable development; currently such transparency about the levels does not exist. Nevertheless, a number of important issues remain to be considered and clarified in the reporting rules.

The analysis of 2017 pilot data reveals that 50% of the US$40bn in mobilised finance was the result of lines of credit (11%) and loan and investment guarantees (39%).[98] CSOs have pointed out that if a loan or investment remains in good standing, guarantees do not involve an actual expenditure; they may be paid out only when conditions change or the investment fails. The *Reporting Instructions* and the pilot data seem to lack clarity about what should be reported as official support.[99] Credit lines allow for the recipient to draw resources earmarked for particular purposes and often tied to provider suppliers. These modalities can be important elements of a donor's international investment regime to promote its economic interests abroad, but inclusion in TOSSD may result an inflated perception of the official resources actually available to the recipient country. From a recipient perspective, Latin American respondents in a Task Force consultation suggested that neither debt cancellation nor guarantees should be included since they did not imply a resource flow.[100]

In the context of TOSSD's recipient perspective and its focus on the SDGs, mobilised private finance may present certain challenges, which the Task Force has not specifically addressed to date:

- **Demonstrating a causal linkage and avoiding double counting.** The *Reporting Instructions* require 'a demonstrable causal link between [private] finance made available for a specific project and the leveraging instrument used' [§58]. Ensuring this causal link and avoiding double counting will not often be clear in complex financing of infrastructure projects from the recipient perspective. With the data collected from provider institutional mechanisms, how will TOSSD data collection processes ensure the capture of mobilised private finance 'at the level of the transaction with the recipient country' [§61]?
- **Consistency in reporting mobilised private finance.** The *Reporting Instructions* (Annex F) set out two methodologies for determining mobilised finance—the OECD methodology and the multilateral development banks methodology.[101] These methodologies have different purposes for the reporting institutions. For now, the Task Force has agreed that providers can use either, specifying the methodology used in their report. Discussions aimed at reconciling what is reported in the two methods to achieve a headline figure of TOSSD mobilised private finance are ongoing (e.g., US$40bn from the 2017 data).
- **Compliance with international human rights standards.** The preamble for the *Reporting Instructions* calls for 'particular attention [to be] paid to commercially motivated resource flows—such as officially-supported export credits and resources mobilised from the private sector [and to] their compliance with global standards and disciplines….' [§5]. Although such financing involves potentially thousands of transactions at the country level, the *Reporting Instructions* establish no criteria or process for validating compliance with international human rights standards. As noted in section 6, partner countries have no structured role in data validation. International human rights standards—particularly free, informed and prior consent and ILO conventions on international labour rights standards—are an essential framework for ensuring that mobilised private sector financing protects the interests of vulnerable populations and furthers the SDGs in infrastructure projects.

The publication of data on officially mobilised private sector finance for the SDGs, while reported separately from official flows, will require vigilance to ensure the credibility of the metric, with no recipient validation expected.

# 6. WILL TOSSD RESPOND TO PARTNER-COUNTRY NEEDS?

**Key Issues**

**Accessing and using TOSSD data.** A strong value added for TOSSD is its promise to deliver reliable and timely data on the full range of international assistance for partner countries for sustainable development, including resources beyond ODA. Will TOSSD data be relevant and accessible for recipient-country users, overcoming the challenges they face in using DAC CRS data? Will TOSSD enhance or complicate existing or emerging country-level aid management information systems?

**Interpreting country support for TOSSD.** Many respondents in the six country pilot studies were generally supportive of TOSSD as it was described to them (which did not include options other than TOSSD). This support, often by technical officials who welcome greater access to comprehensive data, contrasts with reports that some of these same countries' UN representatives have raised substantial political objections to TOSSD, which they perceive as a provider-generated metric outside the UN system.

**Absence of country-level verification.** CSOs and respondents to the country pilot studies have consistently raised the concern that a metric based on recipients' perspective lacks any serious mechanism, and sometimes statistical capacity, for verification of data and the use of this data in country systems.

**Strengthening developing-country statistical capacities.** Consistent with TOSSD's goal as a metric oriented to meeting recipient countries' needs to track financing, much more attention must be directed to improving statistical capacities in developing countries. Statistical systems have been seriously underfunded for years, particularly in the poorest countries. The estimated funding gap is US$5.6bn annually, of which US$1.3bn would be required from external funders. This amount, which is double the current level of funding, is required up to 2030.

Developing countries have faced long-standing challenges in accessing, processing and monitoring timely and comprehensive data on international assistance received through diverse partnerships. ODA and the DAC CRS constitute a provider-centric measure of donor intention but have proven inadequate for monitoring actual flows received by partner countries. The DAC's annual calculation of country programmable aid (CPA) is a recognition of this limitation. At the country level, donor in-country offices very unevenly provide data to increasing numbers of country-managed information systems for international cooperation. For the past 10 years the International Aid Transparency Initiative (IATI) has added another important entry point for more comprehensive transparency on aid data, which may enable greater access to such data. To date, however, IATI seems not to be a reliable and accessible database that could inform country-level monitoring of flows.[102]

A potentially strong value added for TOSSD, therefore, is its promise to deliver reliable, comprehensive, timely data on the full range of international assistance, including and going beyond ODA, that is relevant to SDG implementation and deliberately structured with a recipient perspective.[103] The first proposition for TOSSD's value added is that it will 'build a comprehensive picture of resource flows in support of sustainable development in developing countries' (see Annex 2).

From a recipient-country perspective, how realistic is this intention? Are the capacities present to work with TOSSD data to inform SDG implementation at the country level? Is it designed to facilitate or complicate country efforts to manage data on international development finance?

Pillar 1 focuses on activity-level data for provider bilateral cross-border flows and for direct multilateral flows to developing countries, thus largely meeting the expectation of a recipient perspective metric. Pillar 2 is intended to publish data on activities that provide 'substantial benefits to TOSSD-eligible countries or their populations, and/or be implemented in direct co-operation with TOSSD-eligible countries, or private or public institutions from these countries, as a means of ensuring the benefit to TOSSD-eligible countries or their populations' [*Reporting Instructions*, §70]. But as noted earlier, the meaning and intent of 'substantial benefits' are open to different interpretations by providers of data, particularly for Pillar 2. The scope of some Pillar 2 activities, as discussed in section 5, raises serious concerns about the degree to which the inclusion of activities in Pillar 2 is guided by this eligibility criterion and therefore relevant to developing-country SDG priorities.[104]

Developing-country participants in the Task Force and in pilot country studies and consultations have consistently raised similar concerns, which have not been addressed by the Task Force in its finalisation of important aspects of the current *Reporting Instructions*.

## 6.1 COUNTRY PILOT STUDIES

Over the past three years the Task Force has undertaken seven pilot country studies. These studies have been designed to test the relevance of TOSSD at the country level, estimate total flows for the country concerned, and assess the country's capacities to collect, analyse and use TOSSD data in support of their sustainable development priorities. For the five published studies, country stakeholders, including some CSOs, were widely consulted. The Task Force also responded systematically to concerns raised by Colombia's representative to the Task Force and consulted with select representatives from Latin America and the Caribbean countries and institutions in 2019 on the side of its Ottawa meeting. (See the TOSSD Bibliography for a list of relevant documents.)

The Task Force Secretariat relied on its developing-country members (often officials from the statistical offices) to establish the range of countries covered in the pilots. As such, they mainly address the technical issues of creating a credible and useful metric and serve as a (sometimes critical) validation of the work of the Task Force at country level. Country respondents to the country pilot studies were broadly supportive of the notion of a TOSSD metric (as it was described to them).

The Task Force is an informal body designed to produce a proposal for TOSSD; it has no political mandate. Along these lines, the partner-country representatives on the Task Force are mostly mandated to provide technical input, not to politically represent their country's position on TOSSD. In contrast, however, at the UN, representatives of some of these same countries have raised substantial political objections to TOSSD as a provider-generated metric outside the UN system and inconsistent with the 2015 commitment to develop TOSSD in the Addis Ababa Action Agenda (AAAA).[105]

The Task Force country pilots universally confirm developing-country officials' interest in having TOSSD fill major data gaps from both donors and a wider set of providers, particularly from large SSC providers such as China and India. In Senegal, for example, the pilot documents that China is now Senegal's third-largest provider (10% of flows in 2013), after the United States and France. Taking into account all international flows, the pilot report concludes that 'excluding from TOSSD external financing from China would mean losing sight of flows bigger than current levels of ODA [for Senegal], which underlines the importance for the framework to cover flows beyond aid as currently measured by the DAC.'[106] But several developing-country informants also pointed out that the failure to date to fully lodge ownership and governance of TOSSD within the UN system will result in the likely absence of data from China and India, among other major SSC providers.

Interview informants also pointed out that data on Chinese investments are often available from Chinese embassies through an official request from the government concerned. With sufficient engagement by recipient countries in TOSSD, over time it may be possible to build data on missing aspects of SSC into the TOSSD database from the ground up, which may also further incentivize SSC providers to participate directly in TOSSD.

While generally supportive, some pilot-country respondents (often but not exclusively CSOs) raised a number of concerns[107] about the current metric as understood from the *Reporting Instructions* (references are to the respective pilot study listed in the Bibliography, Section 2). Many of these concerns are consistent with those discussed in this paper:

- **Pre-eminence of ODA.** Some respondents from Latin America, and specifically Colombia, expressed concern that the main source of financing for development should continue to be a growing ODA resource and that TOSSD should not replace ODA as the basis for provider accountability for the SDGs, as established in SDG 17.3.
- **Centrality of cross-border flows.** Senegal respondents suggested that TOSSD should not reflect global or regional investments in IPGs if these investments do not generate direct cross-border flows in TOSSD-recipient countries. But it was also suggested by these respondents that the recipient would benefit from comprehensive picture of flows irrespective of their level of concessionality or whether they are public or private. Flows reported through TOSSD should be closely aligned with recipient-country SDG priorities and needs.
- **Scope of coverage of resources important to developing countries.** Respondents from the Philippines and Senegal highlighted the importance of remittances, direct investment flows, philanthropy and NGO flows that are not captured by TOSSD, while a respondent from Burkina Faso noted that the metric intends to capture only private flows mobilized by official donor resources. A Latin American respondent argued that remittances should not be part of the framework as they are most often used for consumption and are not available for sustainable development purposes.
- **Undefined IPGs and the reporting scope for Pillar 2.** Respondents from Latin America pointed out that there is no regional or global agreement on the concept of international public goods, making it difficult to reach consensus on what should be reported under Pillar 2. Respondents from Nigeria suggested that student imputed costs in provider countries have little benefit to TOSSD-eligible countries and should be excluded. Nigerian respondents also questioned the inclusion of technical assistance, which they suggest is often provided within a donor framework and therefore incompatible with a recipient perspective.
- **Politicization of peace and security issues.** For Colombia, 'taking into account the political complexity associated with peace and security expenditures … it is considered that these activities should only be included as Pillar 1' [page 5; for concern about the politicization of peace and security, see also Latin America, page 3]. Costa Rica suggested that anti-terrorism activities fall in this category and should not be reported.
- **Reporting unsustainable activities.** Costa Rican respondents raised a concern that there were insufficient safeguards (and lack of agreement), making it possible to report unsustainable activities to TOSSD (e.g., geothermal projects in protected areas).
- **Challenges for developing countries to report as providers.** The *Reporting Instructions* states, with much qualification, that donor 'data are complemented by data from recipient countries, reported on a voluntary basis, when possible and in line with their capacities' [*Reporting Instructions,* §29]. Latin American respondents, among others, pointed to major challenges (infrastructure, capacity and human resources) that many middle-income developing countries would face in reporting SSC activities as providers. Nigerian respondents noted that these countries lack the systems to collect data across ministries

(similar to donors' early challenges reporting on IPGs), and they cite lack of understanding and political support at the level of ministers. Costa Rican respondents pointed out that they have diverse databases, relating to a wide range of SDGs, that are incompatible with each other. They would also require a change in the legal framework requiring all bodies, including universities, to report cooperation projects with counterparts in other countries [Costa Rica, pages 17–19].

- **TOSSD-recipient capacities for effective use of the data.** While supporting TOSSD's recipient perspective, country respondents from Burkina Faso and elsewhere raised issues relating to countries lack of capacity and technical systems for integrating the data into their current information management systems and planning processes. If TOSSD is to have impact at the country level, it must be accompanied by large investments by donors in strengthening these capacities, particularly for least-developed and low- and middle-income countries.

During the interviews for this study, the point was made that the design of TOSSD as a global metric, largely based on provider systems for collecting data, undermines its effective use by many partner countries, who were never consulted directly about its consistency with their systems. TOSSD is in danger of duplicating current issues with the integration of CRS and IATI data at the country level and even undermining current capacities and advances in aid management systems. International donors have invested in strengthening country aid management systems, appropriate for the needs of each country, over the past five years. If countries are to use TOSSD data, it will require more effort to realign these systems accordingly.

## 6.2 DEVELOPING-COUNTRY STATISTICAL CAPACITIES

Any global metric such as TOSSD will be challenged technically to accommodate the uniqueness of each country in the design of systems relevant to their needs and TOSSD. It will require adaptations to statistical and information management systems on the part of both providers, to capture relevant activities, and recipients, to integrate the information in a useful and transparent way at the country level.[108] Developing countries' participation in the TOSSD Task Force and the pilot country studies provides an opportunity for all stakeholders to consider what might be required for this adaptation.

Much more effort will be needed to improve statistical capacities in developing countries. In its latest annual review, PARIS21, a coalition of partners that promote the better use and production of statistics throughout the developing world, found that external support for statistics and data in these countries was only US$693m in 2018 and has been largely stagnant since 2014. The largest donors have been the World Bank, the European Commission, the IMF, the United States and the United Kingdom, which together accounted for 70% of investments in this area in 2018.[109] The same sentiment was echoed by the 2018 World Data Forum in the Dubai Declaration, which calls for innovative approaches to mobilising domestic and international funding to strengthen the capacity of national data systems.[110]

In 2017 the OECD DAC devoted its *2017 Development Co-operation Report* to the theme of data for development.[111] This report references the importance of TOSSD in providing a comprehensive picture of resource flows for sustainable development but also points out that statistical systems have been seriously underfunded for years, particularly in the poorest countries. PARIS21 estimates a funding gap of US$5.6bn annually, of which US$1.3bn would be required from external funders. This amount is double the current level of funding and would be required up to 2030.[112] According to these assessments, significant work is also needed to improve the quality of this financing, which is currently often embedded in other sector programming rather than in more systemic approaches.[113]

# 6.3 RECIPIENT-COUNTRY VALIDATION

If TOSSD is to be truly a recipient-based measurement of resource flows, the issue of TOSSD-eligible countries' role in validating data derived from a range of providers' data is an important unanswered question. The reporting cycle is loosely outlined in the *Reporting Instructions* [§73], but partner countries' role in this cycle is absent or at best assumed once the data have been made available. These *Instructions* identify 'validation of the data for inclusion in TOSSD' as a step. The assumption seems to be that this step will be undertaken by the TOSSD Secretariat.

While not underestimating the challenges, respondents in several of the country pilots stressed the importance of triangulating provider data with country-level information. Costa Rican respondents suggested a structural mechanism for reconciling data and dealing with inevitable discrepancies. Nigerian respondents proposed a process whereby a sample of the data is tested at the country level for every reporting round. Others have suggested third-party validation for selected countries or Pillar 2 IPG areas financed by TOSSD providers. Without some attention to this issue, the credibility of the recipient perspective may be questioned. TOSSD may amplify developing-country concerns that already call into question the reality of ODA transactions at the country level.[114]

The Task Force has discussed questions of validation but given them little systematic attention. At best, it seems that the reality will be somewhat random verification of a sample of the thousands of TOSSD activities reported, undertaken by the host global body, perhaps with some special attention to controversial areas.[115]

# 6.4 IMPLEMENTING DEVELOPMENT EFFECTIVENESS PRINCIPLES

Both provider and partner countries have acknowledged the critical importance of adhering to development effectiveness principles in their development cooperation, an emphasis that is also reflected in the preamble to the *Reporting Instructions*[116] [*Reporting Instructions,* §5]. The Senegal pilot stressed these principles as criteria for TOSSD eligibility. But as with all the standards referenced in the preamble, there has been no elaboration of how the principles will be monitored in TOSSD. The Global Partnership for Effective Development Cooperation (GPEDC) has a well-established biennial country-driven indicator and monitoring framework for implementing development effectiveness for ODA resources, which could be adapted to cover TOSSD country data. The practical implementation of this country-led monitoring process for ODA is itself challenging. Given TOSSD's reliance on many donor modalities and government departments to gather and track non-ODA data on official flows, monitoring will be a very difficult exercise. Compliance with the effective principles will likely be difficult to confirm for non-concessionary flows. With limited or non-existent space to enhance country ownership of TOSSD data or to validate data, the role of the partner countries in this new metric may be seriously at risk.

# 7. THE FUTURE FOR MANAGING TOSSD: GLOBAL GOVERNANCE OR ANOTHER OECD-MANAGED METRIC?

**Key Issues**

**Whether a home in the UN for TOSSD?** The working group established by the IAEG-SDGs focuses on TOSSD as a potential indicator for SDG 17.3, and its decision about adoption will also likely determine the prospects for housing TOSSD's political governance in the UN.

**Will OECD DAC members and like-minded countries (North and South) proceed with TOSSD in the absence of a UN home?** Failure at the UN will likely result in no meaningful participation by some major SSC providers such as China and India, certainly in any initial rollout of the metric. How will this absence in a global metric impact the incentives to proceed with TOSSD, which has always been presented as a voluntary measure? What are the opportunity costs of not proceeding with a TOSSD metric, however it may be reformed? Is the creation of an International TOSSD Forum an alternative governance structure in the making, which the TOSSD co-chairs see as completing the 'transformation [of the Task Force] from an expert group to an inter-governmental body'?

**Shaping a coherent approach for CSOs.** CSOs in the DAC CSO Reference Group have engaged critically with the Task Force in shaping TOSSD but have not explicitly endorsed the Task Force framework, citing first a resolution of its global legitimacy within the UN. Many CSO representatives engaging at the UN reject this Task Force outcome as fundamentally illegitimate, seeing it as deeply problematic for the OECD countries to unilaterally determine a standard through a Task Force that they effectively manage. Other CSO policy staff working outside the UN system focus, with a critical perspective, on the potential benefits of greater transparency for non-ODA flows and an interest in strengthening statistical and programmatic capacities for the SDGs at the country level in the global South. There are in fact many ways in which CSOs may define their approach to the outcomes of the UN process and of the Task Force in the future iterations of TOSSD.

The August 2020 draft 'TOSSD Strategy Paper' authored by the Task Force co-chairs situates TOSSD 'as the global measure on support for sustainable development, as norm setter, and as instrument for altering the aid narrative.' TOSSD's 'natural home … would clearly be the *United Nations'* [emphasis in the original].[117] As noted in section 2, a working group created by the IAEG-SDGs is currently considering TOSSD as a potential indicator for SDG 17.3. A positive determination by the Statistical Commission in 2022 would likely mean a political decision to give TOSSD a home within the UN system.

It is far from certain that the working group will endorse TOSSD (or a revised form of TOSSD) as an indicator, and without such an endorsement, TOSSD likely has no prospects for a home in the UN. As of October 2020, six months into their deliberations, members of the IAEG-SDG working group had not agreed on their approach—that is, the degree to which they should start with TOSSD as currently designed by the Task Force as the basis for determining an appropriate indicator (see section 2).

CSOs in the DAC CSO Reference Group have taken no definitive position on TOSSD as a new metric but have fully engaged critically with the Task Force over the past several years and now have observer status.[118] For TOSSD's global legitimacy and credibility, they argue that it or some variant should be agreed upon and politically embedded in the UN.[119] While the Reference Group continues to follow and try to influence TOSSD, it has not endorsed it as a legitimate response to the proposal in paragraph 55 of the 2015 Addis Ababa Action Agenda. They have suggested that the IAEG-SDGs working group should work critically with the Task Force's *Reporting Instructions* and consider a number of steps:

- Substantially improve limitations on reportable activities, which must focus on direct benefits in TOSSD-eligible countries (particularly for Pillar 2);
- Affirm ODA, with donors achieving the 0.7% target, as the primary and pre-eminent measure of DAC donors' accountability on the SDGs in partner countries;
- Take on board the SSC providers' advice to fully include the different modalities in their support for SDGs and the reporting by developing countries of their contributions to IPGs in Pillar 2;
- Create verifiable safeguards to ensure that reported financing targets SDG priorities, with priority to the poor and vulnerable in partner countries (leaving no one behind); and
- Build on the transparency of the Task Force to create meaningful opportunities for CSO engagement with the working group on these issues.

Meanwhile other CSOs that closely follow the UN system have a different starting point. According to these organizations, it is deeply problematic for the OECD countries to unilaterally determine a standard (largely, as the CSOs see it, in their own interests) through the Task Force and then push developing countries to simply give their stamp of approval in a UN process. The origins of TOSSD within the DAC modernization agenda are indisputable. The work of the Task Force may be inclusive and function independently from the DAC, but it has been guided by technical support from a Secretariat drawn from the DAC's Development Cooperation Directorate. While the Task Force has made some credible efforts to engage partner stakeholders, they have done so mainly as individuals, often from technical departments or with local CSOs in locations where meetings have happened. Discussions with UN delegations have been mainly side events at scheduled major UN meetings.[120]

Perhaps foreseeing a less than positive outcome in the current UN process, the Task Force co-chairs in their August 2020 *Strategy Paper* suggested the creation of an 'International TOSSD Forum,' which they see as completing the 'transformation [of the Task Force] from an expert group to an inter-governmental body' [§27]. In this forum, with comprehensive and balanced political representation of stakeholders, TOSSD could be discussed and agreements could be made, with the support of a smaller technical body. The Task Force has not reached agreement on how to proceed with such a forum. At its October 2020 meeting it decided to wait for the outcome of the UN discussions in 2022. Such a forum may be effective in politically engaging a wider range of governments, but in the absence of success within the UN, participation of some key countries from the global South might be limited. TOSSD would then likely continue to be seen as an OEDC-generated metric vaguely complementary to ODA.

# 8. CONCLUSIONS: CONSIDERATIONS AND OPTIONS FOR CSOS?

This paper has sought to lay out the proposed structure of TOSSD as reflected in the development of its *Reporting Instructions* by the Task Force, the potential contributions and challenges of using TOSSD data in the context of Agenda 2030, some outstanding issues in Pillars 1 and 2, and its future governance, all of which could affect the legitimacy, consistency and credibility of the metric. Its intention is to provide substantial background to inform reflections on the different perspectives on TOSSD set out in the Executive Summary ('Assessing TOSSD—Taking account of different perspectives').

It is apparent that some reject TOSSD as politically illegitimate, whereas others see substantial opportunity costs for Agenda 2030 in not proceeding with a metric along the lines of TOSSD, while continuing to work on its gaps and substantial challenges. In reflecting on some potential tensions related to TOSSD as currently conceived, CSOs might want to consider and evaluate several aspects:

1. It advances transparency for non-ODA development cooperation flows at the activity level, enabling the analysis of all modalities of support for sustainable development in an open and accessible data platform (similar to the CRS), but there are questions about the credibility and completeness of data in some areas, which may improve over time.
2. It is intended as a recipient perspective on flows (particularly from the multilateral system and other non-ODA flows), but it depends on providers' data, with insufficient consideration to date of structured partner-country ownership in the development of this metric, although such ownership could be part of future governance arrangements.
3. It explicitly focuses on tracking financial flows for Agenda 2030, the SDGs and their targets, but there is a tension between using that metric as a recipient partner-country perspective on eligible SDG-related flows and incorporating international public goods based on the universal character of Agenda 2030, with its many goals and targets, creating layers of complexity and potential confusion.
4. In a context where CSOs may need to pay increasing attention to other types of flows that are increasingly crucial in many development contexts and affect CSO goals for equitable development and poverty eradication (e.g., China in Senegal), it may incentivise the further marginalization of ODA as a crucial metric of donor commitment to these goals.
5. It may create opportunities for CSO engagement with a wide range of non-DAC providers in an open but voluntary TOSSD political forum on the implications of their flows for poverty eradication, reduction of inequality and promotion of human rights, while also marginalizing the UN as a forum for assessing development finance.

There may be no simple or easy answers to these and other questions and issues posed by TOSSD. At the same time, there is also no need (or likely possibility) for CSOs in the DAC CSO Reference Group to declare themselves for or against TOSSD.

TOSSD seems to have a future, although at this point its scope and eventual governance are somewhat uncertain. In this context, CSOs may continue to address TOSSD from different entry points—as participant observers, as outside critics, as challengers to the Northern donors' initiatives in defining the global agenda. In doing so, it will be important for CSOs to work with a shared understanding of TOSSD, the resource flows it purports to capture, its assumptions, and its political meaning in framing the politics of development finance.

This shared understanding can underpin different CSO strategies for engaging with TOSSD's future evolution and the data it profiles for financing sustainable development. As highlighted in the stakeholder interviews, CSOs are diverse and well situated to challenge and influence complex issues of development finance from a global justice perspective. CSOs have engaged critically with ODA for many years, and more recently with climate finance data captured as ODA, and even with global corporate events such as the Davos World Economic Forum, while sustaining a political, justice and human rights perspective. For TOSSD, the DAC CSO Reference Group, along with other close CSO allies, creates a forum for continued internal CSO dialogue on TOSSD.

# ANNEX 1: STRUCTURE OF THE TOSSD METRIC

**Pillar 1** focuses on all cross-border official and officially supported expenditures in support of the Sustainable Development Goals (SDGs) in a TOSSD-eligible country. These transactions include the following:

- Official grants, loans (both concessional and non-concessional), technical assistance, official debt instruments and equity investments; only ODA and other provider official commitments that are spent outside the provider country are included (i.e., cross-border flows);
- Officially supported resources, which are those provided by official agencies, including state and local governments, as well as public corporations (corporations over which government has a controlling interest through owning more than half of the voting equity securities); and
- Private sector resources mobilized through official public finance, regardless of the country of origin of the private sector resources (to be reported and recorded separately from official flows).

**Pillar 2** focuses on provider transactions in support of sustainable development in relation to international public goods, development enablers and global challenges. The *Reporting Instructions*[121] defines these terms as follows (§15, §16 and §17):

- **International public goods (IPGs)** are 'goods which provide benefits that are non-exclusive and available for all to consume at least in two countries. The term "good" refers to resources, products, services, institutions, policies and conditions.'
- **Development enablers** are 'the means that help provide IPGs and/or address global challenges. They often have the characteristics of IPGs. They can be seen as "intermediate" IPGs as opposed to final IPGs.'
- **Global challenges** are 'issues or concerns that bring disutility on a global scale and that need to be addressed globally. 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. In TOSSD, only activities with international spill-over effects are included.'

**Pillar 2** activities are deemed to support sustainable development if they contribute directly to at least one SDG target and 'if no substantial detrimental effect is anticipated on one or more of the other targets' (§47). In addition, an activity in Pillar 2 must

- Provide substantial benefits to TOSSD-eligible countries or their populations, and/or
- Be implemented in direct co-operation with TOSSD-eligible countries, or private or public institutions from these countries, as a means of ensuring the benefit to TOSSD-eligible countries or their populations (§70).

'The first criterion is meant to exclude public investments that exclusively or overwhelmingly benefit provider countries' own populations.… 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' (§71). But note, 'In the case of multilateral organisations, "direct co-operation with TOSSD-eligible countries" is presumed when some TOSSD-eligible countries are members of the organisation' (§71).

# ANNEX 2: TOSSD VALUE PROPOSITIONS FROM TASK FORCE AND OECD OFFICIAL SOURCES

## SUMMARY

TOSSD will

1. **Build a comprehensive picture of resource flows** in support of sustainable development in developing countries;
2. **Create a globally shared international statistical framework** relating to support for the SDGs;
3. **Promote and enable greater transparency and accountability** for the full array of officially supported development finance;
4. **Enable informed strategic planning**, identifying gaps and priorities, with credible information on resource flows;
5. **Facilitate learning and exchange of good practice** among developing countries in relation to development resources;
6. **Enable more informed policy discussions** about the quality of development finance;
7. **Build insight into the extent to which the international community is financing global enablers** and responding to global challenges, hitherto unavailable; and
8. **Create appropriate incentives** for using international public finance and risk mitigation instruments to mobilize additional resources for development.

## TEXTUAL FOUNDATION FOR THE VALUE PROPOSITIONS

**1. Build a comprehensive picture of resource flows in support of sustainable development in developing countries**

Create 'a comprehensive picture of global, official and official-supported resource flows provided to promote sustainable development in developing countries' (*Reporting Instructions,* p. 2).

- 'The vast scope of the SDGs creates a new imperative to maximize the full potential of all resources—public, private, national, international—that finance development' (*Reporting Instructions,* p. 2).

**2. Create a globally shared international statistical framework relating to support for the SDGs**

TOSSD is intended to ‘establish a sound, shared international statistical framework for monitoring and connecting up resources supporting the SDGs’ (OECD DAC, *TOSSD: A new statistical measure for the SDG era*, p. 1, value proposition).

### 3. Promote and enable greater transparency and accountability for the full array of officially supported development finance

TOSSD is intended ‘to promote greater transparency and accountability about the full array of officially-supported development finance provided in support of the 2030 Agenda for Sustainable Development—including resources provided through South-South co-operation, triangular co-operation, multilateral institutions, emerging and traditional donors as well as private finance mobilised through official interventions’ (*Reporting Instructions*, p. 2).

TOSSD is ‘responding to the increased number of actors in development finance through an inclusive framework’ (*Tracking Peace and Security Expenditures*, p. 17).

TOSSD will ‘facilitate a common international reporting standard for all providers of development cooperation, including emerging economies’ (*Tracking Peace and Security Expenditures*, p. 17).

TOSSD ‘provides more comprehensive and accurate data than currently available in international statistics’:

- Providers not currently reporting on ODA
- Non-concessional resources
- Private sector resources mobilized by official interventions
- Core and non-core activities carried out by multilateral institutions
- Activities supporting sustainable development at the regional and global levels (norm setting work of the UN) (*Proposal for TOSSD to the IAEG-SDGs*).

### 4. Enable informed strategic planning, identifying gaps and priorities, with credible information on resource flows

‘The TOSSD framework is designed to provide a coherent, comparable and unified system for tracking resources for sustainable development that can inform strategic planning, identify emerging gaps and priorities, and assess progress in matching supply with needs’ (*Reporting Instructions*, p. 2).

‘Demystify complex financing operations, identifying different financial components by instrument, volume and source’ (*TOSSD: A New Statistical Measure for the SDG Era*, p. 1).

‘Foster greater collaboration, reduce gaps and enhance synergies across development partners financing the SDGs’ (*TOSSD: A New Statistical Measure for the SDG Era,* p. 1).

### 5. Facilitate learning and exchange of good practice among developing countries in relation to development resources

‘Information about resource flows [through TOSSD] will facilitate learning and exchange of good practice among developing countries about how to access and combine resources most effectively’ (*Reporting Instructions*, p. 2).

### 6. Enable more informed policy discussions about the quality of development finance

TOSSD will ‘promote greater collaboration and synergies across development partners financing the SDGs and support more informed policy discussions about the ultimate quality and impact of development finance’ (*Reporting Instructions*, p. 2).

TOSSD will ‘nourish the empirical basis for informed international policy discussions about the scope, targeting and relevance of broader development finance towards SDG implementation’ (*TOSSD: A New Statistical Measure for the SDG Era,* p. 1).

7. **Build insight into the extent to which the international community is financing global enablers and responding to global challenges**

TOSSD will ‘provide insights about the extent to which the international community is financing development enablers and responding to global challenges—essential for the implementation of the SDGs while not necessarily involving direct resource transfers to developing countries. This information is so far not systematically captured in international statistics on development finance’ (*Reporting Instructions,* p. 2).

TOSSD ‘improves the measurement of the means of implementation [for the SDGs] especially in relation to Target 17.3 that focuses on mobilizing “additional” resources “from multiple sources”’ (*Proposal for TOSSD to the IAEG-SDGs*).

TOSSD ‘offers insights about how and to what extent the international community is providing finance to address global challenges and promote development enablers’ (*TOSSD: A New Statistical Measure for the SDG Era*, p. 1), which are ‘heretofore “invisible” in global development finance statistics’ (*TOSSD: A New Statistical Measure for the SDG Era*, p. 2).

8. **Create appropriate incentives for using international public finance and risk mitigation instruments to mobilize additional resources for development** (*TOSSD: Tracking Peace and Security Expenditures*, p. 17).

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# ANNEX 3: EXISTING DATABASES RELATING TO POTENTIAL TOSSD DEVELOPMENT FINANCE FLOWS

A review of the Task Force studies, the 2019 data survey, and the reporting framework in the *Reporting Instructions* shows that traditional Organisation for Economic Co-operation and Development (OECD) providers and the multilateral system already publish a significant volume of data sets relevant to a TOSSD measurement of flows towards the Sustainable Development Goals (SDGs), with a focus on developing countries' needs for external finance. It is important to note that these databases would not be compatible, and some taken together would be subject to double counting. They could, however, be seen as a source of data that could be adjusted for reporting to a systematic database such as TOSSD.

Among existing datasets are the following:

**Pillar 1**

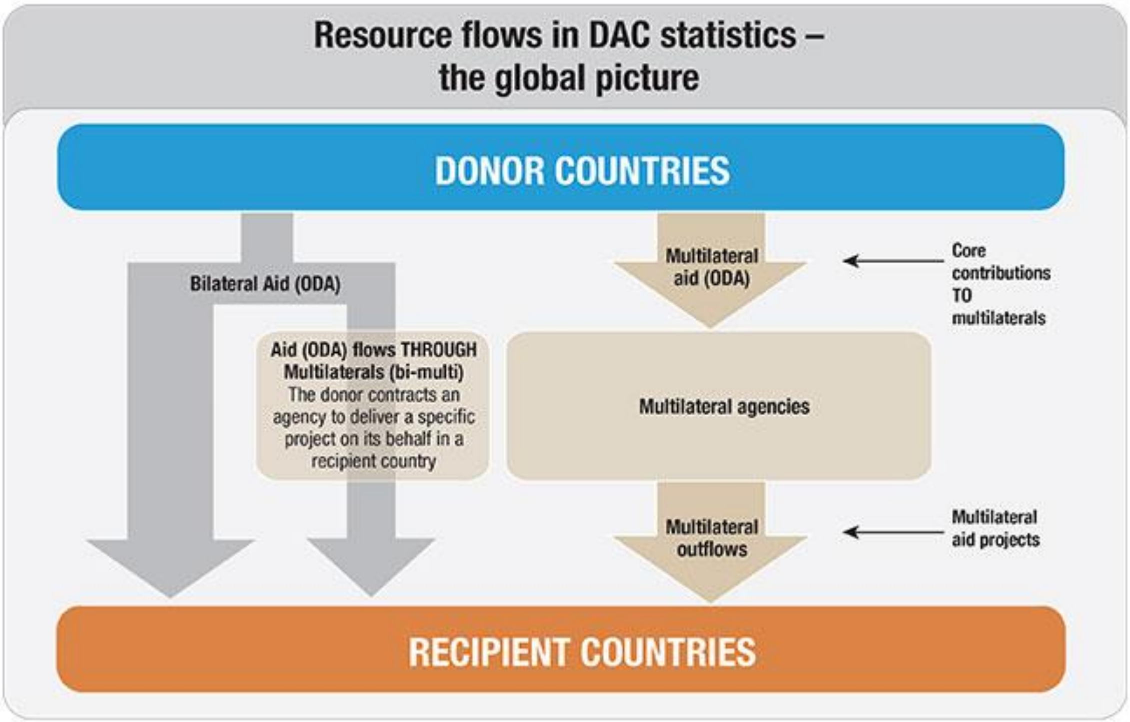
- **Development Assistance Committee (DAC) country programmable aid (CPA) and humanitarian assistance for both DAC members and multilateral donors on a gross disbursement basis.** CPA plus humanitarian assistance is closely aligned with concessional cross-border flows for TOSSD. However, CPA is currently not allocated by sector or other purpose codes, which are available in the more detailed Creditor Reporting System (CRS) database. Presumably more detailed information from the CRS could be brought into the CPA dataset (see CPA table at https://stats.oecd.org/Index.aspx?ThemeTreeId=3#). The DAC also publishes annual data on official development assistance (ODA) and other development finance flows to developing countries from a recipient perspective in its *Geographical Distribution of Financial Flows to Developing Countries* (see http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm). The DAC datasets include voluntary annual reporting of development cooperation by a number of partner countries, which are both recipients and providers of development cooperation, including Kuwait, Russia, Saudi Arabia, Turkey, the United Arab Emirates, and 16 other modest donors (see DAC CRS statistics at https://stats.oecd.org/Index.aspx?ThemeTreeId=3).
- **OECD other official flows (OOFs).** OOFs are official flows in support of development that do not meet ODA criteria. They are non-concessional and often serve providers' commercial purposes. OOFs do not include export credits. Other official flows are available for all DAC providers in the detailed DAC CRS dataset. OOFs are not all TOSSD-eligible and will not include some other public support for sustainable development. But this dataset is a source for non-concessional flows to developing countries and could perhaps be adapted more closely to a TOSSD format. Total OOFs in 2017 were US$11.3bn (see CRS tables for OOFs at https://stats.oecd.org/Index.aspx?ThemeTreeId=3#).
- **Net non-concessional flows.** Data on net non-concessional flows are available through the World Bank's World Development Indicators (external debt) for both bilateral and multilateral

organizations (see https://databank.worldbank.org/source/world-development-indicators).

- **Mobilised private sector resources.** The OECD DAC is tracking data on mobilised private sector resources based on an international standard and a database of private finance mobilised by development finance institutions. The published dataset has information on providers, modality of finance support, key sectors and regions/select countries. Discussions are ongoing with the multilateral development banks on differences in the methodologies used. The Task Force is also discussing outstanding issues related to confidentiality, which may limit the level of detail on mobilised private finance available through TOSSD[122] (see https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/mobilisation.htm).
- **Data linking development finance with SDGs.** These data are being tracked through the OECD DAC's SDG Financing Lab project. It uses machine learning through an algorithm to allocate activities reported to the CRS to SDGs. Data can be accessed from a provider or recipient perspective (see https://sdg-financing-lab.oecd.org/?country=Spain&distribution=providers&sdg=14).
- **Brazil's South-South cooperation.** Data on Brazil's South-South cooperation have been tracked since 2005 in a series of reports by Institute of Applied Economic Research (IPEA) and the Brazilian Cooperation Agency (ABC) (see various reports [some in English] at https://www.ipea.gov.br/portal/index.php?option=com_content&view=article&id=32420&Itemid=343).

### Pillar 2

- **Financing for the United Nations (UN) development system.** The Dag Hammarskjold Foundation and the UN Multi-Partner Trust Fund Office produce an annual report on UN financing from which data on financing for non-ODA international public goods and peacekeeping can be derived.[123] The 2019 report has an overview of members' financing for the UN, financing for Agenda 2030, earmarking, and financing for peacebuilding and humanitarian assistance (see https://www.daghammarskjold.se/wp-content/uploads/2019/09/financial-instr-report-2019-interactive.pdf). Financial data on the activities of the UN system are collected and published by the UN System Chief Executives Board for Coordination (CEB) (see https://www.unsystem.org/content/un-system-financial-statistics).
- **Data on multilateral organizations**. The DAC collects data on members' core contributions to multilateral organizations and on outflows from these multilateral organizations to developing countries. The OECD DAC produces regular publications on multilateral development finance.[124] See the visual representation of resource flows in DAC statistics below.




**South-South Cooperation (SSC)**

- **OECD DAC data on SSC.** Twenty non-DAC providers report their development finance to the OECD DAC (using the ODA framework), and these data are accessible through the CRS. Most but not all of these providers indicate country and sector allocations for this finance. Total concessional development finance for these providers in 2017 was US$17.2 billion, much of this total provided by Middle East providers such as Saudi Arabia, Turkey and the United Arab Emirates.
- **Other sources of data on SSC**. Data for Brazil, China, India and other SSC providers not reporting to the DAC are available through individual UN research papers, development research institutes or academic studies, but there is no consistent time series, agreed definition, or information on modalities, terms of loans, concessionality, or country and sector allocations. For different sources offering an approximation of SSC that parallels the terms of ODA, see B. Tomlinson, 'Trends in the Reality of Aid 2018: Growing Diversions of ODA and a Diminished Resource for the SDGs,' Reality of Aid 2018 Global Report, December 2018, Table 20.1, page 271, accessible at https://www.realityofaid.org/wp-content/uploads/2018/12/Full-Version-RoA-Report-2018-min.pdf. This estimation totalled US$27.6 billion in 2015/16.For an overview of issues in defining and quantifying SSC, see N. Besherati and S. MacFeely, 'Defining and Quantifying South-South Cooperation,' UNCTAD Research Paper No. 30, March 2019, accessible at https://unctad.org/en/PublicationsLibrary/ser-rp-2019d2_en.pdf. AidData is a research lab at William and Mary's Global Research Institute that tracks China's development finance, both concessional and non-concessional, and produces a geo-mapping of this assistance. See https://www.aiddata.org/about and https://www.aiddata.org/data/geocoded-chinese-global-official-finance-dataset. Between 2000 and 2014, AidData recorded 3,485 projects with a value of US$274 billion.

# ANNEX 4: TOSSD DATA: A REVIEW OF THE 2019 PILOT SURVEY DATA COLLECTION

**Background**

In 2019 the TOSSD Task Force launched a pilot data collection exercise, implemented by the Development Assistance Committee (DAC), based on the *Reporting Instructions* (June 2019 version). The Task Force reported that 19 (out of 29) DAC members, 5 other country providers, 9 multilateral organizations, 3 bilateral South-South providers, and 5 multilateral trust funds responded with data to the survey.[125]

The Task Force has made the pilot data available through a dashboard designed for this purpose. Through this web portal it is possible to download the raw activity-level data that were submitted in the 2019 survey.[126]

While these data are at the activity level (somewhat similar to the DAC Creditor Reporting System [CRS]), only a few providers permitted the Task Force to identify their data. The result is that provider-identifiable data for 2017 are available only for Denmark, France, Spain and Sweden as well as European Union (EU) Institutions, Indonesia, Saudi Arabia, the United Nations Development Programme (UNDP), the World Food Programme (WFP), the Islamic Development Bank, the Global Partnership for Education, and the Multi-Partner Trust Fund. All other activity-level data are identified as ‘aggregate,’ which includes all other bilateral and multilateral providers that responded to the survey. There are additional data for Turkey for 2018 that are not included in this analysis.

In relation to South-South cooperation (SSC) providers, Saudi Arabia, Turkey and the Islamic Development Bank already report development and humanitarian assistance finance to the DAC. The only new SSC providers identified are Costa Rica, Indonesia and Nigeria.

It is important to acknowledge that these pilot data relate to a pilot exploratory process, whose purpose was to shed light on the practicalities of TOSSD data collection consistent with the *Reporting Instructions* and ‘to provide evidence on its usefulness for monitoring the financing of the SDGs.’ The OECD Secretariat points out that the data are incomplete, that they do not present a balanced picture of actual trends in financing for sustainable development, and that they should not be used for such an analysis.[127] The expectation is that data collection in 2020 for 2019 TOSSD-relevant data will be more comprehensive.

As a result, analysis of the pilot survey data is significantly qualified by limitations in the number of responding providers, particularly non-DAC providers and major UN agencies and international financial institutions such as the World Bank, and the limited number of providers who allowed the DAC to identify them with their data. Furthermore, a number of important fields in the survey have not been completed (such as concessionality, amounts mobilised, leveraging mechanism, and origin of the funds mobilized).[128] It is also clear from a review of the data that many providers did not undertake a comprehensive reporting of all activities that might be eligible for TOSSD according to the *Reporting Instructions* (particularly for Pillar 2).

The draft dashboard interface is flexible and transparent, allowing users to organize the data by recipient, by pillar, by SDG, and by sector (CRS format). Interestingly, there is no capacity to organize the data by provider, which is a positive bias towards the recipient perspective intended for TOSSD. This limitation in the dashboard may somewhat discourage the use of these data as an alternative accountability and performance framework to ODA by individual DAC providers.[129] But it is possible to download the raw data for each year from the dashboard, which provides a range of fields, including the provider field.

**Analysis of the Survey Data**

This analysis of the data should not be taken as an indication of trends in development finance for TOSSD-eligible activities. It is a pilot exercise and was never expected to be comprehensive.

**TOSSD in 2017**. The TOSSD dashboard records US$335bn in TOSSD commitments in 2017 from all reporting providers (as well as US$285bn in gross disbursements).[130] Of this amount, US$272bn were from providers lumped together as 'aggregate' and US$63bn (19%) from providers that are identified.[131] The analysis below is based on the 2017 commitment data only.

The five DAC providers identified account for US$44bn in TOSSD commitment finance.[132] The SSC providers (including Turkey with 2018 data) reported a total of US$23bn.[133]

**Additionality**. The Task Force Secretariat calculated that those providers participating in the survey reported 18% additional financing through TOSSD for Pillar 1, not previously available to the OECD (26% if only providers that reported additional finance are considered).[134] A total of US$21bn in additional finance was reported under Pillar 1.

New activities under Pillar 1 included those related to migration (migration policies, border management), peace and security (counter-terrorism, disarmament conventions), human rights (support for the International Holocaust Remembrance Alliance), and the environment (long-term protection of natural and cultural heritage).[135] Of the US$21bn, however, US$9.6bn (46%) were non-concessional flows made up of US$5.1bn in loans and US$4.5bn in export credits. The Secretariat analysis of these flows says that these were 'officially supported export credits extended in association with development finance or explicitly designed to contribute to sustainable development objectives.'[136] Almost 90% of these export credits were in the form of guarantees, focusing on energy, health and agriculture (with more than half not reporting a sector). Export credits as guarantees may be valuable in stimulating private sector flows to partner countries, but in themselves they do not constitute an official flow to a TOSSD-eligible country.

A further US$10.5bn (50% of additionality in Pillar 1) were for concessional multilateral flows, which the Secretariat suggests are flows that are 'better tracked' by TOSSD. Most of these flows are reported by providers to the DAC as ODA in the form of earmarked contributions to multilateral organizations. But under TOSSD, multilateral flows are reported with a recipient perspective, which the Secretariat suggests is additional and 'more accurate information' for these multilateral flows.[137] An additional US$597 million in concessional resources were reported for 'combating transnational organized crime, violent extremism, human smuggling or cybercrime,' not eligible for ODA, and US$264 million were reported for other non-ODA-eligible activities.

Discounting the better information on multilateral flows (US$10.5bn) and export credits as guarantees (US$4.1bn), only 5% of Pillar 1 activities were additional flows (8% for those providers who reported additional activities).[138] While more additional activities will be captured in the actual data collection for Pillar 1 starting in 2020, so far additional activities as flows to partner countries are modest. Some additional activities for SSC providers, not reporting to the DAC, may also be captured.

For Pillar 2, the Secretariat calculated that providers reported an additional US$19.4bn in activities not covered by the DAC CRS.[139] Of these amounts, US$11.6bn corresponded to domestic international public goods (IPG) expenditures and US$7.8bn were expenditures at the global or regional level. A total of US$79.8bn were reported under Pillar 2 in the pilot survey. Of this total, US$26.7bn was made up of core contributions by providers to multilateral organizations not yet reporting to TOSSD.[140] Additional global and regional expenditures therefore represented 24% of reported activities under Pillar 2 (32% if provider perspective core contributions to multilaterals are excluded). Looking only at global and regional additional IPG activities, these represented 27% (excluding core contributions), demonstrating that there could be significant additional activities under Pillar 2 for both domestic IPG expenditures and regional/global IPGs.

The main new disbursements reported under Pillar 2 as domestic expenditures were climate mitigation (US$6.8bn), research and development (US$2.5bn), and global positioning systems and satellites (US$1.8bn). Annex A1 of the 'Lessons Learnt' analysis sets out a list of reported activities for Pillar 2 that were additional.[141]

**Allocation to TOSSD Pillars.** Most of TOSSD activities captured in the survey were for Pillar 1. Of the US$335bn for all reporting providers, US$246.4bn (74%) is reported as Pillar 1 and US$88.6bn (26%) as Pillar 2. For all identified providers (bilateral and multilateral), US$35.1bn (56%) is reported as Pillar 1 and US$27.6bn (44%) is Pillar 2. Among the five DAC providers (Table 1), Spain and Sweden reported more of their TOSSD activities under Pillar 2 than Pillar 1. The breakdown for these five providers was 55% under Pillar 1 and 45% under Pillar 2. Given the pilot nature of the exercise and the challenges in collecting Pillar 2 data, this distribution is not surprising.

**Table 1: TOSSD for Select DAC Providers, Commitments, 2017 (billions of US$)**

| DAC Donor | TOSSD | Pillar 1 | Pillar 2 |
|---|---|---|---|
| Denmark | $2.0 | $1.4 (70%) | $0.6(30%) |
| France | $12.9 | $8.6 (67%) | $4.3 (33%) |
| Spain | $1.6 | $0.6 (38%) | $1.0 (62%) |
| Sweden | $3.7 | $1.5 (41%) | $2.2 (59%) |
| EU Institutions | $24.0 | $12.3 (51%) | $11.7 (49%) |
| Total | $44.2 | $24.4 (55%) | $19.8 (45%) |

**Comparisons with ODA**. Recognizing that TOSSD and ODA measure different aspects of providers' support for partner countries (from a provider perspective for ODA and a recipient perspective for TOSSD), the 2017 TOSSD survey data for the five identified DAC providers reported flows for TOSSD did not reach the level of their ODA for that year. Pillar 1 ODA activities and ODA calculated for country programmable aid (CPA) and humanitarian assistance should be somewhat aligned (Table 2).

**Table 2: Comparison of TOSSD and ODA, Commitments, 2017 (billions of US$)**

| DAC Donor | TOSSD | Pillar 1 | Pillar 2 | | ODA | CPA and Humanitarian Assistance |
|---|---|---|---|---|---|---|
| Denmark | $2.0 | $1.3 | $0.7 | | $2.1 | $1.1 |
| France | $12.9 | $8.6 | $4.3 | | $16.7 | $6.0 |
| Spain | $1.6 | $0.6 | $1.0 | | $3.0 | $0.4 |
| Sweden | $3.7 | $1.5 | $2.2 | | $5.2 | $1.8 |
| EU Institutions | $24.0 | $12.3 | $11.7 | | $23.4 | $11.4 |

| Total | $44.2 | $24.3 | $19.9 | | $50.4 | $20.6 |
|---|---|---|---|---|---|---|

Note: As noted, only TOSSD commitments for 2017 are used when comparing ODA commitments for this same year for Table 2. Country programmable aid (CPA) is a DAC ODA calculation for bilateral aid available to partner countries, similar to the TOSSD criteria (cross-border transactions) for Pillar 1. CPA is derived from the DAC CRS tables. CPA excludes humanitarian assistance and is only available as net disbursements. CPA/humanitarian assistance is an indication of the scale of ODA resources available to developing countries but is not directly comparable with Pillar 1.

This result is likely the consequence of limited survey reporting for Pillar 2 by providers whose systems may not have been prepared to report against the *Reporting Instruction*s, particularly for areas proposed for Pillar 2 in Annex E of the *Instructions*. These providers reported similar amounts under Pillar 1 and as Country Programmable Aid and humanitarian assistance as ODA.[142]

**Modalities for delivery of TOSSD.** For the five DAC providers, projects in partner countries (at 71%) was the predominant modality for TOSSD reported activities (Table 3). Expenditures in provider countries amounted to 11% of financed activities. Budget support, pooled and basket funds was 10% of total TOSSD for these providers. TOSSD allocations to different delivery modalities is very comparable to bilateral ODA for these same providers.

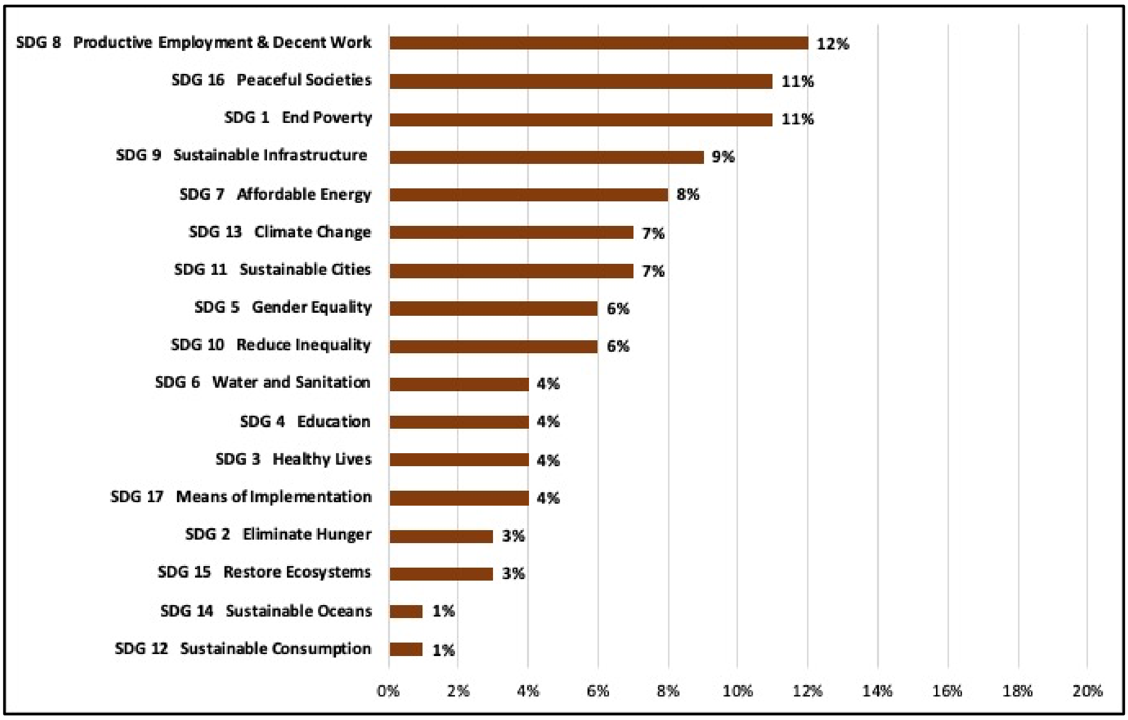
**Table 3: Modalities for delivery of TOSSD for select DAC provider countries (% of US$44bn total TOSSD commitments)**

| Modality | Share of TOSSD | Share of ODA |
|---|---|---|
| Projects | 71% | 68% |
| Budget support, basket funds | 10% | 11% |
| Expenditures in provider countries | 11% | 13% |
| Technical assistance | 3% | 3% |
| Core support to NGOs, PPPs, and research institutions | 1% | 1% |
| Other | 7% | 5% |

**Grants and Loans.** More than 80% of finance from the five DAC TOSSD providers identified in the form of grants, with 17% in the form of loans. A small share (3%) is in the form of equity investment, loan and investment guarantees.[143]

**Allocation to SDGs.** Providers are asked to identify the SDG target(s) to which each activity is directed. To enable this process, the TOSSD Secretariat provided a mapping of SDGs with DAC sector codes. The TOSSD dashboard is able to collate this information in a data tree that assigns a percentage of total TOSSD activities to related SDGs. Approximately 40% of all reported TOSSD activities in 2017 (from all providers) was allocated to only one SDG target, while the remaining TOSSD financing was distributed by providers among several relevant SDGs. Note that these allocations are based on pilot data that should not be considered comprehensive or reflective of actual allocations to SDGs. The analysis here is intended to demonstrate potential areas for analysis with TOSSD data.

**Figure 1: Share of US$335bn in TOSSD Allocated to SDGs, Pilot Data for 2017**



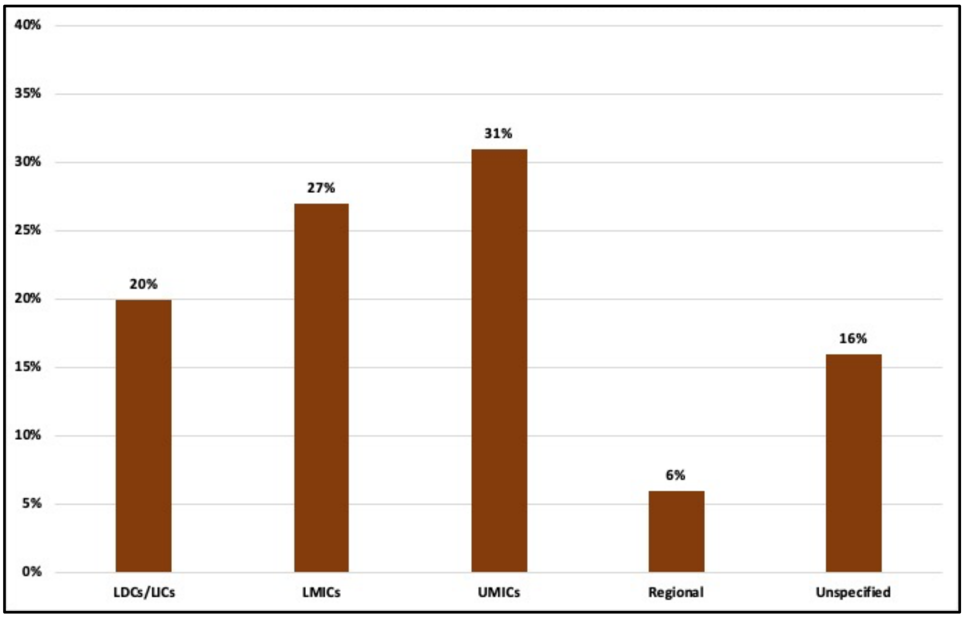

Source: Draft TOSSD Dashboard, SDG Tree, accessed March 2020.

Note: Incomplete provider coverage and reporting areas.

Figure 1 provides the percentages share allocated to each SDG. Together, SDG 8 (productive employment; 12%), SDG 16 (peaceful societies; 11%) and SDG 1 (ending poverty; 11%) make up more than a third of these allocations. SDG 10 (reduce inequality) accounted for 6%, and SDG 5 (gender equality) also attracted 6%. The distribution of these shares may be influenced in the pilot survey by incomplete reporting under Pillar 2, while more poverty-oriented ODA is captured under Pillar 1, and the particular providers who participated. More than three-quarters (77%) of activities identified with an SDG was reported under Pillar 1.

**Allocation to Country Income Groups.** More than 58% of total TOSSD activities in 2017 (all providers) are directed to middle-income countries, with upper-middle-income countries receiving the highest share. Only 20% was allocated to least-developed and low-income countries. Approximately 16% was not allocated by country, and 6% was regional programming (Figure 2). Note that these allocations are based on pilot data that should not be considered comprehensive nor reflective of actual allocations to country income groups. The analysis here is intended to demonstrate potential areas for analysis with TOSSD data.

**Figure 2: Share of TOSSD Allocated by Country Income Group, Pilot Data for 2017**

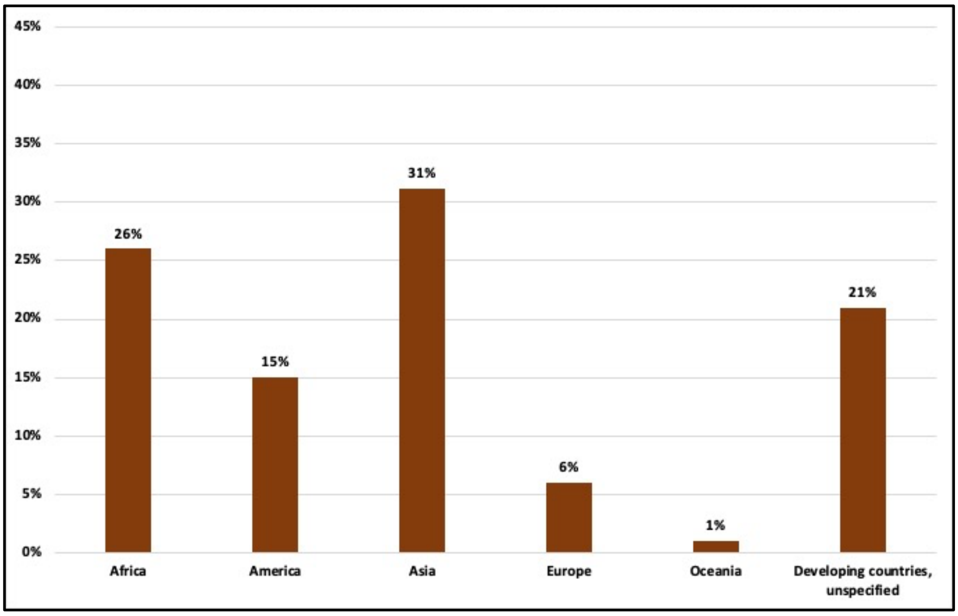



Source: Draft TOSSD Dashboard, SDG Tree, accessed March 2020.

Note: Incomplete provider coverage and reporting areas.

**Allocation by Geographic Region.** A similar distribution for total TOSSD in 2017 (all providers) is evident in the geographic allocation. Close to a third (31%) of TOSSD activities were directed to Asia, while Africa received 26% of TOSSD financing. Again, another 21% was not allocated by region (Figure 3).

**Figure 3: Share of TOSSD Allocated by Geographic Region, Pilot Data for 2017**




Source: Draft TOSSD Dashboard, SDG Tree, accessed March 2020.

Note: Incomplete provider coverage and reporting areas.

Table 4 demonstrates a significant difference in the trends in regional allocations between Pillar 1 and Pillar 2. Under Pillar 1 Africa received 31% of financing, while under Pillar 2 this share drops to 13%. Much of the difference is accounted for by the large share in Pillar 2 that is not allocated by country (73%). One could expect this result given the focus of Pillar 2 on international public goods and development enablers.  An increase in Pillar 2 reporting, taking full account of the different areas of the *Reporting Instructions*, will only accentuate the degree to which TOSSD allocations are not directly relevant to the scrutiny of partner recipient countries, whose needs were to be priority, including for Pillar 2.

**Table 4: Regional Allocations of Total TOSSD by All Providers (%)**

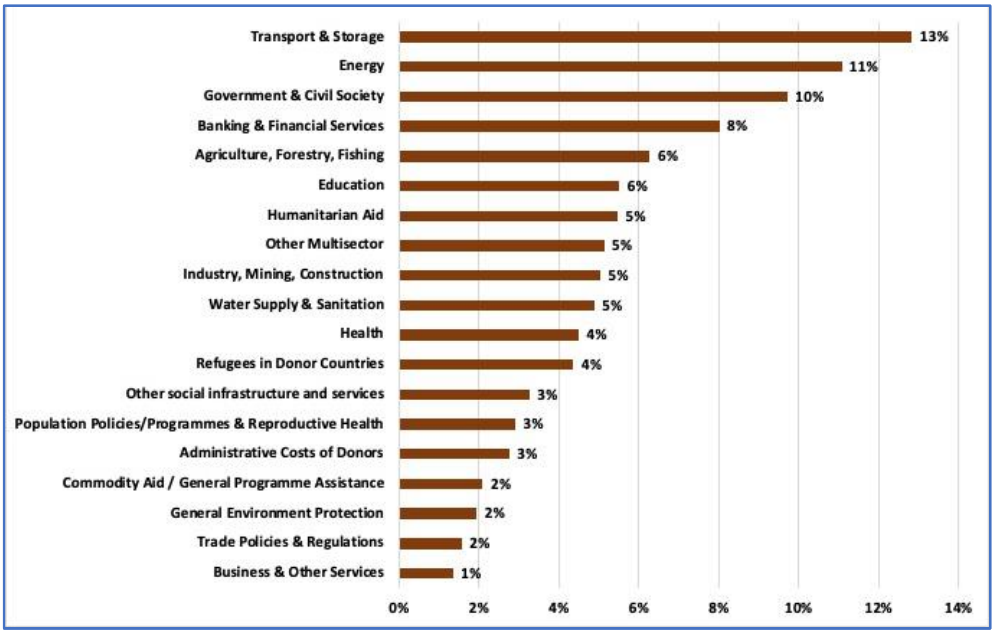
| Region | Pillar 1 | Pillar 2 | Total TOSSD |
|---|---|---|---|
| Africa | 31% | 13% | 26% |
| Americas | 18% | 5% | 15% |
| Asia | 40% | 6% | 31% |
| Europe | 7% | 2% | 6% |
| Oceania | 1% | 1% | 1% |
| Country Unspecified | 3% | 73% | 21% |

**Sector Allocation of TOSSD.** As indicated in Figure 4 the top five sectors accounted for 48% of total TOSSD activities in 2017 (all providers and pillars). The top two, transportation and storage and energy, made up 24%, with a further 10% for government and civil society, 8% for banking and financial services, and 6% for education  If only activities in Pillar 2 are allocated by sector, 46% of allocations are made up of ‘unallocated’ (22%), refugees in donor countries (15%) and administrative costs of donors (9%). Government and civil society (6%) and transportation and storage (7%) account for another 13%, with these top five *allocated* sectors making up 59% of TOSSD finance under Pillar 2.

Sector allocations with some orientation to reducing poverty and inequalities, such as education (6%), health (4%), water supply and sanitation (5%) and population policies (3%), together make up only 18% of total TOSSD allocations. It is also notable that the TOSSD reporting framework does not include any option for reporting activities under the DAC purpose codes for gender equality, disabilities, climate adaptation or mitigation, or biodiversity. While these purpose codes have significant limitations in reporting ODA finance, they do allow for some analysis in relation to the poverty and inequality orientation of this finance.

Note that these allocations are based on pilot data that should not be considered comprehensive or reflective of actual allocations to sectors. The analysis here is intended to demonstrate potential areas for analysis with TOSSD data.

**Figure 4: Share of TOSSD Allocated by DAC Sector, Pilot Data for 2017**




Source: Draft TOSSD Dashboard, SDG Tree, accessed March 2020.

Note: Incomplete provider coverage and reporting areas.

**Reporting of In-Donor Refugee Costs.** Under Pillar 2, providers can report in-donor refugee costs for multiple years up to the point that refugees have equal status as to citizens. As Table 5 indicates, comparing TOSSD reporting of in-donor refugee costs to ODA CRS reporting of these same costs, only France reported additional amounts for TOSSD (US$30 million). Beyond the pilot survey, other providers are expected follow France's example and report additional in-donor refugee costs in their first substantive TOSSD reporting of 2019 data in 2020.

**Table 5 DAC Providers and In-Donor Refugee Costs (millions of US$)**

| Donor | CRS In-Donor Refugees | TOSSD In-Donor Refugees |
|---|---|---|
| Denmark | $117 | $117 |
| France | $623 | $653 |
| Spain | $270 | $276 |
| Sweden | $828 | $828 |

**Export Credits.** As already noted, US$4.5bn in export credits were reported in the survey, which is less than 2% of TOSSD activities. But it is also clear that some donors such as Sweden responded that they were unable at the time to identify reportable export credits in their system.[144] It is likely that this area will expand as donors prepare full reporting schedules for TOSSD starting in 2020.

**Allocation to Security Sector Reform and Civilian Peacebuilding.** The Task Force has had significant discussions about which activities might be included in TOSSD in the areas of security sector reform and peacebuilding and conflict resolution. While specific activities are difficult to analyse, the broad purpose codes for 'security system management and reform' and for 'civilian peacebuilding, conflict management and resolution' may capture some of such activities reported in the survey. Together, all identified providers (including SSC and multilateral providers) reported US$593.3 million in security sector reform and US$1.2bn for civilian peace building. Table 6 compares TOSSD and ODA financing for these two purpose areas for the five DAC identified providers.

**Table 6: Security Sector Reform and Civilian Peacebuilding in TOSSD and ODA, 2017 (millions of US$)**

| **Provider** | **Security Sector Management and Reform** | | **Civilian Peacebuilding** | |
|---|---|---|---|---|
| | **TOSSD** | **ODA** | **TOSSD** | **ODA** |
| Denmark | $1.8 | $1.7 | $38.6 | $132.8 |
| France | $0.1 | $0.1 | $0.6 | $0.6 |
| Spain | $0.2 | $0.2 | $21.9 | $17.0 |
| Sweden | $2.3 | $2.3 | $133.1 | $140.7 |
| EU Institutions | $332.3 | $331.1 | $479.3 | $580.8 |
| **Total** | **$336.7** | **$335.4** | **$673.5** | **$871.9** |

Note: As noted, TOSSD activities were reported as either commitments or disbursements, whereas CRS data cover only commitments. For this comparison, therefore, TOSSD data only include commitments.

For security sector reform in the pilot survey, these five DAC providers reported only 2017 ODA commitments to TOSSD. For civilian peacebuilding, almost US$200 million in ODA for that sector was not reported as TOSSD, perhaps because this ODA financing did not meet the TOSSD criteria for a cross-border transaction (Pillar 1). Clearly providers responding to the 2019 survey had not yet integrated potential non-ODA areas for security sector reform and peace-building activities as identified in Annex E of the *Reporting Instructions*.

The Task Force undertook a pilot study—Tracking Peace and Security Expenditures in Support of the SDGs—that goes beyond the data collected in the survey. It examined potential TOSSD expenditures in this sector in relation to five specific areas: peace operations, disarmament, law enforcement (including the fight against terrorism and organized crime), engagement with the military, and international tribunals. CSOs have raised a number of concerns about the activities included within these areas, which are elaborated in the report to which this analysis is an annex. But the Task Force report provided its own estimates (totalling US$15.9bn) for expenditures for Pillar 1 and Pillar 2, which are summarized in Table 7.[145]

**Table 7: OECD DAC Estimates of Expenditures for Peace and Security, 2017 (billions of US$)**

| Area | Pillar 1 | Pillar 2 | Total |
|---|---|---|---|
| Peace Operations | $1.8 | $7.4 | $9.2 (58%) |
| Disarmament | $0.3 | $0.6 | $0.9 (6%) |
| Law Enforcement (Fight against Terrorism) | $3.1 | $0.8 | $3.9 (25%) |
| Engagement with the Military | $0.9 | $0.8 | $1.7 (11%) |
| International Tribunals | - | U$0.2 | $0.2 (1%) |
| **Total** | **$6.1 (38%)** | **$9.8 (62%)** | **$15.9** |

Note: Data are calculated from OECD DAC, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' OECD Development Cooperation Working Paper 66, December 2019, page 15.

Peace operations dominate these expenditures (58%), with most of the activities accounted for in Pillar 2. Within peace operations, UN peacekeeping is estimated at US$4.8bn and 'other peacekeeping' at US$1.1bn. Peacebuilding and conflict prevention and resolution, from the DAC CRS (code 15220), account for US$3.2bn. Law enforcement (including the fight against terrorism) comes in at 25% of total expenditures, mostly under Pillar 1. Most expenditures in this area are derived from 'legal and judicial development' (CRS code 15250), at US$2.7bn. Engagement with the military relies on 'security systems management and reform' (CRS code 15210) for the US$1.7bn total in this area. 'International tribunals' only brings in the budget for the International Criminal Court.

**South-South cooperation finance in TOSSD.** As noted, SSC providers, including Turkey with 2018 data, reported a total of US$23bn in activities to TOSSD (7% of total commitments). The Islamic Development Bank, Saudi Arabia and Turkey already submit development assistance data to the OECD CRS, with a total of US$10.3bn for 2017/18. New TOSSD SSC data are mainly from Indonesia (US$7.2bn) and the Islamic Development Bank (US$6.1bn). From a sector perspective, humanitarian aid (32%), transportation and storage (30%), agriculture (8%) and industry, mining and construction (5%) accounted for 75% of identifiable SSC activities.

Some data were clearly additional. Turkey reported US$300 million in non-concessional loans. Brazil reported scholarships and in-kind technical cooperation, Costa Rica in-kind technical cooperation, and Nigeria in-kind technical cooperation (but did not cost these activities). The 'Lessons Learnt' analysis sets out the details on what was reported.[146] Interestingly, Indonesia reported US$6.2bn in domestic financing under Pillar 2 for climate mitigation activities financed by the Indonesian government.

# ANNEX 5: PILOT STUDY COMPONENTS OF ELIGIBLE PEACE AND SECURITY EXPENDITURES

The Task Force's pilot study on measuring peace and security expenditures for TOSSD did an exercise to estimate total expenditures for this area, based on existing and accessible data. While these areas will be measured in TOSSD, providers may include many of their own expenditures, which were not available to the authors of the pilot study—for example, for counter-terrorism measures or the fight against drugs and crime.

**Components of Peace and Security for Inclusion in TOSSD**

**Peace operations**

- UN peacekeeping
- Other peacekeeping
- Peace building, conflict prevention and resolution (purpose code 15220)
- Security and cooperation (Organization for Security and Co-operation in Europe)

**Disarmament**

- Reintegration and small arms and light weapons (SALW) control (purpose code 15240)
- Removal of landmines and explosive remnants of war (purpose code 15250)
- Child soldiers (prevention and demobilisation) (purpose code 15250)
- Disarmament (UN Office for Disarmament Affairs, voluntary contributions)
- Nuclear non-proliferation (International Atomic Energy Agency)
- Chemical weapons (Organisation for the Prohibition of Chemical Weapons)

**Law enforcement, including the fight against terrorism and organized crime**

- Anti-corruption organizations and institutions (purpose code 15113)
- Legal and judicial development (purpose code 15130)
- Narcotics control (purpose code 16061)
- International police cooperation (INTERPOL)
- Counter-terrorism (UN Office of Counter-Terrorism, voluntary contributions)
- Fight against drugs and crime (UN Office on Drugs and Crime, voluntary contributions)

**Engagement with the military**

- Security system management and reform (purpose code 15210)

**International tribunals**

- International Criminal Court

**Potential Issues Arising from the Inclusion of Peace and Security Activities in TOSSD**

- **Potential crowding out of development budgets.** The pilot study suggests that 'the usefulness of tracking peace and security expenditures in TOSSD and providing more transparency on expenditures in this field will … need to be balanced with reputational risks and the dangers of crowding out development budgets.'[147] Expenditures for peacekeeping, anti-terrorism measures or decommissioning nuclear weapons can be substantial for several providers. The results may inflate TOSSD and mask more direct support for sustainable development for developing countries.
- **Pursuit of development impacts or foreign policy priorities?** There are substantial ongoing debates on the actual impacts for inclusive sustainable development of anti-terrorism measures, migration control initiatives, and the embedding of the military in development and humanitarian activities.[148] These activities are often strongly linked to providers' foreign policy priorities, not recipient countries' need to promote peace and security in their country context. Much of this expenditure originates in government departments where understanding of TOSSD and Agenda 2030 will be minimal, outside those responsible for development cooperation.
- **Peace operations and unintended consequences.** While peace operations may help resolve conflicts and establish the grounds for development in some contexts, it is often difficult to separate such operations from engagement with state actors implicated in serious human rights abuses. Moreover, support for related training, infrastructure or intelligence assistance cannot be easily distinguished from the unintended consequences of furthering war where political resolution has not happened and peace breaks down.
- **Untested assumptions and wide areas of inclusion.** The pilot study accepts the affirmation of organizations, such as the Organization for Security and Co-operation in Europe, that most aspects of their assistance to ministries of defence and the security sector are TOSSD-eligible. Similarly, activities of INTERPOL in furthering international police cooperation are largely unquestioned. The inclusion of nuclear non-proliferation activities, the safeguard of nuclear fuel cycles, or the decommissioning of nuclear facilities raises questions about the scope and meaning of sustainable development for the benefit of developing countries.
- **What is the scope of anti-terrorism action, and what constitutes a terrorist organization?** The pilot study acknowledges the civil society organization (CSO) view that there is a prevalence of repressive approaches to counter-terrorism and counter-narcotics measures by governments but offers no effective safeguards. The UN Global Counter-Terrorism Strategy is an important reference point for inclusion in TOSSD. At the same time, there is no international consensus on what constitutes a terrorist organization within the UN, leaving it open to different providers to include a range of activities, some of which might repress legitimate government opponents. At its February 2020 meeting, the Task Force asked the Secretariat to investigate a regional or international definition of cyber-security for possible inclusion in TOSSD.
- **Unclear scope for anti-terrorism training and engagement with military.** What is to prevent training in counter-terrorism or anti-drug or anti-crime law enforcement, or engagement with an 'accountable' military (as part of a larger military training program) from being deployed by governments against human rights activists or using other lethal actions against people's organizations? While there seems to be wide acceptance that TOSSD must exclude direct operational and tactical training of military forces as there is no evidence that it contributes to reducing violence, no similar concerns are raised regarding anti-terrorism measures. No consideration is given to eligibility when TOSSD-eligible activities are embedded in broader non-eligible programs of support.[149]

# ANNEX 6: MEASURING FINANCING FOR INTERNATIONAL DEVELOPMENT: COMPARING ODA AND TOSSD

| Official development assistance (ODA) | TOSSD |
|---|---|
| **Purpose: Eligibility criteria based on economic development and welfare of developing countries.** Measuring 'government financial aid that promotes and specifically targets the economic development and welfare of developing countries' as its main objective.<br><br>Most Development Assistance Committee (DAC) donors have ODA policies that give priority to reducing poverty and inequalities while promoting sustainable development.<br><br>ODA is an accountability instrument for a comparable measure of DAC donors' effort. | **Purpose: Eligibility criteria based on supporting sustainable development in TOSSD-eligible countries and international public goods (IPGs).** Measuring official, officially supported and global resource flows provided to promote sustainable development in developing countries and to support development enablers (international public goods) and activities that address global challenges at regional and global level. The metric also measures private resources mobilized by official interventions, where a direct causal link between the intervention and the private resource can be demonstrated.<br><br>TOSSD is 'a coherent, comparable and unified system for tracking resources for sustainable development,' promoting greater transparency and accountability in support of the 2030 Agenda for Sustainable Development. |
| **What flows are reported? Concessional finance according to the DAC rules governing ODA.** ODA includes only concessional finance (grants and soft loans) administered for the purposes of and rules governing ODA directed to ODA eligible countries.<br><br>All flows are reported at the activity level against rules that are set out in detailed DAC ODA Reporting Directives that are revised and updated by consensus and proposals from the DAC Statistics Working Group.<br><br>Recent reporting rules adopted for private sector instruments for 2018 flows allow for an option to report these ODA allocations | **What flows are reported? All monetary and non-monetary transactions.** TOSSD resources include both financial and technical resources and both monetary and non-monetary transactions (e.g., South-South technical assistance that does not involve the payment of money), both concessional and non-concessional.<br><br>Resources are reported at the activity level against two pillars:<br><br>Pillar 1: Cross-border flows to TOSSD-eligible countries<br><br>Pillar 2: Global and regional expenditures to support international public goods, development enablers and global challenges<br><br>A reportable activity is one that directly contributes to one of the Sustainable Development Goal (SDG) targets and has no substantial detrimental effect on one or more |

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| on an institutional basis rather than an instrumental or activity basis. | of the other targets. If no direct link exists, a provider may still report the activity with appropriate justification. |
| **Who is reporting? 30 members of the Development Assistance Committee (DAC).** DAC members align their reporting to rules determined by consensus by the OECD DAC member ministers. These institutions include official agencies, state or local governments and their executive agencies. | **Who is reporting? All providers of official and officially supported finance in support of sustainable development.** These include traditional donors, emerging donors, South-South cooperation (SSC) providers, multilateral institutions and public sector corporations (government controlled). |
| **Accountability: UN target of 0.7% of GNI.** Almost all DAC members have agreed to work towards and be accountable to the United Nations–mandated target for ODA of 0.7% of their gross national income. DAC members are subject to periodic peer reviews of aid practices. | **Accountability: No targets and associated commitments.** There are no specific targets or performance commitments for TOSSD, other than those relating to the SDGs. The Task Force emphasizes that TOSSD is a transparency metric, not intended to replace ODA as the primary metric for donor accountability. However, there are indications that TOSSD may in time be more attractive as the public face for donors' efforts in support of the SDGs. |
| **Target Recipients: ODA-eligible countries.** These are determined by per capita income as established by the World Bank (low- and middle-income countries).<br><br>Humanitarian and emergency response to non-eligible countries are not allowable under DAC ODA rules. | **Target Recipients: All DAC-eligible and opt-in TOSSD countries plus international institutions (IPGs).** For Pillar 1: DAC list of ODA recipients, plus all other countries that have activated the TOSSD opt-in procedure (except traditional donors). For Pillar 2: IPGs and development enablers supported by international institutions.<br><br>Opt-in procedures are available to any non-DAC country and may be used for a country experiencing one-off events such as hurricanes. |
| **Reporting perspective: Provider perspective.** ODA is measured from a provider perspective of concessional finance flows from DAC donors to eligible activities and recipients, irrespective of whether such resources are received within the reporting timeframe. The provider perspective enables a comparable measure of donor performance for ODA.<br><br>Multilateral flows are reported as those received by the multilateral institution and not the flows from these institutions. | **Reporting perspective: Recipient perspective.** TOSSD is intended to be reported from a recipient perspective. Pillar 1 includes only cross-border resources received by a TOSSD-eligible country. Pillar 2 resources must 'provide substantial benefits to TOSSD-eligible countries or their populations and/or be implemented in direct cooperation with TOSSD-eligible countries.'<br><br>Provider earmarked flows to multilateral organizations are included, but provider core contributions are not. Multilateral agencies report their direct flows to partner countries from core contributions and funds raised from private sources. |
| **Flow characteristics: Net disbursements.** Both concessional commitments (total budget for the activity) and disbursements (annual financial outflow for the activity) are reported. | **Flow characteristics: Gross disbursement (cash flow) basis.** Both commitment and disbursement data are collected for resource flows.<br><br>The main TOSSD measurement is calculated on a gross disbursement (cash-flow) basis. Information on reflows is encouraged but |

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| ODA is reported at the net disbursement level (accounting for loan repayments) or grant-equivalent disbursement level (assessing each provider's loans based on an agreed formula for assessing the grant equivalency of concessional loans after 2018). | does not affect the main TOSSD measurement. There is no attempt to adopt the DAC grant-equivalent measurement for loans and guarantees. |
| **Financial instruments: Grants and loans.** ODA includes official grants and/or loans provided by government agencies, as well as their official contributions to capitalize development finance institutions. Direct loans to the private sector are concessionary and on a net basis (different from the grant equivalency of loans to governments). There is no agreement on including guarantees. | **Financial instruments: A broad range of financial instruments.** The broad range of instruments includes any official or officially supported grant, loan, debt instrument, mezzanine finance instrument, equities and shares in collective investment vehicles. Also included are contingent liability instruments (investment and loan guarantees) at face value. |
| **Transparency: Creditor Reporting System at the activity level.** All activities are accessible on the DAC Creditor Reporting System (CRS) with a one-year delay. All activities are reported by detailed sector and policy purpose code (climate, disabilities, gender equality etc.), financial instrument, geographic focus, income group, project title and number, and brief (often inadequate) description. | **Transparency: TOSSD dashboard at the activity level.** All activities will be accessible through the TOSSD dashboard, which will provide top-level aggregation by pillar, sector, SDG and geography. The draft dashboard currently allows aggregation only by recipient or total TOSSD, not provider. However, some providers are seeking to have this changed. Provider information is accessible by downloading annual activities, which also provides more detailed information on modalities for mobilizing private finance, concessionality and financial instruments. |
| **Private sector: Only official finance for private sector instruments or private sector as partner in development.** ODA is only official finance, which can be directed towards development finance institutions (DFIs) for private sector finance and/or for projects in which the private sector is the implementing agent, if these activities meet the criteria and rules for ODA. However, current DAC rules allow donors to include finance for DFIs on an institutional basis, not an activity basis, as an option. | **Private sector: Includes official and officially supported finance, with mobilized private finance calculated and reported separately.** Mobilised private finance requires a causal link between the activity and the official finance intervention. The latter includes guarantees/insurance, syndicated loans, shares, credit lines, direct investments, Public Private Partnerships. No concessionary element is needed. Guarantees are included at face value even though they do not constitute a flow unless called to support a failed investment. Officially supported export credits are also included if they facilitate exports to TOSSD-eligible countries for sustainable development. |
| **Validation: Transactions are subject to validation by DAC Secretariat.** All provider finance is reported at the activity level and may be challenged by the DAC Secretariat with the provider if there is reason to believe the activity does not meet DAC rules. Providers are subject to peer reviews every five years, and recently the DAC has implemented peer reviews on development finance statistics. | **Validation: Validation is vague.** All new TOSSD data are transmitted by the provider or extracted from existing databases (CRS) adapted to TOSSD by the respective provider. The ultimate custodian of TOSSD verifies the conformity of data with TOSSD *Reporting Instructions* and provides feedback on data to providers. There is no provision for validation by recipient countries. |

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| **In-Donor Expenditures: Substantial but limited through DAC rules.** The DAC rules allow for in-donor costs associated with refugees in their country for the first year, imputed costs associated with students from ODA-eligible countries, administration and public education in donor countries. The rules for refugee costs have recently been clarified and tightened. CSOs have objected to the inclusion of in-donor refugee and student costs as well as debt cancellation in the determination of ODA as a resource for reducing poverty and inequalities in partner countries. | **In-Donor Expenditures: Very substantial with minimal limits in the *Reporting Instructions*.** TOSSD includes all DAC in-donor costs, plus other costs associated with refugees until such time as they are equal to residency or citizenship status; research and development related to SDGs, but also pure research, in the public domain; and actions to mitigate greenhouse gases in provider countries. TOSSD Pillar 2 excludes 'public investments that exclusively or overwhelmingly benefit provider countries' own populations.' However, little specific guidance is provided (see *Reporting Instructions*, Annex E). |
| **Loans and debt relief: Grant equivalency.** Since 2018 loans have been calculated at a grant equivalency, with parallel publication of data based on the earlier system of net loans. No agreement has been reached on the treatment of debt relief (which has been included at full face value) in the context of the grant equivalency treatment of loans. | **Loans and debt relief: Loans at gross face value.** Loans are reported at gross disbursement value, with reflows to the provider also reported. Although the *Reporting Instructions* allow the reporting of debt relief under Pillar 1, there is disagreement within the Task Force (as of February 2020) and a review of the notion of debt relief from a recipient perspective (e.g., debt that would likely never be paid back). |

Sources: For ODA: OECD DAC, 'What Is ODA?' April 2019, accessed at https://www.oecd.org/dac/stats/What-is-ODA.pdf; for TOSSD: TOSSD Task Force, *TOSSD Reporting Instructions*, June 2019 version, accessed at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD-Reporting-Instructions.pdf

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Papers and a record of discussion for Task Force meetings (July 2017 to October 2020)

Commentary from the TOSSD Working Group in the DAC CSO Reference Group and reports from Task Force consultations with CSOs

Terms of Reference and current members of the Task Force

TOSSD methodology and the latest version of the *Reporting Instructions*

The TOSSD Data Form and the TOSSD Code List for TOSSD reporters

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The content and analysis in this study are the result of more than five years of debate and engagement on TOSSD with colleagues from the TOSSD Working Group in the DAC CSO Reference Group, ably led over these years by Luca. This collaborative effort has been accentuated in the past year among the three civil society organization (CSO) observers to the International TOSSD Task Force (Luca De Fraia, Jennifer del Rosario-Malonzo and myself). I also appreciate the open and transparent processes of the Task Force since its inception, including the opportunities to discuss many of the issues raised in this study in consultations with CSOs and at its meetings as observers.

Finally, I am deeply indebted to the 14 interviewees for this study who have been generous with their time in sharing frank and perceptive views on TOSSD and its implications. They remain anonymous, but hopefully the assessment matrix reflects accurately the perspectives that they contributed with candour.

The study attempts to capture the current status of TOSSD as well as a range of views on it, particularly through the different interviews. The overarching purpose of the study is to nurture an informed civil society debate on the potential opportunities and challenges arising from TOSSD. I hope it goes some way towards serving this purpose. I look forward to listening and contributing to these discussions.

Brian Tomlinson, AidWatch Canada

# NOTES

[1] These perspectives are derived from 14 interviews conducted in October 2020 with CSO (North and South), donor and OECD DAC stakeholders who have closely followed the evolution of TOSSD from different vantage points. The three-part distinction in assessing these perspectives has been created for analytical purposes by the author and is not intended to represent particular views in any given interview. The key elements and rationales are the author's composite based on an analysis of the responses in the various interviews. The author very much appreciates the candour of the interviewees, which made this analysis possible.

[2] OECD DAC, 'Final Communique of the 2014 DAC High Level Meeting,' December 17, 2014, DCD/DAC(2014)69/FINAL (Paris: OECD DAC, 2014), accessed at https://www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf.

[3] The DAC and the TOSSD Task Force have organised periodic side meetings at UN gatherings, such as the Development Cooperation Forum (DCF), to provide an update on the development of TOSSD and seek feedback from participants. In late 2019 the IAEG-SDGs created a working group to examine the efficacy of TOSSD as a metric for an indicator for SDG 17.3. See below for more detail.

[4] The current task force members are drawn from DAC provider countries (9), developing countries (16), including non-DAC providers, and from international organizations (3). China, Germany, Romania and Norway have observer status. In late 2019 the task force agreed to give CSOs, selected by the DAC CSO Reference Group, observer status. In 2020 Brazil and Colombia became full members of the task force. The current co-chairs of the task force are Laurent Sarazin (European Union) and Risenga Maluleke (South Africa). While representing a variety of country perspectives, members of the task force serve in their individual capacity. See the members list at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/International-TOSSD-Task-Force-Members.pdf.

[5] In 2020 the CSO observers were Luca De Fraia (ActionAid Italy), Jennifer del Rosario-Malonzo (Reality of Aid) and the author of this paper, Brian Tomlinson (AidWatch Canada). These observers have full speaking rights at the meetings of the Task Force and receive all documentation sent to Task Force members. Luca De Fraia facilitates the DAC CSO Reference Group's Working Group on TOSSD.

[6] TOSSD Task Force, Updated Terms of Reference, February 2019, accessed at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/New%20TOR%20TOSSD%20Task%20Force%20-%20January%202019_approved_WEB.pdf.

[7] See http://www.oecd.org/dac/financing-sustainable-development/tossd-public-consultation.htm. There were nine responses from CSOs/research institutions, eight donors, two UN agencies, four multilateral banks, but only one partner country. There were also several individual respondents.

[8] The studies are available at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-country-pilot-studies.htm. See the bibliography for a list.

[9] See Reference Group submissions to Task Team meetings at https://drive.google.com/drive/folders/1abLZiJbSrQDzqUleupuiK5IHdtyEcoGK?usp=sharing.

[10] The latest version of the *Reporting Instructions* can be found at http://www.oecd.org/dac/tossd/TOSSD%20Reporting%20Instructions_February%202020.pdf. For details on the Task Force meetings and its documents, see http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-task-force.htm.

[11] The dashboard was activated in October 2020 and can be found at https://tossd.online/. The author had advance access to the dashboard and has provided an initial assessment of the 2017 data in this report. The DAC also published an analysis of these data. See A. Bejraoul, V. Gaveau, M. Berbegal-Ibanez, G. Delalande, and J. Benn, 'Lessons Learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) Data Survey,' OECD Development Cooperation Working Paper (Paris: OECD, 2020) (not accessible electronically).

[12] See the report from the October 2019 IAEG-SDGs Meeting, p. 5, accessed December 2020 at https://unstats.un.org/sdgs/files/meetings/iaeg-sdgs-meeting-10/10th%20IAEG-SDG%20Meeting%20Report_14.02.2020.pdf.

[13] The proposal can be found at https://unstats.un.org/sdgs/files/All%20Proposals%20Received.zip. TOSSD is being considered as data to inform indicator 17.3. This consideration by the IAEG-SDGs may not necessarily involve UN adoption and governance of the metric.

[14] For references to Ghana and Colombia, see International TOSSD Task Force, 'Tenth Meeting of the TOSSD Task Force Pretoria, South Africa, 12-13 February 2020, Main Conclusions and Action Points,' April 2020, p. 2, accessed January 2021 at http://www.oecd.org/dac/tossd/2020-04-20-10th-TOSSD-TF-Meeting-Action-Point.pdf.

[15] ECOSOC Statistical Commission, 'Report of the Inter-Agency and Experts Group on Sustainable Development Goal Indicators,' E/CN.3/2020/2, 20 December 2019, para 26 and 27 and Annex IV, accessed at https://unstats.un.org/unsd/statcom/51st-session/documents/2020-2-SDG-IAEG-Rev-EE.pdf. See also B. Adams and K. Judd, 'Global Indicator Framework for SDGs: Value added or time to start over,' Global Policy Watch, #31, December 2019, accessed at https://www.globalpolicywatch.org/wp-content/uploads/2019/12/GPW31_2019_12_09_Global_Indicator_Framework_for_SDGs.pdf. CSO observers at the UN see this move as a 'back-door' avoidance of a substantial political discussion of TOSSD in the UN and real participation by LDCs and LMICs in shaping the metric as agreed in the AAAA.

[16] While no membership list for the working group has been published by the UN, it is available through the Task Force documentation. See the list of members in Annex B of International TOSSD Task Force, 'Update on the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDG) Working Group on Measurement of Development Support,' October 2020, accessible at http://www.oecd.org/dac/tossd/Item%204-Update-on-the-IAEG-SDGs.pdf.

[17] *Ibid*., p. 2.

[18] *Ibid*., p. 3.

[19] References in square brackets are to paragraph numbers in the *Reporting Instructions*.

[20] IPGs are 'goods which provide benefits that are non-exclusive and available for all to consume at least in two countries. The term 'good' refers to resources, products, services, institutions, policies and conditions' [*Reporting Instructions,* §15].

[21] See Task Force, 'Operationalising Sustainability in TOSSD: Criteria for Including or Excluding Activities,' TOSSD Task Force Issues Paper, February 2020, accessible at http://www.oecd.org/dac/tossd/task-force/Item_6_sustainability_paper.pdf and Task Force, 'Operationalizing Sustainability in TOSSD,' Task Force Issues Paper, October 2020, accessible at http://www.oecd.org/dac/tossd/Item-6-Operationalising-sustainability-in-TOSSD.pdf. See also Item 6, Operationalizing sustainability in TOSSD, outcomes from the October 2020 Task Force meeting in 'Eleventh Meeting of the TOSSD Task Force, Virtual Meeting, 6-9 October, 2020, Main Conclusions and Action Points,' accessed December 2020 at http://www.oecd.org/dac/tossd/2020-12-18-11th-TOSSD-TF-Meeting-Action-Points-final.pdf.

[22] Task Force, 'Operationalising Sustainability in TOSSD,' February 2020, *op. cit.,* §13.

[23] Task Force, 'Operationalising Sustainability in TOSSD,' October 2020, *op. cit.,* §10.

[24] The October paper notes that both the multilateral banks' common principles and the Creditor Reporting System (CRS) Rio markers permit the reporting of brownfield investments as climate mitigation.

[25] 'Eleventh Meeting of the TOSSD Task Force,' October 2020, *op. cit*., p. 5.

[26] See I. Gençsü et al., *G20 Coal Subsidies: Tracking Government Support to a Fading Industry* (London: Overseas Development Institute; New York: Natural Resources Defense Council; Winnipeg, Canada: International Institute for Sustainable Development; Washington, DC: Oil Change International, 2019), accessible athttps://www.odi.org/sites/odi.org.uk/files/resource-documents/12744.pdf.

[27] Not all countries are doing so. For example, Canada has not reported domestic public investments in climate mitigation in the pilot data or in the 2020 survey, which would involve a complex calculation of investments from three levels of government—local, provincial and national.

[28] As the next section on the pilot data will show, loan and investment guarantees and export credits form a large part of new reportable finance for Pillar 1 in TOSSD data. The rules for reporting loan and investment guarantees for TOSSD remain unclear at the time of writing. Some providers may report to TOSSD only the fees incurred for these mechanisms (1% or less of the private flow guarantee), while a few providers actually set aside the full value of the guarantee and see this set-aside as a full disbursement. The full value of the guaranteed private flow is reported separately as mobilised private finance. Giving a hypothetical example of a loan guarantee for Sweden, the Task Force Secretariat states, 'There is no amount to report as "committed" or "disbursed" as a guarantee does not involve any flow. 100% of the face value of the amount guaranteed is reportable as amount mobilised from the private sector' (see the Examples tab in http://www.oecd.org/dac/tossd/TOSSD%20format.xls). But other providers may not take this approach. Guarantees in the context of export credits are fully reportable under 'officially supported export credits,' aligned with the approach followed by the OECD Export Credit Group (ECG).

[29] See Task Force, 'Refining the TOSSD Reporting Instructions on Debt Relief,' Task Force Issues Paper, October 2020, accessible at http://www.oecd.org/dac/tossd/Item-8-Refining-the-TOSSD-Reporting-Instructions-on-debt-relief.pdf. The following text was agreed as a revision to the current reporting instructions for §95: 'Debt relief corresponds to any form of debt reorganisation which relieves the overall burden of debt by altering the amount or repayment terms of outstanding debt. It includes operations such as rescheduling, refinancing, debt forgiveness, conversion and buybacks—within or outside multilateral frameworks. Debt relief is reportable in Pillar I. Both the principal and interest components of the reorganisation are reportable. The amount of principal will be automatically offset from the TOSSD gross and net measures, to avoid double-counting with the original TOSSD recorded loan. The total volume of reorganisation (principal + interest) is published as a memorandum item.'

[30] TOSSD Task Force, 'Key Findings from the 2019 TOSSD Data Survey,' brochure, May 2020, accessible at http://www.oecd.org/dac/tossd/TOSSD-Survey-Report-A4-Brochure-final-1505-spreads2.pdf and 'TOSSD Tracking Resources towards Sustainable Development: Presentation of the Findings of the first TOSSD Data Survey,' slide presentation, New York, October 4, 2019, accessed at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD_Data_Survey_Main_results.pdf. The 19 DAC provider countries responding to the survey were Australia, Belgium, Canada, Czech Republic, Denmark, France, Greece, Italy, Japan, Korea, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States. Other provider countries were Estonia, Kuwait, Latvia, Saudi Arabia and Turkey. The EU Institutions provided data. Among the multilateral organizations were the Inter-American Development Bank, the Islamic Development Bank, the United Nations Development Programme (UNDP), the UN Refugee Agency (UNHCR), the United Nations Population Fund (UNFPA), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Food Programme (WFP) and the World Health Organization (WHO). The South-South providers were Costa Rica, Indonesia and Nigeria, with Brazil listed as doing a 'technical test.' The trust funds were the Global Partnership for Education, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), the UN regular budget, the United Nations Conference on Trade and Development (UNCTAD) and the UN Multi-Partner Trust Fund Office. The October powerpoint notes, 'TOSSD Data Survey was completed by estimates derived from OECD DAC statistics for non-respondents'; in other words, for the 10 DAC providers that report to the DAC but are not listed as responding to the survey, data from the OECD DAC CRS statistics were used.

[31] Access the dashboard at https://tossd.online/ (October 2020). The author received access to the dataset in February 2020. What follows is based on an analysis of this February dataset. There has been no attempt to check it against the published version of the dashboard.

[32] Provider-identifiable data for 2017 is available only for Denmark, France, Spain and Sweden as well as EU Institutions, Saudi Arabia, Indonesia, the UNDP, the WFP, the Islamic Development Bank, the Global Partnership for Education, and the Multi-Partner Trust Fund Office. It is expected that all providers submitting TOSSD data in the first data collection in 2020 will be identifiable.

[33] The Task Force Secretariat prepared a detailed analysis of the lessons learned from this pilot survey for the October 2020 Task Force meeting, which was not yet accessible electronically as of December 2020. A. Bejraoul, V. Gaveau, M. Berbegal-Ibanez, G. Delalande, and J. Benn, 'Lessons Learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) Data Survey,' OECD Development Cooperation Working Paper, September 2020. The analysis here has been revised to take advantage of the findings set out in this study.

[34] For the format for reporting TOSSD and a backgrounder for reporters, see 'TOSSD Data Form,' accessible at http://www.oecd.org/dac/tossd/TOSSD%20format.xls. 'TOSSD Data Collection in 2020 on 2019 Data: Explanatory Notes,' n.d., accessible at http://www.oecd.org/dac/tossd/TOSSD-data-collection-explanatory-notes.pdf.

[35] TOSSD, 'Key Findings,' 2020, *op. cit*., states the total as US$295bn but notes that this figure includes amounts added from non-responding DAC members from the CRS.

[36] Unless otherwise specified, only data for 2017 are included as this is the most complete dataset. The five DAC donors identified are Denmark, France, Spain, Sweden and EU Institutions for purposes of this analysis.

[37] By comparison, 28% of these five providers' ODA gross disbursements to countries and regions (DAC2a) for 2017 were in the form of loans, most of which were accounted for by France and EU Institutions.

[38] Global Affairs Canada carried out this mapping of the sectors to the SDGs. This work differs from an exercise conducted by the DAC in which an artificial machine intelligence algorithm allocated DAC donor aid by SDG. The Canadian mapping approach will not apply to the first official survey.

[39] See TOSSD Task Force, 'Tracking COVID-19 Response through TOSSD,' Issues Paper, October 2020, accessed December 2020 at http://www.oecd.org/dac/tossd/Item-3-Tracking-COVID-19-response-through-TOSSD.pdf and http://www.oecd.org/dac/tossd/Tracking%20responses%20to%20Covid-19%20through%20TOSSD%20V2.pdf.

[40] A detailed analysis of additionality in TOSSD can be found in Bejraoul et al., 'Lessons Learnt,' *op. cit*., pp. 19–27.

[41] The Secretariat analysis of these flows says that these were 'officially supported export credits extended in association with development finance or explicitly designed to contribute to sustainable development objectives.' Bejraoul et al., 'Lessons Learnt,' p. 19. Financial instruments data are not available on the dashboard for the pilot survey data. The reporting of export credit guarantees is treated differently from loan and investment guarantees, as set out in the example provided by the Secretariat for the Excel reporting; for a hypothetical Swedish loan guarantee, the example states, 'There is no amount to report as "committed" or "disbursed" as a guarantee does not involve any flow. 100% of the face value of the amount guaranteed is reportable as amount mobilised from the private sector' (see the Examples tab in http://www.oecd.org/dac/tossd/TOSSD%20format.xls).

[42] $6.5bn divided by $120bn (all Pillar 1) or $6.5bn divided by $81bn (Pillar 1 providers reporting additional activities). Bejraoul et al., 'Lessons Learnt,' p. 19.

[43] *Ibid*., p. 25.

[44] See the discussion in Bejraoul et al., 'Lessons Learnt,' *ibid.,* pp. 25–26. A total of $26.7bn included in Pillar 2 were provider core contributions to multilateral organizations. These core contributions are now reported as a 'provider perspective.' They are intended as a proxy for disbursements by these organizations received by developing countries.

[45] Annex A1 for the 'Lessons Learnt' analysis (p. 58) sets out a list of activities that were reported as additional for Pillar 2. Climate mitigation amounted to $6.8bn, and research and development $3.5bn.

[46] As noted, this approach may be in part a reflection of the pilot survey and not eventual reporting by DAC donors.

[47] Quotes are taken from OECD DAC 2019 Peer Reviews on Development Finance Statistics for Denmark, Norway, Sweden, and Switzerland. See the section in each report on gathering TOSSD data, accessible at https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/peer-reviews-on-development-finance-statistics.htm. It is important to note that these peer reviews may not be fully representative of current capacities as they were largely implemented before completion of the *Reporting Instructions* and at the beginning of the pilot survey.

[48] These pilots, financed by the European Union, were developed for Burkina Faso, Costa Rica, Nigeria, the Philippines and Senegal. See http://www.oecd.org/dac/tossd/tossd-country-pilot-studies.htm. For an early critical reaction from a major global South think tank, see N. Besharati, 'New Development Finance Measure Should Be TOSSD out the Window!,' South Africa Institute of International Affairs (SAIIA) , Policy Insights, 45, May 2017, accessible at https://www.africaportal.org/publications/new-development-finance-measure-should-be-tossd-out-window/.

[49] See 'Costa Rica's Perspective on Total Official Support for Sustainable Development (TOSSD),' *op. cit.,* accessible at https://www.oecd-ilibrary.org/docserver/94e8be1a-en.pdf?expires=1585246320&id=id&accname=guest&checksum=2112AE79399E248ED03BE5F961D2AFD5.

[50] Institute of Applied Economic Research (IPEA), 'TOSSD from a Brazilian Perspective,' Federal Government of Brazil, Ministry of Economy, October 2020, accessed at https://www.ipea.gov.br/portal/index.php?option=com_content&view=article&id=36805&Itemid=432.

[51] See various reports on Brazilian development cooperation by IPEA at https://www.ipea.gov.br/portal/index.php?option=com_content&view=article&id=32420&Itemid=343.

[52] IPEA, 'TOSSD from a Brazilian Perspective,' *op cit*., p. 12. Brazil formally joined the international Task Force in October 2020.

[53] See OECD, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' December 2019, p. 15, accessible at https://www.oecd-ilibrary.org/docserver/02e67566-en.pdf?expires=1585420993&id=id&accname=guest&checksum=7317372674757B16A199D311A6F3F40B.

[54] See OECD DAC, 'Geographical Distribution of Financial Flows to Developing Countries, 2019,' accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm and OECD DAC, 'Climate Related Development Finance at the Activity Level, Tables from a Recipient Perspective,' accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm.

[55] There is an important UNDP initiative to strengthen country-level development finance assessments (DFAs) in relation to country SDG priorities and strategies. TOSSD is not an alternative to DFAs, which are national finance strategies, but if well developed as a recipient perspective, a cross-border finance metric could provide data for DFAs and be a platform for developing countries reporting their contributions to IPGs covered by TOSSD. See https://sdgintegration.undp.org/development-finance-assessment and https://sdgfinance.undp.org/sdg-tools/development-finance-assessment-dfa-guidebook.

[56] Focusing on these seven goals is somewhat arbitrary and is set out as an example of what might be possible with the current structure of the dashboard. By downloading the activity-level data for each SDG, it is possible to analyse these data in terms of recipient geographic allocations, provider allocations, focus on least-developed and lower-middle-income countries, modalities for the delivery of resources, and general purpose of the activities (through a manual review of activity descriptions). The allocation to SDGs is based on a mapping of DAC sector codes to the SDGs by the DAC. Providers are also allowed to allocate the same activity to several SDGs.

[57] Please note the qualification in section 4 that this analysis of the pilot data is indicative only and cannot be taken as an actual reflection of total allocations to these SDGs, given the pilot nature of the exercise.

[58] 'Draft TOSSD Strategy Paper by the Co-Chairs of the International TOSSD Task Force,' August 25, 2020, p. 2, accessed at http://www.oecd.org/dac/tossd/tossd-task-force.htm.

[59] *Ibid*., p. 5.

[60] Real bilateral ODA is reported bilateral ODA in constant US dollars, less in-donor refugee and student costs, less debt cancellation, and less interest received on previous loans that is not discounted from net ODA.

[61] For partner countries' views, see comments by Colombia to the Task Force, consultations with informants from Latin America, and the Senegal pilot country study. See http://www.oecd.org/dac/tossd/task-force/Comments%20by%20Colombia%20in%20TOSSD%20Format%20-final.pdf; http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/LAC_Main_Messages_WEB.pdf; and https://www.oecd-ilibrary.org/docserver/4144f82a-en.pdf?expires=1598897996&id=id&accname=guest&checksum=3DE079DDEE4362EFCC30DBED77E37CAC (p. 12).

[62] Draft TOSSD Strategy Paper by the Co-Chairs of the International TOSSD Task Force,' August 25, 2020, p. 4, accessed at http://www.oecd.org/dac/tossd/tossd-task-force.htm.

[63] Government of Canada, 'Towards Canada's 2030 Agenda National Strategy,' Interim Document, September 2019, p. 44, accessed at https://www.canada.ca/content/dam/esdc-edsc/documents/programs/agenda-2030/7781_EmploymentSocialDevelopment_2030-ENv5.pdf.

[64] *Ibid*., p. 24: 'Statistics Canada will continue to report on Canada's progress against the Global Indicator Framework through the SDG Data Hub, which is updated regularly as new data becomes available.'

[65] *Ibid*., p. 24.

[66] Government of Canada, *Statistical Report on International Assistance, 2018–2019,* Ottawa, May 2020, p. 9, accessible at https://www.international.gc.ca/gac-amc/publications/odaaa-lrmado/sria-rsai-2018-19.aspx?lang=eng.

[67] See http://www.oecd.org/environment/climate-finance-provided-and-mobilised-by-developed-countries-in-2013-18-f0773d55-en.htm. Oxfam recently published (October 2020) its second shadow report on international climate finance, which is accessible at https://www.oxfam.org/en/research/climate-finance-shadow-report-2020.

[68] For additional information on how TOSSD will implement climate adaptation and mitigation 'flags' relating to both the DAC Rio Markers and the MDB practices in recording climate finance, see Task Force, 'Pending Issues on TOSSD Classifications,' Issues Paper, October 2020, pp. 3–5, accessible at http://www.oecd.org/dac/tossd/Item-7-Pending-issues-on-TOSSD-classifications.pdf.

[69] Bejraoul et al., 'Lessons Learnt,' *op. cit*., p. 46.

[70] A submission from civil society organizations working on peace and sustainable development, March 2019, accessed at https://www.saferworld.org.uk/resources/publications/1204-tracking-support-to-sustainable-development-goals-a-the-case-of-peace-and-security.

[71] Besharati, 'New Development Finance Measure Should Be TOSSD out the Window!' *op. cit*.

[72] See, for example, M. van Bijnen, 'National Security versus Human Security,' Global Partnership for the Prevention of Armed Conflict, January 2018, accessed December 2020 at https://www.gppac.net/national-security-versus-human-security.

[73] The case of ODA with its elaborate criteria is indicative. Limited staffing at the DAC means in practice that systematic verification of reported ODA against the criteria is mainly responsive to received complaints or concerns.

[74] See OECD, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' December 2019, accessible at https://www.oecd-ilibrary.org/docserver/02e67566-en.pdf?expires=1585420993&id=id&accname=guest&checksum=7317372674757B16A199D311A6F3F40B.

[75] United Nations Office of Counter-Terrorism, UN Global Counter-Terrorism Strategy, accessible at https://www.un.org/counterterrorism/un-global-counter-terrorism-strategy.

[76] According to Bejraoul et al., 'Lessons Learnt,' *op. cit*., 'The data survey also allowed to capture *additional expenditures that contribute to international peace and security*; emphasis in original. USD 2 billion of these expenditures were collected from eleven providers, the main ones being the UN Secretariat (USD 872 million), the United States (USD 424 million), Australia (USD 343 million), and the European Union (USD 212 million). In terms of peace and security areas, the majority of the activities related to international peace operations, but other examples include combating people smuggling, for example through support to the Bali Process, the elimination of chemical weapons, through support to the Chemical Weapons Convention Coalition (CWCC), or the safe and secure management of ammunition through support to the African Union' (p. 49). See also Annex A of 'Lessons Learnt' for a list of activity areas captured for peace and security under Pillar 2 (p. 59).

[77] These estimates are based on both the dashboard data and on the pilot study's examination of budgets for international organizations and line items in the CRS. Since the pilot study sources for this data go beyond the data survey, the total amounts are not directly comparable to total TOSSD for 2017 from the dashboard. See OECD DAC, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' *op. cit*., p. 15.

[78] *Ibid*., p. 20.

[79] United Nations, *Report of the United Nations High Commissioner for Refugees: Part II: Global Compact on Refugees,* 2018, accessible at https://www.unhcr.org/gcr/GCR_English.pdf.

[80] The Secretariat prepared a short background discussion paper on support for refugees in TOSSD for the February 2019 Task Force meeting: 'Emerging TOSSD Reporting Instructions: Eligibility of Costs in

Provider Countries – Refugees,' TOSSD Task Force Issues Paper, January 2019, accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/Item-7b-Refugees-WEB.pdf. A second Secretariat paper was prepared for the October 2020 Task Force meeting: 'Creation of a New Modality to Capture Support for the Integration of Refugees/Protected Persons/Migrants in the Provider Country,' Issues Paper, October 2020, accessible at http://www.oecd.org/dac/tossd/Item%207-Creation-of-a-modality-for-the-integration-of-refugees.pdf.

[81] See Task Force, 'Creation of a new modality,' October 2020, *op. cit*.

[82] *Ibid.*, see Table 1 for details on these five categories.

[83] See the Annex of the Task Force, 'Eligible Costs – Refugees,' January 2019, *op. cit.,* for a summary of the DAC guidance of eligible expenditures for ODA.

[84] 'Seventh Meeting of the TOSSD Task Force, Paris, France, January 30–February 1, 2019, Main Conclusions and Action Points,' Agenda Item 7b, accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/Action%20Points%20-%207th%20Meeting%20of%20the%20TOSSD%20TF.pdf.

[85] See commentary on this issue in DAC CSO Reference Group, 'Initial Comments on Agenda Items, October 2020,' accessible at http://www.oecd.org/dac/tossd/TOSSD-TF-11th-meeting-comments-by-CSOs.pdf.

[86] For a discussion of these issues see, 'Emerging TOSSD Reporting Instructions: eligibility of costs in provider countries – scholarships and imputed student costs,' TOSSD Task Force Issues Paper, January 2019, accessed at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/7a-Scholarships-imputed-costs-WEB.pdf.

[87] See 'Global Macroeconomic and Financial Stability,' TOSSD Task Force Issues Paper, January 2020, accessed at http://www.oecd.org/dac/tossd/Item%205.%20Global%20Macroeconomic%20and%20Financial%20Stability.pdf.

[88] *Ibid*., p. 7.

[89] *Ibid*., pp. 4, 5 and 7.

[90] See DAC CSO Reference Group, 'TOSSD – Messages for the 20th Meeting of the International Task Force,' February 12–13, 2020, Pretoria, from which these points are taken, accessed at https://drive.google.com/file/d/10kLgMsWeyN4Yb8McJZ7ApBcPOHLOchT8/view. Some CSO observers suggested in interviews that such activities have oriented development in directions that undermine sustainable development and should actually be deducted from international public goods as 'international public bads.'

[91] See, for example, N. Daar and N. Tamale, 'A Virus of Austerity? The COVID-19 Spending, Accountability, and Recovery Measures Agreed between the IMF and Your Government,' Oxfam International Blog, October 12, 2020, accessed December 2020 at https://www.oxfam.org/en/press-releases/imf-paves-way-new-era-austerity-post-covid-19**.** This analysis found that '76 out of the 91 IMF loans negotiated with 81 countries since March 2020 —when the pandemic was declared—push for belt-tightening that could result in deep cuts to public healthcare systems and pension schemes, wage freezes and cuts for public sector workers such as doctors, nurses and teachers, and unemployment benefits, like sick pay.'

[92] See Task Force, 'Tracking COVID-19 Response through TOSSD,' Issues Paper, October 2020, accessible at http://www.oecd.org/dac/tossd/Item-3-Tracking-COVID-19-response-through-TOSSD.pdf. For an overview of COVID-19 response eligibility in ODA, see DAC, 'Frequently Asked Questions on the ODA Eligibility of COVID-19 Related Activities,' n.d., accessible at https://www.oecd.org/dac/financing-sustainable-development/ODA-eligibility_%20of_COVID-19_related_activities_final.pdf. See also OECD DAC, 'Introduction of a Data Field in the CRS for Tracking Cross-cutting COVID-19 Related Expenditures and Other Possible Topics of Interest,' DAC Working Party on Development Finance Statistics, DCD/DAC/STAT(2020)37, October 8, 2020, accessible at http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC/STAT(2020)37&docLanguage=En.

[93] Task Force, 'Tracking COVID-19,' *op. cit*., p. 1.

[94] See 'TOSSD-Eligibility of COVID-19 Related Activities,' accessible at https://www.oecd.org/dac/tossd/TOSSD_eligibility_of_COVID-19_related_activities.pdf.

[95] The particular conditions include the following: (1) the results of the R&D activity are expected to be put in the public domain; (2) research contracts are associated with conditions that aim at promoting competitive manufacturing, for example through non-exclusive licensing; and (3) the support consists of schemes such as advanced market commitments (AMCs) that aim at developing a product at low prices. When the R&D activity does not meet these conditions but is followed by an activity that promotes access to a product in developing countries, both the promotion activity and the original R&D activity are eligible.

[96] Task Force, 'Key Findings,' 2020, *op. cit*., p. 8.

[97] This paragraph goes on to state, 'In the case of funds or facilities, data on resources mobilised are sought from the facilities so as to capture the cross-border transaction with the recipient country.'

[98] Task Force, 'Key Findings,' 2020, *op. cit*., p. 14.

[99] See the discussion in sections 3.3 and 4.1 on how these guarantees are reported as official resources.

[100] Task Force, 'TOSSD Consultation with Representatives from Select Latin American and Caribbean (LAC) countries and institutions: main messages,' June 2019, p. 4, access at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/LAC_Main_Messages_WEB.pdf.

[101] See the differences between these methodologies in Annex F of the *Reporting Instructions*.

[102] See, for example, IATI, 'IATI Year in Review: 2019,' December 2019, accessible at https://iatistandard.org/en/news/iati-year-in-review-2019/.

[103] With respect to the major multilateral development finance institutions, so far only the Inter-American Development Bank and the Islamic Development Bank reported data in the 2019 data pilot. The DAC and the Task Force continue to be in dialogue with other international financial institutions to convince them to report data to TOSSD. Preliminary reports for data collection in 2020 show a significant improvement in the number of these institutions contributing data.

[104] Interestingly, the 2020 Task Force summary of the pilot data collection devotes a full page to the potential benefits to providers through TOSSD reporting but has no discussion of the benefits and potential challenges for recipient countries in deploying TOSSD data. Task Force, 'Key Findings,' *op. cit*., p. 15.

[105] The current South African co-chair of the Task Force, Risenga Maluleke, for example, is from South Africa's National Statistical Office and serves in his personal and technical capacities.

[106] *Senegal's Perspectives on TOSSD*, March 2018, p. 9, accessible at https://www.oecd-ilibrary.org/docserver/4144f82a-en.pdf?expires=1598900199&id=id&accname=guest&checksum=F0F0755AD797137BF878A910F4EFD75A.

[107] It should be noted that the pilot reports sometimes reflect the views of non-government stakeholders who were asked to provide their comments on TOSSD. It should not therefore be assumed that the points raised below are those of government officials. Some of the pilots also were implemented before the completion of the current version of the *Reporting Instructions*.

[108] See, for example, the interesting work of Brazil, referenced at the October Task Force meeting, which is actively testing and perhaps adapting their existing information systems for SSC to be able to report to TOSSD as a provider. See 'TOSSD from a Brazilian Perspective,' accessed December 2020 at https://www.ipea.gov.br/portal/images/stories/PDFs/relatorio_institucional/201008_ri_tossd_web.pdf. Over the years, all donors (old and new) reporting to the OECD DAC have agreed to adapt their country systems towards the common OECD platform and rationalise the differences internally. TOSSD will require similar adaptations for all reporting countries, and its effectiveness as a useful metric will depend on early support for interested developing countries to make these adaptations.

[109] PARIS21, 'Partner Report on Support to Statistics 2020,' Paris, 2020, accessible at http://paris21.org/press2020.

[110] See UN World Data Forum at https://www.un.org/sustainabledevelopment/blog/2018/10/un-world-data-forum-2018-wraps-up-with-launch-of-dubai-declaration/ and the Dubai Declaration at https://unstats.un.org/sdgs/hlg/dubai-declaration/.

[111] J. Jütting and I. McDonnell, 'Overview: What will it take for data to enable development?' Chapter 1 in *Development Co-operation Report 2017: Data for Development,* OECD DAC 2017, accessible at https://www.oecd-ilibrary.org/docserver/dcr-2017-6-en.pdf?expires=1609346665&id=id&accname=guest&checksum=F0DB51C8B1E76E325657AACD78D842FA.

[112] PARIS21, 'Mobilising Data for the SDGs', PARIS21 Discussion Paper, No. 15, 2019, accessed December 2020 at https://paris21.org/sites/default/files/2019-01/Mobilising%20Data%20for%20the%20SDGs%20%28DP15%29_0.pdf.

[113] PARIS21, 'Financing challenges for developing statistical systems: A review of financing options', PARIS21 Discussion Paper, No. 14, 2019, accessed December 2020 at https://paris21.org/sites/default/files/2019-01/Financing%20challenges%20for%20developing%20statistical%20systems%20%28DP14%29.pdf.

[114] These discrepancies are built into ODA as it is a provider perspective metric that looks at disbursements from provider countries, not what is received by partner countries. IATI is intended as a metric that allows the tracing of a disbursement from the provider along the 'aid management tree' to the final recipient, but so far it has not been able to operationalize this tracing in an accessible manner.

[115] For example, in the case of ODA, the DAC CRS registers more than 88,000 distinct ODA projects, and a handful of DCD staff are responsible for the impossible task of verifying these data.

[116] These appear owing to pressure from CSOs in the early stages in the elaboration of the *Reporting Instructions*. See the somewhat oblique reference to 'development cooperation effectiveness principles' in paragraph 5 and peace and security safeguards in Annex E. Task Force members point out that not all SSC providers (who they wish to report to TOSSD) fully endorse the Busan Partnership for Effective Development Cooperation and its four principles for effective development cooperation.

[117] 'TOSSD Strategy Paper,' *op. cit*., paragraph 26.

[118] The author of this report is an alternate observer with Jennifer del Rosario-Malonzo (Reality of Aid) alongside Luca De Fraia (ActionAid Italy), who has the observer seat at the table.

[119] Options for the technical management of the metric could take several forms but would likely include the OECD DAC in some combination with experienced UN technical bodies.

[120] Supporters of TOSSD have also made the case that TOSSD is not unique in this respect. The inherent political nature of the UN and its often rigid geopolitical blocs have always required new proposals to be brought into the UN for subsequent deliberation. They argue that the current Task Force process has been open and fully transparent, with meaningful and timely efforts to consult and engage stakeholders. See the Executive Summary for this report.

[121] TOSSD Task Force. (2020, February). *Reporting Instructions*. Accessible at http://www.oecd.org/dac/tossd/TOSSD%20Reporting%20Instructions_February%202020.pdf.

[122] See the Task Force, Main Conclusions and Action Points, Ninth Meeting, October 2–3, 2019, accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/9th-TOSSD-TF-Meeting-%20Action-Points.pdf.

[123] See the latest reports at https://www.daghammarskjold.se/.

[124] See, for example, OECD DAC, *Multilateral Development Finance: Towards a New Pact on Multilateralism to Achieve the 2030 Agenda Together*, November 2018, accessible at http://www.oecd.org/dac/financing-sustainable-development/multilateral-development-finance-9789264308831-en.htm. See also http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/multilateral-agencies-outflows.htm.

[125] TOSSD Task Force, 'Key Findings from the 2019 TOSSD Data Survey,' brochure, May 2020, accessible at http://www.oecd.org/dac/tossd/TOSSD-Survey-Report-A4-Brochure-final-1505-spreads2.pdf and 'TOSSD Tracking Resources towards Sustainable Development: Presentation of the Findings of the First TOSSD Data Survey,' slide presentation, New York, October 4, 2019, accessed at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD_Data_Survey_Main_results.pdf.

The 19 DAC provider countries responding to the survey were Australia, Belgium, Canada, Czech Republic, Denmark, France, Greece, Italy, Japan, Korea, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Other provider countries were Estonia, Kuwait, Latvia, Saudi Arabia and Turkey. The EU Institutions provided data. Among the multilateral organizations were the Inter-American Development Bank, the Islamic Development Bank, the United Nations Development Programme (UNDP), the UN Refugee Agency (UNHCR), the United Nations Population Fund (UNFPA), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Food Programme (WFP) and the World Health Organization (WHO). The South-South providers were Costa Rica, Indonesia and Nigeria, with Brazil listed as doing a 'technical test.' The trust funds were the Global Partnership for Education, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), the UN regular budget, the United Nations Conference on Trade and Development (UNCTAD) and the UN Multi-Partner Trust Fund Office.

The October slide presentation notes that 'TOSSD Data Survey completed by estimates derived from OECD DAC statistics for non-respondents,' which added data from OECD DAC CRS statistics from the remaining 10 DAC providers that report to the DAC but are not listed as responding to the survey.

[126] Access the dashboard at https://tossd.online/. The analysis of TOSSD pilot data that follows is based on the version of the dashboard that was made available to the Task Force members in February 2020.

[127] The Task Force Secretariat has prepared a detailed analysis of the lessons learned from this pilot survey for the October 2020 Task Force Meeting, which is not yet accessible. A. Bejraoul, V. Gaveau, M. Berbegal-Ibanez, G. Delalande, and J. Benn, 'Lessons Learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) Data Survey,' OECD Development Cooperation Working Paper, September 2020. The analysis here has been revised to take account of the findings set out in this study.

[128] The various data fields are available through the form for reporting TOSSD and a backgrounder for reporters. See 'TOSSD Data Form,' accessible at http://www.oecd.org/dac/tossd/TOSSD%20format.xls, and 'TOSSD Data Collection in 2020 on 2019

Data: Explanatory Notes,' n.d., accessible at http://www.oecd.org/dac/tossd/TOSSD-data-collection-explanatory-notes.pdf. For aggregate activity data, there is no information on the provider institutions, the financial modality (budget support, projects, etc.), the financial instruments (grant, loan, guarantee, etc.) or the financial arrangements (blended finance, etc.).

[129] There has been some pushback from some providers within the Task Force, suggesting that a provider perspective is needed in the dashboard to incentivise providers to participate and report fully on their TOSSD activities.

[130] The TOSSD "Key Findings,' brochure, *op. cit*., states the total as US$295bn, but notes that this figure includes amounts added from non-responding DAC members from the CRS.

[131] This report, where possible, uses the data downloaded through the dashboard and not the earlier data summarized in the October slide presentation mentioned in note 1. The dashboard also provides a limited amount of data from different providers for 2018. Turkey reported US$8.4bn and an 'aggregate' of US$2.2bn in commitments for 2018. The analysis is based on the data for 2017.

[132] For purposes of this analysis, EU Institutions are included as DAC providers although they are designated a multilateral donor in the DAC ODA statistics.

[133] Saudi Arabia: US$1.0bn; Turkey: US$8.4bn; Indonesia: US$7.2bn; and Islamic Development Bank: US$6.1bn (commitments).

[134] See Bejraoul et al., 'Lessons Learnt,' *op cit.,* pp. 19–21.

[135] TOSSD, 'Ninth Meeting of the TOSSD Task Force: Main Conclusions and Action Points,' brochure, October 2019, p. 5, accessible at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/9th-TOSSD-TF-Meeting-%20Action-Points.pdf.

[136] Bejraoul et al., 'Lessons Learnt,' *op cit*., p. 19.

[137] *Ibid*., p. 20.

[138] US$6.5bn divided by US$120bn (all Pillar 1) or US$6.5bn divided by US$81bn (Pillar 1 providers reporting additional activities). *Ibid*., p. 19.

[139] *Ibid*., p. 25.

[140] See the discussion in Bejraoul et al., 'Lessons Learnt,' *ibid.,* pp. 25–26. These core contributions are a 'provider perspective' and were included in Pillar 2 as a proxy for disbursements by these organizations received by developing countries.

[141] Bejraoul et al., 'Lessons Learnt,' *op cit*., p. 58.

[142] Pillar 1 is commitment data and CPA is only available as disbursement data. The comparison is an indication of scale but due to this difference the two are not directly comparable.

[143] By comparison with ODA gross disbursements to countries and regions (DAC2a) for 2017, 28% of these disbursements were in the form of loans for these five providers, most of which are accounted for by France and EU Institutions.

[144] See OECD, 'Peer Review on Development Finance Statistics, Sweden,' 2019, p. 28, accessed March 2020 at https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/Peer-Review-on-Development-Finance-Statistics-in-Sweden.pdf.

[145] These estimates are based on both the data survey and on the pilot study's examination of budgets for international organizations and line items in the CRS. Since the pilot study sources for these data go beyond the data survey, the total amounts are not directly comparable to total TOSSD for 2017 from the dashboard. See OECD DAC, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' OECD Development Cooperation Working Paper 66, December 2019, p. 15, accessed March 2020 at https://www.oecd-ilibrary.org/docserver/02e67566-en.pdf?expires=1583973412&id=id&accname=guest&checksum=9E15F7FA9677B22EDC52318D7BA1EEEA.

[146] Bejraoul et al., 'Lessons Learnt,' *op cit.,* Table 6.1.

[147] OECD, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' December 2019, p. 22, accessible at https://www.oecd-ilibrary.org/docserver/02e67566-en.pdf?expires=1598900139&id=id&accname=guest&checksum=5A1C56C737C54E295E183E7D796B9E43.

[148] See, for example, the evidence for EU initiatives in Concord Europe, *Security Aid: Fostering development or serving European donors' national interests,* Aid Watch 2018, accessible at https://concordeurope.org/wp-content/uploads/2018/02/CONCORD_AidWatchPaper_Securitisation_2018.pdf, Concord Europe, *Aid and Migration: The externalization of Europe's responsibilities*, 2018, accessed at https://concordeurope.org/wp-content/uploads/2018/03/CONCORD_AidWatchPaper_Aid_Migration_2018_online.pdf, Independent Commission for Aid Impact (UK), *The Conflict, Stability, and Security Fund's Aid Expenditures: A Performance Review*, March 2018, accessed at https://icai.independent.gov.uk/wp-content/uploads/The-CSSFs-aid-spending-ICAI-review.pdf.

[149] OECD, 'TOSSD – Tracking Peace and Security Expenditures in Support of the SDGs,' *op. cit.,* p. 55.

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