



Concept note and programme

Second Expert Workshop

Shaping the Total Official Support for Sustainable Development (TOSSD) measurement framework in support of the 2030 Agenda

Paris, Etoile Wagram - 16 November 2015 (9h00 – 18h00)

Background and Context

The scope of the recently agreed **2030 Agenda for Sustainable Development** calls for significant mobilisation of development finance from an array of public and private sources. A framework for tracking these resources could enable all development actors and stakeholders to understand how financing needs are being met, and shed light on the types of financial mechanisms and arrangements in use.

Over the past two years, the OECD DAC has intensified its efforts to capture the breadth of development finance instruments and packages that now characterise the post-2015 development finance landscape. This work culminated in a proposal for a new measure with the working title of Total Official Support for Sustainable Development (TOSSD). **The TOSSD measurement framework was proposed to complement Official Development Assistance (ODA) by building on sound statistical principles**, which include: (i) reinforce transparency and promote learning and exchange about development finance through access to statistics, (ii) create incentives to maximise resource mobilisation using innovative instruments and creative financing partnerships, and (iii) promote high-quality international standards for measuring and monitoring development finance.

In July, the **Addis Ababa Action Agenda** reaffirmed the OECD DAC proposal by calling for the development and operationalisation of TOSSD in a transparent and inclusive manner. In light of the political impetus to develop the concept, it will be crucial to continue to carry out the dialogue with a wide range of stakeholders in various settings and venues through panel discussions, seminars and special briefing sessions.

About OECD TOSSD Expert Workshops

TOSSD expert workshops are designed to further operationalise TOSSD from a technical perspective with leading international thinkers, governments, development practitioners, financial intermediaries, academia and civil society from partner countries, emerging providers and traditional donors. The conceptual contours of the TOSSD measure will rely in large part on the discourse generated on the boundaries, possible building blocks as well as statistical features highlighted during these meetings. An initial expert workshop was held on 13 May 2015 which successfully kicked-off the consultative process. For a full summary, please consult the relevant link on page 5.

Workshop objectives

- Provide information about progress achieved since the first workshop, including technical work on statistical issues,
- Review initial TOSSD pilots carried out with providers and highlight examples of complex financing packages from a recipient perspective,
- Address the boundaries of public-private finance by exploring methodologies for capturing private resources leveraged/mobilised by official interventions, and
- Clarify whether any “disciplines” or guidelines would need to be integrated into the TOSSD framework given the linkages to export finance and trade,
- Clarify a direction of travel for the future development of the TOSSD framework.

PROGRAMME

09h00 Welcome coffee

09h15 Opening remarks

Erik SOLHEIM, Chair, Development Assistance Committee (DAC), OECD

- OECD DAC mandate on modernising the measurement framework in support of the Addis Ababa Action Agenda and Agenda 2030.

Brenda KILLEN, Deputy Director, Development Co-operation Directorate (DCD), OECD

- Presentation of ongoing OECD efforts to conceptualise the TOSSD measure in response to the emerging development finance paradigm reaffirmed by the AAAA and the 2030 Agenda.

09h45 Session I: Taking stock of what's in store and addressing what's ahead

Suzanne STEENSEN, Manager, Development Finance Architecture, OECD

- The international context and TOSSD narrative: core building blocks of TOSSD, emerging ideas around additional guiding principles and statistical parameters emerging from international discussions.

The aim of this session is to describe the work undertaken, present the lessons learnt and reveal the state of current thinking, including in the international arena.

Guiding questions for discussion:

- Is there general clarity about what's behind the TOSSD concept?
- Do participants agree on the emerging criteria determining whether a flow is a legitimate TOSSD flow?
- Is there common understanding of how support for "sustainable development" is defined?

10h30 Session II: TOSSD in practice - the reality check

Philippe ORLIANGE, Director for Strategy, Partnerships and Communication in AFD

- Presentation of a complex financing package (project level) to demonstrate the possibilities for combining a range of financial instruments and examining the mobilisation effect.

Jerôme LE ROY, Head of Section in EuropeAid

- Emerging results of pilot project in progress with the European Union.

A pilot study is currently ongoing with the European Union to determine how development finance beyond ODA relates to possible TOSSD components. Previous pilots have also been undertaken with Denmark and the United Arab Emirates. The studies explore the extent to which relevant data can be compiled from existing databases. These provider pilots are a first step, as their perspective on TOSSD differs from the recipient perspective. Further recipient perspective pilots are therefore being considered, notably with the Kenyan government. To complement the provider pilot perspective, a complex financing project will be presented and discussed to demonstrate the further possibilities for combining a range of financial instruments. This approach will provide a simulation of the potential viewpoint of developing country inflows.

Guiding questions for discussion:

- What questions and/or insights are evoked by the presentation of the pilot project? Do participants have recommendations for future pilots (pilot countries and issues to be addressed)?
- How might TOSSD enhance access to information about resource inflows? What has to be retained for shaping the TOSSD framework from complex financing packages: combining private finance with public international support, concessional and non-concessional loans as well as other financial instruments such as guarantees and mezzanine finance?
- How might information on such packages be sourced and monitored, and how can such data be useful for partner governments?

12h00 Lunch**13h30 Session III: Addressing the challenges of fair incentives and safeguards****Silvia GAVORNÍKOVÁ, Chairman, Export Credit Group (ECG)**

- Experience and “lessons learnt” from the ECG: main challenges to evaluate export credits from official sources and how to tackle the growing need to allow for the analysis of broader resource flows to developing countries.

Jesse GRIFFITHS, Director, EURODAD

- General views on safeguards and fair incentives that should be taken into account for TOSSD.

This session will address the (self-)regulatory framework to be defined for the TOSSD measure with the aim of ensuring the right incentives and safeguards. In addition to work to define and operationalise the TOSSD measurement framework, principles and guidelines (“disciplines”) are to be developed and agreed (similar to the principles the OECD/DAC has developed for ODA vis-à-vis tied aid, Paris Declaration principles, WTO rules, etc.) in order:

- To prevent TOSSD resources from creating unfair, uncompetitive incentives (e.g. TOSSD operations benefitting from investment/tax subsidies, etc.)
- To address foreseeable evolutions (e.g. TOSSD supplanting ODA in richer countries vs. LDCs, in infrastructure vs. social sectors, TOSSD operations benefitting from LDC trade/investment incentives).

Guiding questions for discussion:

- Should some specific export credits and trade finance be taken into account? If yes, under which conditions?
- What are the key guiding principles that should guide the statistical conventions of the TOSSD measure?
- Which are the other issues to be addressed (i. e. environment, labour rights)?
- Are there any red lines that need to be kept in mind?

**14h30 Session IV: Addressing the challenge of public / private interface:
How to capture finance and private resources leveraged by official intervention****Julia BENN, Manager, OECD, Manager Statistical Policy and Analysis, OECD**

- OECD perspective on the mobilisation/leveraging issue. Present the state of progress of the work carried out by the DAC Secretariat, the methodology agreed upon with the DAC members and the way forward.

Raphaël JACHNIK, Policy Analyst for Climate Finance, Environmental Directorate, OECD

- OECD work of the “Research Collaborative Group” on methodologies for estimating and capturing finance and private resources leveraged by official intervention with a focus on instruments for tracking private (climate) finance in order to draw inspiration from the research collaborative group experience for TOSSD.

Neil GREGORY, Head, Thought Leadership, IFC, World Bank Group (via Skype)

- Perspective of multilateral development banks about their efforts to enhance and harmonise the mobilisation/leveraging methodology and how this could be applicable for monitoring mobilisation in support of the 2030 Agenda.

The Addis Ababa Action Agenda recognised that the private sector has a key role to play to support the mobilisation of development finance to realise the 2030 Agenda for Sustainable Development. A growing range of efforts made by the public sector can marshal additional private funding for development. However, a first challenge will be to appropriately define the key concepts used to describe these packages – terminology such as “mobilization”, “catalyzation”, “leverage” and “additionality” are used with varying degrees of precision. A further challenge is the reliable measurement of public intervention to attract private capital, where serious limitations remain to credibly attributing the wider impact of public investment on private capital. For the TOSSD measure, this implies several challenges:

- To develop a sound and reliable measurement system, particularly for private flows (e.g. the feasibility of tracking total project financing).
- To avoid double counting, which is important when feeding international accountability mechanisms.

Guiding questions for discussion:

- How to factor private flows leveraged through official support into TOSSD framework? What part of leveraging instruments can be counted in TOSSD e.g. the public finance component? The guarantee exposure?
- How do participants see the problem of credibility in measuring the mobilisation/leveraging of private capital with public intervention?
- Are there insights or recommendations to avoid double counting for a credible international measurement system?

16h30 Coffee break

16h45 Session V: Addressing the complementary roles of TOSSD and ODA

Julia BENN, Manager, OECD, Manager Statistical Policy and Analysis, OECD

- Presentation to address how TOSSD would complement ODA in an international measurement system.

Gerardo BRACHO CARPIZO, Senior Policy Advisor, Mexican Agency for Intl. Development Cooperation (AMEXCID)

- Addressing the role of TOSSD, not to replace ODA, but rather to complement it. Clarifying the role of ODA in the context of TOSSD, particularly as a multiplier for additional resources.

Stephan KLINGEBIEL, Director for bi- and multilateral development cooperation, German Development Institute (GDI/DIE)

- Will ODA and TOSSD be in competition or in complementarity in the future? How to pre-empt and prevent perverse incentive structures?

This sessions aims at clarifying the relation and complementarity between ODA and TOSSD. There are potential negative incentives that could be created through the TOSSD measure, for example: (i) ODA allocations shifting too prominently to combined TOSSD operations, leaving original allocations behind, (ii) TOSSD “credit” effectively diverting official support for the social sectors to infrastructure, (iii) TOSSD creating more incentives to finance development activities in richer countries than poorer countries, or (iv) guarantees over time supplanting direct financial support. If providers get credit for “amounts leveraged” in the same way as they do for official flows, some incentives may be created that could lead to problems. ODA should be used as a multiplier while ensuring that it is not crowded out.

Guiding questions for discussion:

- Do participants have particular views about this issue?
- How do participants see the risk of ODA being crowded out by TOSSD?
- How do participants see the future of the ODA concept and its reality in 2030?
- Which role do they see TOSSD playing in the near future and beyond?

17h30 Session VI: Conclusions and way forward**Shari SPIEGEL, Chief Policy Analysis and Development, Financing for Development Office, UNDESA (via Skype)**

- TOSSD in the context of the international Financing for Development follow-up process, including UN-led conferences and fora.

Neil GREGORY, Head, Thought Leadership, IFC, World Bank Group (via Skype)

- Synthesis of the key takeaways and brainstorming future issues to be addressed.

Suzanne STEENSEN, Manager, Development Finance Architecture, OECD

- Explanation of the timeline and roadmap for further development of the TOSSD concept.

18h00 Cocktail**Links to background documentation**

- [Summary of the first TOSSD expert workshop on 13 May 2015](#)
- [“Proposed Roadmap for Developing the TOSSD Measurement Framework” – paper for DAC Meeting 17 September 2015](#)
- [TOSSD brief: “Towards more inclusive measurement and monitoring of development finance”](#)