1. Introduction and key messages

1.1 Development Initiatives welcomes the opportunity to comment on the Compendium produced by the OECD to describe the approach to Total Official Support for Sustainable Development (TOSSD). Based in the UK but operating worldwide, Development Initiatives is a non-profit organisation that carries out research and analysis into poverty and how to eradicate it. We believe that ending extreme poverty by 2030 is possible but that we need better information to do so. Development Initiatives receives funding from the Bill & Melinda Gates Foundation, The William and Flora Hewlett Foundation, the governments of the UK, Netherlands, Sweden and Canada, and others.

1.2 We recommend the objective of TOSSD is simplified to make it clear and achievable, to ensure added value in the global context (taking advantage of the resources, expertise and institutional capacity of key stakeholders), and to remove duplication with existing global initiatives. While references to promoting transparency and accountability are welcome, initiatives to increase data and information on cross-border development flows are already well underway and should be recognised. Collective global efforts to increase transparency may be better invested in supporting existing mechanisms (such as the International Aid Transparency Initiative) and promoting analysis, access and use of existing data produced both by the OECD DAC and others.

1.3 One key added value of the TOSSD initiative could be encouraging official actors to vastly improve current reporting practices on flows invested in development to: a) increase transparency and visibility of flows where data is poor quality/does not meet existing transparency standards, and b) encourage higher transparency standards for non-ODA official flows (currently captured as other official flows or OOFs). Greater emphasis should also be given toward driving investments in capacity building of partner country stakeholders to monitor and analyse cross-border financing inflows at country level. This would help achieve some of the important objectives set out in the Compendium, and would be a significant public good.

1.4 We are concerned that the TOSSD initiative risks diverting technical know-how and political efforts of key stakeholders away from enhancing both the quality and quantity of official development assistance (ODA) and its role in financing the Sustainable Development Goals (SDGs), as well as causing some confusion about how various flows can be used. We need to retain our focus. ODA is a scarce but critical resource for developing countries, with unique qualities for tackling poverty. Nonetheless, ODA levels continue to stagnate or decline, and internationally agreed commitments are not being met. In the wake of the 2030 Agenda agreement, technical and political resources could be better directed at enhancing dialogue on the strategic, coherent use of ODA in the implementation of Agenda 2030 at country and global level, and on encouraging renewed political ambition to mobilise more (and better) ODA, in line with effectiveness principles.

1.5 Finally, it is necessary to clarify what TOSSD is – a data standard, a monitoring framework, or a measure? (All three terms are used in the Compendium.) This can streamline and clarify the approach to delivering on the objective.

1.6 Given these points, we recommend that the core objectives, principles and measurement framework of the TOSSD initiative should not be considered final until further dialogue has taken place in an open, inclusive and participatory multi-stakeholder forum, and decision on these matters is reached through consensus.
2. Key points on Part 1/TOSSD objective

2.1 The stated objective of TOSSD is to “promote greater transparency” of a wide range of flows in support of the SDGs.¹ However, additional (and conflicting) objectives are referenced throughout the document: for example, knowledge sharing and learning; monitoring of quality, standards and principles; fostering collaboration between providers; helping developing countries plan development at country level; defining boundaries between different types of flows; and “valorising” non-ODA contributions to the SDGs. Many of these objectives appear beyond the scope of any measurement framework, and risk making the basic task too complex. (A wider stakeholder group would also need to be consulted to make any of these separate objectives legitimate or feasible in practice.)

2.2 The objective of collecting better data on, and improving understanding of, wider financing flows for development has clear value to the international community and to developing countries. We believe TOSSD could contribute to this broad effort most effectively through focusing on official flows for development (both ODA, and wider official flows). In our view, this objective takes priority over others. It is the most achievable in practice, and additionally concerns public funds, which should be transparent and accountable for stakeholders. It still remains very difficult to track flows of ODA to the private sector, or ODA invested in global public goods (GPGs); for example, in our experience, this data and information is in demand at country level, and by the general public. Improved data on ‘other official flows (OOFs) is also needed, as this is of varying quality at present. It would also be of value to increase knowledge sharing about the developmental impacts (qualitative data) on OOFs.

2.3 The added value of TOSSD for measuring ‘officially supported’ or mobilised private flows is unclear as there are already established systems in place for tracking cross-border private investments and capital flows, as well as existing initiatives aiming to enhance the transparency of these flows. As the benefits for developing countries of this aspect of the initiative are unclear, we recommend that efforts to track ‘officially supported’ private flows are removed from the measure.

2.4 Objectives such as categorising, presenting, analysing or communicating TOSSD data should be separate and distinct from this effort. These tasks are better done by objective auditors and observers (e.g. through OECD DAC peer reviews, as well as by independent public stakeholders). We are especially concerned about the references to ‘valorising’ providers, particularly through ‘attributing’ flows to any source other than the source of origin. If the data show that finance providers should be ‘valorised’ for their efforts, then this can be done by providers (and their stakeholders) once data is in the public domain.

2.5 The OECD DAC has been a strong and constant proponent of the principles of transparency and accountability, in relation to development finance and public financial management, for many years. We note that the spirit of these important principles does not seem to be reflected in the TOSSD approach; while p. 8 states that the added value of TOSSD is ‘ensuring global accountability’, the Compendium does not fully explain how this is to be achieved, and certain elements of the TOSSD approach could undermine true transparency and accountability. For example:

a) Data would be aggregated by the collecting institutions before public release.

b) The true picture/origin of flows may be obscured (e.g. by attributing multilateral flows back to a provider country or including private resources mobilised in the total ‘official provider’ figure).

¹ Para 9: “The primary objective of the TOSSD measurement framework is to promote greater transparency about the full array of officially-supported development finance provided through bilateral and multilateral development co-operation (including by South-South and triangular co-operation actors, multilateral institutions and traditional donors) in support of the 2030 Agenda for Sustainable Development3 and subsequent follow-on universally-agreed sustainable development strategies.” (All references to TOSSD compendium are to the June version.)
c) There are indications in the Compendium that enhancing accountability through the provision of transparent and accurate data and information is less important than capturing less high quality information on a wider range of flows.  

These are valid approaches, if the objective is to provide a fuller, aggregated representation of total provider effort (e.g. to help in ‘valorising’ providers). But they contradict the principle of transparency, which is intrinsically linked to accountability. Transparency demands open publication of qualitative information and available data, providing a true picture of what has occurred – as disaggregated and as comprehensive as possible. It is not clear from the Compendium that ‘transparency’ is in fact what TOSSD seeks to achieve. To address this, we believe it is necessary to either narrow the scope of flows covered by the TOSSD measure but increase the linkages with strong transparency and accountability principles (our preferred option); or retain the wide scope of flows covered in the measure, but remove any mention of transparency and accountability from the TOSSD framework and instead confine the principles mentioned to promoting learning and knowledge sharing. In this case, stating clearly that the data captured cannot be considered a true and accurate reflection of flows would be appropriate.

2.6 The intention that TOSSD will collect information on flows ‘targeted at efforts to achieve the SDGs’ (para 8) needs further discussion to ensure it can actually be delivered by the initiative, bearing in mind the following:

a) This intention is not apparently reflected in the working definition of TOSSD (box 1).

b) It cannot necessarily be assumed that all flows that have some ‘developmental’ intent are also de facto supporting SDG delivery. In fact, TOSSD flows may be targeted at specific goals in intention, but may undermine the achievement of SDGs in practice, or when long-term impact is reviewed. Meanwhile, ODA is an important flow that is uniquely developmental in nature, but this is in danger of being confused with these wider flows with different objectives.

c) There is a risk in implying that delivering more cross-border flows is the most important action for official actors to take in delivering Agenda 2030 (e.g. in some cases, political and technical actions, hard to quantify and report, may be more impactful, such as for Goals 17, 13, 14 and 15 on ‘policy coherence’).

d) Since TOSSD is ODA+ (contains ODA), and flows reported as ODA have to comply with a broader/different mandate (‘for the economic development and welfare of developing countries’) it seems that it would therefore (in theory) be necessary to revise the definition of ODA, to ensure consistency with TOSSD criteria. The ODA principles are important to protect here, as is the need to protect against perceived ‘dilution’ or diversion of ODA into TOSSD efforts. So this attempt to align flows with SDGs is not recommended.

e) There is no explicit step in the TOSSD data collection process (p. 24, fig. 7), for consultation with developing country national development planning authorities, to ensure that reported data on flows can be classed as ‘SDG relevant’. In the 2030 Agenda era, where each country has primary responsibility for its own development (para 41), it seems inappropriate for providers of finance to categorise bilateral flows as ‘SDG relevant’ in certain countries without consultation. Implementing such a consultation stage would moreover be burdensome on developing countries. (On this point, we could also ask why there is any country eligibility list for TOSSD, since there is no such list for the SDGs; rather they apply to all countries.)

f) In regard to flows to tackle ‘global challenges’, to be included within TOSSD, attention should first be given to improving the standard reporting of ODA for this purpose. At present there is no common definition of GPGs, and other data/reporting issues make aid for these purposes (especially climate mitigation) hard to track, which could also undermine good TOSSD reporting.  

2 On p. 39 the Compendium states “TOSSD should not have targets in volume terms, which would imply a notion of accountability that could discourage comprehensive reporting under the TOSSD framework, including from South-South providers.”

2.7 In light of the above, we suggest the ‘SDG relevant’ element of the TOSSD objective/eligibility complicates the exercise unnecessarily at this stage. Instead, we suggest that once disaggregated data is published with maximum detail to a standard format (e.g. by provider/sector/modality/flow/channel/country), data users (including donor and recipient countries) can analyse and discuss the relevance of flows to SDGs, perhaps using the High Level Political Forum for an open and inclusive discussion on their conclusions on the published data.

2.8 Given this, we would suggest reframing the objective to reflect a more feasible and appropriate objective: **TOSSD aims to provide comprehensive, forward-looking data and information available on cross-border publicly funded investments in development, from all official actors engaged in financing for sustainable development, to promote transparency, facilitate improved planning, promote knowledge sharing and progress policy dialogue at local, national, regional and global levels.**

2.9 Before finalising the objective of TOSSD, it is necessary to consult/align with other transparency initiatives already collecting data on cross-border flows to explore collaboration and eliminate duplication of effort. There are also other data standards in existence with similar objectives to TOSSD. For example the International Aid Transparency Initiative (IATI) has already developed a common open data standard that is used by over 500 publishers (including private actors) to produce timely, granular, project-level data on development cooperation activities. The Extractives Industries Transparency Initiative, Open Contracting and other technical initiatives such as the Global Legal Entity Identifier System could also be consulted.

3. Governance arrangements

3.1 It is important that the development of TOSSD continues in an open and inclusive forum as possible and is driven by the needs of developing countries. Governance could include the following:

a) A steering group that would undertake decision-making, made up of equal numbers of providers of finance (governments, including those which are not currently DAC members, and other official financial providers such as multilateral development banks) and recipient governments, with appropriate geographical and gender balance. A secretariat of TOSSD could support the steering group, and should be independent, representative and politically neutral. The steering committee should include nominated civil society representatives, including from the global South, to strengthen transparency and accountability. Funds for providing support to the TOSSD secretariat’s work could be reported in the TOSSD measure. To ensure neutrality of the secretariat, all providers of TOSSD could contribute a set amount yearly for the secretariat’s work.

b) This secretariat would need to be housed within an appropriate institution that can facilitate an inclusive and participatory approach to all processes of decision-making by all members of the steering group, including developing countries.

c) It is important to ensure inclusion of South–South cooperation (SSC) providers in the TOSSD initiative, not least because these flows are extremely important for developing countries to understand. Without SSC, we do not have a clear and full picture of cross-border official flows.

d) It is appropriate to include the Inter-Agency Task Force (IATF) on Financing for Development as key stakeholders in TOSSD. Other important stakeholders could be actors involved in monitoring financing flows and producing data (see 2.9)

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4 www.aidtransparency.net
5 http://iatistandard.org/
4. Private funds mobilised and related issues (pp. 28–32)

4.1 We support the effort to secure data on ‘private finance mobilised’ by official actors. However, given that we have recommended the TOSSD efforts should be invested in getting better data on official flows, we believe it is not recommended to include ‘mobilised’ flows in the measure at this time. We also note that it is currently very difficult to track ODA invested in the private sector, including through ‘blended’ arrangements. Improving reporting standards on this is (we believe) a higher priority than improving data on mobilised private funds, for the primary reason that they comprise public resources from donors that have committed to comply with high standards of transparency. Assuming that this element of TOSSD remains, however, we note the following:

4.2 Any private flows mobilised, if reported, should be disaggregated clearly from the official intervention. They should include the name of the private actor, amount of flows, source, project name, type of investment, and as much associated information as possible. This could “help ensure that [private sector] funds – both those mobilised and those used to incentivise them – achieve maximum impact.” (para 71). To best evaluate impact/outcomes, a clear picture of inputs and outputs is needed.

4.3 From the information provided, it appears disaggregated data is also necessary to differentiate official concessional inputs in projects that mobilise private finance (which qualify as ODA), from official providers’ non-concessional inputs to such projects (which do not), so that when TOSSD is calculated to include ODA, double counting can be avoided.

4.4 Since there is not yet a standardised method of calculating amounts mobilised across providers, the methodology used by each institution to produce their final figures should be published alongside these figures to promote comparability of data across providers. A harmonised methodology for calculating amounts mobilised by official should be developed (as the Compendium notes in para 75). However, this is a highly subjective and complex topic that should be developed in open consultation with governments of developing countries, civil society and experts.

4.5 This methodology should include mandatory reporting of detail on the borrower/recipient entity. Since the beneficiary of ‘mobilised private funds’ in the activities supported by official actors can be a private company or companies rather than a government, it is clear the funds mobilised are not strictly at the disposal of the host country government to invest in national development plans for the SDGs. This may not be clear to data users immediately.

4.6 Re-flows information (loan repayments etc) should be published clearly alongside inflows in TOSSD, not just collected for private analysis (para 81). To do otherwise creates misleading pictures of total volumes, and may create perverse incentives for providers to give large loans in cases where grants may be more appropriate. It would also undermine the stated objective of collecting data on mobilised flows in the first place, to enable understanding of impact (since information on long-term costs of flows is essential to understand their true impact). This comment is broadly applicable to the whole measure, but applies particularly here.

4.7 Where the ‘resources mobilised’ figures are commitments and not disbursements, as could often be the case due to reporting practices of some actors such as development finance institutions, this needs to be made explicit in all TOSSD data.

4.8 We support the idea of standardised project identifiers to help link relevant information together (suggested by Senegal, para 104). However, collaborating with other data standards and transparency initiatives on this point is essential (see 2.9).

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6 DI is currently working on a report on blended finance that will include analysis of current reporting of blended funds. For more information, see our discussion paper ‘The role of blended finance in the 2030 Agenda’ http://devinit.org/#!/post/the-role-of-blended-finance-in-the-2030-agenda-setting-out-our-analytical-approach

7 OECD ‘Amounts mobilised from the public sector’ and working methodology, accessed July 2016 at this link: http://www.oecd.org/dac/stats/mobilisation.htm
4.9 There is not sufficient evidence provided that ‘the attribution of private finance back to the provider concerned is not relevant to the recipient country’ (para 71; apparently based on one partner country pilot). We recommend further consultation on this point. Fig. 8 reflects the reality of complex projects; in such a scenario we think more information is always helpful to aid traceability and understanding, whereas unnecessary information can always be disregarded.

5. General recommendations

5.1 It would be useful to develop separate objectives, stakeholder maps/outreach plans, and work-plans for the ‘provider’ and ‘recipient’ measures, clearly defining and consulting intended ‘beneficiaries’ of each effort. An important priority is clarifying target ‘data users’ of the initiative. Dialogue about whether the proposed recipient measure is the best approach to meeting data demands at country level would be useful, capitalising on the community interest generated by the TOSSD concept. Other approaches to enhancing country-level information on inflows could be considered, such as the strengthening of capacities at country level to collect and analyse data for national development financing plans or other available tools (e.g. Development Finance Assessments and country results frameworks). Approaches to mobilising additional investments in capacity building for data collection and analysis should be considered also.

5.2 Clarity is needed on which organisations will act as “data co-ordination and aggregation entities” (para 21) what responsibilities they will have, and the rationale for their selection. We also recommend defining terms used within the objectives and definitions (e.g. ‘global public goods’ and ‘development enablers’). In section 16, a bullet point should be added clarifying that TOSSD will contain reported flows that do NOT have the primary objective of being for the economic development and welfare of developing countries, as is stated clearly in paras 28–29.

5.3 It is important that scarce international resources and human capacity, especially in developing countries, are not diverted from direct delivery of the SDGs into the development of TOSSD measure, at least not until the value of the exercise to developing countries and especially the poorest communities and people has been clearly defined and agreed in a participatory and inclusive setting. We would caution against investing excessive time into developing technical and governance aspects before the objective and approach is agreed between all relevant stakeholders. We also advise a scoping exercise to define added value of the TOSSD initiative in the global context.

5.4 We express our support for efforts to improve data and information on cross-border financial flows for development, including private flows, and commend the OECD DAC for continuing to produce high-quality, accessible data and information on official financing flows. We look forward to contributing substantively to future dialogue, and are happy to respond directly to any questions or comments about this submission.

Contact

Cordelia Lonsdale, Policy & Engagement Advisor
T: +44 (0) 1179 272 505 | E: cordelia.lonsdale@devinit.org
www.devinit.org