



## Possible emerging excerpts of TOSSD Reporting Instructions

### *TOSSD Task Force Issues Paper<sup>1</sup>*

*for discussion at the 4<sup>th</sup> Task Force meeting on 30-31 May 2018*

1. Based on discussions on the statistical features and definitions of TOSSD by the Task Force, the Secretariat has started drafting reporting instructions for the TOSSD cross-border resource flows pillar. A first discussion on the emerging excerpts of these instructions took place at the 3<sup>rd</sup> Task Force meeting held in January 2018 and written comments were sought from Task Force members by 2 March 2018. This paper presents a revised version of the excerpts, incorporating comments received.
2. Task Force members are invited to review, in particular, the text that has been edited (see ~~striketrough~~ for deleted text, **shading** for new text). In most cases only minor adjustments have been made.
3. It is recalled that the document, in its entirety, is a work in progress. In particular, the Task Force has not yet discussed all issues that need to be covered in the Reporting Instructions, so the document includes a number of “placeholders” for text that remains to be drafted. For a number of issues that the Task Force has addressed but not concluded its discussion on, options under consideration are indicated with [bracketed text].
4. In addition, it is recalled that at the December meeting of the Task Force members discussed the usefulness of complementing the statistical framework with additional indicators beyond TOSSD activities to provide the broader picture of developing countries’ total resource receipts. These “satellite indicators” could primarily inform on private resource flows, including philanthropic resources, remittances and foreign direct investment (FDI). They could also capture official transactions beyond TOSSD. The satellite indicators would be derived, to the extent possible, from existing data in the international system (e.g. IMF, Balance of Payments). In general members were in favour of expanding the scope of flows captured in the new statistical system, in particular to compare TOSSD with other resource flows on a relative, “order of magnitude” basis. However, it was agreed that such additional indicators would be developed in a second phase, once technical work on the TOSSD framework will have been completed. No text on satellite indicators has been included in the present draft.

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## TOSSD REPORTING INSTRUCTIONS – EMERGING EXCERPTS

### PREAMBLE

1. The TOSSD statistical framework aims to provide a comprehensive picture of global, official and officially-supported resource flows provided to promote sustainable development in developing countries. It has been developed in response to the agreements of the international community to implement the most ambitious development agenda ever devised – the Sustainable Development Goals (SDGs) – and the equally ambitious financing strategy – the Addis Ababa Action Agenda (AAAA). The vast scope of the SDGs creates a new imperative to maximise the full potential of all resources – public, private, national and international – that finance development. The key to unlocking this potential is understanding the scope, nature and dynamics of the full range of resources being deployed to achieve the SDGs. This, in turn, requires a global framework for measuring resources in support of sustainable development, including external finance.

2. ~~The TOSSD framework is established in the spirit of SDG 17 on revitalising the global partnership for sustainable development and is expected to serve for monitoring this goal and several other SDG targets.~~ The TOSSD framework is designed to provide a coherent, comparable and unified system for tracking resources investments for sustainable development that can inform strategic planning, identify emerging gaps and priorities, and assess progress in matching supply with needs. TOSSD thus fulfils the vision of the SDG 17 on revitalising the global partnership for sustainable development and is expected to serve for monitoring this goal and several other SDG targets.

3. The primary objective of the TOSSD measurement framework is to promote greater transparency 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. TOSSD data track resource flows regardless of the financial instrument used, the level of concessionality involved or whether they are delivered through bilateral or multilateral channels. Information about resource flows will facilitate learning and exchange of good practice among developing countries about how to access and combine resources most effectively. Importantly, it 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.

4. TOSSD will also provide insights about the extent to which the international community is financing development enablers and responding to global challenges [the Global Public Goods agenda] – 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.

5. In line with inherent thrust of the SDGs – to promote a more sustainable, equitable and prosperous world for all people – this statistical framework implicitly assumes that all resources captured therein comply with prevailing global economic, environmental and social standards and disciplines. These safeguards ensure that TOSSD-eligible investments are sustainable, promote equal opportunities and rights, guard against negative environmental, social and climate impacts and risks, and – where necessary – limit damage through mitigation measures.

6. Data generated through the TOSSD framework can also be used to compile aggregates on sustainable development SDG finance from the providers' perspective. These data should be seen as complementary to the figures on Official Development Assistance (ODA) reported by 50 provider countries including 30 members of the Development Assistance Committee of the OECD. 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%.

7. These Reporting Instructions – which have been developed by the international community<sup>2</sup> working together in an open, inclusive and transparent manner [Placeholder for describing the UNSC process] – are designed to assist countries and institutions wishing to report data regarding the resources they are providing to developing countries in support of sustainable development and the 2030 Agenda. They will be updated and adjusted as and when the need arises. It is expected that the TOSSD framework will continue to exist beyond 2030, to continue promoting greater transparency on flows in support of sustainable development.

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<sup>2</sup> The TOSSD task force which contributed to develop the TOSSD reporting instructions is composed of representatives of traditional and emerging provider and partner countries, from national statistical offices and development co-operation policy bodies as well as international organisations.

## CHAPTER 1. MAIN CONCEPTS AND DEFINITIONS OF THE TOSSD STATISTICAL FRAMEWORK

### 1.1 DEFINITION OF TOSSD

8. ***The Total Official Support for Sustainable Development (TOSSD) statistical measure includes all officially-supported resource flows to promote sustainable development in developing countries and to support development enablers and/or address global challenges at regional or global levels.***

9. The key concepts embedded in the TOSSD definition are clarified below.

#### ***Sustainable development***

10. The concept of “Sustainable Development” is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.<sup>3</sup>

11. “Sustainable Development” in the TOSSD context is inherently linked to the Sustainable Development Goals as agreed in the 2030 Agenda<sup>4,5</sup>. Activities recorded as TOSSD support the implementation of the SDGs by generating sustainable economic growth, ensuring social inclusion, without compromising the environment. As and when the 2030 Agenda is concluded and replaced by another framework, the TOSSD measure will be updated to link to that framework.

#### ***Resource flows***

12. In accordance with the Addis Ababa Action Agenda, the term “resources” in the TOSSD definition covers both financial and technical resources.<sup>6</sup> The flow of resources covers monetary and non-monetary transactions<sup>7</sup> with TOSSD recipients in support of sustainable development for any given year.

#### ***Officially-supported***

13. TOSSD aims to capture the entirety of instruments and modalities of development co-operation provided by, or supported by, the official sector ~~implementing the SDGs~~, including mechanisms that mobilise resources from the private sector, **for sustainable development**. Therefore, in the context of TOSSD, “officially-supported resources” are defined as:

a) resources provided by:

i) official agencies, including state and local governments, or by their executive agencies,

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<sup>3</sup> Definition first used in the Brundtland Report. (See Report of the World Commission on Environment and Development: Our Common Future”, Chapter 2 “Towards Sustainable Development”, p. 41, New York: UN, 1987.) It contains within it two key concepts: i) the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and ii) the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs.

<sup>4</sup> See “Transforming our world: the 2030 Agenda for Sustainable Development”: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>5</sup> Taking into account linkages with sustainable development frameworks established at regional level e.g. by the African Union Commission. See <https://au.int/en/agenda2063>.

<sup>6</sup> The AAAA considers that international co-operation to support the implementation of the 2030 Agenda comprises both financial and technical resources. See [http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>7</sup> This is also in line with the methodologies of the System of National Accounts and the Balance of Payments, which registers transactions between residents and non-residents, including transactions which do not involve the payment of money. See chapter 2, paragraph 26 in The IMF *Balance of Payments and International Investment Position Manual - Sixth Edition (BPM6)*.

- ii) state-owned companies and enterprises under government control<sup>8</sup>, and
- iii) other enterprises under significant government influence<sup>9</sup>.

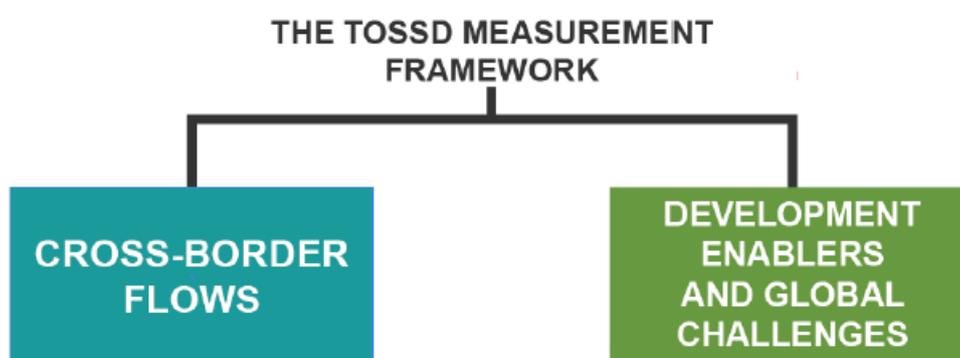
b) private resources mobilised by official interventions, where a direct causal link between the official intervention and the private resources can be demonstrated.

14. See Chapter 2.2 for concrete eligibility criteria on sustainable development and TOSSD recipient countries.

**A two-pillar approach (Placeholder)**

15. TOSSD is a two-pillar framework that tracks officially-supported i) cross-border resource flows to developing countries and ii) finance for development enablers and global challenges at regional and global levels [the Global Public Goods agenda], as illustrated in Figure 1.

**Figure 1. The two-pillar TOSSD statistical measurement framework**



16. Data generated through the TOSSD framework can also be used to compile aggregates on sustainable development finance from the providers' perspective. [Placeholder for a reference to a methodology to be developed for that purpose.]

<sup>8</sup> Corporations over which the government secures control by owning more than half of the voting equity securities or otherwise controlling more than half of the equity holders' voting power, or through special legislation empowering the government to determine corporate policy or to appoint directors.

<sup>9</sup> This category is included to recognise that governments can exercise influence in many different ways beyond the mere control of a company via voting powers. (See for example Chapter 6, Section B in The IMF *Balance of Payments and International Investment Position Manual - Sixth Edition, BPM6*.) TOSSD aims to capture the entirety of official interventions but given the variety of reporting countries, it is ultimately left at the discretion of the reporter to determine whether companies under significant government influence should be included.

## 1.2 REPORTING PRINCIPLES

### 1.2.1 STATISTICAL QUALITY STANDARDS IN THE TOSSD SYSTEM

17. Data collected on TOSSD under these Reporting Instructions should comply with the United Nations Fundamental Principles of Official Statistics (FPOS) which were adopted by the United Nations Statistical Commission (UNSC) in 1994 and by the United Nations General Assembly in 2014.

18. Moreover, the TOSSD statistical framework is subject to the United Nations Statistics Quality Assurance Framework.<sup>10</sup> The TOSSD system is operated to ensure the quality of the 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)<sup>11</sup>. The governance of the TOSSD measure will ensure the quality of the institutional environment (objectivity, impartiality, transparency and credibility), essential to build trust which is the very foundation of a statistical system.

### 1.2.2 ACTIVITY-LEVEL REPORTING

19. All TOSSD resource flows are reportable at the activity level ~~by the provider countries or multilateral institutions organising/managing the activity~~. The term “activity” covers various types of operations, ranging from budget support to project-type interventions, investments and technical co-operation activities. In certain cases some aggregation is permitted to limit the reporting burden and number of records.

20. All TOSSD data will be made publicly available, also at activity level. Any confidential information linked to TOSSD activities (e.g. company names) should be filtered out upstream by the data providers.

### 1.2.3 POINT OF MEASUREMENT

21. TOSSD resource flow data are reportable on a calendar year basis. Both commitment and disbursement data are collected. A commitment is a firm written obligation by the provider, backed by the appropriation or availability of the necessary funds, to provide specified resources under specified financial terms and conditions and for specified purposes for the benefit of the recipient. Commitments are considered to be made at the date the financial agreement is signed or the obligation is otherwise made known to the recipient. A disbursement is the placement of resources at the disposal of the recipient.

22. The main TOSSD measure is calculated on a gross disbursement basis. Gross figures reveal the full scope and nature of external resources provided for **sustainable development** ~~SDG investment purposes~~. The net measure is also calculated, whenever possible, for transparency and analytical purposes, based on information reported on reflows (amounts received by the provider).

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<sup>10</sup> See <https://unstats.un.org/unsd/unsystem/Documents-March2017/UNSystem-2017-3-QAF.pdf>

<sup>11</sup> See definitions in Annex.

## 1.2.4 CURRENCY

23. TOSSD data are reported in the currency in which the transaction takes place. However, for consolidated data presentations and dissemination, the reference currency is the United States dollar (USD). Data reported in currencies other than USD will be converted to USD using annual average exchange rates.<sup>12</sup>

## 1.3 MAIN STATISTICAL CONCEPTS

### 1.3.1 PROVIDER AND RECIPIENT

24. TOSSD data are collected mainly from provider countries and institutions. These data are complemented by data from recipient countries, reported on a voluntary basis, when possible and in line with their capacities.<sup>13</sup>

25. **Bilateral providers** are countries and territories that have a development co-operation policy and undertake activities in support of sustainable development in third countries.

26. **Multilateral providers** are international agencies, institutions, organisations or funds whose members are governments and who are represented at the highest decision-taking level in the institution by persons acting in an official capacity and not as individuals. Multilateral institutions include i) United Nations agencies, programmes, funds and commissions; ii) the International Monetary Fund; iii) the World Trade Organisation; iv) the World Bank Group; v) regional development banks<sup>14</sup>; vi) the European Union institutions; and vii) other multilateral funds, partnerships, initiatives and financing facilities.

~~27. TOSSD data are collected mainly from provider countries and institutions. These data are complemented by data from recipient countries, reported on a voluntary basis, when possible and in line with their capacities<sup>15</sup>.~~

27. **TOSSD recipients** are defined in the list of eligible recipient countries and territories (cross-border resource flows pillar, see Chapter 2.2) but also include international institutions (see Chapter 3, global public goods pillar).

### 1.3.2 CHANNEL OF DELIVERY

28. The channel of delivery is the entity that has implementing responsibility over the activity and is normally linked to the provider agency by a contract or other binding agreement, and is directly accountable to it. It is a key element of the TOSSD framework since it helps to identify the

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<sup>12</sup> See IMF International Financial Statistics at <http://data.imf.org/?sk=4C514D48-B6BA-49ED-8AB9-52B0C1A0179B>.

<sup>13</sup> Provider countries and institutions should provide technical capacity building for developing countries willing to set up their own systems to report and analyse TOSSD data.

<sup>14</sup> Examples of regional development banks include the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, the Asian Infrastructure Investment Bank, the Islamic Development Bank and the European Bank for Reconstruction and Development.

<sup>15</sup> ~~Technical capacity building should be provided for developing countries willing to set up their own systems to report and analyse TOSSD data.~~

institution responsible for the execution of the activity, which is essential in order to track flows and improve accountability in both provider and partner countries. (See paragraphs 49-50.)

### 1.3.3 FINANCIAL INSTRUMENTS

29. TOSSD resource flows are provided through numerous financial instruments. These are categorised as grants, debt instruments, mezzanine finance instruments, and equities and shares in collective investment vehicles. Included are also instruments that generate contingent liabilities but not necessarily a flow from the provider to the recipient (e.g. guarantees). [Islamic finance instruments are separately identified.] (See paragraphs 51-61.)

**Placeholder (other main concepts, e.g. modality, sector/purpose)**

## CHAPTER 2. TOSSD PILLAR 1: CROSS-BORDER RESOURCE FLOWS IN SUPPORT OF SUSTAINABLE DEVELOPMENT

### 2.1 SCOPE OF CROSS-BORDER RESOURCE FLOWS PILLAR

#### Categories of resource flows covered

30. The cross-border resource flows pillar covers resources extended to TOSSD-eligible recipient countries in support of sustainable development by bilateral and multilateral providers (Figure 2). The major breakdown is between grants and in-kind contributions on the one hand, and financial transactions on the other hand. No distinction is made between concessional and non-concessional transactions.<sup>16</sup> Resources mobilised from the private sector by official interventions are also included. However, they are presented under a separate heading as the funds do not necessarily originate from the provider country and may even be domestic i.e. originate from the recipient country. [Officially-supported export credits are [excluded] [generally excluded] from TOSSD given that these operations are not generally designed with sustainable development objectives.]

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<sup>16</sup> Different definitions of concessionality are applied by different providers and developing countries depending on the context.

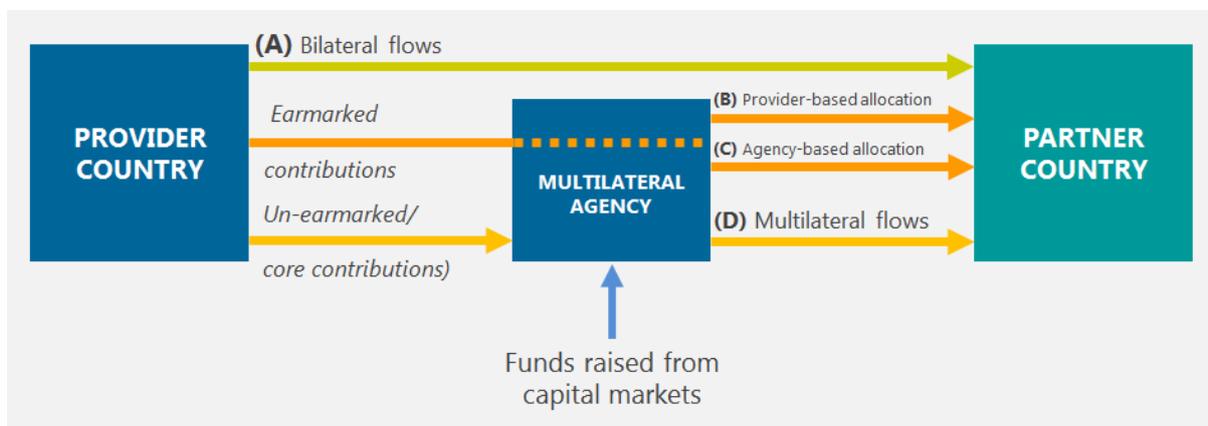
**Figure 2. Overview of TOSSD cross-border resource flows pillar**

| TOSSD Framework                                       |  |
|---|--|
|   | From provider countries, multilateral agencies and pooled funds  |
| <b>A. Grants</b>                                      | Grants, technical assistance   |
| <b>B. Financial transactions</b>                      | Debt instruments and equity investments  |
| <b>OFFICIAL FLOWS TOTAL, gross (A+B)</b>              |  |
| <b>C. Resources mobilised from the private sector</b> | Resources mobilised from the private sector through official interventions, regardless of the country of origin of the funds mobilised |
| <b>TOSSD TOTAL, gross (A+B+C)</b>                     |  |

31. In the TOSSD system, bilateral providers report activities they undertake directly with a recipient country or that they fund through earmarked contributions to multilateral organisations for specific, usually project-type, interventions (A + B in Figure 3).

**Figure 3. Reporting on TOSSD by provider**

Provider countries report on A and B. Multilateral providers report on C and D.



32. In the TOSSD system, multilateral providers report on activities that they undertake under their own responsibility (decisions on resource allocations to specific purposes are made by the institutions themselves) (C + D in Figure 3). The original source of funds can be official providers (through core contributions or pooled funds<sup>17</sup>) or the private sector (through funds raised in the international capital markets or private charitable contributions to multilateral organisations). In the case of funds for which a multilateral institution only provides Trustee services, the organisations implementing the activities, and not the Trustee institution, should report on TOSSD.<sup>18</sup>

<sup>17</sup> When funds are pooled they lose their identity and become an integral part of the recipient institution's financial assets.

<sup>18</sup> Such funds are also referred to as Financial Intermediary Funds. An example of these could be the Global Environment Facility (GEF) for which the World Bank acts as a trustee but decisions on the allocation of the funds are made by the GEF itself.

33. In the case of trust funds managed by several multilateral organisations, it should be considered, on a case-by-case ~~an ad-hoc~~ basis, which institution is better placed to report on TOSSD outflows, usually the lead institution.

### **Maturity of transactions covered**

34. For capital flows, the scope of the TOSSD cross-border resource flows pillar is generally limited to long-term operations (i.e. with a maturity exceeding one year), in line with balance of payments statistics and/or systems of national accounts.

35. Data will also be collected on short-term financial transactions by multilateral development banks to support sustainable development ~~SDG implementation~~ in TOSSD recipient countries. [Placeholder for a sentence on collecting data on short term finance from all development finance institutions.] To avoid a proliferation of records, these data should be reported at aggregate level (by recipient country). In TOSSD data presentations, short-term and long-term finance will be presented separately.

## **2.2 SPECIFIC ELIGIBILITY CRITERIA**

### **2.2.1 ELIGIBILITY CRITERIA REGARDING SUSTAINABLE DEVELOPMENT**

36. In the context of TOSSD, an activity is deemed to support sustainable development if it directly contributes to at least one of the SDG targets as identified in the official list<sup>19</sup> of SDG targets developed and maintained by the United Nations Statistical Commission (UNSC).

37. There may be cases where reporters cannot find a direct link with one of the SDG targets. This is due to the fact that SDG targets represent a global ambition and may therefore not encapsulate all dimensions of a given developmental issue in their final agreed wording.

38. [If a reporter cannot find a direct link between one of its activities providing a critical contribution to sustainable development and an SDG target, the reporter will still be able to report it, linking it to a goal SDG and providing an appropriate justification in the relevant field of the TOSSD activity-level reporting form (see figure 4 in chapter 4).<sup>20</sup>]

### **2.2.2 TOSSD-ELIGIBLE COUNTRIES**

39. To count as TOSSD, an activity should involve a cross-border resource flow to a country on the **List of TOSSD recipient countries**. For any reporting year, this List includes:

- i. All countries and territories that are present on the “DAC List of ODA recipients”<sup>21</sup>.
- ii. Other countries and territories that have activated the TOSSD opt-in procedure.

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<sup>19</sup> <https://unstats.un.org/sdgs/indicators/indicators-list/>

<sup>20</sup> In addition, the first TOSSD data collection exercises to be carried out starting 2019 will help provide further guidance and criteria to improve TOSSD eligibility criteria over time.

<sup>21</sup> See <http://www.oecd.org/dac/stats/daclist.htm>.

40. Any country or territory can activate the opt-in procedure at any point in time. The procedure is voluntary but needs to be motivated through the specific economic, social or environmental context that the country faces. Traditional donors are expected to not use the TOSSD opt-in procedure.

41. The opt-in procedure is described in detail in Annex B.

## 2.3 SPECIFIC METHODS

### 2.3.1 MEASUREMENT OF TECHNICAL CO-OPERATION

42. The implementation of technical co-operation activities may involve hiring experts or consultants in the international markets or deploying public officials of provider countries. In the first case TOSSD records the costs incurred by the provider because those costs are already internationally comparable in monetary terms; in the second case a specific methodology is used to estimate the costs in an internationally comparable manner. [Placeholder for spelling out the specific methodology.]

#### Experts contracted in the international market

43. If experts are hired in the international market, the price of the contract will be recorded in TOSSD, regardless of the country of residence of the expert.

44. For locally-hired experts<sup>22</sup>, technical co-operation is measured applying a specific methodology by which the costs can be estimated in an internationally comparable manner. ~~the same rules as for public officials (in-kind technical co-operation).~~ [Placeholder for spelling out the specific methodology.]

#### In-kind technical co-operation (placeholder)

### 2.3.2 MEASUREMENT OF RESOURCES MOBILISED FROM THE PRIVATE SECTOR (PLACEHOLDER)

45. Reporting on resources mobilised from the private sector is subject to specific rules regarding causality and methods of pro-rated attribution in order to avoid artificial inflation of the volume of TOSSD flows and double-counting of these resources at the international level in cases where more than one official provider is involved in a project mobilising private finance.

## CHAPTER 3. TOSSD PILLAR II: GLOBAL PUBLIC GOODS (PLACEHOLDER)

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<sup>22</sup> Experts hired in TOSSD recipient countries receive a remuneration which is equivalent to national salary levels. An indication of local hiring could be remuneration in national currency or using the procedures of the partner country.

## CHAPTER 4. REPORTING FORMAT AND DETAILED INSTRUCTIONS

### 4.1 REPORTING CYCLE AND DATA COLLECTION (PLACEHOLDER)

### 4.2 REPORTING FORMAT AND OVERVIEW OF ITEMS COVERED

46. Data on TOSSD resource flows (including private finance mobilised through official interventions) are reported using a single file format. For transparency purposes, data are reportable at the activity level, although not all data fields of the TOSSD reporting format are necessarily filled for all types of financial instruments. Thus, a certain level of aggregation in the information provided is possible. Reporting on TOSSD is done electronically, either using a spreadsheet where each column would correspond to one data field and each row to one activity, or a machine-readable format. [Placeholder for further clarification of the reporting format.]

47. The TOSSD Reporting Form (see Figure 4 below) builds on existing requirements used in the DAC-CRS statistical system<sup>23</sup> and comprises three sections:

- Section A identifies the activity: identification numbers to link different components (a loan, a guarantee, an equity stake) of an investment activity or project together, thereby facilitating database management and the tracking of project implementation over time (commitment, disbursements, etc.).
- Section B requests basic data on the activity, including its title and description, recipient, modality, implementing agency (channel of delivery), SDG focus, sector of destination and whether the transaction reported is part of a broader financing arrangement (e.g. blended or project finance schemes, PPPs, etc.).
- Section C groups all volume data related to the activity including commitments, gross disbursements, loan repayments, and the amount of resources mobilised from the private sector.

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<sup>23</sup> i.e. CRS++ item-level reporting and Busan-common format.

**Figure 4. Activity-level Reporting Form for TOSSD cross-border flows to developing countries**

| Reporting Items  | Clarifications  |
|--|---|
| <b>A. Identification data</b>  |   |
| 1. Reporting year  | Calendar year for which data are reported (e.g. reporting in 2019 on 2018 resource flows).  |
| 2. Provider country/institution  | Each reporting country or multilateral institution has its own code.  |
| 3. Provider agency   | The provider agency is the government entity (central, state or local government agency or department) financing the activity from its own budget. For multilateral organisations, it refers to the department or fund financing the activity within the institution. The provider agency has budget responsibility and controls the activity for its own account.  |
| 4. Provider project number   | The project number field facilitates tracking activities in provider institutions' internal databases which may be necessary, for example, to respond to requests to verify the data regarding certain reported activities.   |
| 5. TOSSD ID Number   | In addition to the provider project number TOSSD ID number is needed to ensure the uniqueness of each transaction in the database and to link the original commitments and subsequent disbursements over several years or between different components of the same project. The format needs to be common to all providers. Set the ID at thirteen digits, with the first three digits equal to the provider country/institution code: e.g. for institution number 901 TOSSD ID number would be 901YYYYxxxxx. |
| <b>B. Basic data</b>   |   |
| 6. Project title   | The official project title.   |
| 7. Description   | In English, French or Spanish (over time the aspiration will be to collect this information in all UN languages).   |
| 8. TOSSD recipient   | Each recipient country has its own code.  |
| 9. Channel of delivery   | The channel of delivery is the <u>first</u> implementing partner. It is the entity that has implementing responsibility over the funds and is normally linked to the provider agency by a contract or other binding agreement, and is directly accountable to it.   |
| 10. Type of resource flow  | A distinction is made between official and officially-supported activities, i.e. resources mobilised from the private sector. For financial transactions, a distinction is made between long-term and short-term transactions.  |
| 11. Financial instrument   | A distinction is made between grants, debt instruments, mezzanine finance, equity and shares in collective investment vehicles and guarantees and other unfunded contingent liabilities. [Islamic finance to be developed]  |
| 12. Modality   | A distinction will be made between various development co-operation modalities (to be developed).   |
| 13. SDG focus (multiple choice)  | The "targets" as identified in the UNSC list of SDG targets (e.g. 2.1; 3.3). Multiple choices will be possible. In case no direct link can be found to an SDG Target, report the goal [and provide justification for inclusion of the activity in TOSSD].   |
| 14. Sector/Purpose code (multiple choice)  | Classification and codes to be discussed developed.   |
| 15. Co-financing arrangements  | Descriptive information, if applicable, on the broader co-financing arrangements such as the name of the public and private co-financiers, the type of co-financing arrangements (syndication, investment funds, project finance, etc.) and counterpart funding from the recipient government.  |
| <b>C. Volume data (Amounts in thousands, to be adjusted in the light of some currencies if needed)</b> |   |
| 16. Currency   | Amounts are reported in the currency in which the transaction has been undertaken.  |
| 17. Amounts committed  | New amounts committed during the reporting year, i.e. the face value of the activity.   |
| 18. Amounts disbursed  | Amount disbursed during the reporting year.   |
| 19. Amounts received   | Covers recoveries on grants, amortisation of loans and gains or losses from equity sales (a positive amount means that the provider country has made capital gains; a negative amount means it has suffered capital losses). Amortisation relates to principal payments received from the borrowing country during the reporting year, including any payments of arrears of principal.  |
| 20. Leveraging mechanism   | Indicates the leveraging instrument used, e.g. guarantee, syndicated loan, shares in collective investment vehicles.  |
| 21. Amount mobilised   | Report the amount of resources mobilised following the methodologies in Annex X.  |
| 22. Origin of the funds mobilised  | Distinguishes between funds mobilised in provider, recipient or third country.  |
| <i>For loans only</i>  |   |
| 23. Maturity   | Repayment period in months.   |

### 4.3 REPORTING INSTRUCTIONS ITEM BY ITEM (PLACEHOLDER, ONLY TWO ITEMS ARE COVERED BELOW)

#### Item 2. Provider country/institution

48. In order to track multilateral activities, a list of multilateral institutions from which outflow data may be collected needs to be established. (See Annex C.) The objective of establishing such a list is will be twofold: on one hand it will serves to operationalise the TOSSD framework by establishing a list of multilateral reporters; on the other hand, especially for the global public goods pillar, it will serves to identify TOSSD-eligible multilateral organisations, that might not conduct activities in TOSSD-eligible countries but that contribute to promote enabling conditions for sustainable development and to address global challenges.

~~48. The criteria for including multilateral institutions in the list are:~~

- ~~• The multilateral character of the institution, as per the definition of multilateral provider in section 1.3; and~~
- ~~• The institution conducting all or part of its activities in favour of sustainable development and developing countries; or~~
- ~~• The institution contributing to promote development enablers and to address global challenges<sup>24</sup>.~~

~~49. The list aims to be as inclusive as possible, and therefore there will not be a minimum budget threshold as a condition for the inclusion of a multilateral institution in the list. As a starting point, all multilateral institutions included in the list of ODA-eligible multilateral organisations will be added to the TOSSD list, provided that they commit to report their sustainable development related outflows to the TOSSD system. The list will be then completed with other relevant organisations at the regional or global level.~~

#### **Opt in procedure**

~~50. Multilateral organisations willing to be added to the TOSSD multilateral organisations list can request their inclusion to the institution governing the TOSSD measurement framework. Once the institution governing TOSSD verifies compliance with the established criteria for inclusion, they will be added to the list, provided that they commit to reporting their sustainable development related outflows to the TOSSD reporting body on an annual basis.~~

#### Item 7. Channel of delivery

49. Where several levels of implementation are involved (e.g. when the provider agency hires a national implementer which in turn may hire a local implementer), report the first level of implementation as the channel of delivery. Where activities have several implementers, the principal implementer should be reported (e.g. the entity receiving the most funding). In the case of loans, report the borrower (i.e. the first entity outside the provider country that receives the funds).

50. The channel of delivery classification includes six main categories as follows:

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<sup>24</sup> Specific criteria for the organisations contributing to global public goods have not yet been established and will be developed together with the global public goods pillar in 2018-2019.

- **Public sector institutions** include central, state or local government departments (e.g. municipalities) and public corporations in provider or recipient countries.
- **Non-governmental organisations** (NGOs) and civil society.
- **Public-private partnerships (PPPs)** and networks are collaborative arrangements between private actors and bilateral/multilateral agencies or governments to address specified developmental issues.
- **Multilateral organisations** are international institutions with governmental membership.
- **Universities, colleges or other teaching institutions**, including research institutes or think-thanks.
- **Private sector institutions** include all “for-profit” institutions, consultants and consultancy firms that do not meet the definition of a public sector institution. Sub-categories further distinguish between private sector in provider country, private sector in recipient country and private sector in third country (developing country, high income/OECD country).

#### **Item 11. Financial instrument**

51. The main categories of financial instruments are defined as follows.

##### **Grants**

52. Grants are transfers in cash or in kind for which no legal debt is incurred by the recipient.

##### **Debt instruments**

53. Debt instruments require the payment of principal and/or interest at some point(s) in the future. Debt instruments can take the form of loans, reimbursable grants and debt securities.

##### *Loans*

54. Loans are transfers in cash or in kind for which the recipient incurs legal debt (and the resulting claim is not intended to be traded). This includes loans repayable in the borrower’s currency whether the lender intends to repatriate the repayments or to use them in the borrowing country.

##### *Reimbursable grants*

55. Reimbursable grants consist of contributions provided to a recipient institution for investment purposes, with the expectation of long-term reflows at conditions specified in the financing agreement. The provider assumes the risk of total or partial failure of the investment; it can also decide if and when to reclaim its investment.

### *Debt securities*

56. Bonds are fixed-interest debt instruments, issued by governments, public utilities, banks or companies, tradable in financial markets. The issuer of a coupon bond pledges to pay the par value of the bond to the bondholder on a fixed date (maturity date) as well as specified interest over the life of the bond. Alternatively, bonds can be issued at a price lower than their par value in lieu of the periodic interest, with the full par value being paid to the bondholder on maturity (discount bonds). Asset-backed securities are securities whose value and income payments are derived from and backed by a specific pool of underlying assets. Asset-backed securities also cover the financial characteristics of Islamic finance, especially in the form of Sukuks.

### **Mezzanine finance instruments**

57. Mezzanine finance, also called hybrid finance, refers to instruments relating to the layer of financing between an entity's senior debt and equity, with features of both debt and equity. Providers of mezzanine finance have claims that are subordinated to senior lenders and possess priority over equity investors. Consequently, mezzanine investors normally expect returns that are higher than traditional bank lending rates and lower than the returns required by most equity investors.

58. A subordinated (or junior) loan, in the event of default, will only be repaid after all senior obligations have been satisfied. Preferred equity, in the event of default, will be repaid after all senior obligations and subordinated loans have been satisfied; and will be paid before other equity holders.

### **Equity and shares in collective investment vehicles**

59. Common equity is a share in the ownership of a corporation that gives the owner a claim on the residual value of the corporation after creditors' claims have been met.

60. Shares in collective investment vehicles refer to collective undertakings through which investors pool funds for investment in financial or nonfinancial assets or both. These vehicles issue shares (if a corporate structure is used) or units (if a trust structure is used).

### **Guarantees and other unfunded contingent liabilities**

61. Guarantees refer to risk-sharing agreements under which the guarantor agrees to pay part or the entire amount due on a loan, equity or other instrument to the lender/investor in the event of non-payment by the borrower or loss of value in case of investment. Other unfunded contingent liabilities include insurances and other instruments that do not constitute a flow.

## ANNEXES

### ANNEX A. Data collection tools and procedures (Placeholder)

### ANNEX B. Description of the TOSSD opt-in procedure and instructions to report on activities carried out in opt-in countries

A country willing to become TOSSD-eligible should send a formal letter to the Chair of the institution governing the TOSSD measurement framework.<sup>25</sup> The letter should contain:

- The **motivation for opting in** and therefore becoming a TOSSD-eligible country, justified by the specific economic, social or environmental context of the country.
- The **requested date of inclusion on the List**, if different from the date of the request.
- The **requested duration of the eligibility**, indicating the anticipated period for which the country wishes to be TOSSD-eligible but which should not exceed three years. Should the country wish to extend the period of TOSSD eligibility at a later stage, it should send a new request indicating a new period of TOSSD eligibility.

Reporting on TOSSD provided to opt-in countries follows the same rules and methods as for other countries. By default, transactions are reportable as TOSSD from the date of the official request by the country opting-in, unless the country indicates a specific start date from which activities can be reported as TOSSD. In case the opt-in procedure is triggered because of an event that can be anticipated (e.g. a hurricane), prevention activities which occur before the official request by the country or the date of the event can be reported under TOSSD, provided that they directly contribute to mitigating the negative impact of the said event.

The list of TOSSD-eligible countries will be reviewed every three years to take into account any changes to the DAC List of ODA Recipients. Any country that has opted in should at the time of the review confirm its wish to remain on the TOSSD list.

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<sup>25</sup> At the time of writing, the TOSSD governance arrangements are not yet defined. An interim procedure should be put in place until a formal body is designated to oversee the TOSSD Statistical framework.

## **ANNEX C. List of multilateral organisations from which TOSSD data will be collected**

The criteria for including multilateral institutions in the list are:

- The multilateral character of the institution, as per the definition of multilateral provider in section 1.3; and
- The institution conducting all or part of its activities in favour of sustainable development and developing countries; or
- The institution contributing to promote development enablers and to address global challenges<sup>26</sup>.

The list aims to be as inclusive as possible, and therefore there will not be a minimum budget threshold as a condition for the inclusion of a multilateral institution in the list. As a starting point, all multilateral institutions included in the list of ODA-eligible multilateral organisations will be added to the TOSSD list, provided that they commit to report their sustainable development related outflows to the TOSSD system. The list will be then completed with other relevant organisations at the regional or global level.

### ***Opt-in procedure***

Multilateral organisations willing to be added to the TOSSD multilateral organisations list can request their inclusion to the institution governing the TOSSD measurement framework. Once the institution governing TOSSD verifies compliance with the established criteria for inclusion, they will be added to the list, provided that they commit to reporting their sustainable development related outflows to the TOSSD reporting body on an annual basis.

## **ANNEX D. TOSSD taxonomies (Placeholder)**

### **ANNEX E. Deriving aggregates on TOSSD (Placeholder)**

- **Aggregates on cross-border resource flows and development enablers/global challenges**
- **Method for deriving aggregates by provider from data on cross-border resource flows**
- **Method for deriving aggregates by provider from data on global public goods**

## **ANNEX F. TOSSD and ODA (Placeholder)**

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<sup>26</sup> Specific criteria for the organisations contributing to global public goods have not yet been established and will be developed together with the global public goods pillar in 2018-2019.