Responses to the DAC CSO Reference Group’s document entitled
“Reflections on the TOSSD Reporting Instructions”
(dated May 2018 and submitted by CSOs for the consultation of 31 May 2018)

Responses validated by the TOSSD Task Force\(^1\)
at its meeting on 25-26 September 2018
(under agenda Item 2)

INTRODUCTION

1. The TOSSD Task Force (TF) held a consultation with CSOs on 31 May 2018, back-to-back with its fourth meeting. Ahead of the consultation, CSOs had provided both general and detailed comments on TOSSD and the emerging Reporting Instructions in two documents: “Reflections on the TOSSD Reporting Instructions” and “Detailed comments on the Reporting Instructions”. Both documents were posted on the TOSSD Task Force web page as soon as they were received for ease of access. Following the meeting of 31 May, CSOs also wrote to the Task Force Chair with a number of follow-up questions.

2. The present document provides responses by the Task Force regarding the issues covered in the CSO paper entitled “Reflections on the TOSSD Reporting Instructions”. These responses are based on TF members’ feedback during the consultation on 31 May and a discussion at the Task Force meeting in Ghana (25-26 September). Related follow-up questions submitted by CSOs after the 31 May meeting are also covered.

3. The present document is comprised of two sections:
   a. Section I essentially follows the structure of the document “Reflections on the TOSSD Reporting Instructions”. The text provided by CSOs is shown in *italics* and has been numbered. The proposed response by the Task Force and additional comments by the Secretariat are presented in a box after each main section of the CSO document.
   b. Section II proposes responses to the follow-up questions submitted by CSOs to the Co-Chairs of the Task Force after the meeting.

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I. Responses to the document entitled “Reflections on TOSSD Reporting Instructions”

DAC CSO Reference Group

**REFLECTIONS ON THE TOSSD REPORTING INSTRUCTIONS**

*May 2018*

--- General comments ---

**TOSSD: an outline of CSO principles and considerations**

4. The DAC CSO Reference Group has been following the work of the international Task Force on Total Official Support for Sustainable Development (TOSSD), which first met in July 2017 (Paris) and then came together again in December 2017 (Costa Rica) and in January 2018 (Canada); in spite of challenges in terms of access to documents and of time for feedback, we submitted a policy paper (November 2017) and a formal letter (January 2018) to present our comments and suggestions throughout the process.

5. We really appreciate the opportunity to meet the international Task Force in Brussels, May 31st, back to back with its fourth meeting. Ahead of such a key moment, we are setting out here principles and concrete recommendations we would consider critical to a TOSSD framework that provides common ground for discussion as well as to further analysis of the emerging Reporting Instructions. This note, however, should not be taken as an endorsement of TOSSD, nor as a concrete CSO position, but, rather, we hope it assists in facilitating an open discussion that can help us further understand the magnitude of the decisions in the making.

6. As we note that there are still some differences in views and outstanding questions, primarily because some of the details of TOSSD are still emerging, it is important to clarify that CSOs remain unconvinced on the TOSSD initiative and on the fact that the existing approach represents an effective, high-impact way forward to developing a useful measure of all official development finance. There is still concern that the core objectives and rationale for TOSSD is somewhat confused and that the case has not yet been made, particularly not in the context of the urgent need for attention and resources on other developmental issues.

7. CSOs are champions of transparency and believe that enhancing the visibility of a wide range of flows can contribute to development and is a worthwhile endeavour. We believe, however, that while TOSSD as a statistical measure may appear to be a purely technical initiative, it could also have significant and lasting repercussions for development finance. If TOSSD is to be legitimate, therefore, it must be based on shared principles common to development finance stakeholders and with strong leadership from developing countries and people. These principles can be drawn from:

- the UN 2030 Agenda on Sustainable Development (where TOSSD derives its mandate from);
- existing commitments and policies on official development assistance (ODA)- an essential resource for developing countries. (TOSSD aims to ‘complement’ and not undermine ODA);

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2 Based on inputs from Amy Dodd, Asa Thomasson, Brian Tomlinson, Cordelia Lonsdale, Jesse Griffiths, Julie Seghers, Nerea Craviotto, Stefano Prato and Luca De Fraia.

existing commitment on effective development cooperation as reiterated in the 2030 Agenda, AAAA and the development effectiveness principles agreed in the 2011 Busan Partnership for Effective Development Cooperation.

8. There is a risk of TOSSD resulting in both political capital and financial resources being invested in a measure that does not drive delivery of SDGs and perhaps even hinders development progress. It could also exacerbate existing challenges in the development finance landscape that concern CSOs, such as the decrease in ODA available to the poorest countries. We would also highlight that a major cause for concern is the emerging direction of travel on how flows from the private sector will be captured in the TOSSD measure; in particular, counting private ‘officially supported’ flows appears to present several challenges for the core principles, as we highlight below. A clearer focus on development impact and effectiveness, practical ways of measuring and assessing the developmental nature of TOSSD flows and stronger pro-poor SDG-related results-focused standards are needed for TOSSD to be an effective and valuable contribution to the development data landscape.

Incentivise more and better development finance, aligned with the SDGs, including eradicating poverty, reducing inequalities, and ‘leaving no one behind’.

9. With 767 million people still living in extreme poverty and 2.1 billion people living on less than $3.10 a day, TOSSD must focus on capturing flows that are demonstrably developmental, truly focused on ending poverty and reducing inequalities, which is indispensable to leave no one behind. The financing gap is substantial, but the money is there: it is a case of mobilising it effectively for poverty and inequality reduction, not just mobilising more. TOSSD can play a direct role here by incentivising the most valuable, developmental flows.

10. This means: TOSSD should focus on capturing only official flows that are demonstrably developmental in nature, linked with the achievement of the SDGs and have a clear theory of change to deliver effective development impact. It should not credit flows which are purely commercial in nature, which are entirely driven by the military/security interests of providers or which undermine countries’ ownership and leadership of their own development. The definition of ‘officially supported’ flows must be clarified, and cannot include private companies- even state-owned enterprises. In regard to the TOSSD measure on Global Public Goods, it is essential that all stakeholders are engaged in a consultation on how GPGs are defined to ensure that those relevant to TOSSD are truly developmental in nature.

Box 1. Response by the TOSSD Task Force on the section “Incentivise more and better development finance, aligned with the SDGs, including eradicating poverty, reducing inequalities, and ‘leaving no one behind’:

TOSSD will help fill the current information gap on activities that support Sustainable Development but that are not recorded in the existing measure of ODA. For example, as mentioned during the meeting held on 31 May, some of the development banks' loans, which do not qualify as ODA because they do not pass the concessionality threshold, still represent critical resources for sustainable development (e.g. in the area of education in middle-income countries). As these activities are currently not publicly available in international statistics in a consolidated manner, they also run the risk of not undergoing the same level of scrutiny than projects recorded under ODA.
Monitoring and measuring progress on those flows is a key element to support the commitment to mobilise the private sector expressed in the Addis Ababa Action Agenda, moving from billions to trillions. The 2030 Agenda also acknowledges "the role of the diverse private sector (...) in the implementation of the new Agenda", confirming the necessity to provide more information on private flows in support of the SDGs.

The current definition of "officially-supported" is in paragraph 13 and takes into account the proposals by CSOs. The Task Force sees TOSSD as a statistical measure that will incentivise the mobilisation of additional funds for development.

Special attention will indeed need to be paid to the quality of the funds mobilised so that these funds truly support development. When measuring mobilisation, TOSSD includes public actors with a development mandate, thereby placing some basic safeguards on the quality of the funds mobilised. The Preamble of the emerging Reporting Instructions sets the expectation that internationally agreed standards are followed in the TOSSD context.

The Task Force is committed to continuing to hold open and transparent discussions on TOSSD. The Task Force has only started working on the pillar II of TOSSD on GPGs at the Brussels meeting. Consultation with CSOs will continue as and when the definition of this pillar is more advanced.

**Produce high quality, transparent statistics that enhance efforts to monitor progress on the SDGs**

11. **Transparency plays a critical role in enabling effective mutual accountability, planning and efficient use of valuable and scarce resources.** Statistics are the foundation on which SDG monitoring will be built; however, achieving transparency requires technical as well as political commitment. To meet its intended objectives, TOSSD will need to not just claim transparency as an objective, but drive real, practical change in how data is produced and provided. TOSSD appears to sit in the context of a ‘post-2015’ step change in expanding development finance; it should embody such a change by playing a key role in the ‘data revolution’.

12. **This means:** data provided should be timely, accessible, disaggregated and high quality and be meeting the needs of all data users, including developing country stakeholders. This data should also be linked to results and development impact; it should reflect actual flows (not be based on subjective calculations) and focus on filling important gaps including on the results or impact of non-ODA flows, where data and evidence are currently lacking, rather than repackaging up information that already exists. Monitoring and evaluation should be robust, open and inclusive. In particular, we highlight the need for better data on ‘amounts mobilised’ using ODA in blended finance mechanisms and on the concessionality (or not) or flows provided. If TOSSD is to be an accountability metric, the measure of official flows and their purpose cannot be constrained by issues of commercial confidentiality.

**Box 2: Response by the TOSSD Task Force on the section “Produce high quality, transparent statistics that enhance efforts to monitor progress on the SDGs”:**

Just like CSOs, the Task Force welcomes increased transparency on developmental flows and TOSSD is precisely designed to do just that. The Task Force also agrees that TOSSD will only be useful if it is statistically robust and efforts are being made, including through the composition of the Task Force itself, to design TOSSD in a way that ensures this robustness. On timeliness, the Task Force is consulting with relevant stakeholders and studying all possible options to ensure that TOSSD data are provided...
in a manner that is as timely as possible, including for developing countries. The Task Force welcomes
the interest of CSOs on amounts mobilised in blended finance mechanisms, which TOSSD will
hopefully help to provide. The issue of whether the level of concessionality of activities should be
recorded in TOSSD is still under discussion within the Task Force.

**Actively support and complement ODA and efforts to meet 0.7%**

13. **Donors are not living up to their ODA commitments: total ODA slightly decreased in 2017, and
only 5 DAC donors – Sweden, Norway, Luxembourg, Denmark and the United Kingdom – have reached
the target of 0.7% of GNI to ODA. TOSSD should not undermine donor accountability or distract donors’
political attention away from ODA commitments, including achieving the UN goal of 0.7% of GNI; it
should only be seen as a complement to ODA efforts, accounting for flows that are truly developmental
but beyond the criteria for ODA. Incentives and disincentives embedded within the TOSSD measure
itself are crucial in this regard.

14. **This means:** ensuring that TOSSD aggregates are not misleading and do not detract from the
urgency of increasing ODA, particularly for the poorest countries. CSOs have concerns about how
TOSSD aggregates may be used and presented as well as about how concessionality of flows is
reflected. In many of the poorest countries, including lower middle-income countries, concessional ODA
flows are still essential. It is critical for achievement of the SDGs that TOSSD statistics do not present
flows in a way that dis-incentivises donors in continuing to maximize concessional ODA for developing
countries.

**Box 3: Response by the TOSSD Task Force on the section “Actively support and complement ODA
and efforts to meet 0.7%”:**

TOSSD is different from ODA, as it has a different purpose, namely to provide more transparency and
information on flows for sustainable development beyond ODA. The Task Force has built the
framework in such a way that it clearly differentiates TOSSD from ODA and limits the risk of TOSSD
distracting attention from ODA. Unlike ODA, which has measures of donor effort embedded including
targets that many countries adhere to, the TOSSD framework does not include any target.

The framework will also clearly delineate the two different types of flows, as indicated in the Reporting
Instructions, to mitigate the risk of mixing public and private flows. As TOSSD data become publicly
available, users will be able to aggregate the various components of TOSSD based on their respective
needs. Official providers will need aggregation to validate figures and data users want validated data.
This does not mean that data will not be available at a disaggregated level. On the contrary, activity-
level data is the norm within TOSSD as indicated in the Reporting Instructions.

All users of TOSSD data should however strive to present figures that clearly identify the various types
of flows in their aggregations, recognising that official and private flows are fundamentally different
in their initial motivations. The Task Force remains convinced that international statistics with TOSSD
data are better than international statistics without TOSSD data and that, over time, TOSSD will
strengthen the statistical system by providing more information on support to sustainable
development.

**Facilitate developing countries to drive their own development**

15. **Agenda 2030, the Addis Ababa Action Agenda on FFD and the development effectiveness
principles encapsulated in the Global Partnership for Effective Development Cooperation all recognise**
the importance, both in principle and practice, of countries being in charge of and responsible for their own development. This is critical not just on a moral level - important as that is -, but also pragmatically as it enables more long term, sustainable development results and impact.

16. This means: Development effectiveness principles - designed to both strengthen development efforts and countries’ leadership - should inform what flows are counted or not as part of TOSSD and provide a critical test for eligibility. Flows which cannot or do not meet these principles - alignment and country ownership in particular - should be excluded and TOSSD flows could usefully be included in GPEDC monitoring to assess this in practice. Independent verification of the developmental nature of flows/SDG relevance could be considered to enhance ownership of TOSSD by developing countries. Investments in TOSSD should not distract resources from donor efforts to strengthen national statistics systems, and TOSSD should not burden developing countries with undue additional reporting requirements. The intention to capture ‘amounts mobilised’ in TOSSD should not compound the issues of ‘tied aid’ that already plague the quality of ODA and increase development costs for developing countries. The TOSSD metric should track the tying of official flows to donor country commercial interests.

**Box 4: Response by the TOSSD Task Force on the section “Facilitate developing countries to drive their own development“:**

The Task Force agrees with CSOs and is grateful to them for proposing that a reference to development co-operation effectiveness principles be made in the Reporting Instructions. The Secretariat has proposed some text for inclusion in the Preamble of the TOSSD Reporting Instructions. The issue is part of a broader discussion on the principles and standards that should govern TOSSD, which the Task Force held during its meeting in Costa Rica. The conclusion was that the Reporting Instructions would not list all standards that reporters should abide by (notably because different reporters have subscribed to different sets of principles), but rather indicate, in the Preamble, as a basic assumption in TOSSD, that reporters abide by prevailing principles and standards.

The Task Force reiterates its commitment to continue working in an open, inclusive and transparent manner. Developing countries’ effective and vocal participation in the Task Force is an essential safeguard to ensure that effectiveness principles and the interest of developing countries are kept at the centre of the development of TOSSD. Developing country pilots are also a way to check whether TOSSD makes sense at the country level.

Several Task Force members also indicated during the 31 May meeting that TOSSD will be helpful to them in various ways. These include the tracking of climate data; the capacity to see “both sides of the coin” when they are both providers and recipients of development co-operation; or, in statistics offices of developing countries, to inform national accounts and other statistical products with a broader set of developmental flows.

The Task Force is discussing and envisaging the ways in which developing countries can provide and/or check TOSSD data, on a voluntary basis, and mindful of developing countries’ capacities.

**Be governed in an open, inclusive and participatory manner**

17. TOSSD can only be legitimate, useful and impactful if its governance is inclusive of all the parties providing, receiving and impacted by TOSSD flows as accountable public funds: DAC and southern providers, recipient country governments, and civil society. Since TOSSD sits in the context of
a multi-stakeholder approach to development with the financing efforts of national governments at its heart, embodied in the UN 2030 Agenda, its governance should also be anchored in this context.

18. **This means:** A governance structure that is situated in the UN with a clearly outlined hierarchy, roles and responsibilities for all actors. The initiative should be developed, endorsed and implemented in an open and transparent process, consulting with all parties. The key role of all stakeholders, who have a central role to play in delivering the SDGs, including parliamentarians, civil society and local government should be respected. So far, engagement with the TOSSD initiative has not been easy, and CSO inputs to consultations have not always been acknowledged or reflected in subsequent drafts. We hope for a more transparent and consultative process before Reporting Instructions are finalised, including consultations with Southern partners.

**Box 5: Response by the TOSSD Task Force on the section “Be governed in an open, inclusive and participatory manner”:**

From the Task Force’s perspective, CSO inputs have been welcomed, acknowledged and reflected into its work. The Task Force and its Secretariat have engaged regularly with CSOs in order to get feedback on the progress of the emerging Reporting Instructions, including by soliciting inputs. All CSO submissions are posted on the TOSSD Task Force website for transparency purposes and as an acknowledgement of the inputs of CSOs to the process. In particular, inputs provided by CSOs for the 2nd meeting of the TOSSD Task Force in Costa Rica (6-7 December 2017) were carefully reviewed and discussed by the Task Force during the meeting (as reflected in the action points available on the website). In addition, the Task Force organised a consultation with CSOs at the 4th meeting of the Task Force in Brussels (29-30 May 2018) and has welcomed the inputs received in writing (available online). The background documentation for the 5th meeting of the Task Force in Ghana included written responses to the "Reflections on the TOSSD Reporting Instructions", responses to the CSO document "Detailed comments on the Reporting Instructions" and a new version of the Reporting Instructions incorporating some of the changes suggested by CSOs. The Co-Chair and the Task Force Secretariat have also held a session with some Ghanaian CSOs on 27 September in Accra as a continued expression of the willingness of the Task Force to engage with CSOs, including local CSOs in developing countries. CSOs have also been systematically consulted in the context of TOSSD pilots (see further below).

The Task Force’s view is that TOSSD should ultimately be hosted within the UN in order to be governed in an open, inclusive and participatory manner. As TOSSD strives to be a universal measure, a global governance system is required. The Task Force has engaged with the IAEG-SDG, which serves as the custodian of the SDG framework, and with various UN bodies. The Task Force would encourage CSOs to convey this same message to UN partners.

The Task Force reiterates its commitment to continue engaging with CSOs going forward and welcome their inputs in the process and particularly suggestions as to how the process could be "more transparent and consultative".

**II. Proposed response to follow up questions to the TOSSD consultation with CSOs**

19. **The Task Force will meet again in September, October and January 2019. Will it be possible to create other opportunities for direct dialogue, especially when the directions for Pillar 2 are more consolidated?**

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Box 6: Response by the TOSSD Task Force on the question of continued engagement with CSOs

The Task Force reiterates its commitment to engage with CSOs throughout the design process of TOSSD, in the margins of Task Force meetings, in other TOSSD events or through dedicated CSO events. As an example, the Co-Chair and the Task Force Secretariat have held a session with some Ghanaian CSOs in Accra on 27 September 2018 after the TF meeting of 25-26 September.

20. Is the plan for a broad and public consultation confirmed? At which stage in the process?

Box 7: Response by the TOSSD Task Force on the question of a possible public consultation on TOSSD

The Task Force is keen to hold public consultations on TOSSD and will further reflect on the best approaches going forward, given the already open and consultative nature of the current TOSSD process.

21. As several pilots are in the plans for the months to come, how will a broad range of CSO experts in the pilot countries be engaged?

Box 8: Response by the TOSSD Task Force on the question of a consultation of CSOs during TOSSD country pilots

The agendas of the pilots systematically include meetings with local CSOs with the ambition, wherever possible and as a matter of priority, to meet with CSO platforms that are representative of the diversity of local CSOs, even though this is not always possible. The following CSOs and CSO platforms have been consulted during the pilot missions that that have been carried out so far on TOSSD:
- In Senegal: the Platform of Senegalese NGOs (CONGAD), the NGO platform of EU countries (PFONGUE), Action Aid and Forum Civil.
- In the Philippines: Social Watch Philippines.
- In Nigeria: The Women Environmental Programme (WEP).

The upcoming pilot in Costa Rica in September 2018 also plans to meet with local CSO representatives in the same way.

22. TOSSD intends to include cross-border flows for ODA. At the same time, in the meeting, it was pointed out to us that TOSSD will be an important metric for SDG target 17.3. Target 17.3 clearly states that its focus is “mobilize additional financial resources for developing countries,” which follows target 17.2, which focuses on ODA. How does the Task Force rationalize the inclusion of ODA in the aggregate for TOSSD, both in terms of a clear metric for additional resources (17.3) and in relation to the long-standing commitment to avoid political incentives that undermine the central importance of ODA as the metric for concessional finance?

Box 9: Response by the TOSSD Task Force on the question of the contribution of TOSSD to the SDG framework

TOSSD has the potential to inform a number of indicators in the SDG framework, particularly those that refer to “total official flows”, “international financial flows” or “total official international support” (targets 2.a.2, 7.a.1, 9.a.1, 10.b.1, 17.3.1, 17.9.1). However, detailed implementation of how exactly TOSSD could contribute to the monitoring of these indicators (e.g. only a subset of TOSSD data for 17.3.1) has not been looked at in detail yet.

23. As for data collection, can we expect that information on the different financial flows will be presented through disaggregated data for each single instrument?
Box 10: Response by the TOSSD Task Force on the question of the level of disaggregation by financial instrument

The TOSSD reporting format available in the Reporting Instructions includes a field dedicated to the “financial instrument”, which will allow for a disaggregation by instrument.

24. **Questions remain about how granular - and thus useful - the data will be, which is produced alongside any headline figures. What flows will be reported separately as a part of the overall TOSSD figure?**

Box 11: Response by the TOSSD Task Force on the question of the overall level of disaggregation

The emerging Reporting Instructions clearly indicate that TOSSD reporting will be done at activity-level, which will provide a high level of granularity of the information. At this stage, the emerging Reporting Instructions display the main building blocks of TOSSD for the cross-border flows: Official flows on one side, private finance mobilised on the other. Additional satellite indicators will also be displayed on remittances, private foundations and private flows at market terms, with the objective of putting TOSSD data into context, but the level of granularity of these satellite flows remains to be seen.

25. **In the case of private flows mobilized via public funds, will the subsidy costs and the resources from the private sector be reported separately?**

Box 12: Response by the TOSSD Task Force on the question of reporting of private flows

Private finance mobilised will be reported separately from official flows.

26. **By acknowledging the importance of quality and the principles of effective development cooperation, would it be possible to restate them in the Reporting Instructions? In the same vein, would it possible to emphasize the consistency with the Leaving No One Behind principle? On TOSSD, questions regarding for whom and for what purpose remain very unclear. The emphasis in the discussion was mainly on the recipient perspective, i.e. strong focus on cross-border flows in Pillar 1, but challenges remain around how this will be used in practice by countries and stakeholders. The donor effort element seems to have been given a much stronger position in the TOSSD rationale compared to the recipient perspective.**

Box 13: Response by the TOSSD Task Force on the question of a reference to Development effectiveness principles in the emerging Reporting Instructions

The Task Force has agreed to include a reference to development co-operation effectiveness principles in the TOSSD Reporting Instructions at the Ghana meeting.

While development co-operation effectiveness principles can count on agreed terminologies and criteria, this is not the case for the “Leave no one behind” principle, the delineation of which still remains to be agreed upon.

The “for whom” and “for what” of TOSSD are clear to the Task Force: TOSSD aims to incentivise more flows to developing countries, to provide more transparency on flows beyond ODA and more information specifically on flows for sustainable development.

TOSSD mainly focuses on the recipient perspective: its architecture clearly highlights the measurement of cross-border resource flows to developing countries, also recognising the support
provided to developing countries indirectly at the regional and global levels, through the support of
development enablers and by addressing global challenges beyond developing countries’ borders
(pillar 2). As indicated in the Reporting Instructions, TOSSD will also reflect multilateral outflows to
developing countries rather than contributions by providers to these institutions.