

To: Mr. Risenga Maluleke
Mr. Laurent Sarazin
TOSSD Task Force

Subject: CSO messages on the agenda for 8th meeting TOSSD Task Force, Ottawa 4/5 June

Paris, May 30th

Dear Sirs,

With the eighth meeting of the global Task Force on TOSSD (Ottawa, June 4/5) fast approaching, we are glad to share with you and your colleagues some messages from a CSO perspective. The DAC CSO Reference Group was very pleased to participate with the Task Force in the consultation at the margins of the UN FFD Forum 2019; we welcome the publication of the CSO submission on the official website.

Discussions on TOSSD have reached a turning point. The results of the pilot survey will be available soon; the conversations about the place that TOSSD may have within the broader SDG monitoring framework seem to revolve now around some solid options. After the overall agreement on the Reporting Instructions for Pillar 1, the forthcoming meeting of the TF is expected to progress significantly on Pillar 2.

In this regard, we would like to remind the Task Force that an essential ambition driving TOSSD is the need to *provide a coherent, comparable and unified system for tracking resources*, with which we sincerely agree. From this angle, the delineation of Pillar 2 should reduce as much as possible any space for discretionary reporting. From previous conversations, we understand that a final decision has still to be agreed on how to draw the boundaries of Pillar 2. There are two sub-criteria being discussed (see for instance TOSSD data survey instructions, Feb 2019): substantial benefits to TOSSD eligible countries and co-implementation with the TOSSD countries. We would welcome any effort by the Task Force to further clarify these boundaries, especially the notion of *substantial benefit*, particularly as it may also relate to activities taking place in provider countries.

In particular, one of the key items on the agenda for next week's meeting that really speaks to the issue of Pillar 2 delineation is climate change. The Reference Group welcomes a cautionary approach to determining what might be included in TOSSD, recognizing that there are still outstanding definitional and methodological issues unresolved within the UNFCCC. We therefore appreciate the exclusions proposed at this stage, starting with costs incurred in provider countries for adaptation activities. We also support seeking advice from the global relevant bodies in the case of mitigation costs in provider countries and clarification of the notion of the *substantial benefit*.

We also draw your attention to significant issues with using the OECD/DAC climate marker as it tends to exaggerate climate finance where this objective is only one among several objectives. Some providers include the full budget for these activities in their reports to the UNFCCC, while others include a fixed share (e.g. Canada includes 30%). There is not yet a consistent approach in the use of CRS data in reports to the UNFCCC. When considering other non-concessional climate finance,

given these outstanding issues, it will be essential that this aspect of Pillar 2 be presented with granular disaggregation to ensure full transparency.

On how to treat peace and security spending, we would like to support the submission presented by a platform of CSOs on the occasion of the ad-hoc consultations (February 2019), which provides a comprehensive set of recommendations. We endorse the call for all reporting parties to implement a cautionary approach, given the negative implications that may stem from military assistance; in general, military interventions and defence support programmes should not be included in TOSSD. We look forward to seeing proposals on how these issues may be approached in Pillar 2.

We wish the Task Force all the best in resolving outstanding issues for Pillar 2 in your Ottawa meeting and complete a full set of reporting instructions for TOSSD. At the same time, as a stakeholder that has been closely following the developments of TOSSD, it is our hope that there will be an opportunity in the coming weeks to offer comment on this text before it is finalized and submitted to the Inter Agency and Expert Group on SDG Indicators.

DAC CSO Reference Group.