



ANNOTATED AGENDA THIRD TOSSD TASK FORCE MEETING

*Delta Hotels Ottawa City Centre, Ottawa, Canada
24-25 January 2018*

Tuesday 23 January

18:30 ***[Informal welcome cocktail (TBC)]***

Wednesday 24 January

9:00 **Item 1: Welcome, introductory remarks and adoption of the agenda**

9:15 **Item 2: Structure of the *TOSSD Reporting Instructions* and draft preamble**

10:00 **Item 3: Emerging draft excerpts of the *TOSSD Reporting Instructions*: the definition of TOSSD**

11:00 Coffee / Tea Break

11:30 **Item 4: Emerging draft excerpts of the *TOSSD Reporting Instructions*: reporting principles and core statistical features**

a) Reporting principles, including a proposal for associating international statistical standards with the TOSSD statistical system

b) Main statistical concepts and classifications

13:00 Lunch

14:30 **Item 5: Emerging draft excerpts of the *TOSSD Reporting Instructions*: scope of the TOSSD statistical system**

a) Scope of cross-border resource flows covered in TOSSD

b) Follow-up of the previous Task Force discussion on treatment of multilateral flows in TOSSD

16:30 Coffee / Tea Break

17:00 **Item 6: Possible options for TOSSD governance arrangements**

18:00 Meeting adjourns

Thursday 25 January

9:00 **Item 7: Emerging draft excerpts of the *TOSSD Reporting Instructions*: specific eligibility criteria**

- a) TOSSD-eligible countries
- b) Clarification regarding SDG targets

10:30 Coffee / Tea Break

11:00 **Item 8: Emerging draft excerpts of the *TOSSD Reporting Instructions*: specific methods**

- a) Follow-up of the previous Task Force discussion on valuation of technical assistance in TOSSD

12:45 Lunch

14:15 **Item 8 (cont.): Emerging draft excerpts of the *TOSSD Reporting Instructions*: specific methods**

- b) Principles for reporting on resources mobilised from the private sector

15:30 Coffee / Tea Break

16:00 **Item 9: Emerging draft excerpts of the *TOSSD Reporting Instructions*: reporting format**

17:00 **Item 10: Preparations for the March 2018 UN Statistical Commission session and TOSSD side event**

17:45 **Item 11: Conclusions and next steps**

18:00 Meeting adjourns

ANNOTATIONS

[Informal welcome cocktail(TBC)]

Item 1. Welcome, introductory remarks and adoption of the agenda

1. The meeting will begin with introductory remarks from Arun Thangaraj, Assistant Deputy Minister and Chief Financial Officer, Global Affairs Canada. The two Task Force co-Chairs, Ms. Lisa Bersales of the Philippines and Mr. Laurent Sarazin of the European Commission, will welcome participants, briefly outline conclusions and unfinished business from the second Task Force meeting, and highlight discussion topics to be taken up during the Ottawa meeting.

Item 2. Structure of the *TOSSD Reporting Instructions* and draft preamble

2. In the light of previous Task Force discussions on conceptual and operational aspects of the TOSSD statistical framework, the Secretariat has prepared draft texts for different sections of the forthcoming *TOSSD Reporting Instructions*. These draft texts (along with placeholders for texts that remain to be developed) have been assembled into one document, which constitutes the core meeting document for Ottawa. For some agenda items (e.g. statistical standards, technical co-operation, short-term operations, TOSSD governance), short discussion notes highlighting issues to be considered have been prepared.

3. The annotations below highlight relevant conclusions from the 2nd Task Force meeting in December 2017 and set the stage for the outstanding substantive issues that will need to be clarified in the course of the Ottawa meeting. Given the advanced stage of Task Force deliberations on many of the statistical features of TOSSD, the objective of the Ottawa meeting – where possible – is to clarify and reach agreement on any outstanding issues which, in turn, will permit the Task Force to agree on the relevant excerpt of the first draft of the Reporting Instructions. This may call for “realtime” edits to the Reporting Instructions excerpts in the course of discussing agenda items.

4. Under this agenda item, the Secretariat will make a brief presentation describing the overall structure and substance of the *TOSSD Reporting Instructions* for the cross-border flow pillar. This will be followed by a short discussion of the draft preamble, which outlines the context, the purpose and the ambition of the TOSSD statistical framework, surveys the current landscape of development finance against the backdrop of changing needs, imperatives and opportunities for financing development in the 2030 era, and sets out the core objective of TOSSD and its linkages with the three pillars of sustainable development and transversal SDG objectives (e.g. ending all forms of poverty, promoting equality and empowerment, ensuring no one is left behind). In line with proposals from the Task Force, the text also recalls the importance of aligning TOSSD resources with core international economic, social and environmental standards and disciplines.

5. The objective of this Task Force discussion will be to enable members to comment on the structure of the emerging TOSSD Reporting Instructions, including main concepts, the overview of the two pillars, followed by concrete reporting instructions and annexes. Members will also provide feedback on the draft preamble so that it can be finalised for approval at the 4th Task Force meeting in March 2018.

Item 3. Emerging draft excerpts of the *TOSSD Reporting Instructions*: the definition of TOSSD

6. Task Force discussions in December on specific aspects of the TOSSD definition are summarised as follows:

- Regarding the definition of sustainable development, participants agreed to the definition set out in the Brundtland Report and proposed the SDG targets as the basis for TOSSD-eligibility while also incorporating in the Reporting Instructions a reference to the Sustainable Development Goals themselves.
- Regarding the term “officially supported”, most participants agreed with the broad definition proposed, acknowledging that control goes beyond the notion of capital shares and that providers are best placed to know which companies they have control or significant influence over. Members considered that the broader definition would result in more reported data, which would enhance the comprehensiveness of the TOSSD framework.

7. Accordingly, discussions by the Task Force in Ottawa will take up in turn:

- A new proposed definition of sustainable development, including an additional sentence related to the “goals” and greater clarity regarding the fact that a TOSSD-eligible activity should directly contribute to “at least” one target.
- A proposal for defining resource flows in the TOSSD context.
- A new and simpler proposal for defining the term “official support”.

8. The objective of the discussion will be for Task Force members to review and vet the draft text setting out the TOSSD definition in the *TOSSD Reporting Instructions*. If necessary, this text will be revised in the course of the discussion in order to obtain the definitive wording of the definition.

Item 4. Emerging draft excerpts of the *TOSSD Reporting Instructions*: reporting principles and core statistical features

a) Reporting principles, including a proposal for associating international statistical standards with the TOSSD statistical system

9. This discussion segment will cover a number of topics discussed in December which have now been incorporated into the *TOSSD Reporting Instructions* in the section entitled “Reporting principles”.

10. In December, Task Force members agreed that reporting on TOSSD activities should be done at the activity level, that the “headline” TOSSD figure would be measured in gross terms, and that data on reflows would be tracked in order to ensure that net TOSSD figures could be derived. Most Task Force members expressed their preference for reporting to be carried out in the currency of the transaction and for statistical presentations to be expressed in US dollar terms.

11. The Task Force will be invited to review and vet the Reporting Instructions text on these points.

12. There was also broad agreement in December that TOSSD as a statistical framework should comply with internationally agreed statistical standards such as the UN fundamental principles for statistics. Conformity with international statistical standards will strengthen the credibility and integrity of TOSSD data collection and statistical presentations and enhance consistency and efficiency. Reference to leading international statistical standards could be made in the “reporting principles” section of the *Reporting Instructions*. A discussion note prepared by the Secretariat will explore relevant international statistical standards and issues related to data exchange and open data standards.

13. The objective of the discussion is to agree which international standards should be referenced in the *TOSSD Reporting Instructions* and the most-relevant principles and guidelines to be specified in the text.

b) Main statistical concepts and classifications

14. In December the Task Force discussed a number of statistical concepts required for the TOSSD system. Members supported using the OECD classification of financial instruments to begin with, integrating Islamic finance instruments in this taxonomy. They also agreed to develop a channel of delivery classification in order to capture the activities of different financial intermediaries (e.g. banks, investment funds, pension and sovereign wealth funds) engaged in financing SDG-relevant investments in developing countries.

15. In following up these points in Ottawa, members will consider draft excerpts from the *TOSSD Reporting Instructions* and Annexes to see if they agree with the approach undertaken and language used. Members will also identify additional concepts and/or classifications that will need to be developed going forward (e.g. modalities, sectors).

Item 5. Emerging draft excerpts of the *TOSSD Reporting Instructions*: the scope of the TOSSD statistical system

a) Scope of cross-border resource flows covered in TOSSD

16. At their December meeting, Task Force members agreed on the main categories of finance to be included in the cross-border flows pillar (e.g. grants, capital flows and resources mobilised from the private sector). They also supported work at a future point in time to develop satellite indicators that, in conjunction with TOSSD data, would facilitate a more complete understanding of the totality, nature and diversity of resources provided to developing countries to implement the SDGs. Some members were interested in expanding the scope of the TOSSD framework to include short-term transactions -- provided they were extended for a sustainable development purpose -- and requested the Secretariat to develop possible eligibility criteria for such short-term financing activities. By common accord, Task Force members decided not to include export credits in the TOSSD statistical framework.

17. The emerging draft excerpts of the *TOSSD Reporting Instructions* prepared for the January meeting will reflect the agreed scope of the TOSSD framework, including a reference to the eventual development of satellite indicators. Members will be invited to vet this text.

18. Members will also have a first discussion regarding possible criteria for including short-term resource flows in the TOSSD framework based on a short note prepared by the Secretariat. On the basis of comments from Task Force members the excerpt from the Reporting Instructions will be revised.

b) Follow-up of the previous Task Force discussion on treatment of multilateral flows in TOSSD

19. In December most members endorsed the proposed definition of multilateral agencies and agreed that a list of multilateral institutions should be developed for the TOSSD system and regularly updated. No minimum budget threshold would apply for institutions to be included in the list. Members agreed that a starting point for developing the list would be the relevant list of ODA-eligible multilateral institutions, to be appended with other relevant organisations including at regional level. In relation to the distinction between bilateral and multilateral interventions, members asked for greater clarity and clear guidance on the bilateral or multilateral character of projects channelled through multilateral institutions.

20. The draft text of the Reporting Instructions relating to the treatment of multilateral flows within the cross-border pillar¹ will be discussed in Ottawa, including proposed text specifying the distinction between bilateral and multilateral flows when interventions are channelled through multilateral institutions. Members will also review the findings from Secretariat consultations with key multilateral institutions regarding the proposed treatment of multilateral flows in the TOSSD statistical system.

¹ The list of multilateral institutions relevant to the global public goods pillar of the TOSSD statistical framework will be slightly different due to the need to accommodate a range of multilateral institutions, including at regional level, who are delivering global public goods (e.g. global governance, orderly trade, stable financial markets, etc.) that do not give rise to cross-border flows.

Item 6. Possible options for TOSSD governance arrangements

21. In light of conclusions from the Task Force’s brainstorming session in December, the Secretariat has developed a short paper summarising current thinking and setting out possible options to pursue in devising a functional governance arrangement for the TOSSD statistical system. The options focus on relevant and practical entry points within the UN system where statistical expertise and links to the SDG monitoring process are prominently featured and lend themselves to a possible oversight role for maintaining the quality and relevance of the TOSSD statistical standard.

22. The objective of the discussion would be to secure guidance from members on the best “fit” among different UN bodies and institutional processes, which will help focus the forward consultation process with UN representatives.

Item 7. Emerging draft excerpts of the *TOSSD Reporting Instructions*: specific eligibility criteria

a) TOSSD-eligible countries

23. In December there was wide support among Task Force members for developing a list of TOSSD-eligible recipient countries that was broader than the DAC list of ODA recipients. Countries beyond the ODA list should have the opportunity to opt-in in view of the universal scope of the 2030 agenda.

24. In Ottawa the Task Force will consider i) a new proposal regarding the definition of TOSSD-eligible recipients (all countries on the DAC List for the sake of consistency, with other countries opting in) and ii) a concrete mechanism for implementing the opt-in process.

25. The objective of the discussion will be to i) vet the proposed excerpt of the *Reporting Instructions* regarding the definition of TOSSD-eligible countries and ii) agree on the mechanism for the opt-in process.

b) Clarification regarding SDG targets

26. The Task Force’s previous discussions on the TOSSD definition have identified two areas where further work and clarity are required: SDG projects that “fall through the cracks” because they cannot be directly linked to an SDG target, and ii) operationalising the proposed criterion that TOSSD-eligible projects need to “directly contribute” to implementing the SDGs.

27. The objective of the discussion will be to consider the relevant draft excerpts from the proposed *TOSSD Reporting Instructions*. If possible, the excerpts will be revised in the light of the discussion and vetted at the conclusion of this agenda item.

Item 8. Emerging draft excerpts of the *TOSSD Reporting Instructions*: specific methods

a) Follow-up of the previous Task Force discussion on valuation of technical assistance in TOSSD

28. There was general agreement at the previous Task Force meeting that when international experts are contracted externally and internationally, the price of the contract in the relevant international currency should be recorded in the TOSSD framework. While some members questioned whether in-kind technical co-operation should be part of the cross-border flow pillar given that no corresponding financial flow takes place, others argued that it does constitute a resource flow and that its inclusion in the TOSSD framework would be essential in order to capture the often substantial resources involved, particularly for Southern providers. There was no agreement on how in-kind technical co-operation should be measured (using purchasing power parity factors or international wage tables).

29. Based on member views, a number of case studies that have been carried out by the Secretariat in collaboration with Southern providers will be reviewed in Ottawa. These studies illustrate the challenges and difficulties (technical and political) that some emerging providers have experienced in terms of measuring the cost of technical co-operation and capturing its value-added.

30. The objective of the discussion will be to come to agreement on the inclusion of in-kind resources in the TOSSD framework and how they will be valued.

b) Principles for reporting on resources mobilised from the private sector

31. In December the Task Force expressed an interest in better understanding how double-counting could be avoided in practice regarding resources mobilised from the private sector through official interventions. Members requested a comparison between the approaches developed by the OECD and the multilateral development banks (MDBs) to attribute private finance mobilised.

32. The Secretariat will provide additional information on the differences between the OECD and the MDB approaches for measuring private finance mobilised, highlight concerns with regard to the coherence of these approaches with TOSSD definitions and relevant balance of payments principles, and offer recommendations for moving forward in this regard vis-à-vis the TOSSD framework.

Item 9. Emerging draft excerpts of the *TOSSD Reporting Instructions: reporting format*

33. At their last meeting Task Force members reviewed a draft *TOSSD Activity-level Reporting Form* and discussed data submission formats.

34. The objective of the discussion by Task Force members in January will be to agree on the structure and contents of the detailed reporting instructions for the Activity-level Reporting Form.

Item 10. Preparations for the March 2018 UN Statistical Commission session and TOSSD side event

35. The Secretariat will outline current thinking regarding efforts that will be taken in the course of the next United Nations Statistical Commission (UNSC) meeting to acquaint UNSC members with the TOSSD statistical framework, including its relevance to SDG monitoring processes and the scope of work carried out by the Task Force to develop the statistical features and parameters of the cross-border flow pillar. Members are invited to signal their interest in volunteering to play a role at the UNSC meeting side event.

Item 11. Conclusions and next steps

36. Task Force co-Chairs will summarise the main outcomes of the meeting and outline their views regarding next steps for carrying out the work of the Task Force. The Secretariat will brief members on the timeline and proposed agendas of future Task Force meetings, the modalities for the UNSC briefings and side event in March 2018 in New York City, and the forward process for finalising drafts and vetting the *TOSSD Reporting Instructions* for the cross-border flow pillar.