



Possible Emerging excerpts of TOSSD Reporting Instructions

TOSSD Task Force Issues Paper¹ - agenda items 2-5 and 7-9.

24 – 25 January 2018

1. Based on discussions on the statistical features and definitions of TOSSD at the 1st and 2nd meetings of the Task Force, the Secretariat has started drafting reporting instructions for the TOSSD cross-border resource flows pillar. This paper presents the first excerpts for discussion at the 3rd Task Force meeting.
2. Task Force members will be first invited to comment on the structure of the emerging Reporting Instructions presented in the table of contents. Following the preamble, the text is organised in four chapters as follows:
 - Chapter 1 provides the main concepts and definitions of the TOSSD statistical framework, including the definition of TOSSD, reporting principles and main statistical concepts.
 - Chapter 2 focuses on the cross-border resource flows pillar of the TOSSD framework, including its scope, eligibility criteria and specific methods for certain items.
 - Chapter 3 will focus on the global public goods pillar of the TOSSD framework (remains to be developed).
 - Chapter 4 describes the TOSSD reporting format and provides detailed reporting instructions. The codes and classifications required for the reporting are included in annexes.
3. The Task Force will then be invited to review the draft text section by section, noting that the document, in its entirety, is 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. This includes a number of topics for which an issues paper has been prepared for the meeting (signalled in the table of contents with a “*”).
4. The table below indicates the paragraphs that will be covered under the various agenda items and the specific objective of the discussion.

¹ Jointly drafted by Julia Benn (Julia.Benn@oecd.org), Marisa Berbegal Ibanez (Marisa.Berbegalibanez@oecd.org), Cécile Sangaré (Cecile.Sangare@oecd.org) and Guillaume Delalande (Guillaume.Delalande@oecd.org).

Chapter	Agenda item	Para-graphs	Objective of the Task Force discussion
Preamble	2	6-11	Provide general feedback on the draft text and to comment, in particular, on paragraph 10 regarding international standards that the Task Force agreed should be covered in the preamble.
Chapter 1	3	12-18	Review and vet (or, if necessary, revise) the draft text setting out the TOSSD definition.
	4.a	20-24	Review and vet (or, if necessary, revise) the draft setting out the reporting principles (activity-level reporting, point of measurement, currency).
	4.b	25-30	Comment on the approach for introducing key statistical concepts in the Reporting Instructions and discuss which additional concepts will need to be incorporated in this section.
Chapter 2	5.a	31-35	Review and vet (or, if necessary, revise) the draft text defining the scope of cross-border resource flows covered in TOSSD.
	7.b	36-38	Review and vet (or, if necessary, revise) the TOSSD eligibility criteria regarding sustainable development.
	7.a	39-40	Review and vet (or, if necessary, revise) the draft text regarding the definition of TOSSD-eligible countries, including the proposed mechanism for implementing the opt-in process.
Chapter 4	9	42-59	Review in detail the proposed reporting items and their description. Comment on the structure of the channel of delivery classification in paragraphs 47-48 and the definitions of the main categories of financial instruments in paragraphs 49-59.

5. 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 capture 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.

TOSSD REPORTING INSTRUCTIONS – EMERGING EXCERPTS - TABLE OF CONTENTS

Preamble

Chapter 1. Main concepts and definitions of the TOSSD statistical framework

1.1 Definition of TOSSD

- Definition of TOSSD
- A two-pillar approach (Placeholder)

1.2 Reporting principles

- Statistical quality standards in the TOSSD system (Placeholder*)
- Activity-level reporting
- Point of measurement
- Currency
- Other (Placeholder)

1.3 Main statistical concepts

- Provider and recipient
- Channel of delivery
- Financial instrument
- Other (Placeholder)

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
- Maturity of transactions (Placeholder*)
- Resource flows from bilateral and multilateral providers

2.2 Specific eligibility criteria

- SDG test
- TOSSD-eligible countries

2.3 Specific methods

- Measurement of technical co-operation (Placeholder*)
- Principles for reporting on resources mobilised from the private sector (Placeholder*)

Chapter 3. TOSSD pillar 2: Global public goods (Placeholder)

Chapter 4. Reporting format and detailed instructions

4.1 Reporting cycle (Placeholder)

4.2 Reporting format and overview of data items

4.3 Detailed instructions (Placeholder)

Annexes

* See separate documents for the 3rd Task Force meeting.

TOSSD REPORTING INSTRUCTIONS – EMERGING EXCERPTS

PREAMBLE

6. In 2015 the international community agreed to implement the most ambitious development agenda ever devised – the Sustainable Development Goals (SDGs). This huge undertaking was accompanied by an equally ambitious financing strategy – the Addis Ababa Action Agenda. 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.

7. The TOSSD statistical framework aims to provide a comprehensive picture of global, official and officially-supported, resource flows provided for the implementation of the SDGs in developing countries. It is designed to provide a coherent, comparable and unified system for tracking SDG-relevant investments that can inform strategic planning, identify emerging gaps and priorities, and assess progress in matching supply with needs. It also captures resources for Global Public Goods for sustainable development – essential for the implementation of the SDGs while involving no direct resource transfers to developing countries. The framework is established in the spirit of SDG 17 on revitalising the global partnership for sustainable development.

8. 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 and emerging and traditional donors. Information about resource flows will facilitate learning and exchange of good practice among developing countries about how to access and combine resources most effectively. It will also provide insights about to what extent the international community is financing Global Public Goods. 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. It is expected that the TOSSD framework will continue to exist beyond 2030, to continue promoting greater transparency on flows in support to sustainable development.

9. TOSSD data track all officially-supported resource flows regardless of the financial instrument used, the level of concessionality involved or whether they are delivered through bilateral or multilateral channels. The framework is organised in two “pillars”, one capturing the flow of resources crossing the border into a developing country, and the other capturing resources for promoting development enablers or tackling global challenges at national, regional or global levels.

10. 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 therein captured 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 unavoidable – limit damage through mitigation measures.

11. These Reporting Instructions – which have been developed by the international community² working together in an open, inclusive and transparent manner – are designed to assist countries and institutions wishing to report data regarding the resources they are providing to developing countries in support of the 2030 Agenda. They will be updated and adjusted as and when the need arises.

² 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.

1. DEFINITION OF TOSSD

12. *The statistical measure Total Official Support for Sustainable Development (TOSSD) 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.*

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

Sustainable development

14. 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.³

15. “Sustainable Development” in the TOSSD context is inherently linked to the Sustainable Development Goals as agreed in the 2030 Agenda⁴. Activities recorded as TOSSD support the implementation of the SDGs by generating sustainable economic growth, ensuring social inclusion, without compromising the environment.

Resource flows

16. In accordance with the Addis Ababa Action Agenda, the term “resources” in the TOSSD definition covers both financial and technical resources.⁵ The flow of resources covers monetary and non-monetary transactions⁶ with TOSSD recipients in support of SDGs for any given year.

Officially-supported

17. TOSSD aims to capture the entirety of instruments and modalities of development co-operation provided by, or supported by, the official sector for implementing the SDGs, including mechanisms that mobilise resources from the private sector. 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,
- ii) state-owned companies and enterprises under government control⁷, and
- iii) other enterprises under significant government influence⁸.

³ 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.

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

⁵ 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.

⁶ 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)*.

⁷ 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.

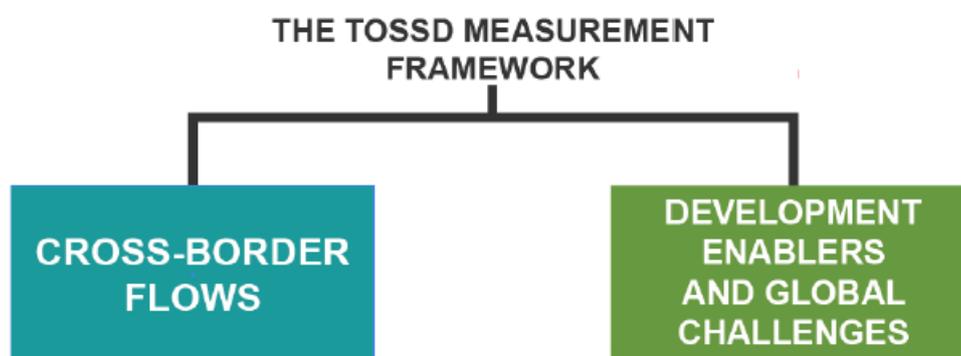
b) private resources mobilised by official interventions, where a direct causal link between the official intervention and the private resources can be demonstrated.

18. See Chapter 2.1 for concrete eligibility criteria on sustainable development and TOSSD recipient countries.

A two-pillar approach (Placeholder)

19. In order to be a relevant statistical measure for monitoring resources in support of the SDGs, TOSSD is a two-pillar framework that tracks officially-supported i) cross-border flows to developing countries and ii) finance for development enablers and global challenges at regional and global levels, as illustrated in Figure 1.

Figure 1. The two-pillar TOSSD statistical measurement framework



⁸ 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 (PLACEHOLDER)

1.2.2 ACTIVITY-LEVEL REPORTING

20. 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.

21. 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

22. 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.

23. The main TOSSD measure is calculated on a gross disbursement basis. Gross figures reveal the full scope and nature of external resources provided for 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).

1.2.4 CURRENCY

24. 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.

1.3 MAIN STATISTICAL CONCEPTS

1.3.1 PROVIDER AND RECIPIENT

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 banks⁹; 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 capacities¹⁰.

28. **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

29. 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 identifying the institution responsible for execution of the activity, which is essential in order to track flows and improve accountability in both provider and partner countries. (See paragraphs 47-48.)

1.3.3 FINANCIAL INSTRUMENTS

30. 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). (See paragraphs 49-59.)

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

⁹ 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.

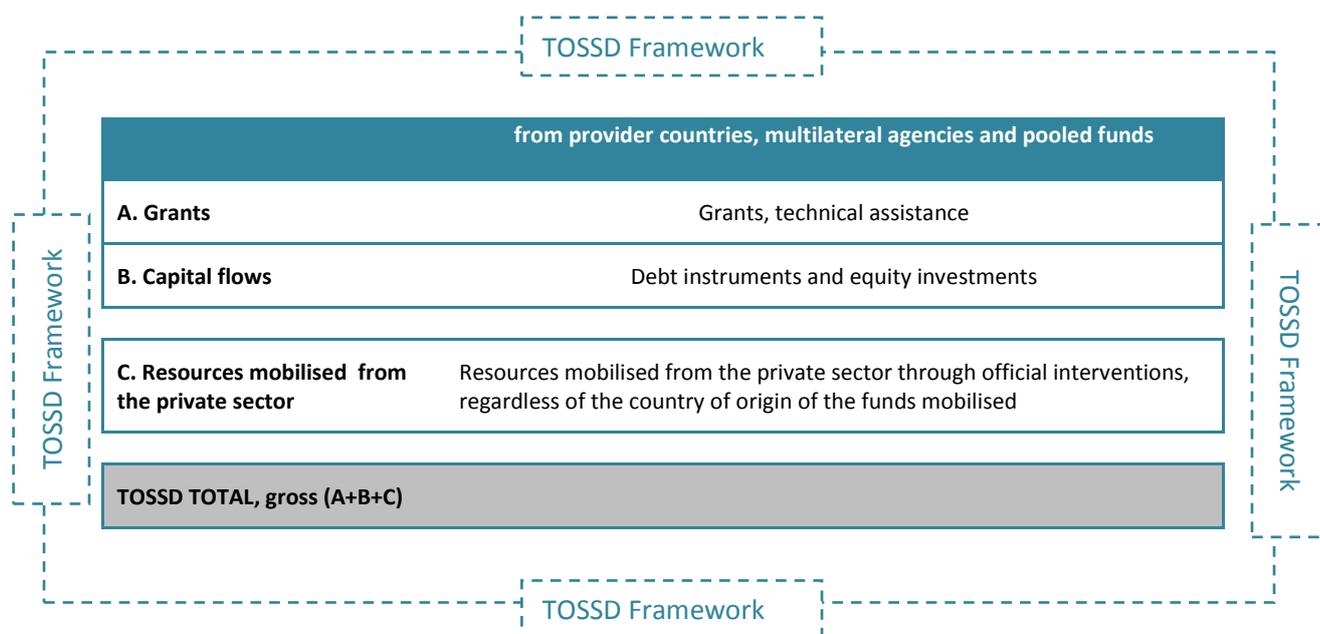
¹⁰ Technical capacity building should be provided for developing countries willing to set up their own systems to report and analyse TOSSD data.

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

2.1 SCOPE OF CROSS-BORDER RESOURCE FLOWS PILLAR

31. 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 capital transactions on the other hand. No distinction is made between concessional and non-concessional transactions.¹¹ 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 from TOSSD given that these operations are not generally designed with sustainable development objectives.

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



32. Bilateral providers report in the TOSSD system activities they undertake directly with a recipient country or that they fund through earmarked contributions to multilateral organisations for specific, usually project-type, interventions.

33. Multilateral providers report in the TOSSD system on activities they undertake under their own responsibility (decisions on resource allocations to specific purposes are made by the institutions themselves). The original source of funds can be official providers (through core contributions or pooled funds¹²) or the private sector (through funds raised in the international capital markets or private charitable contributions to multilateral organisations). In the case of

¹¹ Different definitions of concessionality are applied by different providers and developing countries depending on the context.

¹² When funds are pooled they lose their identity and become an integral part of the recipient institution's financial assets.

Financial Intermediary Funds (FIFs) for which a multilateral institution only provides Trustee services, the organisations implementing the activities, and not the Trustee institution, should report on TOSSD.

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

Maturity of transactions covered

35. 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.

Placeholder (short-term trade finance by development banks)

2.2 SPECIFIC ELIGIBILITY CRITERIA

2.2.1 ELIGIBILITY CRITERIA REGARDING SUSTAINABLE DEVELOPMENT

36. In the context of TOSSD, an activity is defined to support sustainable development if it directly contributes to at least one of the SDG targets as identified in the official list¹³ 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 synthesise 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 and will provide appropriate justification in the relevant field of the TOSSD activity-level reporting form (see figure 3 in chapter 4).¹⁴

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”¹⁵.
- ii. Other countries and territories that have activated the TOSSD opt-in procedure.

¹³ <https://unstats.un.org/sdgs/indicators/indicators-list/>

¹⁴ 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.

¹⁵ 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.

The opt-in procedure is described in detail in annex.

2.3 SPECIFIC METHODS

2.3.1 MEASUREMENT OF TECHNICAL CO-OPERATION (PLACEHOLDER)

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

41. 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)

CHAPTER 4. REPORTING FORMAT AND DETAILED INSTRUCTIONS

4.1 REPORTING CYCLE (PLACEHOLDER)

4.2 REPORTING FORMAT AND OVERVIEW OF ITEMS COVERED

42. 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 using a spreadsheet where each column would correspond to one data field and each row to one activity.

The TOSSD Reporting Form (see Figure 3 below) builds on existing requirements used in the DAC-CRS statistical system¹⁶ 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, sector of destination, modality, implementing agency (channel of delivery), SDG focus 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.

¹⁶ i.e. CRS++ item-level reporting and Busan-common format.

Figure 3. Activity-level Reporting Form for TOSSD cross-border flows to developing countries

Reporting Items	Clarifications
A. Identification data	
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 a 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 901YYYYxxxxxx.
B. Basic data	
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.
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.
12. Modality	A distinction will be made between various development co-operation modalities (to be developed).
13. Sector/Purpose code	Classification and codes to be developed.
14. 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, this field should be used to explain the justification for inclusion of the activity in the TOSSD reporting.
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.).
C. Volume data (Amounts in thousands, to be adjusted in the light of some currencies if needed)	
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 extended	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

43. To be able to track multilateral activities, a list of multilateral institutions from which outflow data may be collected needs to be established. The objective of establishing such a list will be twofold: on one hand it will serve 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 serve 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.

44. 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 global public goods and to address global challenges¹⁷.

45. 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

46. 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 report their sustainable development related outflows to the TOSSD reporting body on an annual basis.

Item 7. Channel of delivery

47. 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).

¹⁷ 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.

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

- **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 9. Financial instruments

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

Grants

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

Debt instruments

51. 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 and debt securities.

Loans

52. 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

53. 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

54. 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

55. 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.

56. 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

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

58. 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

59. 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

Description of the TOSSD opt-in procedure and relevant instructions for reporters 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.¹⁸ 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. 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 occurring 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.

¹⁸ 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.