Compilation of comments on the TOSSD Compendium

First TOSSD Task Force Meeting

6 July 2017

This document comprises comments received on the TOSSD Compendium [DCD/DAC(2016)35], and was prepared for discussion by members of the TOSSD Task Force at its first meeting on 6 July 2017.

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Compilation of comments to the TOSSD Compendium relevant to issues papers prepared for the 6 July 2017 TOSSD Task Force meeting

Issues paper “Clarifying key concepts embedded in the TOSSD definition”

ASIAN DEVELOPMENT BANK

The relatively weak statistical capacity of recipient countries is a significant constraint for the operationalization of TOSSD. This issue became apparent during the monitoring of the Millennium Development Goals and an initiative to build ‘National Strategy for Development of Statistics (NSDS)’ was implemented as a result in many countries. TOSSD data requirements should be, to the extent possible, aligned with statistical capacity built through the NSDS initiative.

AUSTRIA

Para 15 raises the question whether amounts mobilized should be included in the TOSSD provider perspective or not. As the use of ODA to mobilize private resources is a cornerstone of the FfD Agenda, we fully support the collection of data on amounts mobilized. However, it is not adequate to include these flows into the TOSSD provider perspective, as this is an indicator for “Official Support”. A critical public will count this as an attempt to artificially increase data on official flows. Amounts mobilized should be covered by a separate measure.

(…)

Figure 7 provides a useful decision tree for determining TOSSD eligibility, including the proposal that statisticians should assess at country level “whether the activity is aligned with the developing country development priorities”. We doubt that this assessment can be done in any meaningful manner at the point of data collection, but rather believe that it should take place in the process of programming with partner countries and by way of reviews and evaluations of donor performance.

DEVELOPMENT INITIATIVES

2.6 The intention that TOSSD will collect information on flows ‘targeted at efforts to achieve the SDGs’ (para 8) needs further discussion to ensure it can actually be delivered by the initiative, bearing in mind the following:

a) This intention is not apparently reflected in the working definition of TOSSD (box 1).

b) It cannot necessarily be assumed that all flows that have some ‘developmental’ intent are also de facto supporting SDG delivery. In fact, TOSSD flows may be targeted at specific goals in intention, but may undermine the achievement of SDGs in practice, or when long-term impact is reviewed. Meanwhile, ODA is an important flow that is uniquely developmental in
nature, but this is in danger of being confused with these wider flows with different objectives.

c) There is a risk in implying that delivering more cross-border flows is the most important action for official actors to take in delivering Agenda 2030 (e.g. in some cases, political and technical actions, hard to quantify and report, may be more impactful, such as for Goals 17, 13, 14 and 15 on ‘policy coherence’).

d) Since TOSSD is ODA+ (contains ODA), and flows reported as ODA have to comply with a broader/different mandate (‘for the economic development and welfare of developing countries’) it seems that it would therefore (in theory) be necessary to revise the definition of ODA, to ensure consistency with TOSSD criteria. The ODA principles are important to protect here, as is the need to protect against perceived ‘dilution’ or diversion of ODA into TOSSD efforts. So this attempt to align flows with SDGs is not recommended.

e) There is no explicit step in the TOSSD data collection process (p. 24, fig. 7), for consultation with developing country national development planning authorities, to ensure that reported data on flows can be classed as ‘SDG relevant’. In the 2030 Agenda era, where each country has primary responsibility for its own development (para 41), it seems inappropriate for providers of finance to categorise bilateral flows as ‘SDG relevant’ in certain countries without consultation. Implementing such a consultation stage would moreover be burdensome on developing countries. (On this point, we could also ask why there is any country eligibility list for TOSSD, since there is no such list for the SDGs; rather they apply to all countries.)

f) In regard to flows to tackle ‘global challenges’, to be included within TOSSD, attention should first be given to improving the standard reporting of ODA for this purpose. At present there is no common definition of GPGs, and other data/reporting issues make aid for these purposes (especially climate mitigation) hard to track, which could also undermine good TOSSD reporting.

2.7 In light of the above, we suggest the ‘SDG relevant’ element of the TOSSD objective/eligibility complicates the exercise unnecessarily at this stage. Instead, we suggest that once disaggregated data is published with maximum detail to a standard format (e.g. by provider/sector/modality/flow/channel/country), data users (including donor and recipient countries) can analyse and discuss the relevance of flows to SDGs, perhaps using the High Level Political Forum for an open and inclusive discussion on their conclusions on the published data.

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TOSSD and the 2030 Agenda

• Can it be assumed that all activities with a developmental purpose currently eligible as ODA also qualify as TOSSD?

- The scope of the indicator depends on what we are trying to measure. In this case it is development, i.e. a significant and sustainable improvement in the living conditions of individuals. As development is a goal in itself, we need to decide whether the scope should be restricted to the critical factors of development (and we then need a clear definition of
these) or whether it should be expanded to include factors with an essential but less direct link. The latter would primarily include expenditure relating to environmental protection and promotion, combating climate change, and ensuring state and individual security.1

Alongside the ongoing debate on thematic expansion of ODA, there is already a question as to whether the aim of TOSSD is to incorporate thematic aspects which are considered marginal to development and have, until now, been ‘neglected’ by OECD accounting.

The emphasis on the sustainable nature of development implies that expenditure related to environmental and climate issues should be included. Their eligibility is due to technical criteria for reporting (depending, for instance, on the level of concessionality of the expenditure), rather than their assumed contribution to development, recorded as part of the alignment of agendas. For the climate component, a distinction needs to be made between expenditure on adaptation to climate change, which counts as development assistance, and expenditure on climate change mitigation, which comes under TOSSD.

Due to the nature of peace and security issues, the same approach cannot be taken here, at least not in a systematic way, even though ensuring a secure territory is a key prerequisite for development. The activities currently reportable as bilateral ODA do not include military expenditure committed to pacifying a region destabilised by conflict (termed as peacekeeping operations).2

The debate about expanding the range of expenditure reportable as official effort in support of development is complex. The amounts involved are potentially so large that there is a high risk of diluting the concept of aid, or of official support for development, in something much broader but less defined. In addition, making military operations reportable carries a risk of steering development finance towards expenditure on security.

The scope of expenditure reportable as aid or official support could however be expanded to include expenditure on building state capacity for security. Nevertheless, there would need to be a limit to the types of support that were eligible (for example, tied aid from provider X for the purchase of weapons from the same provider could obviously not be considered ODA or included in TOSSD). Expenditure on training an army to defend the national territory could be reportable by the DAC as TOSSD.

In addition, and on another scale, expenditure to ensure security in developing countries could be included in TOSSD where the provider’s military intervention is under a United Nations mandate.

Is TOSSD then simply all non-concessional official expenditure that directly or indirectly contributes to sustainable development, or should the level of contribution to development be as clear as that required to meet the eligibility criteria for ODA? We should take note of the critique by Jesse Griffiths of Eurodad (http://www.eurodad.org/arguing_the_tossd), who emphasises the risk here of defining a new ‘waste bin’ indicator to recycle all the expenditure that providers have not been able to report as ODA. This risk, which could also be seen as an opportunity, particularly applies to expenditure related to the use of certain instruments currently excluded from OECD accounting but which do make finance possible for obvious development factors.
• What additional criteria for the decision tree could help further define the boundaries of TOSSD-eligible activities at country level?

  - In the Figure 7. DAC suggests taking into account the alignment of activities with the developing country development priorities but these priorities can be fluctuant or badly defined. This criterion seems to be very theoretical, inapplicable and irrelevant. For instance, in case of an evolution in priorities, current projects included in TOSSD could become ineligible, which would make comparisons of TOSSD over time very difficult.

  - The debate on the eligibility of an activity according to the share of benefit between donor and recipient country is treated above. We think that, if the recipient country benefit from an activity officially supported by a donor, this activity must be included in the TOSSD, regardless the benefit for the donor.

(...)

Eligibility of countries and institutions

• Which alternative multi-dimensional approaches beyond income criteria could be used to assess country eligibility?

  - For the sake of coherence, DAC should use same categories that are used by other international institution as World Bank or United Nations: Income categories and Least Developing Countries are the most used and relevant categories. Nothing precludes DAC from distinguishing TOSSD output according these categories or from creating an additional new one to communicate on a specific group characterized by a specific issue (but LDCs are already in this case).

  - A related issue is to discuss the opportunity to restrict eligibility to LICs or to LICs and Lower Middle Income Countries instead of to all developing countries but there is no real reason to do that, especially as “TOSSD flows will be determined on the basis of their direct linkage to the SDGs” and as Middle income countries, included the Upper-MICs, are particularly concerned with SDGs.

FINLAND

Firstly, there was a question whether all ODA should be considered TOSSD as well. It seems that there are some conflicts in definition between ODA and TOSSD, and therefore it cannot be said that all ODA qualify as TOSSD. In addition to in-donor costs, there are some ODA-eligible activities that do not support the SDG’s (e.g. aid towards non-renewable energy generation). So, either the definition of TOSSD should include also development assistance not related to SDG’s, or define the sectors or types of activities that qualify as ODA but not TOSSD. Obviously most of the ODA would still be reported either under provider or recipient perspective of TOSSD.

(...)

When it comes to presenting the resource mobilisation in TOSSD from the provider perspective, we think that the mobilised resources should be presented separately from the actual public flows. It is clearly useful information to know how much private finance has been mobilised, but also a whole different thing. Also the data quality and coverage of the private flows probably won’t be as high as
with public flows. Amounts mobilised could be reported as another measure, not necessarily under TOSSD.

Also there was a question about alternative, multi-dimensional approaches beyond income criteria that could be used to assess country eligibility. If the term "developing country" is used in TOSSD context, then it should be defined the same way as in the ODA context. Therefore the income criteria should be the only one used here as well. If however the targeted group of countries should be different (broader), then the term should be changed to something else. Changing the criteria for this purpose would be quite an effort anyway, as finding a suitable definition that is still consistent and predictable might be difficult.

FRANCE

(...) Si le TOSSD peut prendre en compte des dépenses au niveau régional ou global en faveur du développement durable, il nous semble en revanche inopportun de créer une nouvelle liste de pays qui seraient « bénéficiaires » du TOSSD en plus des pays en développement actuels (autrement dit, nous sommes opposés à l'utilisation du TOSSD pour élargir de facto la liste des pays éligibles et inclure les pays à haut revenu, High Income Countries). Cela nous semble incohérent avec le fait que si l'objectif développemental est un objectif parmi d'autres pour la définition du TOSSD, il doit toutefois rester prépondérant (cf. paragraphe 63 notamment sur les listes de pays, qui n’est pas acceptable de notre point de vue).

(...) Par ailleurs, il nous semble plus opportun d’utiliser les termes de « défis » ou « d’enjeux » de développement plutôt que « priorités » de développement (terminologie plus restrictive) pour l’éligibilité des dépenses au TOSSD, notamment dans la figure 7 (arbre de décision). Cela reviendrait à remplacer « development priorities » par « development challenges » dans cette figure, mais également dans le reste du texte (paragraphes 8, 58 et dans l’annexe A).

(...) GERMAN DEVELOPMENT INSTITUTE / DEUTSCHES INSTITUT FÜR ENTWICKLUNGSPOLITIK (DIE)

A14: One complicating factor here is that the term ‘developing country’ is a self-assigned statistical status, while a few developing countries actually have equal or even higher incomes than some OECD countries. Paragraph 64’s approach to making the list voluntary would, thus, be pragmatic and multi-dimensional criteria should not be applied to determine eligibility.

In addition, we would like to point out that the World Bank recently decided to abandon the terms ‘developing countries’ and ‘developed countries’ in its flagship reports and statistics. Yet, the World Bank still uses the income categories for lending purposes and is not (yet) introducing a new country classification approach.
INTER-AMERICAN DEVELOPMENT BANK

1. Given the inclusive nature of the 2030 Sustainable Development Agenda, it is essential that all countries wishing to receive TOSSD be eligible to do so. Poverty and inequality remain important concerns for countries that have seen recent improvements in per capita GNI. Graduation from concessional finance should be considered a separate matter from eligibility to receive TOSSD. Inequality between and within LAC countries remains unacceptably high. In fact, the largest numbers of poor in the region are living in upper middle-income countries. There is a real challenge to avoid regression and protect the vulnerable middle-class. IDB’s most recent Update to the Institutional Strategy directs us to work to address these significant pockets of poverty.

2. The perspective of environmental sustainability as a regional and global public good should also be taken into consideration when determining the criteria for TOSSD eligibility. In LAC—as in other regions in the world—countries across all income levels are systemically important to addressing climate change. Additionally, island states (e.g. Caribbean countries) —most of which are in the upper middle income bracket—remain vulnerable to the effects of climate change.

[OECD COUNTRY]

Part I: Overview of TOSSD

First of all TOSSD definition is not fully clear.

As reported in the par. 7, TOSSD “will measure “external” finance – resources provided from beyond the borders of the countries receiving it”, i.e. all financial (?) flows provided from other countries to another. It is clear that this is an extremely wide measure that finds its partial limits in what is said in the following paragraphs of the Compendium.

Also the working definition (Box 1) could bring to a misunderstanding; it says: “TOSSD includes all officially supported resource flows to promote sustainable development at developing country, regional and global levels where the majority of benefits are destined for developing countries, including those resources that support development enablers or address global challenges”, so in this definition there are some words that should be better explained:

- “TOSSD includes all…”: it seems that the use of word “includes” may give the idea that the definition is incomplete and in this way it is necessary explain better what other elements are considered as TOSSD;
- “the majority of benefits are for developing countries…”: what does it means? How can we consider the “majority” of a financial flow? and how could it be considered as an eligible aspect if TOSSD framework (par. 9) includes bilateral, multilateral and South-South co-operation? Is this maybe in contrast with par. 26 (“win-win co-operation” or par. 35 “mutual benefit”)?

Also “benefits” could be better explained in order to explain what TOSSD aims to measure: development, global challenges or par. 8 targets? And what does “development enablers” mean?

Some doubts are also linked to what resources are eligible according par. 8.

We suggest to stress the aim of TOSSD as a transparency tool about the full array of officially-supported development finance changing the word “promote” with “ensure” in par. 9 to underline the TOSSD objectives. In box 2 Aim and value added of TOSSD, the Compendium underlines that “TOSSD will promote greater transparency...”; it would be valuable to specify to what extent the
new system enhances transparency (beyond the clarity offered by a more comprehensive reporting of development-related resource flows, the effort of reporting both gross and net flows and provider/recipient perspectives), which actions are to be fostered and which actors and how should trigger information.

Moreover, it is not clear what “traditional donors” means.

In addition, it seems challenging to account for the official support which is actually able to mobilize additional resources (through leveraging instruments such as guarantees, equity stakes and credit enhancements) which will be included in the provider perspective measure (par.15). This aspect will need further technical debate and specification.

Regarding the relationship between TOSSD and ODA in par. 16, it seems clear that TOSSD involves more countries than DAC Members and more flows. However, it seems not clear what it is highlighted in the third bullet of par. 16 as the above bullet evidences that TOSSD includes ODA: are we sure that all ODA <TOSSD? However, it seems necessary to explain in more detail the borders of what would be considered or would not in TOSSD.

The interesting idea of having two measures, recipient and provider perspectives, bears the risk that only provider/donor would have a good statistical information to provide, while in many cases the recipient wouldn’t have the necessary capability. Of course, it is also necessary to identify all in-donor costs (and often to exclude them). Developing tools, processes, networks and data also require appropriate resources that should reduce the total amount received; it seems to us these expenses are normal ODA/TOSSD.

(...)

**Part II: The TOSSD measurement framework: conceptual underpinnings, core components and statistical features**

Section A. Setting the frame for TOSSD: The 2030 Agenda and tracking the financing for development Agenda

Overall, the aim of measuring support to the 2030 Agenda is very complex because the SDGs and the associated targets refer to a wide range of economic, social and environmental development objectives. Considering this complexity it is very crucial to build a good measurement system especially for recipient parties but, at the same time, the complexity and the heterogeneity of targets may imply that all external funds have to be inserted in TOSSD (par. 23-25).

What are the TOSSD limits or borders? This is probably the most important question.

Par. 29-35 are not clear about this. In par. 29, for example TOSSD “aims to cover a broader range of activities that support sustainable development in developing countries, not necessarily with development as their primary objective.”, in par. 32 and 34 show how it is difficult to understand what activities are in or out because it depends on the purpose.

(...)

On the other hand, as in par. 36-37, TOSSD will cover “not only financial resources but all forms of international co-operation that support developing countries in implementing the SDGs”. As the TOSSD aims to cover private and public resources for sustainable development, it is fundamental to clarify how to measure the private resources – the ongoing work on evaluating the PSI eligibility to
ODA, and further efforts in the context of climate finance and the Research Collaborative may be useful to reach consensus on how to include private finance in TOSSD - as nothing appears in the text about this issue. Secondarily, it seems necessary to clarify what we have to intend as “all forms of international cooperation that support developing countries in implementing the SDGs”, and how we could measure them (i.e. capacity building, development of environmentally sound technologies, etc., see also par. 41).

According to par. 41-42, TOSSD includes ODA and extends its scope to all other non-DAC providers and other forms of international cooperation as shown by figure 5.

(...)

**Section C. TOSSD-eligible activities, countries and instruments**

(...)

We agree on the relevance to achieve a common consensus also in the definition of “developing countries” as shown in par. 62; it could be not a good idea to adopt a different definition that could generate a confusion because, as said in several paragraphs, TOSSD includes ODA (but we are not convinced that all ODA is TOSSD). Once again it seems essential to understand how to account for non-financial activities such as knowledge, domestic inequality, statistical capacity building, human resources for technical co-operation (see par. 63), and once again what means majority benefits (par. 64).

**THE NETHERLANDS**

**General remarks and definition of TOSSD**

(...)

3. We propose that DAC should strictly adhere to the definition of TOSSD as a statistical measure to measure officially supported, cross border resource FLOWS i) targeted at efforts to achieve the SDGs in developing countries, ii) aligned with developing country development priorities and iii) in conformity with UNIVERSALLY ACCEPTED MULTILATERAL standards, principles and rules.

Each of these criteria has then subsequently be DEFINED in the compendium in order to be able to determine eligibility. The current draft of the compendium does not allow for a clear understanding or for determining eligibility.

The definition is currently not applied consistently throughout the document.

(...)  

**On the principles.**

3a. On the definition of TOSSD (page 5, para 7-8):

The definition and the descriptions throughout the paper create a risk that TOSSD will be an extremely broad concept. The challenge will be to limit it. If all SDGs are included, and all developing countries (that is, all countries except HIC) are included, and all kinds of flows and all sorts of recipient actors (not just governments) count, it seems we want to capture all financial flows to those countries, full stop.
Furthermore, we think the criterion of conformity with international standards is vague and will be hard to implement, although we agree to its spirit (“iii) in conformity with international standards*, principles and rules”, page 5). In addition, it is unclear who decides what will be included, also because only donors are asked to report on TOSSD flows. I agree it would be good, but will we then exclude projects/funds that are not human rights proof or WTO compatible? How about environmentally sustainable and socially responsible? This raises the question whether we are trying to establish a political and normative category, rather than a statistical standard.

(...)

5. More specific.

Policy and technical issues: Responding to your points.

List of eligible countries and providers (Section C, page 20 ff) – TOSSD will be very broad if you limit developing countries only by saying all non-HIC are eligible. We should start from the list of ODA-eligible countries, which is equally broad, and then try and see if we could limit the list, for instance by having countries opt-in rather than opt-out.

We do not agree with para 61 that HIC should explicitly be considered as recipients (page 22-23). Let us focus on developing countries (LDCs, LICs and MICs).

These comments are additional to our earlier comments.

(...)

Part I.

Definition, page 7: what 'officially supported' means becomes clear only on page 20: governments and public corporations. That is rather late, because it is very important. Perhaps you should add somewhere in the beginning that wherever you say 'provider country', you mean its government (agents) in the broad sense. The current use of the terms 'provider', 'provider country' and 'provider's perspective' creates confusion. Sometimes, it seems as is the private sector (in the provider country) is included.

Definition, continued: we agree with those who have said it is necessary to describe what is meant by 'the majority of benefits'.

(...)

Figure 6, page 46, continued. How can 'all other cross border flows' (G) be included? That would be an enormous amount and intraceable. Probably the volume of this flow (G) is limited due to the TOSSD definition and criteria (cf figure 7, page 23): SDGs implementation as an intention and developing country's priorities.

(...)

Paras 32-33, 35: it will be very hard to distinguish projects objectively on the basis of their motives. A project can be religiously motivated, i.e. the provider assumes promoting his religion will benefit the development of the recipient, but measured against human rights or other standards and principles, the project may be at odds with them: e.g. in the field of women’s rights. Also, ethnical or religious bias in projects may discriminate against other groups in the country.
Page 16, in response to the first question: yes, but please clarify whether this is true only if activities have the SDGs as an explicit purpose (compare figure 7, overarching first question).

(…)

Para 46, page 19, provider perspective (and para 48, page 20). Cf my remark above: clarify earlier on whether provider country means government (institutions) or other.

(…)

21. Direct linkage to the SDGs (intention to support the implementation of the SDGs) is on the one hand hard to prove, but on the other hand, the SDGs and 2030 Agenda are very broad so providers can fit many activities into that framework. Who will assess objectively what qualifies as TOSSD?

Norm-setting is often politically coloured and this category may prove contentious.

(…)

Page 23. Figure 7. As Theo van de Sande said at WP STAT, it may not be useful to relate TOSSD to activities.

Also, SDGs are not explicitly an objective in most ODA activities.

(…)

Page 24, para 61. Using more than one multi-dimensional set of criteria will make TOSSD very complicated. Also, using criteria other than GNI may result in very strange rankings, eg there is a lot of inequality in USA and HIC/MIC Latin American countries. That does not mean we want to support them though TOSSD (or ODA).

(…)

Page 25, para 64. We need to discuss whether we want a list of TOSSD-eligible countries and whether it would be the same as or different from ODA-eligible countries list. Eg Chili and Uruguay (HIC) want to remain eligible for support...

(…)

Page 28-29: Mobilisation is very hard to measure. The MDBs have rightly said at the DAC that attribution is hard to determine. Allocating mobilisation shares will therefor also be very hard.

Pages 32-33, treatment of resources mobilised: a very large share of contributions to MDBs and UN organisations is through voluntary contributions (VC) rather than assessed contributions (AC). How will you capture them?

HEDWIG RIEGLER (PERSONAL COMMENTS)

• Is the distinction between ODA and TOSSD sufficiently clear? If not, how could this be clarified further?

(…)

The difference between ODA and TOSSD has been made clear with regard to TOSSD not being intended to supplant ODA. The narrative, however, at times gives the impression as if ODA and TOSSD were completely different measures with entirely different functions. What does not come through clearly is that ODA, conceptually, is a part of TOSSD, with the same function of being
“official support for development” but with some specific characteristics. ODA is intended for development by definition, and if TOSSD is to give the full picture of development finance, ODA must be part of it. That some ODA (e.g. in-donor flows) would not be measured at recipient inflow point (because they never pass that point of measurement) or that, when doing the arithmetical calculation of TOSSD, provisions must be made not to count overlapping parts twice, are different issues that do not affect this basic idea.

The distinction could be sharpened by explanations that the ODA definition is based on motivation (i.e. financing intended to foster economic development and welfare), while the emerging TOSSD definition could be based on relevance (i.e. financing relevant for, enabling economic development and welfare). While the motivational test for ODA is problematic to begin with (subjective, lack of proof and - what action is actually driven by only one intention?), the relevance for development is easier to establish and verify (because it should be based on collective agreements when defining TOSSD eligibility). TOSSD is a measure that would cover finance highly relevant for (expected to have a significant impact on) development but excluded from ODA for “motivational” or other definitional reasons. In quite a few OECD/DAC meetings, representatives from partner countries expressed the opinion that they don’t care whether providers call finance ODA or something else, it’s the relevance, concessionality and other terms/conditions of finance that count for them. TOSSD should fill the gap that the ODA definition leaves in capturing development finance – it should be defined as finance relevant for development.

(As a side note on the language in the ODA definition referred to above: the wording “economic development and welfare” in the ODA definition should be modernised – in line with the terminology used in the new SDG framework – to “economic development and human well-being”.)

What international standards and principles should be integrated and monitored in the TOSSD framework?

My comments in response to this question relate to the quantitative side of TOSSD only, i.e. to standards in regard of definitions, eligibility criteria and statistical classifications (comments on qualitative standards are left to experts in that area). TOSSD should build on definitional standards and classification lists of OECD/DAC (e.g. ODA/TOSSD recipient countries, sector/purpose, type of finance, list of ODA-/TOSSD eligible multilateral organisations etc.), these should be adapted for TOSSD accommodation as necessary, but no “parallel” classifications should be created for TOSSD. The reason for this being simply that these classifications are well established and well-matured, tested and proven in practice, routinely and effectively maintained – and have become the recognised “gold standard” in the area of development finance statistics. A lot of experience, technical skills, time and labour have been invested – and have produced a quality system. Not to draw on this wealth, but starting afresh for TOSSD, would be unwise, to say the least. I have a strong view on this, because I have seen too many grandiose failures of attempts at starting new statistical systems or databases from scratch under the wrong assumption that they could do without fundamental definitional work – or that these are a walk in the park.

(…)

What additional criteria for the decision tree could help further define the boundaries of TOSSD-eligible activities at country level?

That the activity is a relevant contribution to and has an expected positive impact on meeting one of the global challenges could be an additional criterion. E.g. if an activity contributes to improving (or mitigating effects of) conditions in the area of peace and security, human rights, climate change or refugee crises in developing countries mainly, then it should be eligible for TOSSD.
A criterion in the decision tree I find problematic is the item “Is the activity aligned with the developing country development priorities?”, because it is fuzzy. How would this alignment be established - on what grounds? By requiring that the activity is (explicitly?) mentioned in development plans? Development plans tend to set priorities for the next, say, 3 or 5 years. Support for SDGs is a longer-term issue, and activities may be relevant for SDG implementation but not be mentioned in development plans. As mentioned before, relevance for development and human wellbeing and SDG implementation should be the criterion – and this relevance should be agreed on collectively in TOSSD governance fora (it should not be left to individual providers).

UNDP – THE UNITED NATIONS COMMITTEE FOR DEVELOPMENT POLICY

(...)
The Committee emphasizes that the following principles should underlie any new concept of financing for development:

(a) Funds should clearly support development objectives related to the 2030 Agenda for Sustainable Development and should be aligned with country priorities;

(...)

(c) Private financial flows should be counted separately from official development expenditure.

Issues paper “Measurement issues: relevant international statistical norms and valuing technical co-operation”

PURCHASING POWER PARITY

ASIAN DEVELOPMENT BANK

The use of purchasing power parities in reporting information is appropriate for facilitating data comparability.

AUSTRALIA

It would be reasonable to report figures measured in purchasing power parity (PPP) alongside USD, but this should not be the main way TOSSD is measured. If PPP were to be used in parallel to USD, it would be appropriate to apply it to all of the TOSSD components relevant to a particular country.

FERDI

iii. Administrative costs. These primarily cover the administrative budget of the central aid agency or agencies, and of executing agencies wholly concerned with ODA delivery. For some donor countries, the amounts involved in this type of expenditure are comparable to the amounts reported for project grants. There is a lack of methodology in the reporting of this expenditure, in that the amount reported for an employee post largely depends on their salary level and therefore on the price structure in their country of origin. This results in a difference in scale between the statements from different providers. The valuation level needs to be more transparent and, above all, improved to take account of the cost differential between the employees of different providers. Introducing a correction factor for reported amounts to reflect the price structure differential between providers, similar to the purchasing power parity (PPP) coefficient, would be a positive step in reporting this expenditure and making it more comparable between countries.
GERMANY (DIE)

The exclusive focus of ‘resource flows’ would reduce chances of reporting by non-DAC donors, who provide such support in-kind. It could be considered to extend the definition to read ‘resource flows (or estimated resource flow equivalent of in-kind support)’.

Technical cooperation (TC) remains one main modality under TOSSD. However, a more appropriate and comparable value per unit of TC would be a great improvement. For example, from a recipient point of view the support for a sector reform under development cooperation provider A and B might be very similar in terms of results. However, the price tag between provider A and B might differ considerably, and as a result its respective ‘value for money’ and possible recipient preference for one of the provider to deliver a different type of assistance.

Additionally, TOSSD should look at other non-cash modalities/approaches, which should be more comparable and transparent from the perspective of recipients. This would require the TOSSD measure to unpack what is currently considered by some providers as ‘in-kind’ support.

We would suggest a similar approach to the one taken with ODA statistics: one dominant TOSSD perspective that presents statistics guided by the definition and reporting guidelines, and a separate CPA-equivalent. If the recipient perspective is developed further as described here than it should address the problem that technical cooperation is included in CPA, but is in practice not country-programmable and also not regarded by many developing countries as open to ‘programming’ (Keijzer 2016).

A23: A conversion to Purchasing Power Parity (PPP) should be applied to all modalities in view of great differences between unit costs of all providers, i.e. five million USD worth in inputs from one provider may be much more than the five million USD provided by another.

PHILIPPINES (SCANNED LETTER)

39. On item 96, Use of purchasing power parities (PPP). Generally, the PPP is widely used to ensure comparability of indicator values among countries as the PPP approximates the total adjustment that be made on currency exchange rates to eliminate the differences in price levels between countries. Similarly for other indicators, it can be used in measuring the total official assistance for sustainable development. However, the PPP conversion factor must be updated regularly to allow for country comparisons through time. This is to account for the time-varying factors such as the recent shifts in economic growth structure, poverty dynamics and spending patterns.

c. The Compendium was not able to resolve the issue on valuing non-monetary flows, e.g., technical assistance in a fair way across countries. It would seem that the onus for putting values remains with the providers. As such, before rolling out TOSSD data generation, collection and monitoring, the NS would like to recommend that the OECD come up with a metric to measure such non-monetary flows, and assign who should report on these.

SWEDEN

The TOSSD data would allow for making analysis based on PPP, but we do not think it should be factored in at this point. Important to focus current work on core issues.

TOGETHER 2030

- Recipient’s countries counterpart financial and technical efforts should be considered in TOSSD measuring, and reported separately.

UNCTAD

To what extent are countries from the ‘South’ bought into the concept of TOSSD? This will be particularly interesting with regard to the valuation of technical and scientific cooperation.
JAPAN

Japan does not clearly understand the place of PPP within TOSSD measurement framework and should be dealt with it more cautiously considering implications of other statistics. Japan believed that before the public consultation, DAC should duly discuss this matter.

Comments received on paper by Japan: The objective of TOSSD is not to promote the efforts of the provider, but to clarify the flow; using purchasing power parity does not conform to this objective. In addition, Japan is concerned that using PPP has unintended implications on other statistics.

THE NETHERLANDS

On Purchasing power parities, page 33-34, it may be a useful proposal, but it seems a separate exercise, assessing the net worth of the flow, and therefore a judgment, rather than reporting about the flows per se. Using the PPP for all TOSSD data would provide a distorted picture, interpreting data in a way that we are not used to.

Page 34-35, PPP: the use of the measure, although it may provide useful insights, may lead to politically sensitive or subjective information. What would be its value added for the TOSSD framework and concept?

[OECD COUNTRY]

Finally, we agree with the relevant role of Purchasing Power Parity equivalents for more equitable international comparison of contributions to development. It could be relevant to know both the volumes of funds (US dollar or national money) and the PPP (as reported in par. 96), but for the comparison is essential to use PPP, maybe with PPP conversion factor established by OECD-World Bank in the base year. We could also benefit of the work of WP-STAT on this issue.

THE WORLD BANK GROUP

We would also like to comment on the proposed use of Purchasing Power Parity at the provider level. From our point of view, this makes limited analytical sense. PPP is a useful concept at the project level, or when measured from the recipient angle (i.e., measuring what the resources provided can do in different countries), but is a highly contestable way to measure donor effort. (The example of Chile and the US providing wheat did not seem appropriate, given that wheat is a commodity and it is therefore priced on global markets).

GROSS BASIS FOR FLOWS MEASUREMENT

AUSTRIA

Para 54 states resources would be measured on a gross disbursement basis. AT would like to suggest some further explanation on the rationale for this proposal, as we think that gross measurement would systematically overestimate external resources available for new investments (e.g. in case when loans are merely refinanced).

DEVELOPMENT INITIATIVES

4.6 Re-flows information (loan repayments etc.) should be published clearly alongside inflows in TOSSD, not just collected for private analysis (para 81). To do otherwise creates misleading pictures of total volumes, and may create perverse incentives for providers to give large loans in cases where grants may be more appropriate. It would also undermine the stated objective of collecting data on mobilised flows in the first place, to enable understanding of impact (since information on long-term costs of flows is essential to understand their true impact). This comment is broadly applicable to the whole measure, but applies particularly here.

EURODAD

The following table summarises how well the OECD’s proposals in its TOSSD Compendium meet the above principles. Traffic lights are awarded as follows:
- Green: upholds the principle.
- Amber: partly upholds the principle but has significant weaknesses. For principle three we have awarded a light amber rating, as though unclear, the evidence suggests the principle is close to being upheld.
- Red: Does not uphold the principle.

Where the colour is left blank, this is because the proposal is unclear or open to interpretation.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Traffic light</th>
<th>Notes / examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For all flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Count official cost only</td>
<td>Green: upholds the principle.</td>
<td>The proposal is to count “all officially supported resources flows” – which potentially means including private flows as well (at least in the ‘provider perspective’ as “Mobilised resources will also be measured!”)</td>
</tr>
<tr>
<td>2. Count flows only</td>
<td>Amber: partly upholds the principle but has significant weaknesses. For principle three we have awarded a light amber rating, as though unclear, the evidence suggests the principle is close to being upheld.</td>
<td>Will include “those resources that support development enablers or address global challenges” and in the provider perspective, this could include in-provider costs. (“Greater clarity is required to establish the boundaries for acceptable levels of provider country investments in global public goods/development enablers, in particular within their own borders”. The recipient perspective “would only capture cross-border flows.”)</td>
</tr>
<tr>
<td>3. Count actual disbursements</td>
<td>Red: Does not uphold the principle.</td>
<td>Intention is to count both disbursements and commitments, although implication (not clear) is that the focus is on disbursements (hence the light amber rating). For the recipient perspective, providers “would also report financial information linked to the activity over its lifetime, including commitments, associated disbursements and repayments as well as refloows.” However, the wording for the provider perspective is not as clear.</td>
</tr>
<tr>
<td>4. Count net flows over lifetime of project</td>
<td>Where the colour is left blank, this is because the proposal is unclear or open to interpretation.</td>
<td>See above. However, it is not clear whether these refloows will be included in the TOSSD measure as the paper says “Information on refloows would be collected for transparency purposes.”</td>
</tr>
<tr>
<td>5. Do not double count</td>
<td></td>
<td>How TOSSD will be used remains unclear as does its relation to other commitments such as those made on climate finance, though “to address double-counting risks, efforts are ongoing to co-ordinate a wide range of reporting efforts across public and private actors.” However, there is an important commitment that “The TOSSD measure will not supplant the ODA measure.”</td>
</tr>
<tr>
<td>6. Count all flows</td>
<td>Red: Does not uphold the principle.</td>
<td>TOSSD proposes to only count official flows related to meeting the Sustainable Development Goals, and will therefore provide only a partial (and hence potentially misleading) set of information on official flows with commercial or foreign policy purposes. It is not clear how TOSSD will be presented and there remains a danger that it will be aggregated into a single figure.</td>
</tr>
<tr>
<td><strong>For developmental flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Count flows to developing countries</td>
<td></td>
<td>As noted above, the provider perspective will include in-donor costs. However, there remains some confusion on these points as the Compendium also says “As long as an activity is carried out in a developing country, and is aligned with the development priorities of that country, it is eligible to be considered TOSSD.”</td>
</tr>
<tr>
<td>8. Ensure a developmental purpose</td>
<td></td>
<td>The provider perspective aims to include private finance (commercial) flows that are ‘mobilised’ by the official flows and present this as SDG-supporting finance. Despite the need for a “link with the SDGs” the inclusion of ‘mobilised’ commercial flows in the provider perspective means that flows with a primarily commercial purpose will be counted.</td>
</tr>
</tbody>
</table>
FRANCE

Afin de distinguer le TOSSD de l’APD, la France estime en effet que l’estimation et la publication de l’agrégat en flux brut constitue la bonne façon d’appréhender le TOSSD. La présentation des données, serait par ailleurs couplée à des informations sur les remboursements pour une parfaite transparence statistique, comme le suggère l’OCDE.

GLOBAL RESPONSABILITY

Instead of aiming to end the highest possible outcome for TOSSD (“from billions to trillions”), it would be more helpful to focus on official net-flows and outline more accurately what can be counted as officially supported sustainable development finance (and what cannot). The current proposal is very vague on both of these issues and there is a very blurred line between official and private flows. (…)

TOSSD is supposed to “promote greater transparency of the full array of external officially-supported resources available to developing countries to finance the SDGs” (p.8). To reach this ambitious goal, it should be made transparent, how much of the finance is actual flows, how much of it are (mostly virtual) guarantees and how much has to be paid back (including interests). If mutual benefit is one of the core principles underpinning the TOSSD framework (p.16), why should TOSSD exclusively show the benefit of one side while ignoring the other?

Grants, concessional loans, non-concessional loans, guarantees and other instruments have very different implications, terms and conditions for providers as well as for recipients. A concessional loan, for example, where a developed country makes a profit, might be a useful tool under the right circumstances and should be measured, but it cannot be treated the same way as grants. Otherwise the OECD would create incentives to move away from grants and concessional loans towards profit making instruments. Countries could indefinitely inflate TOSSD by giving each other guarantees and concessional loans, without making any real efforts, making TOSSD a completely meaningless and counterproductive measurement.

For these reasons, there should be a clear and transparent distinction in reporting, and most importantly the measurement of net-flows (inflows and outflows).

ERIK HAITES (PERSONAL COMMENTS)

I have no specific comments on the data to be reported -- commitments, disbursements, reflows -- or the conversion to common currency (or effort) units -- PPP or market exchange rates, except to note that tracking disbursements and reflows greatly increases the quantity of data that needs to be collected.

[OECD COUNTRY]

Related to the reflow (par. 81), as TOSSD should consider all information in a recipient perspective, it seems correct to consider also the reflows. But which ones to consider? Data are often not clear or incomplete.

Definition of reflow not perfectly clear to us.

Moreover, as on one hand it is clear why the interest payment by recipient perspective is not considered (interest payment reduces funds assigned to recipient country), on the other hand it isn’t clear why repayment of principal is considered TOSSD.

JAPAN (ON PAPER)

Japan emphasized that it is difficult to report the amount of dividends respectively, due to confidentiality reason, and that collection item in the TOSSD statistics should be kept at minimum to facilitate the participation of developing countries. Therefore Japan does not support the idea of collecting the repayments of principal, repatriation of capital and occasionally recoveries on grants. They could be treated as voluntary and supplementary data.
HEDWIG RIEGLER (PERSONAL COMMENTS)

- Would the “gross” basis be the most appropriate for publishing TOSSD data, supplemented by information on reflows for transparency purposes?

There seems to be a rather strong bias in favour of using “gross” basis for measuring TOSSD. However, so far I have not found any text explaining the rationale of this preliminary decision. Preliminary results of the Senegal pilot refer to confirmation of gross basis as well, for balance of payment considerations. Why would a recipient country be interested in the complete picture of (gross) inflows but would not want to know what finance is drained from the country in repayment of debt, disinvestment and the like, and what the balance (net figure) would be? This issue would merit some more open discussion, as there seems to be a rather strong interest by providers to avoid a situation where net figures could result negative for them (reflows exceeding new outflows in a given year). To capture reflows “for transparency reasons” may not provide sufficient coverage to calculate net figures, as this might be limited to certain flows (e.g. private sector instruments). TOSSD should, however, provide the basis for calculating net results in addition to gross (for all, not just segments of TOSSD).

SWEDEN

- Would the “gross” basis be the most appropriate for publishing TOSSD data, supplemented by information on reflows for transparency purposes?

Net amounts provide essential information about refunds and resources that disappear from recipient countries. It is thus important that data on both gross and net resources are included in TOSSD. If net flows are to be regarded as supplementary information only, it might lead to lower incentives to report the data.

Issues paper “TOSSD-eligibility of specific financing instruments”

ASIAN DEVELOPMENT BANK

The title “Total Official Support for Sustainable Development (TOSSD)” suggests that mobilized resources will be presented separately because “official” generally denotes that the resources are either public or have public backing.

AUSTRALIA

Australia considers that while it is important that resources leveraged from the private sector are measured, TOSSD should measure official flows only (as the measure’s title implies). Measurements of funds leveraged would be at best only estimates. Allowing different types of mobilised finance to be disaggregated will assist analysts to judge the accuracy of figures presented and make reasonable comparisons (e.g. between countries or over time).

As recognised in the Addis Ababa Action Agenda, trade finance from official sources can have a positive development impact and should be included in TOSSD (within parameters yet to be negotiated).

AUSTRIA

On mobilized resources:

Para 15 raises the question whether amounts mobilized should be included in the TOSSD provider perspective or not. As the use of ODA to mobilize private resources is a cornerstone of the FfD Agenda, we fully support the collection of data on amounts mobilized. However, it is not adequate to include these flows into the TOSSD provider perspective, as this is an indicator for “Official
Support”. A critical public will count this as an attempt to artificially increase data on official flows. Amounts mobilized should be covered by a separate measure.

DEVELOPMENT INITIATIVES

4. Private funds mobilised and related issues (pp. 28–32)

4.1 We support the effort to secure data on ‘private finance mobilised’ by official actors. However, given that we have recommended the TOSSD efforts should be invested in getting better data on official flows, we believe it is not recommended to include ‘mobilised’ flows in the measure at this time. We also note that it is currently very difficult to track ODA invested in the private sector, including through ‘blended’ arrangements. Improving reporting standards on this is (we believe) a higher priority than improving data on mobilised private funds, for the primary reason that they comprise public resources from donors that have committed to comply with high standards of transparency. Assuming that this element of TOSSD remains, however, we note the following:

4.2 Any private flows mobilised, if reported, should be disaggregated clearly from the official intervention. They should include the name of the private actor, amount of flows, source, project name, type of investment, and as much associated information as possible. This could “help ensure that [private sector] funds – both those mobilised and those used to incentivise them – achieve maximum impact.” (para 71). To best evaluate impact/outcomes, a clear picture of inputs and outputs is needed.

4.3 From the information provided, it appears disaggregated data is also necessary to differentiate official concessional inputs in projects that mobilise private finance (which qualify as ODA), from official providers’ non-concessional inputs to such projects (which do not), so that when TOSSD is calculated to include ODA, double counting can be avoided.

4.4 Since there is not yet a standardised method of calculating amounts mobilised across providers, the methodology used by each institution to produce their final figures should be published alongside these figures to promote comparability of data across providers. A harmonised methodology for calculating amounts mobilised by official should be developed (as the Compendium notes in para 75). However, this is a highly subjective and complex topic that should be developed in open consultation with governments of developing countries, civil society and experts.

4.5 This methodology should include mandatory reporting of detail on the borrower/recipient entity. Since the beneficiary of ‘mobilised private funds’ in the activities supported by official actors can be a private company or companies rather than a government,7 it is clear the funds mobilised are not strictly at the disposal of the host country government to invest in national development plans for the SDGs. This may not be clear to data users immediately.

4.8 We support the idea of standardised project identifiers to help link relevant information together (suggested by Senegal, para 104). However, collaborating with other data standards and transparency initiatives on this point is essential (see 2.9).

4.9 There is not sufficient evidence provided that ‘the attribution of private finance back to the provider concerned is not relevant to the recipient country’ (para 71; apparently based on one partner country pilot). We recommend further consultation on this point. Fig. 8 reflects the reality of
complex projects; in such a scenario we think more information is always helpful to aid traceability and understanding, whereas unnecessary information can always be disregarded.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

We want to strongly echo IDB and the World Bank Group’s comments on MDBs’ on-going work to harmonize the methodology for measuring mobilization, co-financing and catalyzation of development finance, which was mandated by the MDB heads during the 2016 WB-IMF Spring Meetings. Building on our joint work to measure climate finance, Joint MDB Task Force on Measuring Private Investment Catalyzation also takes into account issues of aggregation, attribution and double-counting. We strongly agree that OECD should align the definition and measurement of TOSSD with MDB joint work in order to minimize duplication of effort.

EKF – DENMARK’S EXPORT CREDIT AGENCY

3. The role of export credits - lines between foreign aid projects and trade finance

Dealing with trade finance and export credit data, our immediate concern relates to the undefined as well as unclear role of export credits. This links back to what is the purpose of the TOSSD exercise. This perspective also relates to the increasing confusion regarding the lines between trade finance and foreign aid projects. As it appears on page 8, it is important to incorporate private sector finance in order to meet the SDGs. “Data on TOSSD will help facilitate co-ordination of investment and actions of public and private actors working together in shared pursuit of the SDGs”. However, it is difficult to see how TOSSD aims to incorporate resource flows from institutions with dual motivation such as DFIs and ECAs.

As it appears on page 32 (figure 10), export credits are not considered part of the TOSSD provider perspective. This is due to not all export credits meeting the conditions for eligibility as ODA - either because they are not primarily aimed at development, or because they are not sufficiently concessional (page 15). In addition, depending on the structure of PSIs, they may provide the same type of cover as an export credit, thus confusing the picture. However, in other paragraphs the role of export credits might indirectly be considered as part of the TOSSD framework. It is written on page 27: “the framework would also reflect instruments that do not necessarily generate flow but may have a mobilization effect on private investment such as guarantee schemes”. We find this description very similar to the services that export credits provide.

Another example (page 8-9) is the finance of a water project in a specific developing country, which would call for a variety of financing sources and instruments (e.g. grant, a concessional loan, an export credit guarantee, private commercial finance and/or national budget resources). Today these financing components are not all connected in the statistical systems as a single project – they are reported separately. Statistical information collected through the TOSSD measurement framework will make it possible to capture the full scope of external officially-supported financing packages contributing to the SDGs.

We understand that TOSSD will involve a broadening of the traditional concept of ODA, by including market-like instruments and resources leveraged from the private sector. The consequences of this for trade finance have not been clarified in the process. The importance of export credits as a financial instrument has been pointed out in the compendium based on the Senegal case (page 42).
However, as we have tried to exemplify, the role of export credits is unclear as well as undefined. Therefore, we suggest a further discussion of the following questions:

- The purpose of TOSSD (overall resource flows for economic development and SDGs OR development finance for SDGs)?
- How should the private sector and dual-motivation institutions be consulted in the TOSSD framework in order to meet the SDGs?
- If the aim is to for TOSSD to complement ODA, how do we best reflect the role of export credits in TOSSD?

**EURODAD**

- Only measures official flows with no misleading figures for ‘mobilised’ flows – these will be highly misleading (as the issue of calculating additionality is a long way from being resolved) and also provide bad incentives (to increase quantity of such flows rather than improve quality.)

**FERDI – FONDATION POUR LES ÉTUDES ET RECHERCHES SUR LE DÉVELOPPEMENT INTERNATIONAL**

As the OECD DAC points out, ‘these credits are commercially-motivated and have no explicit objective of promoting economic development and welfare in host economies. However, by mitigating risks for investors and enabling production and large infrastructure or energy projects (e.g. roads, dams or hydroelectric plants), these flows play an important role in providing access to capital in developing countries. For this reason, officially-supported export credits also receive particular attention in broader analyses of developing countries’ external finance.’4 As such, it seems reasonable that they should be reportable as part of a measure of provider effort in support of development and a measure of recipient benefit. They should simply be reported according to the rules in force for the instruments used (non-concessional loans or guarantees).

**Potential TOSSD-eligibility of private finance mobilised**

- When measuring mobilisation in TOSSD from the provider perspective, should the resources mobilised be included in the measure or presented separately?
  - As mentioned above, we think that leveraging effect should be distinguished in a separated measure, especially as the way to assess this effect is open to huge debate.

- How could the recipient perspective measure adequately record private finance mobilised through TOSSD operations? What would be needed to ensure availability of detailed project information so that TOSSD could capture the totality of cross-border flows, including complex project schemes, at country level?

From a beneficiary perspective, how should we treat private finance mobilised as a result of blended public-private operations? The first question is whether or not to include the private amounts mobilised in TOSSD. The ‘official’ character of TOSSD would suggest a negative response, but from a beneficiary perspective, it would be useful to know both the public amount available to the beneficiary and the private amount this has made it possible to generate. The latter could be indicated for information without actually being included in the TOSSD amount. There is still the issue of how to measure these amounts. For a blending operation, the public finance is relatively
easy to establish. By contrast, estimating the private amount mobilised requires an estimation of the additional private amount which would not have been mobilised without the official flow. This is no mean feat. Otherwise, we could count the total amount of private funds mobilised, which would potentially overestimate the additional funds resulting from the official intervention.

FINLAND
When it comes to presenting the resource mobilisation in TOSSD from the provider perspective, we think that the mobilised resources should be presented separately from the actual public flows. It is clearly useful information to know how much private finance has been mobilised, but also a whole different thing. Also the data quality and coverage of the private flows probably won’t be as high as with public flows. Amounts mobilised could be reported as another measure, not necessarily under TOSSD.

FRANCE
When measuring mobilization in TOSSD from the provider perspective, should the resources mobilized be included in the measure or presented separately?

Au regard des efforts faits en matière de comptabilisation des flux mobilisés par l’intervention publique depuis ces dernières mois/années et en lien avec la reconnaissance de l’importance de la mobilisation de tous les acteurs en faveur du développement durable pour la réussite de l’Agenda 2030, la France trouve parfaitement opportun d’inclure dans le TOSSD (perspective bailleur) ces nouvelles mesures.

Could the OECD methodology serve as an international standard for measuring mobilization in TOSSD?

La France plaide pour une homogénéisation des normes et standards. Étant donné la technicité des méthodologies pour mesurer la mobilisation et les progrès effectués par l’OCDE en la matière, il paraît opportun que les travaux de l’OCDE soient la référence pour le TOSSD pour la partie financement privés mobilisés (ce qui n’empêche pas chaque institution d’avoir des règles propres de reporting à des fins d’utilisation interne si besoin).

GERMAN DEVELOPMENT INSTITUTE / DEUTSCHES INSTITUT FÜR ENTWICKLUNGSPOLITIK (DIE)
A17: The resources mobilized should be presented separately, because TOSSD is about official sources, not private sources. Mobilised finance is an important aspect determining the relevance of the official source’s engagement, yet should not be seen as part of its efforts but as ‘brokered other’ capital.

It should be noted that the private sources cannot be attributed back to the provider countries, since private funds, particularly when they are mobilized through investment funds and/or are channelled through off-shore centers, do not carry a passport of their country of origin (which may well be a developing country).

GERMANY
2. We welcome the TOSSD-concept putting up for discussion how mobilized private resources can be taken into account in the measurement and that induced private resource flows should be recorded in order to show the mobilization-effect of public resources. However, they must be listed separately and reported on both the provider and the recipient side.
- For the recipient’s perspective the total volume of resources available for sustainable development including publicly induced private contributions should be captured by TOSSD.

- For the provider’s perspective the public contribution itself should be reported separately from the private contributions (see further comments) as otherwise this would create the risk that quantity is equated with quality / that there will be a donor bias towards projects and sectors in which leverage potential is high. The political signaling effect of taking into account leveraged private capital should be carefully considered.

**ERIK HAITES (PERSONAL COMMENTS)**

8. Figure 6 does not include mobilized private finance as part of the TOSSD concept. Private flows from provider to recipient countries are included, but are beyond TOSSD. If the TOSSD concept is to be expanded to private finance, perhaps the first step should be to include the "F" flows in figure 6. Paragraphs 71 through 76 and 83 through 85 suggest that mobilized private finance is part of TOSSD. If so Figure 6 should be modified.

**HEDWIG RIEGLER (PERSONAL COMMENTS)**

Definitely, mobilised private resources should be presented separately. Austria’s official position and my personal views are very likely to converge on this question, because of the shared experience.

As mentioned before, to capture the totality of cross-border flows, including complex projects, is a very challenging task. Confidentiality is a major obstacle to gaining access to necessary (even general) data when private-sector actors are involved, which will be the case for most large infrastructure projects. Lack of capacity to handle the great

**Bullet 2:**

Yes, OECD methodology could serve as an international standard. OECD is ideally placed to conduct methodological and standardisation work of this kind, because of long-time experience and great strength in facilitating and managing complex agreement processes. However, I would warn against beliefs that the basis of available methodologies is sufficiently broad already for measuring mobilisation in TOSSD. Not all financial instruments in use are covered yet – and new ones pop up. Austria, for example, has not been able to respond to related OECD surveys mainly for two reasons: lack of available methodology for instruments used (e.g. sub-participation in risk-sharing arrangements) and lack of access to necessary data (partly due to confidentiality issues). There is an additional aspect not to be underestimated: available methodologies are highly sophisticated and complex, and thus not easily handled by agencies extending these mobilising instruments, whose capacities are focused on implementation and not so much on statistical reporting.

**SWEDEN**

- In order to achieve the objective of ensuring transparency of development financing, it is important to distinguish between different types of resources and to report them separately, either within TOSSD as an umbrella measure or as separate measures, i.e. the case of officially mobilized flows. Merging different flows into one single measure, such as described in para 12, risks hampering the transparency of financial flows to developing countries.

**SWITZERLAND**

Role of private sector: It is clear that private sector plays an important role and private sector mobilization is crucial for the agenda 2030. However to aggregate private sector resources with public resources does not lead to clarity and transparency. Particularly “attribution” will be difficult to assess in a (typical) complex financing scheme. It is undoubtedly important to have good and
differentiated measures for private resource mobilization (including pure private sector financing). However such a measure should be a separate item and not aggregated into a TOSSD measure.

TOGETHER 2030

• Official and private flows on development support should be reported separately.

UNDP – THE UNITED NATIONS COMMITTEE FOR DEVELOPMENT POLICY

- Make a clear distinction between official support and flows mobilized through official interventions (and between flows and contingent liabilities).
- Market-like instruments and resources leveraged from the private sector through official means and not computed as ODA. This could include equity and mezzanine finance, export credits and amounts mobilized by guarantees.
- It preserves the developmental purpose of its components and their clear alignment with the recipient country’s priorities, rejecting mechanisms (such as export credits) that support mainly donors’ interests.

THE UNITED STATES OF AMERICA

The U.S. has concerns about including export credits under TOSSD. The inclusion of U.S. export credits under TOSSD would mischaracterize the underlying purpose and use of U.S. export credit financing, which are to promote the exports of, and create jobs in, the United States.

WORLD BANK GROUP

While we agree that mobilization of private resources is a very important element of development finance, we note that there are other ways (than suggested in the TOSSD compendium) in which such mobilization can be tracked and reported, without aggregation into total provider or recipient financing.

The WBG is of the opinion that the recipient perspective (rather than the provider perspective) is the most useful and meaningful approach for TOSSD. We note that the 2030 Agenda focuses on all countries raising resources to meeting national and global development goals, rather than the transfer of resources from advanced economies to developing countries. We consequently believe that, in an SDG context, TOSSD should focus on the mobilization rather than the transfer of resources for development purposes. In other words, the most useful focus from our perspective is how development is funded, rather than the source. In this context we also note that the Financing for Development agenda emphasizes a larger role for domestic resource mobilization (both in terms of taxation but also through channels such as capital market development). Moreover, the provider perspective is vastly more complicated to track (than the recipient perspective) and it may overlap with existing reporting by providers.

The focus on external (versus domestic) finance is also not consistent with the private finance perspective. “Mobilization” is the “use” of private finance for productive purposes, not simply the “provision” of finance. Therefore if a domestic pension fund that had previously invested largely in domestic treasury bills participates in an MDB-supported project, the domestic source of private finance is being channelled into the development activity. This sort of development finance should
not be excluded. In this sense, the “cross border” focus of TOSSD is not well suited to tracking the official sector contribution to mobilizing private finance.

we encourage the OECD to align TOSSD with this methodology and consider the MDB reporting as a building block for its own metrics and reports. This will minimize duplication of effort and promote clarity and consistency in measuring these important components of development finance.

**MAO XIAOJING (PERSONAL COMMENT)**

2. Since the country situation varies from each other, some concepts need to be further clarified, such as official support, mobilization. What can be defined as official? Besides the government, will the state-owned enterprises or companies with government shares also partly as official? It is also difficult to define mobilization. Like in joint finance projects, it would be difficult to measure each actor's contribution in mobilizing private finance.