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DEVELOPMENT ASSISTANCE COMMITTEE

**DEVELOPING THE TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT (TOSSD)
MEASUREMENT FRAMEWORK**

**Political and technical forward-looking strategic plan - launching an international multidisciplinary
TOSSD Task Force**

DAC meeting, 26 April 2017

This document is submitted for DECISION under Item 5 of the Draft Annotated DAC Agenda [DCD/DAC/A(2017)4].

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**DEVELOPING THE TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT
(TOSSD) MEASUREMENT FRAMEWORK:**

**POLITICAL AND TECHNICAL FORWARD-LOOKING STRATEGIC PLAN – LAUNCHING A
TOSSD TASK FORCE**

I. Introduction

1. This document details important recent events contributing to the development of the TOSSD measurement framework. It also provides further clarity on specific modalities for carrying out technical work in an inclusive, open and transparent way over the next 18 months and anchoring TOSSD in the UN system's arrangements for monitoring the Sustainable Development Goals (SDGs) and its financing strategy, the Addis Ababa Action Agenda (AAAA). It should be considered in conjunction with the document prepared for the 2 February DAC meeting "Update on recent TOSSD consultations and forward roadmap" [DCD/DAC(2017)2], which outlined a broad strategic plan for the forward work approach.

2. This text is organised as follows: a summary of recent TOSSD-related events is found in Section II, followed in Section III by a topical overview of "updated" next steps in developing TOSSD. Section IV details specifics of these next steps, including the size/composition of the proposed TOSSD Task Force, its meeting calendar/decision points, DAC oversight arrangements, relevant UN political structures, and technical issues for the Task Force to clarify.

II. Recent events: main summary and key outcomes

UN Statistical Commission side event, "TOSSD: A statistical measurement framework for tracking the Means of Implementation to achieve the SDGs", 6 March 2017, UN Headquarters, NY

3. **Strong participation and solidifying collaboration with United Nations Statistical Commission members.** The Secretariat organised a TOSSD side event on 6 March 2017 on the margins of the 48th Session of the United Nations Statistical Commission (UNSC) at UN headquarters in New York City. The side event was opened by Mr. Jorge Moreira da Silva, Director, DCD, and chaired by Ms. Lisa Bersales, Co-Chair of the UN Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) and National Statistician, Philippine Statistics Authority. Panellists included Mr. Aboubacar Sedikh Beye, Director General, National Agency of Statistics and Demography, Senegal; Mr. Neil Jackson, Chief Statistician, Department for International Development, United Kingdom; and Ms. Martine Durand, Chief Statistician and Director, Statistics Directorate, OECD. With 60 attendees from the international development and statistical communities, a wide range of governments, emerging providers, specialist organisations and civil society organisations (CSOs), the event gave a strong signal of external interest and potential buy-in for the TOSSD statistical measurement framework.

4. **Advancing to secure buy-in for TOSSD as an international statistical standard.** The side event was designed to inform UNSC representatives about the nature and potential future role of the TOSSD measurement framework in global monitoring of support for SDG implementation, in particular SDG 17 (the "Means of Implementation" for achieving the SDGs). The objective was to mobilise interest among UNSC representatives and foster linkages for carrying out future work on the TOSSD concept to

establish TOSSD as an international statistical standard. This work would be undertaken with strong support from the OECD (led by DCD with guidance provided by STD) and consultation with the UN's Interagency Task Force (IATF) on Financing for Development (responsible for monitoring implementation of the Addis Ababa Action Agenda or AAAAA).

5. **A multidisciplinary approach to further enhance the utility of TOSSD.** Participants underscored that developing TOSSD will require an inclusive process in order to ensure it would be a global metric and relevant to the SDGs. They encouraged continuing the technical work outside of UN standard mechanisms and processes – yet in a way that would facilitate its eventual up-take by the UNSC. In the SDG context, National Statistical Offices have measurement responsibilities and other government ministries have implementation responsibilities, arguing for establishing an inclusive and multidisciplinary TOSSD Task Force. Participants reiterated the importance of developing a sound conceptual framework and reaffirmed the scope TOSSD afforded for being a vehicle for statisticians and policymakers to exchange on priorities for funding the 17 goals and 169 targets – particularly those targets and countries “left behind”. Statistical experts readily acknowledged the potential relevance of TOSSD for balance of payments (BoP) figures, budgeting processes and national accounts. Participants also highlighted the importance of work on TOSSD safeguards and principles.

6. **Recognition of the relevance of TOSSD to support the SDG indicators framework.** Participants acknowledged the relevance of TOSSD for international efforts to monitor SDG 17, where there are important data gaps for tracking implementation progress. In addition, data on TOSSD flows could improve the current list of indicators for other SDG targets. The ideal scenario over time is to have TOSSD recognised as a standalone indicator. The importance of the statistical and development communities working together to develop a robust, comparable and uniform statistical system for monitoring official resources supporting the SDGs was highlighted. The OECD's extensive experience and expertise in measuring and monitoring resource flows to developing countries – including ODA – positioned it well to support forward work to develop TOSSD in the context of the ongoing development of the SDG indicator framework.

OECD Council meeting on the 2030 Agenda for Sustainable Development, 4 April 2017

7. **Support from Council for continued TOSSD development and discussions.** On 4 April 2017, OECD Members held a special dedicated Council meeting on the 2030 Agenda for Sustainable Development [CES(2017)7]. The annual SDG-focused Council meeting included OECD countries and partners and the outcomes of its discussions aim to feed relevant United Nations discussions (e.g., the work of the ECOSOC High Level Political Forum and discussions at the General Assembly). During session three on “Linking domestic action and global SDG footprint” [CES(2017)8], DCD Director Jorge Moreira da Silva presented current progress on TOSSD, including preliminary estimates of the magnitude of the cross-border flow pillar for 2014 which totalled approximately USD 580 billion¹. Members supported ongoing outreach and engagement with the UN system on TOSSD as part of the OECD offering to support monitoring of SDG resource mobilisation. They encouraged continued development of the TOSSD measurement framework and proposed to hold a discussion on TOSSD during a future Council meeting.

¹ See Annex 1 for first estimates of TOSSD pillars.

III. Overview of next steps in developing TOSSD

8. Progress has been achieved in mustering political support for TOSSD and clarifying details of the roadmap initially set out in the February 2017 DAC meeting document: the UNSC side event on TOSSD elicited interest and tacit backing from the international statistical community, and in early April the OECD Council took note of TOSSD's positive contribution to monitoring the means of implementation as set out in the SDG framework. Discussions with countries playing a lead role in SDG monitoring efforts have signalled strong interest in supporting work to develop TOSSD in a UN context and provided specific ideas for organising and implementing future work. In the light of these meetings and discussions, a promising approach for concretely associating the international community with work to develop TOSSD is now clearer. Key features of the approach are as follows:

- **Positioning TOSSD in the SDG monitoring framework.** The ultimate objective is to develop TOSSD as a useful input to future UNSC discussions on new SDG indicators in 2020. An initial set of indicators (232 in total) was proposed by the IAEG-SDGs and agreed by UNSC members during the 48th Session of the UNSC. The next comprehensive review of the SDG indicators will be held during the 51st session of the UNSC in 2020, followed by a third comprehensive review in 2025². To formally introduce TOSSD into UNSC discussions, further work should be carried out to secure support from UNSC Member States, including via the proposed TOSSD Task Force.
- **Exploring linkages with the statistical community that leads on SDG monitoring.** The universal nature of the UN suggests it would be the optimal setting for TOSSD as a global statistical standard, and situating forward technical work with the UNSC is a logical fit. Work would proceed in an informal way, associating the international statistical and development communities in a Task Force under OECD leadership. Over time, as the two pillars of the TOSSD framework are fleshed out in detail through Reporting Directives and in the light of periodic updates on TOSSD development to interested UNSC members through side events at their annual meetings, UNSC members will likely progressively support TOSSD as a useful and robust statistical concept. This could pave the way for formally introducing the TOSSD statistical measurement framework to the UNSC for endorsement. This approach is similar to other successful approaches OECD has carried out regarding statistical measures and methodologies ultimately endorsed by the UNSC (e.g., trade in value-added statistics).
- **Sustaining political support and trust through targeted engagement and messaging.** In the larger picture it will be important to remain flexible and supportive regarding the ultimate modality for UN political uptake of the TOSSD measurement framework, including the UNSC, the UN Economic and Social Development Council (ECOSOC) or the UN General Assembly (GA). It will be essential to continue to build upon the trust garnered through engagement with the G77/China constituency in the UN space, remaining receptive to political concerns, such as distinguishing the political aims and statistical boundaries of TOSSD and ODA, while identifying possibilities for compromise. It will be important to continue to emphasise the objective of developing TOSSD not solely to measure broader resources, but ultimately to provide an appropriate and useful incentives framework that mobilises additional investments in sustainable development.

² 48th Session of the UNSC Draft Resolution as of 10 March 2017 (https://unstats.un.org/unsd/statcom/48th-session/documents/Resolution_on_Indicators_Clean_Version-E.pdf)

- **Promoting a “coalition of the willing” and allowing for flexibility.** Where and when TOSSD work gets formal endorsement/universal legitimacy in UN groupings cannot be known at this point. International affirmation of TOSSD as an international statistical standard will hinge on the strength of engagement/advocacy by the DAC and Task Force members and how the international system is responding. It will be important to keep in mind that, regardless of the ultimate shape that formal international endorsement of TOSSD might take, the priority will be to pursue TOSSD work as a “*coalition of the willing*” which is inclusive, i.e., beyond the DAC and beyond the development community.

IV. Emerging features and work programme of the informal TOSSD Task Force

Composition and Membership of Task Force

9. **The Task Force will comprise a grouping of sovereign states and international agencies** (e.g., developing countries, emerging providers, OECD countries, selected multilateral institutions), with a maximum of 20 country participants and 6 multilateral organisations. The objective would be to ensure representation from both the statistical and development policy communities. Possible Task Force members could include the following representatives:

- From the statistical/UNSC side: a total of 9 experts from National Statistical Offices coming from OECD members (4), emerging providers (1) and developing countries (4). Potential experts from the Philippines, Senegal, Jamaica and the United Arab Emirates have been identified.
- From the development policy side: a total of 11 experts from DAC members (a mix of WP-STAT and DAC delegates totalling 6), non-DAC providers (2) and developing countries (3).
- From the multilateral community: a total of 6 institutions including UNCTAD, UNDESA Financing for Development Office/Statistics Division, Inter-American Development Bank (IDB), UNCTAD, AfDB, and OECD DCD and STD.

10. **Two co-Chairs would be identified, one representative of the North and one of the South.** The Philippines has been asked to serve in this role representing the South and has accepted. The Secretariat is currently exploring possibilities with DAC members to identify the other co-Chair.

11. **DAC members are invited to volunteer to participate in the Task Force**, understanding that a balance between DAC members, developing countries and multilateral organisations will need to be struck and that the overall size of the group needs to be manageable. **Interested DAC members should contact the Secretariat (Suzanne Steensen and Julia Benn) by 11 May 2017.** At this point, some potential task force members from DAC countries, including the WP-STAT chair, have already come forward to propose their participation.

Innovating the role of the OECD DAC as a co-creator of TOSSD (engagement and oversight)

12. **The OECD (led by DCD with guidance and feedback provided by STD) will convene the Task Force**, organising meetings, developing substantive texts, summarising discussions, and revising substantive texts to ready them for inclusion in the proposed TOSSD Reporting Directives. An essential dimension of pursuing the technical work will be to undertake further pilots in recipient countries³ and with a thematic focus (e.g., global public goods and addressing global challenges). Concretisation of this work

³ The Secretariat is currently working on finalising the most recent pilot case study carried out in the Philippines. The report is expected to be available in May 2017.

is dependent on available resources. The Secretariat will concurrently carry out an active engagement and outreach agenda for securing broader international feedback on technical aspects of TOSSD, and will provide this information to Task Force members so it can be integrated in their discussions and outputs.

13. Strong DAC and WP-STAT participation in the TOSSD Task Force is expected, and members should champion Task Force work vis-à-vis the rest of the DAC membership. A whole-of-DAC approach is required to sustain the momentum around TOSSD discussions internationally and the entire membership will be involved in the work to develop the measure technically. Regular briefings on Task Force work will be provided at DAC meetings, Senior Level Meetings (upcoming June 2017) and High Level Meetings (upcoming October 2017). MPI discussions will also be organised regularly to forge a real-time dialogue with Committee members on progress and as a means to provide feedback and guidance. WP-STAT will be kept informed of the scope and nature of TOSSD Task Force work on a continuing basis, and will be consulted on key outputs of the Task Force (e.g., the TOSSD Reporting Directives⁴).

14. Once the initial phase of Reporting Directives are finalised (currently referred to as “TOSSD 0.1” - see more information below), the TOSSD Task Force will present the Directives to the DAC for approval (mid- to end-2018), and subsequently to other fora (e.g., UNSC, ECOSOC, GA 2nd Committee, IATF). A prerequisite for universal uptake will require global consultation processes prior to finalisation.

A phased approach: Delivering “TOSSD 0.1” in a first step

15. **In 2017-18 the Task Force will focus mainly on addressing cross-border resource flows** followed by additional work to clarify reporting on financing in support of global public goods and addressing global challenges in 2018-19. Therefore, the first phase of the work on TOSSD would result in a “TOSSD 0.1” covering the cross-border component as well as any technical advances on the global public goods and addressing global challenges component (building on the TOSSD Compendium consultations). A second phase “TOSSD 0.2” will scope out the TOSSD concept more completely vis-à-vis the full SDG monitoring framework.

16. **The Task Force will aim to produce the initial draft of the “TOSSD 0.1” Reporting Directives by end-2017/beginning 2018.** The technical areas to be discussed and clarified by the Task Force will be detailed on the basis of substantive papers prepared by the Secretariat. DAC and Task Force members will be invited to propose additional issues for discussion. Topics identified for clarification include:

- Defining TOSSD-eligible SDG sectors, institutions and countries
- Clarifying statistical treatment of different combinations of concessional and non-concessional finance (including finance mobilised from the private sector through official interventions)⁵
- Assessing the rationale for including or excluding export credits and relevant statistical parameters
- Valuing technical assistance and in-kind support
- Integrating international standards and norms in the TOSSD framework (safeguards and principles)

⁴ The term “Reporting Directives” is intended to provide an indication of the form of the output. The Task Force will propose the appropriate terminology.

⁵ See Annex 2 for an overview of potential TOSSD instruments.

- Examining technical considerations related to exchange rate conversion and Purchasing Power Parity (PPP)
- Strengthening TOSSD as a tool for debt sustainability and BoP statistics
- Responding to different data-related needs and perspectives (providers, recipients, international system monitoring work, etc.) and clarifying potential reporting entities.

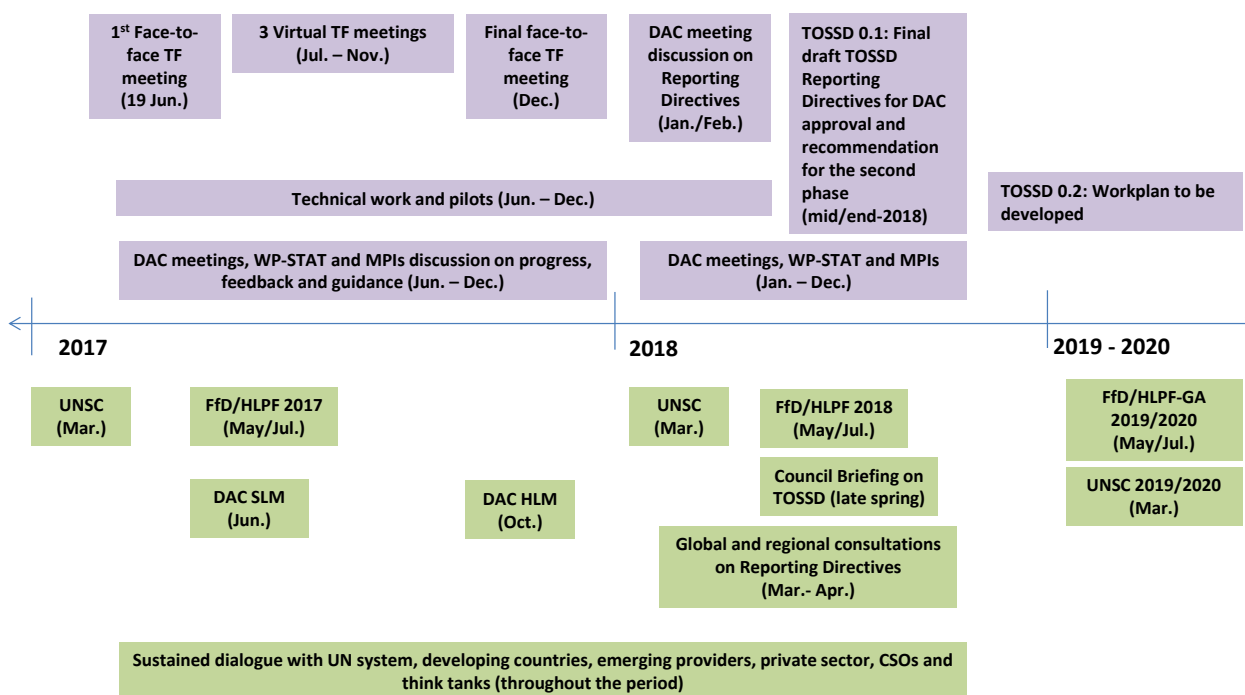
Proposed Task Force meeting calendar and decision points

17. **It will be essential to focus on near-term TOSSD outputs and to initiate reporting activities.** The Task Force would report back to the UNSC at its March 2018 meeting in an appropriate way, likely through a side event. TOSSD reporting prior to formal UNSC endorsement (a decision point still to be determined regarding the involvement of the UNSC and other UN bodies – *see below possible routes regarding sustained political buy-in*) is also a possible option. Only OECD countries would report initially, but over time more UNSC “provider” members will be involved – thereby facilitating its progressive adoption by other provider groups. In practice statistical reporting on “TOSSD 0.1” could be initiated during 2018, and data could be consolidated and analysed as an input to the UN High-Level Political Forum (HLPF) July 2019 for an initial report-back on SDG implementation.

18. The key milestones of the TOSSD forward-looking work plan are detailed below and illustrated in Figure 1:

- The inaugural, face-to-face Task Force meeting will take place back-to-back with the WP/STAT meeting in June 2017 (provisionally 19 June).
- Three “virtual” Task Force meetings will take place over the period July - November 2017.
- There will be a final face-to-face Task Force meeting in December 2017 (ideally in New York) to assess and finalise the first draft of the “TOSSD 0.1” Reporting Directives.
- The DAC will then discuss this draft in early 2018 (January or February) and a global consultation process (virtual) with regionally focused dialogues will be subsequently launched to collect structured feedback (March – April 2018).
- Following DAC discussion, a UNSC side event on TOSSD will be organised in March 2018 to inform members about the status of work on the TOSSD measurement framework and secure feedback.
- Side events on TOSSD will be organised on the margins of the May 2017-18 UN Financing for Development Forum and the July 2017-18 UN High Level Political Forum.
- A possible OECD Council briefing or discussion on TOSSD could be organised in late spring 2018.
- A final draft of the Reporting Directives will be produced for DAC discussions late spring 2018 and the DAC approval of “TOSSD 0.1” would be provisionally set for mid- to end-2018. At the same occasion, the DAC will provide recommendations regarding the second phase which focus more comprehensively on the global public goods component.

Figure 1. A Phased TOSSD Timeline (2017-2020)



TOSSD outreach and engagement efforts to sustain political buy-in

19. Global consultations and wider UN engagement will need to be facilitated, nourished and sustained, making use of existing fora and reaching out to regional platforms. Both DAC and Task Force members will act as TOSSD champions in the international arena. For UN endorsement, different avenues need to be kept open:

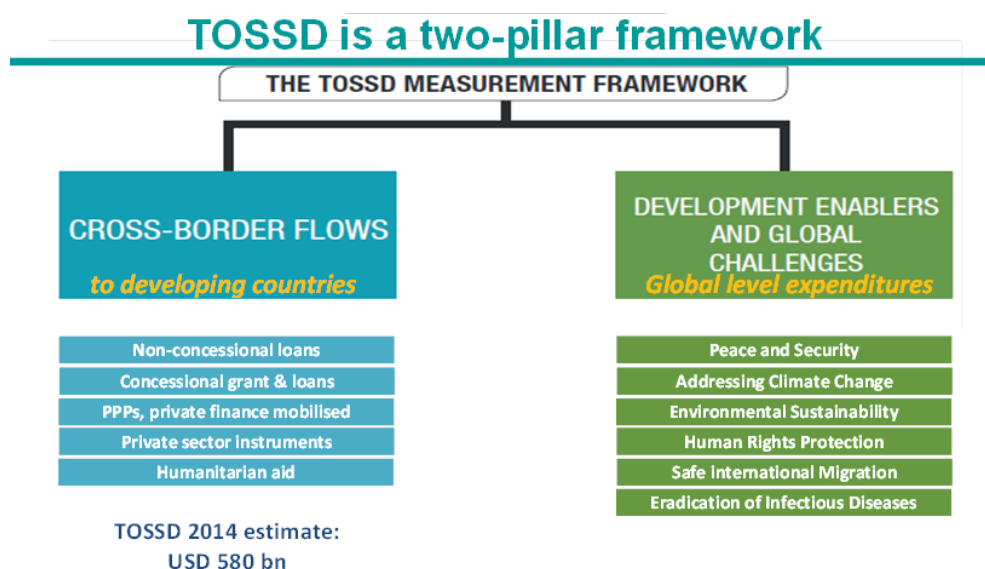
- UNSC route (TOSSD discussed during annual meetings).
- ECOSOC route (ECOSOC briefing and discussion on TOSSD e.g., promoting a dialogue with the G77 members on TOSSD). Nevertheless, there is currently some hesitancy about TOSSD among the ECOSOC membership.
- UN GA route (could be a formal mandate to carry out work to develop TOSSD or discussions by the Second Committee of the UN GA, which is chiefly concerned with development finance issues).

20. These avenues are not mutually exclusive and will ultimately depend on the political uptake and level of members' support.

21. Non-state actors, CSOs and think tanks will be kept abreast of TOSSD Task Force work to ensure strong checks and balance mechanisms, including dedicated dialogue events and web-based briefing materials.⁶

⁶ An overview of the CSO engagement landscape is enclosed in Annex 3.

ANNEX 1: ORDERS OF MAGNITUDES OF TOSSD PILLARS



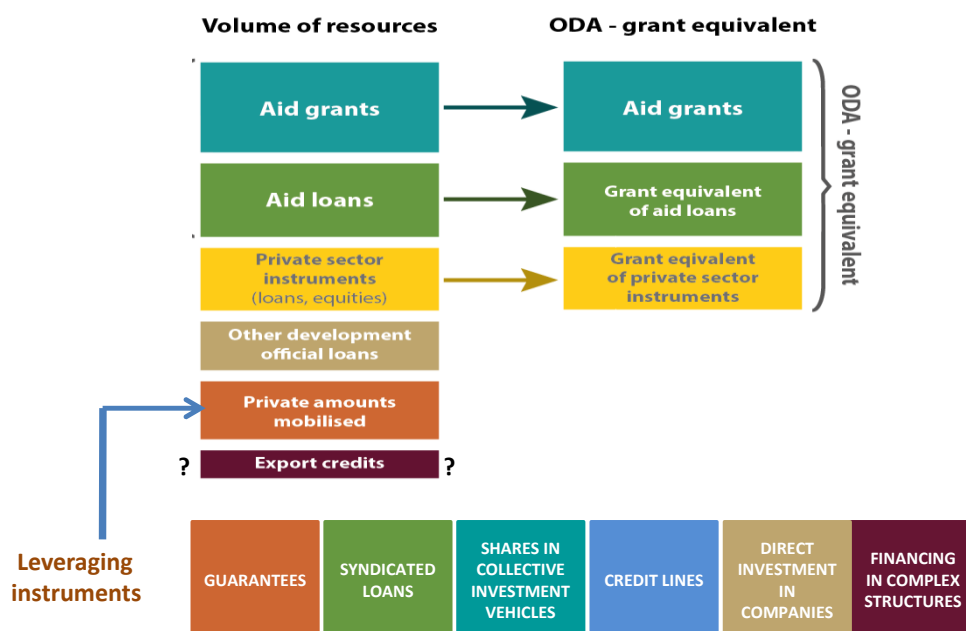
Detailed first estimates of the order of magnitude of TOSSD

| USD million, 2014, gross disbursements | ESTIMATES | NOTES AND SOURCES |
|--|-----------|--|
| PILLAR I: CROSS-BORDER FLOWS | | |
| Official bilateral flows from DAC providers (excluding EU institutions) | | |
| Grants | 78 453 | <i>Proxy: ODA grants disbursements excluding in-donor costs (imputed student costs and refugees in-donor country) and debt relief.</i> |
| Concessional loans and other instruments | 18 852 | <i>Proxy: ODA loans, debt swaps and equity</i> |
| Non-concessional loans | 10 214 | <i>Proxy: Other official flows, including loans other than export credits, and excluding debt swaps, bank securities and equity</i> |
| Non-concessional, other instruments | 1 578 | <i>Refers to debt swaps, bank securities and equity</i> |
| Official flows from emerging market economies | | |
| Development co-operation flows | 30 654 | <i>OECD data from 19 reporting countries and estimates from 10 other countries</i> |
| Estimates of broader International Co-operation | 300 000 | <i>OECD working paper (forthcoming)</i> |
| Official flows from multilateral institutions (including EU institutions) | | |
| Grants | 35 166 | <i>Multilateral outflows for DAC reporting organisations and a proxy for non-reporting organisations (based on inflows).</i> |

| USD million, 2014, gross disbursements | ESTIMATES | NOTES AND SOURCES |
|---|----------------|---|
| Concessional loans and other instruments | 24 207 | <i>Proxy: ODA loans, debt swaps and equity from multilateral organisations.</i> |
| Non-concessional loans | 42 320 | <i>Excluding bank securities and equity</i> |
| Non-concessional, other instruments | 1 116 | <i>Refers to bank securities and equity</i> |
| Mobilised private finance through official means and export credits (<i>flows for consideration under TOSSD</i>) | | |
| Private finance mobilised according to the latest DAC survey on amounts mobilised | 14 200 | <i>Proxy: private finance mobilised according to the latest OECD data survey.</i> |
| Officially-supported export credits | 24 000 | <i>Proxy: as reported in DAC statistics.</i> |
| PILLAR II: SUPPORT FOR DEVELOPMENT ENABLERS AND GLOBAL CHALLENGES | | |
| Total flows supporting development enablers and global challenges | N/A | <i>Work will continue to define the scope and parameters of Pillar II.</i> |
| POTENTIAL TOSSD (PILLAR I + II) | 580 760 | <i>For reference, gross ODA amounts to USD 169 558 million in 2014.</i> |

| OTHER CROSS-BORDER FLOWS (<i>Although not necessarily for consideration under TOSSD, these flows are important to reflect for partner countries in order to provide a comprehensive picture of external flows</i>). | | |
|--|----------------|--|
| Private flows at market terms | | |
| Foreign Direct Investment | 151 939 | <i>Source: OECD statistics</i> |
| Other securities, including bonds | 201 349 | |
| Charitable grants (NGOs, Foundations) | 34 658 | <i>Source: OECD statistics</i> |
| Remittances | 212 209 | <i>Source: WB remittances database</i> |
| Total | 600 155 | |
| <i>Source: DCD/DAC(2017)1/RD1</i> | | |

ANNEX 2: OVERVIEW OF POSSIBLE TOSSD INSTRUMENTS



ANNEX 3: OVERVIEW OF CSO ENGAGEMENT LANDSCAPE

