



3rd TOSSD TASK FORCE MEETING

Item 5.b Treatment of multilateral flows in TOSSD

Ottawa, Canada

24-25 January 2018

Outline

- Discussions during the 2nd Task Force Meeting
- Consultations with main multilateral organisations
- Proposed wording for TOSSD Reporting Instructions



I. Discussions during 2nd Task Force meeting

- Most TF members agreed with:
 - The proposed definition of multilateral agencies
 - Establishing a list of TOSSD-relevant multilateral institutions:
 - Using the DAC list as a starting point
 - Opt-in mechanisms for additional institutions
 - No minimum budget threshold
- The Secretariat was tasked to:
 - Provide clarifications to identify when a project channelled through a multilateral organisation should be classified as a bilateral or multilateral transaction.
 - Conduct a consultation with multilateral institutions on the feasibility of proposed treatment of multilateral flows.



I. Discussions during 2nd Task Force meeting

- Proposed treatment of multilateral flows:
 - Multilateral institutions would report information on **all TOSSD activities** they carry out in developing countries **under their responsibility, regardless of the original source of funds.**
 - Bilateral providers would report their TOSSD activities in developing countries and **funding to multilateral institutions earmarked for specific activities (projects) in specific developing countries.**



II. Consultations with multilateral institutions: feasibility of reporting on pooled funds/trust funds

Inter-American Development Bank (IDB)

- Reporting **activity-level data** on outflows from trust funds **seems feasible**.
 - IDB administered single-donor trust funds: **reported by IDB**
 - IDB administered multi-donor trust funds: **reported by IDB**
 - Project-specific grants (PSGs), in which the donor transfers resources to the IDB to finance a specific project (as opposed to transferring resources to fund under the administration of the IDB to finance activities to be determined subsequently): **reported by the bilateral provider**
- Question of **attribution of multilateral flows to provider countries**
 - Complicated; not specific to trust funds
 - Could be discussed by provider communities (e.g. WP-STAT)



II. Consultations with multilateral institutions: feasibility of reporting on pooled funds/trust funds

Asian Development Bank (AsDB)

- Confident that reporting on AsDB-administered trust funds **is feasible**.
- If trust fund is managed by several multilateral institutions, which institution would report?
 - the lead institution has most information
 - see paragraph 34 of emerging excerpts of *TOSSD Reporting Instructions*



II. Consultations with multilateral institutions: feasibility of reporting on pooled funds/trust funds

World Bank (WB)

- Large number of trust funds: potentially over 16 000 activities in annual submission.
- Concerns over **possible additional reporting burden but:**
 - TOSSD template simpler than Creditor Reporting System (CRS) in OECD DAC Statistics.
 - Methodology can be developed to derive TOSSD data from CRS reporting.
 - Since most multilateral institutions currently remove non-core funded activities from the data prior to submission, the reporting burden should not increase.
 - WB group reforming trust fund systems: agglutinate trust funds around the same theme. This would facilitate reporting.



II. Consultations with multilateral institutions: feasibility of reporting on pooled funds/trust funds

UN Pooled Funds Office

- **Pooled financing mechanisms:** funds for which UN agencies are involved in decision-making; they are implementing partners or they act as trustees.
- UN Pooled funds office has a very **detailed database** with information on outflows including geographical destination.
- Currently not reported to the OECD – ODA captures contributions to pooled funds from provider countries.
- **Willing** to report on TOSSD and thinks reporting **is feasible**.



II. Consultations with multilateral institutions: feasibility of reporting on pooled funds/trust funds

Conclusion:



III. Proposed wording for emerging *TOSSD Reporting Instructions*

Definition of multilateral providers

1.3 MAIN STATISTICAL CONCEPTS

1.3.1 PROVIDER AND RECIPIENT

*26. **Multilateral providers** are international agencies, institutions, organisations or funds whose members are governments and who are represented at the highest decision-taking level in the institution by persons acting in an official capacity and not as individuals. Multilateral institutions include i) United Nations agencies, programmes, funds and commissions; ii) the International Monetary Fund; iii) the World Trade Organisation; iv) the World Bank Group; v) regional development banks; vi) the European Union institutions; and vii) other multilateral funds, partnerships, initiatives and financing facilities.*



III. Proposed wording for emerging TOSSD Reporting Instructions

Reporting: multilateral outflows

2.1 SCOPE OF CROSS-BORDER RESOURCE FLOWS PILLAR

32. *Bilateral providers report in the TOSSD system activities they undertake **directly with a recipient country** or that they fund through **earmarked contributions to multilateral organisations for specific, usually project-type, interventions.***
33. *Multilateral providers report in the TOSSD system on activities they **undertake under their own responsibility** (decisions on resource allocations to specific purposes are made by the institutions themselves). The original source of funds can be official providers (through core contributions or pooled funds) or the private sector (through funds raised in the international capital markets or private charitable contributions to multilateral organisations). In the case of Financial Intermediary Funds (FIFs) for which a multilateral institution only provides Trustee services, the organisations implementing the activities, and not the Trustee institution, should report on TOSSD.*
34. *In the case of trust funds managed by several multilateral organisations, it should be considered , on an ad-hoc basis, which is the institution better placed to report on TOSSD outflows, usually the lead institution*



III. Proposed wording for emerging *TOSSD Reporting Instructions*

List of Multilateral institutions

4.3 REPORTING INSTRUCTIONS ITEM BY ITEM

43. To be able to track multilateral activities, **a list of multilateral institutions** from which outflow data may be collected needs to be established. The objective of establishing such a list will be twofold: on one hand it will serve to operationalise the TOSSD framework by establishing a list of multilateral reporters; on the other hand, especially for the global public goods pillar, it will serve to identify TOSSD-eligible multilateral organisations, that might not conduct activities in TOSSD-eligible countries but that contribute to promote enabling conditions for sustainable development and to address global challenges.
44. The **criteria** for including multilateral institutions in the list are:
- The **multilateral character of the institution**, as per the definition of multilateral provider in section 1.3; and
 - The institution conducting **all or part of its activities in favour of sustainable development and developing countries**; or
 - The institution contributing to promote **global public goods** and to address global challenges.



III. Proposed wording for emerging TOSSD Reporting Instructions

List of Multilateral institutions

4.3 REPORTING INSTRUCTIONS ITEM BY ITEM

45. *The list aims to be as inclusive as possible, and therefore there will **not be a minimum budget threshold** as a condition for the inclusion of a multilateral institution in the list. As a starting point, all multilateral institutions included in the list of ODA-eligible multilateral organisations will be added to the TOSSD list, provided that they commit to report their sustainable development related outflows to the TOSSD system. The list will be then completed with other relevant organisations at the regional or global level.*

Opt-in procedure

46. *Multilateral **organisations willing** to be added to the TOSSD multilateral organisations list **can request their inclusion** to the institution governing the TOSSD measurement framework. Once the institution governing TOSSD verifies compliance with the established criteria for inclusion, they will be added to the List, provided that they **commit to report their sustainable development related outflows to the TOSSD reporting body** on an annual basis.*



III. Proposed wording for emerging *TOSSD Reporting Instructions*

Issues for discussion

- *Is the proposed treatment of multilateral outflows outlined in the TOSSD Reporting Instructions acceptable to TOSSD Task Force Members?*



Thank you!

