



## Reporting format: Information to be collected on the SDG focus, purpose and sector of destination of TOSSD activities

*TOSSD Task Force Issues Paper<sup>1</sup>*

*For discussion under agenda item 6*

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### I. BACKGROUND

1. The emerging TOSSD Reporting Instructions note, under section 2.2.1 Eligibility criteria regarding sustainable development, that *“In the context of TOSSD, an activity is deemed to support sustainable development if it directly contributes to at least one of the SDG targets as identified in the official list of SDG targets developed and maintained by the United Nations Statistical Commission (UNSC).”* The reporting format includes a field entitled “SDG focus” in which multiple SDG targets can be entered.

2. In previous Task Force meetings, it has been agreed that, in addition to the SDG focus, reporting on TOSSD should include information on the purpose and sector of destination of the activities. The taxonomy to be used remains to be discussed. Some Task Force members have indicated their interest in using the OECD DAC CRS purpose codes for this reporting. The International Standard Industrial Classification of All Economic Activities (ISIC) has been mentioned as an alternative. In addition, one Task Force member recommended that the Secretariat looked into the work carried out by the Conference of European Statisticians (CES) to map the SDGs, targets and indicators to the themes in the CES framework for sustainable development.

3. This paper looks at the reporting on SDG targets (Section II), the sector classifications (Section III) and their linkages with SDGs (Section IV).

### II. REPORTING ON THE SDG FOCUS

4. Alignment to the SDGs has become an inherent – and one of the most visible – characteristics of current development flows and reporting systems are being adapted to monitor this new dimension. Several provider countries and development institutions already track the SDG focus of their activities for their internal uses, and several others are interested in starting to produce this information. In the TOSSD framework, information on the SDG focus will be of particular importance, given that the eligibility of resources as TOSSD is linked to their contribution to specific SDG targets.

5. The list of 169 SDG targets is composed of 107 generic targets indicated by a number (e.g. 2.1, 2.2 etc.) and 62 “Means of Implementation” (MoI) targets indicated by a letter (e.g. 3.a, 3.b etc.). All 19 targets under SDG17 are also MoI targets (although they are numbered with numbers rather than letters). **The SDG focus field in the TOSSD reporting format will record the target(s) to which the activity aims to contribute. It is proposed that:**

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- **up to ten multiple values could be reported.** A structure allowing multiple entries is intrinsically superior to one that allows only one value, offering more options for analysis when necessary.
- **the field be one-dimensional, indicating the target(s) the activity is contributing to** (e.g. 2.3; 7.1; 5.a), without a second dimension with a score or a percentage<sup>2</sup>. This has the advantage of being more robust and simpler to produce, handle and analyse. It will avoid splitting the amount of the financial commitment between targets, which could be challenging taking into account their interdependency.

6. The emerging Reporting Directives also state that in case no direct link can be found to an SDG target, the SDG focus could be reported at the goal level, possibly providing justification for inclusion of the activity in TOSSD. The Task Force is invited to exchange views on this issue with the help of examples.

#### Issues for discussion

- **Do Task Force members agree with the proposal to collect data on the SDG focus in a one-dimensional field with maximum ten values?**
- **Are there examples of activities that contribute to sustainable development but that cannot be linked to a SDG target?**

### III. SECTOR CLASSIFICATIONS

7. Two sector classifications have been analysed for their relevance to TOSSD. The CRS purpose codes classification, used in the data reporting to OECD/DAC, and the ISIC classification Rev.4, that is an UN international standard taxonomy to classify economic activities.

#### i. CRS purpose codes

8. Development co-operation data reported to the CRS are categorised according to the main sector benefiting from the activities. The CRS Purpose Codes is a coherent classification that has its origin in the International Standard Industrial Classification (ISIC) with new codes added along the years<sup>3</sup>. In 1996, the list was completely revised with the support of partners (including some UN agencies) to better reflect development co-operation activities and was thereafter maintained with punctual updates and/or integration of selected codes and sectors. The CRS list – similarly to the ISIC classification it is derived from – is based on the input sector, i.e. the assignment of the code should be based on “*which specific area of the recipient’s economic or social structure is the transfer intended to foster*”. Specific codes have also been created for activities that are not clearly sector-allocable, such as budget support or emergency aid.

<sup>2</sup> A system of percentages would indicate what share of the activity could be attributed to a target (from 0% to 100%). For example: 2.3(40); 7.1(40); 5.a(20).

<sup>3</sup>See [http://www.oecd.org/dac/stats/documentupload/CRS\\_BI\\_VOLUNTARY\\_purpose\\_codes2016flows\\_en\\_July17.pdf](http://www.oecd.org/dac/stats/documentupload/CRS_BI_VOLUNTARY_purpose_codes2016flows_en_July17.pdf)

9. The CRS purpose codes classification<sup>4</sup> has three levels (Table 1):
- 45 three-digit codes** indicating the main sectors of activity.
  - 205 five-digit codes** further specifying the sub-sector.
  - 54 voluntary five-digit codes** that can be used to report additional detail.

The complete list of the three-digit codes is given in Annex 1.

**Table 1 – Excerpt from the CRS purpose classification (explanatory notes not included)**

3-digit sector codes	CRS Code	Voluntary Code	Description
<b>110</b>			EDUCATION
<b>111</b>			Education, level unspecified
	11110		Education policy and administrative management
	11120		Education facilities and training
	11130		Teacher training
	11182		Educational research
<b>112</b>			Basic education
	11220		Primary education
	11230		Basic life skills for youth and adults
		11231	Basic life skills for youth
		11232	Primary education equivalent for adults
	11240		Early childhood education
<b>113</b>			Secondary education
	11320		Secondary education
		11321	Lower secondary education
		11322	Upper secondary education
	11330		Vocational training
<b>114</b>			Post-secondary education
	11420		Higher education
	11430		Advanced technical and managerial training

10. CRS purpose codes have a clear advantage when considering a taxonomy to be used for the TOSSD system, given that a significant part of the TOSSD flows (e.g. eligible ODA flows) are already classified using the CRS codes and thus could be directly transferred to the new system without the need of being recoded, thereby simplifying the work. The classification can be updated to include new codes for TOSSD activities, if and when the need arises.

## ii. ISIC – Classification

11. The International Standard Industrial Classification is a UN classification of the economic sectors of activity. Its first version traces back to 1958 and the latest revision (rev.4) was adopted in 2008<sup>5</sup>. The classification has the following structure:

- 21 sections – indicated by a letter

<sup>4</sup> See: <http://www.oecd.org/dac/stats/purposecodessectorclassification.htm>

<sup>5</sup> See: <https://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>

- 88 Divisions – indicated by a two-digit code
- 238 Groups – indicated by a three-digit code
- 419 Classes – indicated by a four-digit code

The full list of ISIC codes – at division level – is provided in Annex 2.

**Table 2 - Excerpt from ISIC rev.4 Classification (explanatory notes not included)**

Section	Division	Group	Class
<b>P</b>			Education
	85		Education
		851	Pre-primary and primary education
		8510	Pre-primary and primary education
	852		Secondary education
		8521	General secondary education
		8522	Technical and vocational secondary education
	853		Higher education
		8530	Higher education
	854		Other education
		8541	Sports and recreation education
		8542	Cultural education
		8549	Other education n.e.c.
	855		Educational support activities
		8550	Educational support activities

### iii. Choosing a classification

12. The ISIC classification was initially used for data reporting on development co-operation, until the CRS purpose codes were developed. ISIC and CRS have similar structures and a common origin, but also significant differences.

13. The CRS classification has the clear advantage of being a classification that is specifically designed to monitor development co-operation activities; it is flexible and can be amended relatively easily. All current data on ODA and non-concessional development finance provided by DAC members, 19 other provider countries and 40 multilateral organisations are categorised using the CRS purpose codes. It has been implemented by the International Aid Transparency Initiative and some aid management systems of partner countries; it is an international but not a UN standard. The ISIC classification has on the other hand the advantage of being an international standard developed at the UN level, it is a general-purpose classification that has many uses (for example for tax purposes, economic research, etc.) not necessarily related to development. It is a stable taxonomy which can be amended only on the occasion of its periodical revisions.

14. Although they have a similar structure, a conversion table between CRS and ISIC does not exist for the moment.

15. Reporting to both ISIC and the CRS can be simplified using only the upper layers (3 digits for the CRS, 2-3 digits for ISIC), with a trade-off between granularity of information and complexity of reporting.

#### Issues for discussion

- **Should TOSSD adopt the CRS or the ISIC classification for reporting on the sector/purpose of the activities?**
- **What are Task Force members' views on the level of granularity required in the classification of TOSSD by sector/purpose?**

#### IV. LINKAGES BETWEEN SDGs AND SECTOR CLASSIFICATIONS

##### i. Linkages between SDGs, CRS purpose codes and ISIC

16. Linkages between the SDG targets and the CRS and ISIC sector classifications exist, but they have different scopes.

- The 17 SDG goals and 169 targets reflect a universal agenda that is *“accepted by all countries and is applicable to all”*. The goals and targets are not specifically designed around development co-operation activities and, despite their wide scope, they do not represent a taxonomy of all the possible development objectives. Furthermore, the SDG targets are mixed in the sense that both generic objectives (outcomes) and means of implementation (inputs) are included.
- The CRS and ISIC sector classifications are coherent taxonomies that aim to classify, respectively, all possible development co-operation and economic activities, based on the identification of the input sector rather than on the aimed result (outcome).

17. The OECD has investigated the linkages between the CRS purpose codes and the SDGs since 2015<sup>6</sup>; the results of this work are extensible to the linkages between ISIC sectors and SDGs. The review notes the challenge in that the SDGs are defined as outcomes, whereas purpose codes are for identifying specific attributions of activities (inputs). For several goals (including SDGs 1, 8, 10 and 12) it is not possible to establish linkages with the sectors. Even for the sector-specific SDGs (such as SDG6 on water and sanitation, SDG7 on energy etc.) the linkage might not be straightforward. For example a solar energy project can contribute to different SDGs, such as SDG7 (energy), SDG5 (gender), SDG8 (growth and employment), SDG3 (health), depending on the specific use of the energy services provided.

18. Consequently, a linkage valid in all cases – i.e. a conversion table - is not achievable.

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<sup>6</sup> DCD/DAC/STAT(2015)9 and DCD/DAC/STAT(2016)25

## ii. Linkages between SDGs and CES framework on sustainable development

19. In 2013, a task force from UNECE, EUROSTAT and the OECD published<sup>7</sup> a comprehensive framework with suggested indicators to measure sustainable development, called the CES Framework from the name of the Conference of European Statisticians (CES). The framework is a detailed methodology to track progress in sustainable development through a large number of indicators. After the approval of the 2030 Agenda, a mapping of the CES framework with the SDG goals and targets was published in 2016<sup>8</sup>, finding a good match.

20. The CES framework has a useful set of indicators for detailed analysis of sustainable development dimensions, and maps closely with the SDGs. However, the utility of the CES framework in the context of TOSSD reporting is limited, due to the different scope of the two systems. The CES framework, similarly to the SDG targets indicators, identifies dimensions of sustainability (e.g. environment, health etc.) and is not adapted to classifying activities by their input sectors.

### Issues for discussion

- While it may not be possible to establish a “conversion table” between the SDG targets and the CRS (or ISIC) sector classifications, should linkages between the key sectors of development co-operation and the SDG targets be nevertheless mapped out?

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<sup>7</sup>See: [https://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2013/SD\\_framework\\_and\\_indicators\\_final.pdf](https://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2013/SD_framework_and_indicators_final.pdf)

<sup>8</sup> See: [http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2016/mtg/NewCES\\_18-Interim\\_report\\_on\\_SDGs\\_Revised.pdf](http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2016/mtg/NewCES_18-Interim_report_on_SDGs_Revised.pdf)

## ANNEX I. CRS 3-DIGIT SECTOR CODES

110	EDUCATION
111	Education, level unspecified
112	Basic education
113	Secondary education
114	Post-secondary education
120	HEALTH
121	Health, general
122	Basic health
130	POPULATION POLICIES/ PROGRAMMES AND REPRODUCTIVE HEALTH
140	WATER AND SANITATION
150	GOVERNMENT AND CIVIL SOCIETY
151	Government and civil society, general
152	Conflict prevention and resolution, peace and security
160	OTHER SOCIAL INFRASTRUCTURE AND SERVICES
210	TRANSPORT AND STORAGE
220	COMMUNICATIONS
230	ENERGY GENERATION, DISTRIBUTION AND EFFICIENCY
231	Energy generation, distribution and efficiency – general
232	Energy generation, renewable sources
233	Energy generation, non-renewable sources
234	Hybrid energy electric power plants
235	Nuclear energy electric power plants
236	Heating, cooling and energy distribution
240	BANKING AND FINANCIAL SERVICES
250	BUSINESS AND OTHER SERVICES
311	AGRICULTURE
312	FORESTRY
313	FISHING
321	INDUSTRY
322	MINERAL RESOURCES AND MINING
323	CONSTRUCTION

331 TRADE POLICY AND REGULATIONS AND TRADE- RELATED ADJUSTMENT  
332 TOURISM  
410 General environmental protection  
430 Other multisector  
510 General budget support  
520 Developmental food aid/Food security assistance  
530 Other commodity assistance  
600 Debt relief  
720 Emergency Response  
730 Reconstruction relief and rehabilitation  
740 Disaster prevention and preparedness  
910 ADMINISTRATIVE COSTS OF DONORS  
930 REFUGEES IN DONOR COUNTRIES  
998 UNALLOCATED/UNSPECIFIED



## ANNEX II – ISIC SECTIONS AND DIVISIONS

### A - Agriculture, forestry and fishing

01 - Crop and animal production, hunting and related service activities

02 - Forestry and logging

03 - Fishing and aquaculture

### B - Mining and quarrying

05 - Mining of coal and lignite

06 - Extraction of crude petroleum and natural gas

07 - Mining of metal ores

08 - Other mining and quarrying

09 - Mining support service activities

### C - Manufacturing

10 - Manufacture of food products

11 - Manufacture of beverages

12 - Manufacture of tobacco products

13 - Manufacture of textiles

14 - Manufacture of wearing apparel

15 - Manufacture of leather and related products

16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials

17 - Manufacture of paper and paper products

18 - Printing and reproduction of recorded media

19 - Manufacture of coke and refined petroleum products

20 - Manufacture of chemicals and chemical products

21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations

22 - Manufacture of rubber and plastics products

23 - Manufacture of other non-metallic mineral products

24 - Manufacture of basic metals

25 - Manufacture of fabricated metal products, except machinery and equipment

26 - Manufacture of computer, electronic and optical products

- 27 - Manufacture of electrical equipment
- 28 - Manufacture of machinery and equipment n.e.c.
- 29 - Manufacture of motor vehicles, trailers and semi-trailers
- 30 - Manufacture of other transport equipment
- 31 - Manufacture of furniture
- 32 - Other manufacturing
- 33 - Repair and installation of machinery and equipment
- D - Electricity, gas, steam and air conditioning supply
  - 35 - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management and remediation activities
  - 36 - Water collection, treatment and supply
  - 37 - Sewerage
  - 38 - Waste collection, treatment and disposal activities; materials recovery
  - 39 - Remediation activities and other waste management services
- F - Construction
  - 41 - Construction of buildings
  - 42 - Civil engineering
  - 43 - Specialized construction activities
- G - Wholesale and retail trade; repair of motor vehicles and motorcycles
  - 45 - Wholesale and retail trade and repair of motor vehicles and motorcycles
  - 46 - Wholesale trade, except of motor vehicles and motorcycles
  - 47 - Retail trade, except of motor vehicles and motorcycles
- H - Transportation and storage
  - 49 - Land transport and transport via pipelines
  - 50 - Water transport
  - 51 - Air transport
  - 52 - Warehousing and support activities for transportation
  - 53 - Postal and courier activities
- I - Accommodation and food service activities
  - 55 - Accommodation
  - 56 - Food and beverage service activities

J - Information and communication

58 - Publishing activities

59 - Motion picture, video and television programme production, sound recording and music publishing activities

60 - Programming and broadcasting activities

61 - Telecommunications

62 - Computer programming, consultancy and related activities

63 - Information service activities

K - Financial and insurance activities

64 - Financial service activities, except insurance and pension funding

65 - Insurance, reinsurance and pension funding, except compulsory social security

66 - Activities auxiliary to financial service and insurance activities

L - Real estate activities

68 - Real estate activities

M - Professional, scientific and technical activities

69 - Legal and accounting activities

70 - Activities of head offices; management consultancy activities

71 - Architectural and engineering activities; technical testing and analysis

72 - Scientific research and development

73 - Advertising and market research

74 - Other professional, scientific and technical activities

75 - Veterinary activities

N - Administrative and support service activities

77 - Rental and leasing activities

78 - Employment activities

79 - Travel agency, tour operator, reservation service and related activities

80 - Security and investigation activities

81 - Services to buildings and landscape activities

82 - Office administrative, office support and other business support activities

O - Public administration and defence; compulsory social security

84 - Public administration and defence; compulsory social security

P - Education

85 - Education

Q - Human health and social work activities

86 - Human health activities

87 - Residential care activities

88 - Social work activities without accommodation

R - Arts, entertainment and recreation

90 - Creative, arts and entertainment activities

91 - Libraries, archives, museums and other cultural activities

92 - Gambling and betting activities

93 - Sports activities and amusement and recreation activities

S - Other service activities

94 - Activities of membership organizations

95 - Repair of computers and personal and household goods

96 - Other personal service activities

T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use

97 - Activities of households as employers of domestic personnel

98 - Undifferentiated goods- and services-producing activities of private households for own use

U - Activities of extraterritorial organizations and bodies

99 - Activities of extraterritorial organizations and bodies