

## **Summary of the IATF Technical Discussion on measuring international public development finance and Total Official Support for Sustainable Development (TOSSD)**

*Monday, 5 December 2016 • 10:00-1:30pm • UN Headquarters*

### **Summary**

The Inter-Agency Task Force (IATF) on Financing for Development (FfD) held a technical discussion on the Task Force work on measuring international public finance and international development cooperation for sustainable development (Chapter II.C. of the Addis Agenda) and related issues in the proposed measure of Total Official Support for Sustainable Development (TOSSD). This was the second such discussion, following an earlier Task Force meeting in July 2016. The meeting served to update members of the Task Force on progress in developing TOSSD, and discuss the overlap between the various components of TOSSD - in particular cross-border flows - and the monitoring carried out by the Task Force on international development cooperation.

The Task Force found significant synergies between the cross-border flows it monitors in the chapter on international development cooperation and the proposed components of TOSSD. The main difference in approach is that the Task Force would not add various components into a total headline figure. The meeting also identified a need for better data to facilitate effective follow-up. Additional issues that were raised during the discussion included appropriate data gathering and reporting arrangements, how norms are set that would ensure comparability across different types of flows, and governance or oversight mechanisms for any such measure.

Discussions on monitoring the second proposed pillar of TOSSD - so-called development enablers – are less advanced, and a phased approach for continued work discussed was proposed. Although the Task Force also covers work on these issues, the Addis Ababa Action Agenda takes a different approach, which is focused on policies. OECD representatives underlined the importance of engaging the UN system in the TOSSD discussion. It was agreed that the Task Force would continue substantive work follow-up to the components, as per its mandate. Approximately 20 UN agencies attended the meeting.<sup>1</sup>

### **Background**

The technical discussion was a follow-up meeting to the technical discussion on TOSSD on 19 July 2016. The meeting was opened by Ms. Shari Spiegel (DESA-FfDO), who described the threefold purpose of the meeting:

- (i) Update the Task Force on the current state of the TOSSD proposal and provide opportunity for feedback.
- (ii) Map out the overlaps between the monitoring work carried out by the Task Force on international public financing flows and the TOSSD framework, and identify gaps.
- (iii) Discuss challenges and next steps in advancing monitoring by the Task Force.

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<sup>1</sup> They included UNDP, IMF, UNCTAD, World Bank, OHRLS, UN-DESA DPAD, UN-DESA Statistical Division, UN Aids, UNESCO, ESCWA, UN OSAA, UNF, UNFPA, UNCDF, UNESCE, ITC, UNRISD, and UNFCCC.

## **Emerging features of TOSSD**

To update the Task Force on the emerging features of TOSSD, Ms. Suzanne Steensen (OECD) described the current state of play on TOSSD, focusing on the ongoing global consultation process and the emerging features of TOSSD. The OECD has held consultations in 2016 at the FfD Forum, through the IATF and in other UN fora, has carried out pilot recipient country studies, regional dialogues and a global online consultation. Based on these consultations, the design of TOSSD has been changing. A potential new definition of TOSSD reads as follows:

*TOSSD includes all officially-supported resource flows to promote sustainable development in developing countries and to support development enablers or address global challenges at regional or global levels.*

The current framework thus encompasses two pillars: ‘cross-border flows’, and ‘development enablers and global challenges’. Cross-border flows would capture the volume of resource flows from bilateral and multilateral providers, including a wider range of leveraging instruments, with data reported by providers. In response to feedback from the first IATF meeting on TOSSD and other consultations, the OECD has focused on total cross-border flows from the recipient perspective in TOSSD. This also helps to distinguish it more clearly from ODA. Resources for development enablers and global challenges constitute the second pillar, however, discussions on their measurement are at a less advanced stage.

Outstanding issues highlighted by the OECD Secretariat include statistical classifications and boundaries (which countries, sectors and organisations would be eligible), compliance with international standards of flows that would be counted in TOSSD, data gathering and reporting arrangements, and the establishment of a governance and oversight arrangement. To address these issues, the consultation process will continue in 2017. The Inter-agency Task Force could play an important role in this process, particularly to the extent that there are overlapping data issues. The OECD’s goal is to provide a first set of TOSSD data in time for the 2019 High-level Dialogue on FfD and the High-level Political Forum under the auspices of the General Assembly.

## **Task Force monitoring on international public financing flows**

Oliver Schwank (DESA-FfDO) outlined the overlaps and differences between the Task Force’s monitoring of Financing for Development commitments on international development cooperation and international public finance and the components of TOSSD. FfD outcomes in The Addis Agenda’s chapter on international development cooperation (Chapter II.C) contain i) provider-focused commitments (on ODA in particular); ii) cross border flows (which is the main area of overlap with the current proposal on TOSSD); and iii) uses (e.g. climate, health, etc.), effectiveness, quality, and allocation of flows. The section on cross-border flows is the main area of overlap with TOSSD. It contains commitments to scale up concessional and non-concessional international public financing flows, and they largely encompass the components of the cross-border flow pillar of TOSSD. The Task Force is mandated to monitor these flows, and will present existing data in the 2017 Task Force report, and the on-line annex. However there are gaps in data and data inconsistencies (e.g. on MDB lending, the leveraging of private finance, and South-South-Cooperation). Greater harmonization and standardization of data for various cross-border components would thus benefit its monitoring work.

The nature of FfD commitments and their emphasis on the qualities, characteristics and origins of different components and respective commitments means that Task Force would not add up different flows into a single metric, even within the cross-border flow category. Instead, the Task Force could pursue a 'dash-board approach', for which more harmonized data would be very useful.

The FfD outcomes also very prominently contain commitments on the international enabling environment, mirroring the second TOSSD pillar on 'promoting development enablers and tackling global challenges at national, regional and global levels'. FfD commitments in this area go beyond financing flows however, and focus on the overall coherence and consistency of international financial, monetary and trading systems with sustainable development, and governance issues. The Task Force's monitoring is thus broader than the TOSSD proposal, but would be able to draw on any efforts to collect relevant data as additional inputs.

### **Moderated discussion on remaining challenges and next step**

The presentations were followed by an interactive discussion moderated by Ms. Shari Spiegel (DESA-FfDO). The discussion focussed mainly on appropriate data gathering and reporting arrangements and governance or oversight mechanisms. While different perspectives were voiced during the meeting, some possible solutions emerged:

- Some participants raised concern about the reporting requirement for recipient countries. It was noted that the TOSSD framework envisages data collection from providers. Several members of the Task Force already engage in data collection on financing flows from various sources, and could contribute to the effort to improve comprehensiveness and comparability of data, e.g. in the areas of South-South-cooperation. For the same reason, the Task Force is well placed to provide a comprehensive view of the global development finance picture in its annual reports.
- Greater comprehensiveness and comparability of data on cross-border financing flows would also address potential double-counting, for example in the area of climate finance.
- The discussion also clarified that the development of TOSSD is separate from the modernization of ODA, which is happening in a parallel, but distinct process. In the ODA modernization process, a move toward reporting the grant element of ODA flows has already been agreed, and additional work is ongoing on how to include public provision of private sector instruments, such as guarantees, into ODA statistics. TOSSD will remain separate and distinct, encompassing a much wider range of flows and focusing on the recipient perspective rather than the provider effort.

In conclusion, participants underlined the importance of continuing discussions on improving measurement and data on international public financing flows in the UN system and in the Task Force. The Task Force will continue substantive work on this issue, in the context of its monitoring efforts of Chapter 2.C. of the Addis Agenda on international development cooperation. This work can also feed into and benefit from further discussions on TOSSD.

In terms of TOSSD, the OECD proposed a phased approach, with an immediate focus on enhancing comparability of data on cross-border flows, while the measurement of development enablers

would be discussed in a second step only. OECD representatives also pointed out that more regional and country pilots are needed and underlined the importance of working with the UN system in continuing consultations.