



## Reporting issues emerging from the 2022 data collection on 2021 activities

TOSSD Task Force Issues Paper<sup>1</sup> - Agenda item 1

20<sup>th</sup> meeting of the International TOSSD Task Force

7-9 March 2023, Dakar, Senegal

### I. Background

1. In this paper, the Secretariat brings to the attention of the Task Force a number of concrete issues faced during the last TOSSD data reporting cycle. It updates the Task Force on progress made in the areas identified last year (see [here](#)) and proposes solutions to further improve the data collection in the coming year. The reporting issues cover various aspects: coverage and comparability of reporting (section II), technical issues (section III), quality of reporting (section IV) and TOSSD classifications (section V).
2. **Task Force members are invited to share their views on the reporting issues raised in this paper.**

### II. Coverage and comparability of reporting

3. Coverage of TOSSD reporting has several dimensions. This note only looks at three of them – the coverage in terms of number of reporters, types of activities and their basis of measurement (commitment versus disbursement). This year, the Secretariat intends to document the status and specificities of each TOSSD reporter in a metadata file, as provided for by the Reporting Instructions agreed last year, see [here](#).

#### Data providers

4. **In 2022, the coverage of TOSSD continued to expand with 106 providers having reported their data on 2021 flows.** These consist of 46 countries - including 12 South-South Co-operation provider countries - and 60 multilateral organisations - including EU institutions, UN entities and Multilateral Development Bank (MDBs). **Ensuring the data collection from such a broad scope of reporters and keeping on engaging with potential new reporters requires sustained efforts on the Secretariat side.**
5. Notably, **fourteen providers submitted TOSSD data for the first time in 2022:**
  - Thirteen providers submitted data for 2021 flows: Liechtenstein, Malta, Monaco, Peru, the COVID-19 Response and Recovery Multi-Partner Trust Fund, the International Commission on Missing Persons, the Joint Sustainable Development Goals Fund, the New Development Bank (also reported data for 2020), the UN Entity for Gender Equality and the Empowerment of Women (UN Women), the UN Environment Programme (UNEP), the WHO-Strategic

<sup>1</sup> Drafted by the TOSSD Task Force Secretariat.

Preparedness and Response Plan, the World Trade Organisation (aid for trade), and the UN Office of Disarmament Affairs (UNODA).

- Mexico also submitted TOSSD for the first time, on 2020 flows, and intends to submit 2021 data in the coming months.
6. Among TOSSD reporters, 19 bilateral providers and 16 multilateral providers also shared data on the amounts mobilised from the private sector. The Secretariat foresees continued engagement efforts on data reporting in collaboration with TOSSD Task Force members.
7. However, some important data gaps still persisted in the 2022 data collection. For bilateral providers, these relate to the Czech Republic, Germany, Luxembourg and the Netherlands that do not report to TOSSD. As regards multilateral organisations, the World Bank Group (WBG) and the European Bank for Reconstruction and Development (EBRD) have not been in a position to include their data in TOSSD for the time being. As a temporary solution, and as previously explained, estimations in an aggregate form on these data gaps were included in TOSSD online presentations using the OECD Creditor Reporting System (CRS) data. **The Secretariat has reached out to some members with significant shareholding in the WBG and the EBRD to seek their strategic support, with a view to filling the data gaps for these institutions.**
8. Furthermore, six providers that had previously reported to TOSSD have not yet submitted data for 2021 due to internal process or capacity issues: the Arab Bank for Economic Development in Africa, Azerbaijan, the Economic and Social Commission for Western Asia, Indonesia, the UN Office of Counter-Terrorism and the World Tourism Organisation. In addition, due to exceptional delays, the European Investment Bank (EIB) could only report on its Pillar I activities, and not yet on private finance mobilised and Pillar II activities; this has created a major information gap, noting that in 2020 its private finance mobilisation amounted to USD 6.6 billion and Pillar II commitments to USD 22.1 billion. **The Secretariat is in contact with these providers to find solutions to the outstanding data gaps.**

### Coverage of activities

9. **While progress has been achieved in comparison to 2020 data, there is still room for improvement when it comes to the comprehensiveness of providers' reporting on TOSSD.**
10. A number of DAC members and other bilateral providers limited their TOSSD reporting to the data already submitted to the OECD CRS while others included numerous additional activities in support of sustainable development, including those falling under Pillar II. Differences in the coverage of activities were anticipated in the initial phase of the TOSSD data collection and are expected to gradually diminish over time. See box below for highlights on initiatives taken by the Secretariat to improve the coverage.
- DAC providers reported more than 25 000 additional activities in TOSSD (USD 40 billion), 80% of which under Pillar II (USD 37 billion). The largest providers of TOSSD additional flows are France, the EU Institutions, the United States, Denmark and Korea. TOSSD additional activities concentrated in the sectors of renewable energies (research, technology innovation, demand-side efficiency), research (e.g. medical, environmental) and migration-related activities such as expenses related to refugees and asylum seekers in donor countries and facilitation of orderly and safe mobility. Several countries expanded their reporting, such as including the non-ODA shares of their contributions to multilateral organisations and research and development (R&D) activities (Norway started reporting on R&D in its 2021 TOSSD data).

- Twelve bilateral ODA providers beyond the DAC<sup>2</sup> reported 372 additional activities in TOSSD (USD 342 million), 217 of which under Pillar II (USD 177 million). In this context, Qatar reported 108 additional activities under Pillar II, mostly concerning research activities of Qatari universities and research institutes.
  - Coverage of activities in several Southern providers' TOSSD reports was outstanding in the 2021 data collection round. Brazil, for example, expanded the number of activities reported 10 times in comparison to 2020, reaching 1.2 billion USD reported in official support for sustainable development, through 60 national and subnational entities. Peru, a new reporter in TOSSD, managed to report support provided by 26 national entities. Similar scenarios are seen in the report of other SSC providers such as Costa Rica and Chile.
11. The data coverage also continued to increase in relation to the non-core resources of multilateral organisations. To illustrate, as regards the MDBs and other international finance institutions, African Development Bank Group (AFDBG), Asian Development Bank (AsDB), Caribbean Development Bank (CDB), Central American Bank for Economic Integration (CABEI), Council of Europe Development Bank (CEB), Inter-American Development Bank Group (IADB) and North American Development Bank (NADB) did not only report on the outflows from their core budgets but also on the activities financed by the trust funds they administer. The AsDB also included non-core activities beyond the trust funds, such as projects under the Bank's implementation. Many UN entities reported such non-core activities too, e.g. UNDP, UNFPA, UNHCR, UNICEF or WFP. Still, the Secretariat considers that further improvement can be achieved in the next data collection round, especially as regards funds and facilities, including those established to mobilise private finance, under administration of the EU Institutions, the WBG and other MDBs. **The Secretariat foresees putting extra efforts in enhancing the TOSSD coverage as regards activities undertaken by such funds and facilities, both in terms of outflows and private finance mobilisation.**
12. Finally, following the outcome of the discussions at the 17<sup>th</sup> meeting of the Task Force on 11-13 July 2022, providers could also report in TOSSD their activities allocated to recipients that have graduated from the DAC List of ODA Recipients after 2015 (Chile, Cook Islands, Seychelles and Uruguay). Overall, 19 providers reported support allocated to these four recipients. In volume terms, the activities added up to USD 4.5 billion on a commitment basis and USD 3.1 billion on a gross disbursement basis, with Chile and Uruguay accounting for more than 95% of each.

#### **Box. Two initiatives taken in 2022-23 to improve TOSSD coverage of activities**

##### **Peer learning on Pillar II**

In order to promote peer learning among the Task Force and TOSSD reporters, France and Sweden have shared their experience and approaches for collecting TOSSD data for Pillar II, including support to climate mitigation/environment/R&D from France's national budget documents or R&D funding data from Sweden's Formas<sup>3</sup>. Other reporters, such as Austria and Norway, also shared their views and experiences, which allowed for further cross-fertilisation of ideas. Qatar indicated that they could also provide notes on their experience in reporting on Pillar II, which would then be included in the summary record of the session. Organised on 15 February 2023 by the Secretariat, the peer learning

---

<sup>2</sup> These included Croatia, Cyprus, Estonia, Kazakhstan, Liechtenstein, Malta, Monaco, Romania, Qatar, Thailand, Turkey, and United Arab Emirates.

<sup>3</sup> Swedish Government Research Council for Sustainable Development

session gathered 52 attendees from 23 countries, one CSO representative and one multilateral organisation. In the future, the Secretariat is willing to organise similar peer learning events. **Interested reporters are welcome to contact the Secretariat.**

#### **Indicative list of multilateral channels that can be reported in TOSSD**

The Secretariat compiled an indicative list of multilateral channels that can be reported in TOSSD and attached it to the [Explanatory notes of the](#) TOSSD data solicitation. During the 2021 data collection, the list helped reporters complement their reporting by pointing them to potential organisations to include. The Secretariat will include additional organisations going forward. **Reporters are reminded to include contributions to these multilateral organisations in their future TOSSD dataset.**

#### **Basis for measurement: commitments versus disbursements**

13. Last year's report noted that a number of multilateral organisations and a few countries had challenges in reporting their activities on both commitment and disbursement bases, mainly due to limited data availability and persisting confidentiality constraints. The Secretariat is pleased to note some progress in this regard.
  - Brazil, Chile, Costa Rica, Malta, Qatar and Gavi reported only their disbursements for 2021, with work on the commitment data postponed to future years. As TOSSD is a gross disbursement-based measure, partial reporting on commitments does not affect the TOSSD totals. However, commitments are shown in key TOSSD data presentations, in particular on [www.TOSSD.online \(downloadable project-level data\)](http://www.TOSSD.online).
  - Despite confidentiality restrictions related to disbursements faced by some MDBs, regional development banks and other international finance institutions, transparency improvements have been achieved in the context TOSSD reporting on 2021. For example, the Private Infrastructure Development Group (PIDG) reported activity-level disbursement data for the first time on 2021 and several MDBs [e.g. Islamic Development Bank Group (IsDBG), Caribbean Development Bank (CDB), IDB Invest (as part of IADB), Development Bank of Latin America (CAF)] and New Development Bank were able to report disbursements in the form of aggregates by recipient and financial instrument. Overall, aggregate reporting by some institutions constituted an improvement compared to previous years. **The Secretariat will continue its engagement efforts with the providers concerned to find ways to capture more detailed information while addressing their data sensitivity concerns.**
  - Countries such as France and Japan reported some of their specific transactions (export credits) on a commitment basis only.

### **III. Quality of reporting**

14. For the purpose of this paper, the Secretariat has focused on the quality of reporting on two main TOSSD fields: SDG focus and pillar.

## SDG focus reporting

15. Overall, some progress has been made regarding SDG reporting during the third TOSSD data collection round. For 2021 data, providers generally improved the coverage of their SDG reporting compared to 2020 and **61% of flows now indicate an SDG focus (compared to 57% in 2020)**: 56% for Pillar I and 79% for Pillar II (although not necessarily at target level). For activities without SDG targets, the Secretariat has systematically asked reporters to include a justification, in line with the Reporting Instructions (paragraph 49 in the [Reporting Instructions](#)), that expressly indicates the commitment of the provider to the 2030 Agenda for Sustainable Development.
16. Generally, reporters had removed non-sustainable activities upstream from TOSSD data for 2021.<sup>4</sup> In cases where the nature of the activities raised sustainability concerns, the Secretariat asked reporters to confirm, as agreed by the Task Force last year, that steps had been taken to ensure sustainability through: a) screening with a set of Environmental and Social Safeguards (ESS) or applying other sustainability standards or processes, and/or b) specific discussions with the recipient on the sustainability aspects of the support provided, either at activity or portfolio level. See [Adjustments to the TOSSD Reporting Instructions](#).
17. As already noted last year, given that sustainability (contribution to an SDG target) is a key eligibility criterion in TOSSD, it is critical that reporting on the SDG focus further improves. In that regard, the SDG artificial intelligence tool developed by the Secretariat to facilitate the SDG tagging at target level on the basis of activity descriptions is promising. Backed by a measure of “accuracy” of its results, the tool has been tested for a broad range of reporters in the context of TOSSD data for 2021. Results have proven to be very satisfactory, and some reporters accepted the tool’s suggestions in the SDG focus area, while others asked for further consideration in next iterations. (See item 3 of the Task Force agenda for a description of the functioning and results of the tool.)
18. The Secretariat will put more emphasis in 2023 on collecting information on the Environmental and Social Safeguards or other sustainability standards or processes applied and publishing it as part of TOSSD metadata.

## Delineation Pillar I / Pillar II

19. In most cases, the delineation between Pillar I and Pillar II is straightforward and the assignment of pillar does not raise any difficulty.<sup>5</sup> However, the Secretariat noted during the 2022 data collection some remaining ambiguities where a case-by-case analysis is needed to verify the pillar. This entailed a significant amount of manual verification work on the side of the Secretariat and could affect the consistency and comparability of TOSSD data. Given that the pillar is a fundamental item in TOSSD reporting – e.g. only Pillar I activities are reportable in the SDG indicator 17.3.1 – it is critical to keep improving the quality and consistency of reporting on this aspect. This section aims at further clarifying the delineation between Pillar I and Pillar II and proposes ways to make the delineation more systematic and hence improve comparability of reporting across reporters.<sup>6</sup>

---

<sup>4</sup> TOSSD still includes activities aiming at energy generation from fossil sources (USD 1.6 billion; 0.4% of TOSSD overall).

<sup>5</sup> One provider has reported some pillar II type of activities to TOSSD but asked the Secretariat not to label them as such (contributions to multilateral organisations and support to peacekeeping missions). These activities were therefore not assigned a Pillar (in TOSSD online, they appear with Pillar “0” in the downloadable files).

<sup>6</sup> The issue of the eligibility as such of activities in TOSSD Pillar II is covered under agenda item 6.

## **Current rules for delineating between Pillar I and Pillar II**

20. The Reporting Instructions give a definition of Pillar I and Pillar II and provide further indications on the delineation between the two pillars. The Task Force has also decided to classify certain modalities or types of activities under a pillar by default. See Annex 1 for a recap of these established rules.
21. On the basis of these rules, the Secretariat has developed additional material to support reporters in the assignment of the pillar as follows:
  - The [explanatory notes](#) for reporting TOSSD contain a “check-list” that provides some guidance:
    - For modalities *A00-Budget support, E01-Scholarships/training in donor country, I03-Support to refugees/protected persons - in other countries of asylum, I04-Support to refugees/protected persons - voluntary returns and F0x-Debt relief*, please assign TOSSD **Pillar I**.
    - For modalities *B02x - Core contributions to multilateral institutions, E02-Imputed student costs, G01-Administrative costs, I01 & I02-Support to refugees/protected persons in the provider country, I05-Support to refugees/protected persons/migrants for their integration in the economy of provider countries and H00-Expenditures in the provider country*, please assign TOSSD **Pillar II**.
    - Activities under modalities *D01-In-kind technical co-operation experts* and *D02-Other technical co-operation* generally fall under TOSSD **Pillar I** (except when donor experts are assigned to work for multilateral organisations, in which case **Pillar II** is more appropriate).
    - Activities under modality *C01-Projects* with a specific recipient code will generally be assigned TOSSD **Pillar I**.
    - For modalities *B01-Core support to NGOs, other private bodies, PPPs and research institutes, B03-Contributions to specific purpose programmes and funds managed by implementing partners (excluding self-benefit)* and *C01-Projects* with a regional or global recipient code, please check whether the funds/projects involve flows to multiple countries (assign TOSSD **Pillar I**) or relate to regional/global projects implemented at the level of a global or regional institution with no direct resource transfer to individual countries (assign TOSSD **Pillar II**).
    - Activities assigned financial instruments 510 and 520 (Equities) will generally fall under TOSSD **Pillar I**.
  - The explanatory notes also include a decision tree that illustrates the delineation between the two pillars (reproduced in Annex 2 of this document).
  - Finally, the video tutorials available on the TOSSD website at <https://www.tosssd.org/methodology/> present multiple examples of activities that fall under Pillar I or Pillar II.

## **Areas left with ambiguities**

22. During the third data collection round, reporters mostly followed the established rules recalled in Annex 1, and they also generally implemented the guidance included in the check-list. However, the Secretariat still had to spend significant time verifying the pillar in cases where no default rule could be applied. It found that different reporters had adopted different reporting practices, which had an impact on the consistency of the data.
23. Reporters correctly assign Pillar I to activities with a specific individual recipient code that by nature involve cross-border flows<sup>7</sup>. They also correctly assign Pillar II to their domestic expenditures in support of sustainable development (climate mitigation, R&D). However, the pillar assignment is less straightforward for activities assigned a regional or unspecified recipient code (998) and a modality

<sup>7</sup> Noting that activities undertaken as modality E02 or G01 will still be default be assigned Pillar II.

B01, B03, C01 or D02 as these cases necessitate an activity-by-activity review to determine whether they entail cross-border flows (Pillar I) or not (Pillar II). For example, in many cases, CRS reporters did not fill the TOSSD pillar field for activities assigned a 998 recipient code (the formula that help derive the TOSSD file based on the CRS do not pre-fill the pillar in these cases, as it requires a case-by-case assessment). The sub-sections below give some details faced with modalities B01, B03, C01 and D02. Examples are shown in Annex 3.

[B01: core contributions to NGOs, other private bodies, public-private partnerships and research institutes](#)

24. Activities under modality B01 usually ultimately involve cross-border flows, as NGOs generally implement field work, and should be assigned Pillar I. However, contributions to NGOs are better placed under Pillar II when the organisations are research institutes or think tanks contributing to the general production of knowledge and research on public goods such as health or climate mitigation. Furthermore, core contributions to NGOs that fund salaries and other administrative costs of the organisation should also be reported under Pillar II.

[B03: contributions to specific purpose programmes and funds managed by implementing partners.](#)

25. Contributions to trust funds with a geographic focus will generally entail cross-border flows (Pillar I) while the funds with a sectoral/thematic focus can either entail cross-border flows (Pillar I) or not (Pillar II). During this collection round, the treatment of contributions to funds related to COVID-19 control was complex as some fell under Pillar I and others under Pillar II.
- Contributions to COVAX AMC (in the form of funds or donations of vaccine doses) should fall under **Pillar I** as they ultimately entail a distribution of vaccines in developing countries by COVAX.
  - Contributions to CEPI for its COVID-19 related work should fall under **Pillar II**. CEPI's research work to develop vaccines will not entail cross-border flow but will result in new knowledge and new product – vaccines for COVID-19 – which is a global public good.

[C01: Projects](#)

26. A project assigned a regional or unspecified recipient code (998) can entail cross-border flows to several countries possibly located in different regions in which case Pillar I is appropriate, or it can consist in a contribution to a global or regional public good with no cross-border flow to developing countries, in which case it falls under Pillar II. When thinking of the most appropriate pillar, it should be recalled that the Reporting Instructions give priority to Pillar I, meaning that even if a regional project contributes to a regional public good, it still falls under Pillar I if it involves cross-border resource flows to recipient countries (including expertise, knowledge, etc.), as the TOSSD objective is to enhance transparency of external finance for sustainable development provided to recipient countries.

[D02: Other technical cooperation](#)

27. This modality includes activities with quite different characteristics. On the one hand, it is assigned to technical co-operation activities (technical experts recruited locally or internationally) which fall under Pillar I when they take place in or for the benefit of developing countries. On the other hand, it also covers training and research, as well as capacity building activities such as conferences, seminars and workshops, which can fall under **Pillar I or II** depending on whether they entail cross-border flows.
28. Activities with modality D02 and a regional or unspecified recipient code were in great majority assigned Pillar II in this data collection round and corresponded to research and development (R&D)

conducted at regional and global level. When activities were coded Pillar I, they corresponded to multi-country technical co-operation.

29. The Secretariat found that the most difficult cases to treat under this modality consisted in R&D projects entailing some co-operation between the provider and one or several TOSSD recipient countries. When the R&D takes place in the provider country and conforms with the eligibility criteria, it falls under Pillar II. However, when it is conducted in co-operation with developing countries, it might entail cross-border flows of resources (financial support or knowledge transfer) and could be considered falling at least in part under Pillar I. The question that arises is whether the R&D programme concerned should be assigned entirely under Pillar I or Pillar II or whether it should be broken down into components (Pillar II for the component financed in the provider country, Pillar I for the component financed in the TOSSD-eligible countries).<sup>8</sup>

#### **Unveiling some ambiguities for assigning the Pillar II - Practices from TOSSD reporters**

30. A number of reporters have developed some rules for assigning the pillar and have shared them with the Secretariat. Two examples of these reporting practices are shown below.

##### **Systematic approach followed by the European Union:**

31. Activities derived from CRS (ODA), and that therefore have a clear developmental component, are assigned Pillar I if the recipient is a TOSSD recipient country or if the recipient code is regional. For activities derived from CRS with an unspecified recipient code (998), Pillar II is assigned. There are two exceptions to this general rule based on recipient codes:

- When the modality requires a specific pillar, this takes precedence over the rule based on recipient codes.
- When there are country-allocated disbursements, the project falls under Pillar I even if the recipient code is 998. This is checked manually by the EU.

32. Regarding the additional activities beyond CRS, the implementing partner (i.e. the country receiving the disbursement of the funds) is used to determine the Pillar: Pillar I is assigned if the implementing partner corresponds to a TOSSD recipient country and the modality is eligible for Pillar I. Otherwise, pillar II is assigned.

##### **Agency-based approach followed by the United States:**

33. The United States assigns Pillar II to certain of their implementing agencies which they know undertake only Pillar II-type of activities, such as agencies focused on wildlife and agriculture research based in the US.
34. They also perform a keyword search to identify the expenditures related to monitoring and evaluation as well as administrative costs not assigned the modality G01 that should still fall under Pillar II.

---

<sup>8</sup> In the same vein, it is noted that one of the eligibility criteria of Pillar II could also be interpreted as entailing a cross-border flow, and hence overlapping with Pillar I (see paragraph 70 of the Reporting Instructions: "Be implemented in direct co-operation with TOSSD recipient countries, or private or public institutions from these countries, as a means of ensuring the benefit to TOSSD recipients countries or their populations.").

## Possible improvements

35. Based on this year's experience in verifying the pillar, and given the massive number of activities to check, the Secretariat would like to propose ways to make the pillar assignment more systematic and consistent and less time-consuming in future. It has developed a list of options:

- **Option 1.** Treat more modalities by default: all activities assigned modalities B01, B03 or C01 and regional or unspecified recipient code could be assigned Pillar I (the majority is already currently assigned Pillar I, and the identification of the "exceptions" falling under Pillar II is burdensome).
- **Option 2.** Compile a list of the typical contributions that should fall under Pillar II (e.g. contribution to CEPI COVID-19 related work).
- **Option 3.** Secretariat to further study the relationship between pillars and SDGs or other TOSSD fields. It could also investigate if an AI tool could be used to verify the pillar.

36. In addition, the creation of a modality dedicated to R&D as proposed in section V below would facilitate the identification of this type of activities and their processing.<sup>9</sup>

## IV. Technical issues

37. The Secretariat has introduced last year a 'checklist' for reporters to use before submitting the data<sup>10</sup> and this has considerably reduced the number of technical issues that needed to be solved. The checklist will be updated before launching the 2023 data collection on 2022 flows, e.g. to include a reference to the recent and new keywords (e.g. #NON-17.3.1 should be completed for Pillar I activities relating to non-grant financial instruments other than loans, debt relief and peace and security activities beyond ODA). Errors in Excel macro alerts have been flagged by at least one reporter and corrected by the Secretariat.

## V. Classifications

38. This section reports on a category introduced last year in the recipient classification (recipient code for Pillar II) and proposes the creation of a new modality for R&D. It also alerts the Task Force of difficulties encountered by SSC providers in applying some of the existing classifications. Note that, in addition and as part of continuous improvement efforts, reflections and proposals on new keywords (e.g., refugees and internally displaced persons situations, gender equality) are addressed in dedicated papers presented at the 20<sup>th</sup> Task Force meeting.

### Recipient code "999 – global"

39. The code "999 – global" has been created to apply to certain expenditures in Pillar II with global benefits (e.g., domestic funding for COVID-19 R&D or climate mitigation, global normative activities that benefit all countries) but which do not specifically target developing countries as beneficiaries. In 2021, the code 999 was used by 19 reporters for activities reported in Pillar II, representing USD 19 billion disbursements. However, some reporters still used code "998-developing countries" for global activities (e.g. R&D on global issues) and are invited to use the code "999 – global" instead. In principle, for those providers that report also to the CRS, the code "999" should be used for a large part of their additional TOSSD activities reported in pillar II.

<sup>9</sup> This modality already exists for SSC providers (K01).

<sup>10</sup> The checklist is part of the [Explanatory notes](#) for reporting.

40. Should members wish to, the Secretariat could propose revisions of 2021 data for activities that seemed global in nature but were reported with “developing countries” as beneficiaries.

### Modality for research and development (R&D)

41. At the 16<sup>th</sup> Task Force meeting the Secretariat made a proposal for creating a new modality for “research and development (R&D)”.<sup>11</sup> This would allow to better and more comprehensively track R&D funding for two reasons:

- First, the TOSSD taxonomies developed so far do not allow to identify the totality of potentially reportable R&D activities. Although the current sector classification includes a large spectrum of R&D fields,<sup>12</sup> several research areas that are reportable in TOSSD are not separately identified (e.g., research in transportation or in social sciences).
- In addition, the 2020-21 data collection showed that reporters can face a dilemma when attributing their R&D activities to specific sectors: should they indicate the corresponding R&D code (e.g., “medical research” or “energy research”) or rather the sector to which the research aims to contribute (e.g., “COVID-19 control” or “Solar energy”). A new modality on R&D could allow at the same time to inform the research character of the activity and indicate a very granular research sector (potentially any code included in the list of TOSSD sectors).

42. Moreover, there are already modalities capturing R&D for SSC providers (modalities K01, K011 and K012, see Annex I of the Reporting Instructions which provides guidance on reporting South-South co-operation) and expanding this classification to other providers would be sensible.

43. The previously proposed R&D modality read as follows:

**Research and Development R&D: R&D is defined as research and experimental development comprising creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge.<sup>13</sup>**

44. While members noted the usefulness of properly tracking R&D, they requested additional time for considering this option.<sup>14</sup> A member noted the overlaps between the proposed new modality and (i) the research-related sector codes as well as (ii) existing modalities, for example “C01 – projects”. From the Secretariat’s perspective, the duplication with sector codes would not be an issue since there would not be a loss, but rather a gain, of information (identification of R&D projects otherwise not possible). While the creation of the new R&D modality would indeed imply that project-type R&D is no longer tracked under the project modality, it is unclear whether this change in classification

---

<sup>11</sup> See <https://www.tosssd.org/docs/Item-2.%20Reporting-issues-emerging-from-the-2021-data-collection-on-2020-activities.pdf>.

<sup>12</sup> The R&D sectors currently covered in the sector classification include: educational research, medical research, research for prevention and control of NCDs, energy research, agricultural research, forestry research, fishery research, technological research and development, environmental research, research/scientific institutions.

<sup>13</sup> 7 The definition is taken from the Frascati Manual (available at <http://www.oecd.org/sti/frascati-manual-2015-9789264239012-en.htm>) and is already used in the TOSSD eligibility rules on R&D (See Annex E of the TOSSD Reporting Instructions)

<sup>14</sup> See the [summary](#) of the 17<sup>th</sup> Task Force meeting (item 2).

would be problematic for members. Other modalities, for example “D02-Other technical co-operation” also overlaps with “C01 – projects”.

45. **Members are invited to share their feedback on this issue and on whether they would support the creation of a new R&D modality.**

#### **Other adjustments possibly required to address the needs of SSC providers**

46. Several SSC providers have indicated that they face difficulties in filling the **channel code and channel name**. SSC providers very much work in a “network” mode where it is difficult to identify “the first implementing partner”. While several entities can be reported in the channel name field, the channel code currently needs to be unique. **Could this be further discussed at the Task Force?**
47. It is hard for some SSC providers to identify the **provider agency**. In some cases (e.g., Mexico, Chile, Costa Rica) the International Co-operation Agency is the one that funds the activity (flight tickets, logistics), but the line ministry/entity is the technical lead institution. These countries have indicated that this generates a visibility issue either for the reporting entity or for the technical lead entity. **What would be the Task Force views on this issue?**
48. According to Annex I of the Reporting Instructions (“Guidance on reporting South-South co-operation”), all SSC activities reported as training (modality D021) must be reported with the financial instrument code 2100 (direct provider spending). However, some SSC providers support training activities through private universities, which cannot be recorded with the 2100 code. **It is proposed to remove the reference to the code 2100 for modality D021 in Annex I. Guidance on reporting South-South co-operation of the Reporting Instructions.**

#### **Issues for discussion**

##### **SDG reporting**

- Are Task Force members ready to share their Environmental and Social Safeguards or other sustainability standards or processes applied and publish it as part of TOSSD metadata?

##### **Delineation Pillar I / Pillar II**

- Can Task Force members share their experience with reporting on the pillar for activities assigned a regional or unspecified recipient code? Is the pillar recorded in their internal reporting systems? Do they review these activities case by case or do they apply rules? Which ones?
- To which pillar do Task Force members assign their R&D activities that involve co-operation with TOSSD recipient countries?
- What option(s) for improvements do Task Force members favour (see paragraph 35)?
  - Option 1. Treat more modalities by default.
  - Option 2. Compile a list of the typical contributions that should fall under Pillar II.
  - Option 3. Secretariat to further study relationships between pillars and other TOSSD fields.
- Would Task Force members support the development of additional guidance in this area, to improve comparability and consistency of reporting on the pillar?

##### **Classifications**

- Do Task Force members wish the Secretariat to propose revisions of 2021 Pillar II data for activities that seem global in nature and should be assigned recipient code 999 instead of 998?
- Do Task Force members support the creation of a new R&D modality (paragraph 42)?
- What are the views of the Task Force members on the adjustments required to address the needs of SSC providers (paragraphs 46-48)?

## Annex 1. Reporting Instructions for assigning Pillar I or Pillar II

### Main body of the Reporting Instructions

*Paragraph 19.* TOSSD is a two-pillar framework (see Figure 1) that tracks officially-supported i) cross-border resource flows to developing countries and ii) global and regional expenditures, in support of development enablers, International Public Goods and to address global challenges.

*Paragraph 39.* The cross-border resource flows pillar covers resources extended to TOSSD-eligible recipient countries in support of sustainable development by bilateral and multilateral providers [...].

*Paragraph 64.* [...] The **Pillar II** of TOSSD covers global and regional expenditures provided in support of IPGs and development enablers and/or to address global challenges (as defined in section 1.1). It includes activities whose benefits are of transnational reach.

*Paragraph 65.* **Pillar II** includes resources provided at two levels:

- Activities of multilateral, global or regional, institutions that promote international cooperation for sustainable development (e.g. norm-setting, international oversight, knowledge generation and dissemination).
- Certain expenditures incurred by providers in their own countries or in non TOSSD-eligible countries (e.g. research and support to refugees).

*Paragraph 67.* Cross-border flows to recipient countries can also support IPGs or development enablers or address global challenges. However, given that a key objective of TOSSD is to enhance transparency of external finance for sustainable development provided to recipient countries, such activities will be categorised in **Pillar I**.

*Paragraph 68.* When the provider first commits funds to a regional programme, and decides on their allocation by country only at a later stage, both the original regional commitment and the subsequent disbursements by country should be reported in **Pillar I**. Multi-country activities, i.e. activities that result in cross-border flows to several countries belonging to the same region, are also reported in **Pillar I** using regional recipient codes.

### Guidance included in Annex E

#### *Research and Development*

Officially-supported cross-border flows for R&D activities in TOSSD-eligible countries are included in **Pillar I**. R&D activities carried out in the provider country, in a non-TOSSD-eligible country or at the level of a multilateral institution are eligible for reporting under TOSSD **Pillar II** provided that [...].

#### *Climate change*

Cross-border resource flows related to mitigation and adaptation activities in TOSSD-eligible countries are reportable in **Pillar I**.

Climate actions that convey transnational benefits (at global or regional levels) are included in **Pillar II**.

#### *Peace and security*

Expenditures related to peacekeeping operations should be recorded in **Pillar II**, to reflect that the operations, even if located in specific countries, seek to address a threat to “international” peace and security, and hence a global challenge.

Activities of international tribunals and related organs are eligible to TOSSD. These activities should be reported in **Pillar II**, even when related to a tribunal/organ prosecuting crimes perpetrated in specific countries.

### *Refugees and protected persons*

Expenditures for the temporary sustenance of refugees or protected persons in the provider country and for promoting their integration in the provider country's economy (including migrants) are classified in **Pillar II** of TOSSD.

Support to refugees or protected persons in other host countries, or support to refugees and protected persons returning voluntarily to their countries of origin, nationality or last habitual residence are classified in TOSSD **Pillar I**.

#### **Summary by modality**

E01-Scholarships/training in donor country. Reportable under **Pillar I**.

E02-Imputed student costs. Reportable under **Pillar II**.

F0x-Debt relief. Reportable under **Pillar I**.

G01-Administrative costs. Reportable under **Pillar II**.

H00-Expenditures in the provider country. Reportable under **Pillar II**.

I01-Support to refugees/protected persons in the provider country (up to 12 months of their stay). Reportable under **Pillar II**.

I02-Support to refugees/protected persons in the provider country (beyond the 12-month period). Reportable under **Pillar II**.

I03-Support to refugees/protected persons - in other countries of asylum. Reportable under **Pillar I**.

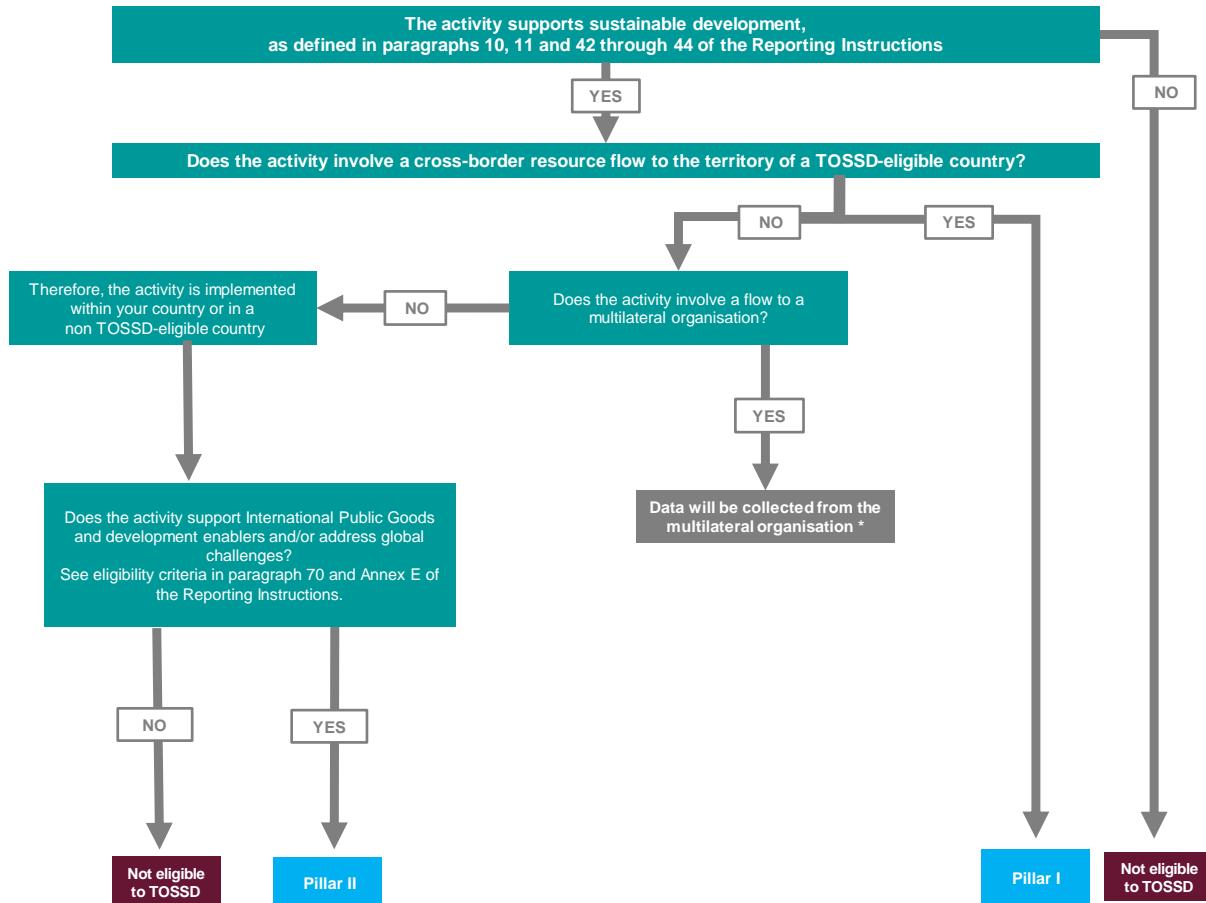
I04-Support to refugees/protected persons - voluntary returns. Reportable under **Pillar I**.

I05-Support to refugees/protected persons/migrants for their integration in the economy of provider countries. Reportable under **Pillar II**.

## Annex 2. Guidance for reporting on TOSSD Pillar II

TOSSD Pillar II captures resources to support International Public Goods that are necessary for the achievements of the SDGs (e.g. climate mitigation). It includes resources deployed at the international (global or regional) or domestic level and whose benefits are of transnational reach.

The decision tree below describes the general approach for reporting on TOSSD, including Pillar II:



\* In the TOSSD system, it is planned that multilateral providers will report on all activities they implement. However, these data are to be included in the responses from bilateral providers to identify the relevant multilateral organisations to approach about TOSSD reporting.

Eligibility criteria are explained in the Reporting Instructions and additional guidance on the eligibility of specific themes has been included in Annex E:

- Research & Development
- Peace & Security
- Climate change
- Support to refugees/protected persons/migrants



### Annex 3. Examples of activities falling under Pillar I or Pillar II for modalities B01, B03 and C01

	Examples falling under Pillar I	Examples falling under Pillar II
B01	<ul style="list-style-type: none"> <li>International Committee of the Red Cross</li> <li>International Federation of Red Cross and Red Crescent Societies</li> <li>International Planned Parenthood</li> <li>Frontline Defenders</li> <li>Oxfam</li> </ul>	<ul style="list-style-type: none"> <li>European Centre for Development Policy Management</li> <li>ODI (global think tank: through research, convening and influencing, it generates ideas that matter for people and planet)</li> </ul>
B03	<ul style="list-style-type: none"> <li>IFC Renewable energy in Africa</li> <li>Gavi COVAX AMC</li> <li>World Bank Global Partnership for Education</li> <li>FAO special emergency fund, UN Trust Fund to End Violence against Women</li> <li>IFRC - Disaster Relief Emergency Fund</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary contribution to the OECD Development Assistance Committee or Development Centre or Multilateral Organisation Performance Assessment Network (MOPAN)</li> <li>CEPI for its COVID-19 related work</li> <li>Arms Trade Treaty Trust Fund</li> <li>Comprehensive Nuclear Test Ban Treaty Organisation</li> </ul>
C01	<ul style="list-style-type: none"> <li>Securing the abolition of the death penalty in Africa and in countries at risk, capitalizing on the experience of four target countries (Niger, Uganda, Philippines and Taiwan).</li> <li>Supporting Human Rights, Democracy and the Rules based International System in multiple regions.</li> <li>Partnership for Inclusive Agricultural Transformation in Africa.</li> <li>Building capacity of multiple countries to put in place climate change adaptation measures.</li> <li>Regional (Paraguay, Argentina, Brazil): overcome the regional challenge of preserving the quality of water resources in the Paraná River and Guarani Aquifer System, and improve the quality of life of the population in the districts of Ciudad del Este and Presidente Franco. Specific objectives: (i) expand water and sanitary sewer services coverage and improve their quality in those districts, taking into account the impacts of climate change and appropriate management of transboundary water resources; and (ii) improve service-delivery management efficiency by reducing losses and implementing energy efficiency programs and a new service delivery model.</li> <li>Regional (Caribbean): The objective of this technical cooperation is to support public institutions to pilot a Technology Extension Services (TES) delivery system in the Caribbean that will support increase in productivity and innovation in the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement of high-resolution satellite images for Norway's International Climate and Forest Initiative.</li> <li>Programme to accelerate research and development for disease outbreaks (such as COVID19, Ebola etc) with the goal of preventing and tackling epidemics and saving lives in low and middle income countries. The programme will support the development of new vaccines, diagnostics and treatments for epidemic diseases and provide better evidence about outbreak diseases, to inform more effective preparedness and response activities.</li> <li>Support for the Epidemiological Surveillance and Alert Management Network.</li> <li>Regional (LATAM): The technical cooperation will support the implementation of Coordinated Border Management initiatives in LAC countries, as well as the design, execution, evaluation and regional coordination of the IDB's operations in LAC countries related to trade</li> <li>Regional (LATAM): IADB report on "What is the impact automation has on employment in LAC?"</li> </ul>