



## Roadmap for the delineation of Pillar II in TOSSD

### International Forum on TOSSD (IFT)

#### Issues Paper<sup>1</sup>

#### Meeting of the interim Governing Body of the IFT

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#### Agenda item 6.b

### 1. Introduction

1. At its March 2023 meeting, the TOSSD Task Force discussed eligibility rules for pillar II. The discussion was triggered by the difficulties faced by some members in applying the pillar II definition (“global and regional expenditures, in support of development enablers, International Public Goods and to address global challenges”) and their different interpretations of the criterion of “substantial benefits to developing countries”, which had, in turn, led to issues of comparability.
2. At that meeting, the Secretariat presented three options for clarifying the scope of reporting on pillar II<sup>2</sup>: A) Splitting pillar II into two sub-pillars. B) Focusing pillar II on activities that convey “direct” or “exclusive” benefits to TOSSD recipient countries. C) Redefining the scope of pillar II as support for International Public Goods with no reference to substantial benefits to recipient countries. The meeting concluded that maintaining the “status quo” was not possible and that option A was preferred.<sup>3</sup>
3. This paper presents an initial analysis and a roadmap for methodological work to split pillar II into two sub-pillars. It also proposes refining the TOSSD definition to acknowledge the fact that not all activities captured in pillar II promote sustainable development “in developing countries” (terminology more closely related to TOSSD pillar I) and softening the term “substantial benefits to developing countries” to facilitate a common understanding of the scope of TOSSD in certain areas (e.g., contributions to basic research, climate change mitigation in provider countries).

### 2. Initial proposal on refinements to TOSSD Pillar II

#### A. Clarifying the TOSSD Reporting Instructions

4. The Secretariat proposes two clarifications to the TOSSD Reporting Instructions. These clarifications seek to acknowledge that, within TOSSD pillar II, there are certain activities that contribute to the

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<sup>2</sup> See [https://tossd.org/docs/Item\\_6\\_Biodiversity\\_in\\_TOSSD.pdf](https://tossd.org/docs/Item_6_Biodiversity_in_TOSSD.pdf)

<sup>3</sup> See [https://www.tossd.org/docs/20th\\_Task\\_Force\\_meeting\\_action\\_points.pdf](https://www.tossd.org/docs/20th_Task_Force_meeting_action_points.pdf) (item 6).

advancement of sustainable regional and global development, aligning with the principles of the 2030 Agenda, but that may not always deliver "substantial" or direct benefits to developing countries.<sup>4</sup>

5. The first proposed clarification consists of adjusting the TOSSD definition (paragraph 8 of the Reporting Instructions) as follows (see underlining for new text, ~~strike through~~ for text to be removed):

"The Total Official Support for Sustainable Development (TOSSD) statistical measure includes all officially-supported resources to promote sustainable development in of developing countries. This includes i) cross-border flows to developing countries and ii) resources to support development enablers and/or address global challenges at regional or global levels."

6. The second proposed clarification consists of toning down the criterion of "substantial benefits to developing countries" by removing the term "substantial", as follows (see paragraph 72 of the Reporting Instructions in section 3.2 Specific eligibility criteria for Pillar II):

"In addition, for including an activity in TOSSD pillar II, it needs to:

- Provide ~~substantial~~ benefits to TOSSD recipients or their populations, and/or
- Be implemented in direct co-operation with TOSSD recipients, or private or public institutions from these countries, as a means of ensuring the benefit to TOSSD recipients or their populations".

Alternatively, the term substantial could be replaced by a softer term such as "indirect".

## B. Splitting pillar II into two sub-pillars: practical considerations

7. Pillar II could be split into two sub-pillars – II.A and II.B – relatively easily. The split could also be justified from a statistical point of view as it would avoid creating a break in the series, as activities in areas classified in future reporting in pillar II.B would still be reflected in pillar II for past data. If members agree and can do so, historical data could be even reclassified into the two sub-pillars to build more consistent time series. Moreover, in cases where it is difficult to assess whether an activity contributes to one or the other sub-pillar, the TOSSD database could still allow recording it in pillar II. The Forum could then discuss, annually amongst other "reporting issues", the appropriate classification of such activities and the sub-pillars could be assigned *a posteriori*.
8. Splitting pillar II into sub-pillars II.A and II.B would not change the current scope of pillar II and thus avoid creating confusion about the eligibility of activities previously reported in pillar II. Moving some activities previously reported in pillar II into a separate new pillar III could make data users think that

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<sup>4</sup> For example, the action points of the June 2019 TOSSD Task Force meeting (where the inclusion of climate change mitigation in provider countries was decided upon) refer to the protection and/or enhancement of greenhouse gas (GHG) sinks and reservoirs "which has global impact". They further state that activities limiting anthropogenic emission of GHGs are eligible "as such activities convey global benefits, but also pursue other objectives such as energy generation, transport or the protection of the local environment." See <https://www.tossd.org/docs/8th-Action-Points-WEB.pdf>, item 3.



such resources either did not promote sustainable development of developing countries or that the scope of TOSSD is being enlarged, which is not the case.

9. On the distinction between the two sub-pillars, the Secretariat proposes pillar II.A to gather regional or global expenditures for activities that address issues specific to developing countries or their populations (e.g., R&D on tropical agriculture, support to refugees, integration of refugees and migrants in provider countries, imputed costs of developing country students studying in provider countries). The Secretariat further proposes pillar II.B to cover issues of more global nature with no particular focus on developing countries (e.g., climate change mitigation, basic research, R&D related to global challenges).
10. Concerning core contributions to international organisations<sup>5</sup>, it is proposed to classify them in sub-pillar II.B by default. The rationale for this proposal is three-fold. Firstly, the contribution itself does not directly benefit developing countries, as is the case with other expenditures in sub-pillar II.B. Secondly, the classification of these contributions according to the organisations' focus on developing countries (e.g., mandate, geographical focus) would prove to be exceptionally labour-intensive and the Secretariat currently lacks the capacity to undertake such assessments. Lastly, detailed information on the organisations' activities is collected from the organisations themselves, ensuring more accurate information on the relation of these contributions to the 2030 Agenda. Moreover, the Secretariat recommends classifying by default peacekeeping operations in one of the sub-pillars, to maintain consistency and reduce the reporting burden. Given that peacekeeping operations predominantly address regional rather than global issues, with conflict-affected areas primarily being located in developing countries, the Secretariat proposes classifying them in sub-pillar II.A.
11. Annex I presents examples of how various topics and activities not involving cross-border flows could be potentially assigned to sub-pillars II.A and II.B based on the reporting under pillar II collected over the last four years.

### Issues for discussion

Members are invited to comment on the Secretariat's analysis and respond to the following questions:

- Do you agree with the proposed clarification of the TOSSD definition (sustainable development OF developing countries)?
- Which wording would you prefer for section 3.2 Specific eligibility criteria for pillar II (remove "substantial", replace "substantial" with "indirect" or another softer term)?

<sup>5</sup> As indicated in the [TOSSD Reporting Instructions](#) (footnote 16): "Provider countries will be requested to report their inflows to multilateral organisations not included in the list, in order to provide the most extensive picture possible of the development finance landscape". Moreover, at its 17<sup>th</sup> meeting in July 2022, the Task Force agreed to use core and earmarked contributions to multilateral institutions to build the TOSSD provider perspective, on a voluntary basis. See [https://www.tossd.org/docs/Action\\_Points\\_17th\\_TOSSD\\_Task\\_Force\\_Meeting.pdf](https://www.tossd.org/docs/Action_Points_17th_TOSSD_Task_Force_Meeting.pdf) (item 7).



- **Do you agree with splitting pillar II into sub-pillars II.A and II.B?**
- **Do you agree with the proposed flexible approach in the implementation of the two sub-pillars, i.e. keeping the possibility of reporting activities in pillar II without indication of the sub-pillars and re-classifying them as II.A and II.B after deliberations at the end of the reporting cycle?**
- **Do you agree with classifying contributions to peacekeeping operations in pillar II.A and core contributions to international organisations in pillar II.B?**

### 3. Proposed roadmap for further work on the delineation of pillar II

12. It is expected that discussions on the delineation of pillar II will take more than one year. The Secretariat therefore proposes a phased discussion, in line with the action points of the 20<sup>th</sup> TOSSD Task Force meeting (held in March 2023).
13. The present paper attempts to cover the first phase. The Secretariat has proposed potential adjustments to the TOSSD definition to clarify the delineation of pillar II and presented a potential split of pillar II into two sub-pillars. The IFT interim Governing Body is invited to provide comments and feedback, and if possible, agree on these proposals.
14. In the second phase (between March and May 2024), the Secretariat proposes developing a draft definition of sub-pillars II.A and II.B to be included in the 2024 TOSSD Reporting Instructions. In the subsequent IFT meeting (tentatively scheduled for May 2024), members would discuss and decide upon potential adjustments to Annex E of the Reporting Instructions, so as to indicate whether activities already covered in that annex (related to climate change, research, peace and security, and support to refugees and migrants) should be assigned to pillar II.A or II.B. TOSSD reporters would be invited to take these adjustments into account, if possible, already in the 2024 data collection round on 2023 activities.
15. In the third phase (between June 2024 and April 2025), the aim would be to develop additional guidelines for reporting in pillar II, specifically focusing on support in the areas of a) biodiversity, b) global health, and c) global normative functions. These additional guidelines could then be included in the TOSSD Reporting Instructions for the 2025 data collection round on 2024 activities. If more time is needed, the Forum would continue discussions from April 2025 onwards to refine the TOSSD methodology in these areas.
16. As part of the roadmap discussion, it is important to take into account potential capacity constraints as refinements to pillar II could cause an additional burden for TOSSD reporters with limited capacities. The Secretariat also acknowledges its own constrained analytical capacities in the first years of operation of the IFT.

# TOSSD



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## Issues for discussion

Members are invited to comment on the analysis by the Secretariat and respond to the following questions:

- Do you agree with the proposed roadmap for discussions on Pillar II?
- Would you have any additional points to consider in the discussion on adjustments and refinements to pillar II?

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Annex I: Examples of activities reported in TOSSD (2019-22) and their potential classification in sub-pillars II.A and II. B

<p align="center"><b>Sub-pillar II.A</b> Specific issues of developing countries or their populations.</p>	<p align="center"><b>Sub-pillar II.B</b> Issues of global nature.</p>
<p><b>Refugee costs:</b></p> <ul style="list-style-type: none"> <li>- <u>Support to refugees/protected persons in the provider country (up to 12 months of their stay):</u> (Brazil) Humanitarian support for the reception and local integration of migrants in a state of vulnerability; International Legal Assistance provided to migrants and refugees in Brazil.</li> <li>- <u>Support to refugees/protected persons in the provider country (beyond the 12-month period):</u> (Switzerland) Costs of assistance provided by Swiss cantons to refugees from developing countries.</li> <li>- <u>Support to refugees/protected persons/migrants for their integration in the economy of provider countries:</u> (France) The HOPE program, "Housing, Orientation, Pathway to Employment," which offers refugees a comprehensive pathway combining housing, language training and vocational training, managed by the National Agency for Adult Vocational Training.</li> </ul> <p><b>R&amp;D in areas specific to developing countries:</b></p> <p>Research on diseases that disproportionately affect developing countries (e.g. neglected tropical diseases).</p> <p><b>Imputed (indirect) student costs</b> of tuition in provider countries to nationals of TOSSD recipients.</p> <p><b>Peacekeeping operations</b></p>	<p><b>Research:</b></p> <ul style="list-style-type: none"> <li>- <u>Energy research:</u> (France) Research on sustainable energy in various research centres, especially under the coordination of ANCRE (national alliance for coordination of research on energy).</li> <li>- <u>Environmental research:</u> (France) National alliance for environmental research; (Uruguay) research about protection of the Antarctic.</li> <li>- <u>Health research:</u> <ul style="list-style-type: none"> <li>• (Canada) ENHANCE: Enhancing Brain Plasticity for Sensorimotor Recovery in Spastic Hemiparesis.</li> <li>• COVID-19 related research.</li> <li>• Research on neglected, communicable and non-communicable diseases with global reach.</li> </ul> </li> </ul> <p><b>Climate Change mitigation:</b></p> <p><u>Energy conservation and demand-side efficiency:</u></p> <ul style="list-style-type: none"> <li>- (France and Italy) Subsidies for the purchase of clean and safe vehicles.</li> <li>- (European Union) 100% Renewable Energies for Energy Intensive Industries - The EU aims for carbon neutrality by 2050, highlighting the importance of Energy Intensive Industries (EII). The RE4Industry initiative seeks to provide a competitive long-term vision and strategy for EIIs in contributing to decarbonization goals.</li> </ul>

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**Administrative costs:** Implementation of international co-operation programmes (e.g., traditional providers, and some SSC providers such as Brazil, Indonesia, and Mexico).

**Health focusing on developing countries:**

- (GAVI) Vaccine Innovation Prioritisation strategy: focuses on access to vaccines in lower-income countries.

**Environmental protection activities in developing countries/ regions:**

**Contributions to multilateral organisations earmarked to address issues specific to developing countries or their populations.**

- (Qatar) Innovative MBSE Model of Systems for Management and Control Optimization of a Multi-plant District Cooling Grid.

- (France) Thermal renovation of buildings to make them more energy efficient.

Energy generation, renewable sources:

- (Austria) Funding of small off-grid solar solutions in Austria.
- (European Union) BIKE – Biofuels production at low – ILUC RISK for European sustainable bioeconomy. Support to EU members to implement a legislation on indirect land-use change (ILUC).
- (France) Support for energy generation with renewable sources in Metropolitan France.

**Environmental protection:**

- (Costa Rica) Budgetary expenditures on conservation areas and payment for environmental services in Costa Rica to keep global biodiversity.
- (European Union) Adapting new conservation tools to engage landowners in national and regional conservation efforts in EU member states.

**Health:**

- Pandemic preparedness. Control of communicable diseases.
- Research on rare/orphan diseases.

**Core contributions to multilateral organisations.**

**Earmarked contributions to multilateral organisations that are not specifically related to issues of developing countries or their populations.**