

**SECOND MEETING OF THE TOSSD TASK FORCE
SAN JOSE, COSTA RICA
6-7 DECEMBER 2017**

ACTION POINTS

This note presents the main conclusions and action points from the 2nd meeting of the TOSSD Task Force (the TF) as recorded by the co-Chairs and the Secretariat. In brief:

- There was full agreement on using the definition of sustainable development of the Brundtland report for TOSSD. At the next meeting of the Task Force, a final definition will be proposed with an additional sentence related to the Sustainable Development Goals and a clarification to the sentence on targets.
- At the next meeting, the Secretariat will propose a simpler, broader definition of the term “officially-supported”. Members were invited to continue expressing their views on the various options and forwarding them to the Secretariat prior to the next Task Force meeting.
- Task Force members expressed wide support for a list of TOSSD-eligible countries broader than the DAC list of ODA recipients. In the spirit of the 2030 agenda, countries beyond the DAC list should be allowed to opt-in to become TOSSD-eligible countries. A concrete proposal for the opt-in mechanism will be proposed at the next meeting.
- First proposals were made regarding a possible TOSSD governance architecture under the umbrella of the UN, which could include a “general assembly”-like Forum, a steering committee, and a technical body/advisory group with a Secretariat to maintain the statistical framework. With regards to reporting arrangements, the reporting could be decentralised (in regional hubs), with a central body to aggregate the data to ensure consistency. There was broad support for having the OECD backstop the technical body as its Secretariat.
- There was general agreement on the proposed scope of the TOSSD statistical framework. Some members welcomed suggestions to present TOSSD-eligible resources mobilised from the private sector separately to establish a clear delineation with official resources. Most members welcomed the idea of presenting TOSSD data with a number of other international development finance data indicators to get a more comprehensive picture of total resource flows to developing countries, noting however that these indicators should be developed in a later phase.
- In January, the TF will consider the structure and emerging contents of the TOSSD Reporting Instructions, where all information relating to reporting format and tools (including statistical classifications) will be presented.
- As regards various reporting issues, most members expressed preference for having TOSSD data presentations in USD, expanding the scope of TOSSD to cover short-term transactions if extended with a sustainable development purpose (this item will be decided formally in January) and for reporting TOSSD at the activity level. On statistical classifications, TF members agreed on using the OECD classification of financial instruments as a starting point while appending it with reference to specific Islamic finance instruments in relevant sub-categories. The TF also supported the proposal to develop a channel of delivery classification. Most TF members clearly expressed concerns about including officially supported export credits in the framework and it was proposed that this form of finance would not be included in the TOSSD Reporting Instructions.
- On methods to measure resource mobilisation, the TF requested greater clarity regarding how double-counting would be avoided in practice. The Secretariat will present at the January meeting a comparison between the different approaches used by the OECD and MDBs to

attribute private finance mobilised and will make a recommendation for moving forward on this point.

- Most TF members agreed with the proposed definition of multilateral agencies and that a concrete list of TOSSD-relevant multilateral institutions should be established, using the DAC list as a starting point, with the opportunity for others to opt-in. No minimum budget threshold should be established for the inclusion of these institutions in the list. Clarifications and clear reporting directives should be provided to identify when a project channelled through a multilateral organisation should be classified as a bilateral or multilateral transaction.
- With regard to TOSSD compliance with internationally agreed standards and disciplines, the Task Force agreed that TOSSD should comply with international statistical standards to ensure data quality. Moreover, a statement will be inserted in the preamble to the forthcoming TOSSD Reporting Instructions indicating that countries and institutions reporting TOSSD data will be expected to have complied, in the course of developing the projects and programmes they report data on, with all relevant international economic, social and environmental standards they have endorsed. It was further agreed that, at a later stage, a separate exercise could be carried out to better understand the compliance of countries and organisations with various international standards.
- The Task Force discussed concerns expressed by civil society organisations (CSOs) in the paper sent by them ahead of the meeting. On the risk that TOSSD might undermine ODA, further efforts are needed to differentiate the two measures. The TF clarified that the TOSSD measure will be presented in gross terms, considered of great utility to partner countries for development planning purposes since it would reveal the full scope and nature of external resources available for SDG investment purposes. The net measure can be calculated through the collection of reflows as part of the TOSSD reporting exercise. On CSO outreach options, the principle of having a consultation with CSOs was deemed important and options were proposed, including a dedicated consultation in the course of 2018. Other fora (e.g. FfD Forum, World Data Forum in October, etc.) were also considered as good opportunities to reach out to CSOs.
- On the issue of technical co-operation, there was general agreement that when international experts are contracted externally and internationally, the price of the contract in the international currency should be the one recorded in TOSSD. It was agreed that some wording will be proposed on the definition of external and international hiring, based on balance of payments principles. Some members highlighted the importance of having technical co-operation within the scope of the cross-border pillar in order to ensure broad international acceptance of TOSSD, especially from Southern providers. There was no agreement on how in-kind technical co-operation should be measured. Some members favoured the inclusion of qualitative indicators to capture the added value and impact of in-kind technical co-operation while others cautioned that capturing impact might be outside the scope of a statistical measure. The Secretariat will look at case studies to illustrate the challenges and difficulties (technical and political) that some emerging providers have experienced in measuring the cost of technical co-operation and capturing its value-added.
- The revised TOSSD Task Force Terms of Reference were adopted with two minor modifications.

1.	<p>Item 1. Welcome, introductory remarks and adoption of the agenda</p> <ul style="list-style-type: none"> • After welcoming remarks by the Costa Rican government and co-Chairs of the Task Force (TF), the agenda for the meeting was approved.
2.	<p>Item 2. Overview of previous Task Force discussions, interim analytical work and current meeting topics</p> <ul style="list-style-type: none"> • Co-Chairs, the Secretariat and TF members welcomed the new members that joined the Task Force including Nigeria, Tunisia and the IADB. • A presentation was made by the Secretariat to allow all Task Force members to be fully apprised with regard to previous discussions held in July during the 1st TF meeting.
3.	<p>Item 3. Stock-take and further considerations regarding the definition of TOSSD</p> <p>“Sustainable Development”</p> <ul style="list-style-type: none"> • There was full agreement on using the “sustainable development” definition set out in the Brundtland report as highlighted in the issues paper prepared for this item. • There was wide agreement that a framework for sustainable development will still be in place after 2030, so there was no specific concern about continuity in time series; nevertheless, this issue will need to be reconsidered and taken into account when the SDG framework concludes in 2030. • It was clarified that while SDG indicators may change in the coming years the SDG targets will not change since they were agreed by the UN General Assembly (UNGA). • There was support to have the SDG targets as a basis for an operational definition of TOSSD while also referring to the Goals themselves. • One TF member indicated that the phrase “if it directly contributes to a specific SDG target” could be reviewed: an activity could contribute to several SDGs, and accordingly there may be a need to slightly modify this text. • It was clarified that the term “...directly contributes to...” could be verified ex-post when projects are screened. • There will be a need to discuss how to deal with projects that may not be linked to an SDG target, but still clearly contribute to sustainable development. • The CSO position on this issue presented during the meeting was not retained as it focused on poverty reduction, which was considered as only one of the 17 Goals and could therefore suggest a reduction in the scope of the TOSSD framework. • At the next meeting of the Task Force, a final definition will be proposed by the Secretariat with an additional sentence related to the Goals and a clarification to the sentence on targets. <p>“Officially supported”</p> <ul style="list-style-type: none"> • Most TF members supported a broad approach to the definition of “officially-supported” resource flows, recognising that government control or influence goes beyond the notion of capital and that providers are best placed to know which companies they have control or significant influence over. • One TF member was reluctant to accept the definition and preferred the DAC CRS Reporting Directives definition (control of more than half of voting powers).

- One TF member felt that the TOSSD approach for measuring mobilisation should be consistent with the MDB approach for measuring mobilisation.
- In order to ensure the accuracy of measuring TOSSD flows, it would be important to first collect data based on the best option for defining “officially supported”, learn from these data and then modify or adjust the definition based on the evidence.
- At the next meeting, the Secretariat will propose a simpler, broader definition of the term “officially-supported”. Members were invited to continue expressing their views on the various options until the January meeting.

“Developing countries”

- TF members expressed wide support for establishing a list of TOSSD-eligible countries that is broader than the DAC list of ODA recipients. Since the TOSSD agenda is broader than the ODA agenda, it needs to include all countries that are ODA-eligible. In the spirit of the 2030 agenda, countries beyond the ODA list should have the opportunity to opt-in.
- The emerging consensus among Task Force members was therefore to go for a mix of the proposed options where the DAC list of ODA recipients would be the starting point for establishing a list of TOSSD-eligible countries, with the opportunity for countries wishing to do so to opt-in to the list. TF members requested that a concrete proposal for the opt-in mechanism be proposed for the next meeting. In any case, opt-in requests should be made by the recipient country, not the provider country.

Lunch : A first discussion on who will report, and how TOSSD reporting might be carried out

TF members discussed the issues paper in four groups in brainstorming mode, reporting back to the plenary.

The **TOSSD governance architecture** could include:

- A “general assembly”-like Forum to overview the work, within the UN architecture. An option would be a similar structure as the UN high-level political forum (UN HLPF), the Global Partnership for Sustainable Development Data or the Global Partnership for Effective Development Cooperation (GPEDC). Another potential UN body to host this Forum could be the UN Statistical Commission. In any case, the UN and developing countries should have a very strong role in the TOSSD institutional set up.
- A steering committee or governing body: its composition could be similar to the TOSSD Task Force with a limited number of members representing all stakeholder groups.
- A technical body/advisory group with a Secretariat: to maintain the statistical framework. Given the wide experience of the OECD in managing statistical standards, this technical body could operate in collaboration with the OECD Secretariat, who could manage operational aspects of the TOSSD statistical standard.

With regards to **reporting arrangements**:

- The data would be sourced from development co-operation providers, with developing countries complementing the dataset on a voluntary basis and in line with their capacities. Technical capacity building should be provided for developing countries willing to set up their own systems to report and analyse TOSSD data.
- The reporting could be decentralised (in regional hubs), with a specific centralised body compiling and aggregating the data from the different data collection hubs to ensure consistency.
 - Most participants suggested that the OECD would be best positioned to coordinate

	<p>TOSSD data collection and aggregate the data. It would be important that reporting criteria are clear, and that data are reviewed and analysed to ensure that they are in line with agreed principles.</p> <ul style="list-style-type: none"> ○ Potential regional data hubs could include: UN regional commissions, regional development banks, multilateral organisations (for Africa, the Economic Affairs Department of the African Union was also proposed as an option). A combination of these various institutions could also be envisaged.
4.	<p>Item 4. How will TOSSD reporting be done in practice?</p> <p>TOSSD scope:</p> <ul style="list-style-type: none"> • Scope of TOSSD pillar 1: there was a general agreement on the scope of the proposed TOSSD framework (A+B+C in Figure 1 of the issues paper for this item). Some members welcomed the suggestions to present the resources mobilised from the private sector separately to establish a clear demarcation from official resources. • Satellite indicators: most members welcomed the idea of presenting TOSSD with a number of other indicators to get a more comprehensive picture of total resource flows to developing countries. However, it was suggested that these indicators are complementary and should be developed in a later phase. <p>Reporting method and format:</p> <ul style="list-style-type: none"> • Currency: most members expressed their preference for having the statistical presentation of TOSSD data in USD, while reporting would be done in the currency of the transaction. • Maturity: some TF members would like to expand the scope to include some specific short-term transactions if they have been extended with a sustainable development purpose. It was agreed that some eligibility criteria for short-term activities will be developed in the TOSSD Reporting Instructions for the January meeting. • Reporting format and codes: the TF generally agreed that reporting on TOSSD activities should be done at the activity level, using a proven reporting format such as the one used by OECD-DAC. TF Members also suggested looking at the ISO codes for countries, at the feasibility of implementing a unique TOSSD identifier number for large projects involving several providers (e.g. project finance) and at machine-readable data formats. <p>Taxonomy, financial intermediation and export credits</p> <ul style="list-style-type: none"> • Taxonomy & financial intermediation: TF members generally agreed that the OECD classification of financial instruments was a good starting point. They also welcomed clarifications regarding how Islamic finance was currently captured, and supported the Secretariat’s proposal to make reference to specific Islamic financial instruments in each sub-category (e.g. debt instruments, equity). They also supported the proposal to develop a classification of channels of delivery, in particular to capture financial intermediation entities. It was agreed that the taxonomy will be included in the forthcoming TOSSD Reporting Instructions text. A proposal for a classification of channels of delivery– at least the structure – will be developed for January. • Export credits: Most of the TF members clearly expressed concerns about including officially supported export credits in the framework, especially given the sensitivities around associating export credits with development finance expressed by the OECD Export Credit Community. It was proposed that this form of finance would not be included in TOSSD reporting.

	<p>Methods to measure resource mobilisation</p> <ul style="list-style-type: none"> • The TF requested greater clarity on how double-counting could be avoided in practice. Some TF members suggested looking at OECD-DAC methods and exploring ways to reconcile the different approaches used by different institutions (MDBs, OECD). The Secretariat explained that this also implies looking at attribution methods, which are necessary to avoid double-counting but which may or may not be reflected in data presentations. • One member also suggested looking at how the measurement of mobilisation complies with balance of payments principles. The Secretariat will present at the January meeting, using concrete examples, a comparison between the different approaches used by the OECD and MDBs to attribute private finance mobilised and will make recommendation to move forward. It will also refer to balance of payments principles. • At the January meeting, the TF will discuss the structure and outline the contents of the TOSSD Reporting Instructions where all issues relating to reporting format and tools (including classifications) will be presented. • The TF will need to also discuss criteria for including some short-term operations in the TOSSD framework and assess different attribution methods for measuring mobilisation in order to decide on the most appropriate approach for TOSSD purposes.
5.	<p>Item 5. The statistical treatment of multilateral flows in TOSSD</p> <ul style="list-style-type: none"> • Most TF members agreed with the proposed definition of multilateral agencies for the purposes of TOSSD. It was also agreed that for practical reporting purposes, a list of TOSSD-reporting multilateral institutions was needed, and that it should be updated regularly. • Most TF members agreed that no minimum budget threshold should be set for including multilateral institutions on the list. Some members proposed that a voluntary system be put in place, but compliance with the agreed TOSSD definition would still be necessary. Moreover, it was agreed that the “list of ODA eligible international organisations” could be a starting point but that it would need to be complemented with relevant organisations, including regional ones. • In relation to the distinction between bilateral and multilateral interventions, TF members asked for clarifications and clear directives on when a project channelled through a multilateral organisation should be considered as bilateral, and when it should be considered as multilateral. • The issue of attribution of multilateral flows to providers was discussed, since it might be important for some DAC providers. It was noted that this aspect could be taken up by the DAC Working Party on Development Finance Statistics (WP-STAT). • It was agreed that the Secretariat would propose some wording for clarifying the distinction between bilateral and multilateral flows when interventions are channelled through multilateral institutions. Moreover, a consultation would be conducted among key multilateral agencies to test the feasibility of the proposed treatment of multilateral flows in the context of TOSSD.
6.	<p>Item 6. Possible approaches for associating international standards and disciplines with the TOSSD statistical system</p> <ul style="list-style-type: none"> • While members appreciated the paper on international standards and disciplines, most of them also acknowledged the multitude of international standards that exist and challenges for the TOSSD statistical system to verify compliance with those standards. Also, it would not be possible to agree on a unique set of standards since different countries have signed up to different standards. Moreover, the purpose of TOSSD is to identify and report on resource flows for sustainable development and only over time would be possible for the international community to understand what works and what does not work in implementing sustainable

	<p>development activities. Focusing on standards at this stage risks losing sight of the real purpose of TOSSD.</p> <ul style="list-style-type: none"> • Some TF members thought the “do not harm” approach of some international standards would not be enough and that it was important to ensure maximising impact, alignment with principles and good quality of investments for achieving the SDGs. • Some TF members highlighted that while TOSSD could not verify compliance with standards (and expressed their own challenges to report on such standards with current information systems), there are some principles and paradigms that are important for a statistical framework. Examples of statistical standards are the UN fundamental principles for statistics, issues on data exchange and open data standards. There was broad agreement that TOSSD as a statistical framework should comply with internationally agreed statistical standards. • It was further highlighted that other stakeholders such as CSOs could verify whether TOSSD-eligible activities comply with international standards by looking at TOSSD activity-level reporting. Accordingly, TOSSD could help the international development community to strengthen accountability and transparency with regard to these agreements. • It was agreed that in order to be responsive to CSO concerns, a statement or aspirational paragraph could be added to the TOSSD Reporting Instructions to express that it is expected that the countries and institutions reporting on TOSSD will comply with the standards they have signed up to. • It was further agreed that, at a later stage, once data are compiled with new organisations bringing in new standards and ways of working, a separate exercise could be carried out to better understand the compliance of countries and institutional activities with international standards.
7.	<p>Item 7. Brainstorming session on how to accommodate civil society and other constituencies’ concerns in the TOSSD framework</p> <ul style="list-style-type: none"> • A paper from CSOs received ahead of the meeting was shared with TF members in hard copy and placed on the TF web page. All issues highlighted in the paper were discussed during the 2nd Task Force meeting, in two ways: i) for CSO concerns that were directly linked to one of the sessions of the agenda, these issues and the relevant CSO positions were presented to TF members and discussed; ii) for issues that were not directly linked to an item of the agenda, they were discussed under this item 7 as part of the work in subgroups. Questions on the “project identifier” initially planned for discussion in the TF meeting were postponed for consideration by the TF at future meeting. • TF conclusions regarding the main areas of concerns from CSOs dealt within this agenda item were: <ul style="list-style-type: none"> ○ On the risk that TOSSD might undermine ODA, further efforts are needed to differentiate the two measures and to continue building the case for TOSSD. TF members stressed the important contribution of TOSSD in providing additional transparency regarding officially supported resource flows. On the issue of having TOSSD as a gross or net measure, it was clarified that the information in gross terms – by providing information on the scope and nature of the totality of incoming SDG-relevant resources – will be most helpful for recipient country planning purposes, and that the net measure can be calculated by collecting data on reflows. ○ On CSO outreach options, the principle of having a consultation with CSOs was deemed important and options were proposed, including a dedicated consultation in the course of 2018. Options for a host for such a consultation were explored during the meeting. Other fora (e.g. FfD Forum, World Data Forum in October, etc.) were considered good

	<p>opportunities to reach out to CSOs. Some TF members were of the view that internet consultations have value as they are cost-effective. Others felt that dedicated event consultations were more effective.</p> <ul style="list-style-type: none"> ○ TF members insisted that CSOs need to feel they have been heard on the subject. Some TF members indicated an intention to talk to their national CSOs about the conclusions of the TF when they returned home to their countries.
	<p>Lunch: An informal discussion about how to strategically engage with the UN Statistical Commission (UNSC) between December 2017 and March 2018 and on the possible format of discussions with UNSC members during the UNSC’s next session (6-9 March 2018) .</p> <p>The TF members discussed the topic in four groups in brainstorming mode, reporting back to the plenary.</p> <ul style="list-style-type: none"> ● For the March 2018 meeting: <ul style="list-style-type: none"> ○ A letter could be sent to the UNSC to request a slot for a statement and a side-event at the March 2018 UNSC meeting and for TOSSD to be placed on the agenda of the UNSC of the 2019 meeting. ○ The side event could include a presentation by a TF member and a panel with chief statisticians and representatives from different stakeholder groups (providers, developing countries, MDBs, UN, CSOs). The side-event would ideally take place on the 2nd day of the UNSC around noon and it would be good to offer lunch. Several groups should be invited to be part of the audience including the Inter Agency Expert Group on the SDGs (IAEG-SDGs), CSOs, private sector and member states. ○ In addition, TOSSD could be further promoted through the Committee for Coordination of Statistical Activities (CCSA)¹. The committee is asked to provide regular reports on its activities at the UNSC. The next meeting of the CCSA takes place the day before the UNSC meeting in March and could provide an opportunity for the Committee to develop a recommendation on TOSSD for presentation at the UNSC. The recommendation could invite the UN, in conjunction with the OECD and the Task Force, to pursue further work to develop the TOSSD measure. ● For the March 2019 meeting: <ul style="list-style-type: none"> ○ The TOSSD Task Force will aim to obtain a dedicated item on the agenda of the UNSC meeting in 2019. The TF could alternatively engage with the Inter-Agency Expert Group on the SDGs (IAEG-SDGs) to have this Group present the final Reporting Instructions to the UNSC. ● Having an agreement at the 2019 UNSC meeting would allow proposing TOSSD for endorsement by ECOSOC in 2019.
8.	<p>Item 8. Options for measuring technical co-operation</p> <ul style="list-style-type: none"> ● There was general agreement that when international experts are contracted externally and internationally, the price of the contract in the international currency be recorded in the TOSSD statistical system. It was agreed that some wording will be proposed on the definition of external and international hiring, inspired by balance of payment’s principles. ● A few members questioned whether in-kind technical co-operation should be part of the cross-border flows pillar since it is not a financial flow. Others argued that as a resource flow it falls within the scope of the cross-border flow pillar. Moreover, some members highlighted that having TC within the scope of the cross-border pillar would be essential in order to ensure

¹ https://unstats.un.org/unsd/acsub-public/workpartner_ccsa.htm

	<p>broad agreement on TOSSD, especially from Southern providers.</p> <ul style="list-style-type: none"> • There was no agreement on how in-kind technical co-operation should be measured. Some members argued for option 1 [use of purchasing power parity (PPP) factors], expressed concerns about the proposed UN professional salary table as an example of option 2 [an existing international wages table] as this could risk to inflate TOSSD figures. Two TF members commented that option 2 would depart too much from the principle of measuring flows. Other members preferred option 2 as it records the same value for a similar resource in TOSSD, regardless of the country of residence of the expert providing technical co-operation. • The Secretariat highlighted that measuring TC is critical to get emerging providers on board, since they have important TC programmes. It would be important to be innovative and capture not only the cost, but also the some qualitative aspects reflecting the value of TC in the TOSSD framework. • With regard to gathering qualitative information, some members favoured the inclusion of indicators to capture the added value and impact of in-kind technical co-operation, while others cautioned that capturing impact might be outside the scope of a statistical measure such as TOSSD. • It was agreed that the Secretariat would look at case studies to illustrate the challenges (technical and political) for some emerging providers to measure the cost of technical co-operation and capturing its value added. The objective would be for TOSSD Task Force members to better understand and accommodate the needs of South-South providers.
9.	<p>Item 9. Revised TOSSD Task Force Terms of Reference</p> <p>The revised Terms of Reference were adopted with two minor modifications:</p> <ul style="list-style-type: none"> • Task Force composition: the following sentence was added: “As the work of the Task Force evolves, the Membership of the Task Force may also evolve”. • Working methods: point 20 was edited as follows: “Considering the progress made by the Task Force, UN members will provide guidance to the TOSSD Task Force when the TOSSD framework and emerging reporting methods are presented to the UN Statistical Commission, if possible, in the margins of its March 2018 session.”
10.	<p>Item 10. Conclusions and next steps</p> <ul style="list-style-type: none"> • The co-Chairs and the Secretariat thanked the government of Costa Rica for hosting the meeting and provided their views on the main conclusions of the meeting, which are reflected in the present action points. They also outlined the agenda of the 3rd Task Force meeting, to be held in Ottawa on 24-25 January 2018.