EIGTHEENTH MEETING OF THE TOSSD TASK FORCE
VIRTUAL MEETING - 20, 25 AND 27 OCTOBER 2022
AND SPECIAL FOLLOW-UP SESSIONS ON TOSSD FINANCING (10 AND 21 NOVEMBER)

MAIN CONCLUSIONS AND ACTION POINTS

This note presents the main conclusions and action points from the 18th meeting of the TOSSD Task Force (the TF) as recorded by the co-Chairs and the Secretariat. In brief:

- **Item 1. Peer learning – best practices and lessons learned on TOSSD reporting:** The Secretariat will produce a one-pager and/or a short article on the lessons learnt, best practices and challenges identified by TOSSD reporters. The Secretariat will also organise regular peer-learning sessions on specific topics and types of providers in TOSSD.

- **Item 2. Governance of the TOSSD framework:** There was overall support for the wording of the sections 3. Participation: Members, observers, reporters and independent experts and 4a. Bodies of the International Forum. The Task Force widely supported the establishment of a two-thirds majority for decision-making in case an issue cannot be resolved by consensus.

  The co-Chair from the EU concluded that the Task Force agreed the Forum should have a Statistical Working Group, as well as other Working Groups that can be created on an ad-hoc basis for up to three years and renewable. The co-Chairs of the Working Groups will be appointed by the Steering Group and the decision-making will aim for consensus.

  The Task Force agreed to establish a model for the Steering Group whereby members that contribute financially are de facto members of the Steering Group, with the rest of Steering Group members being elected by the Plenary. This model would be valid for the first three-year period of the Forum and the extension of this transition period should be subject to further discussion. When the transition period ends, the ambition is that all Steering Group members – and beyond - contribute.

- **Item 3. Pilot Studies and Reports:** The Secretariat will continue moving forward with the pilot study on institutional investors, with the goal of producing a draft report by the end of the year. Building on the pilot study, the Secretariat will propose guidance for reporting on public institutional investments in TOSSD. The co-Chair from the EU encouraged members to already include investments from these actors in their TOSSD reporting.

- **Item 4. Data Validation Mechanism:** Most members and observers supported the establishment of a data review mechanism as a tool to enhance ownership of TOSSD data by recipient countries. The Secretariat will a) suggest first concrete text for the Reporting Instructions, based on the discussion at the 18th meeting; b) start developing a guidance note to describe in more detail how the mechanism would function; c) look into the possibility of including specific provisions about the treatment of activities that would not be agreed upon between providers and recipients; d) look at the feasibility of including pillar II activities in the review; e) start compiling a network of relevant focal points in developing countries; f) organise in 2023 an online consultation workshop on the data review mechanism; and g) subject to the availability of funds, test the mechanism (principles and process) with a few recipient countries.

- **Item 5. Update on financing of the TOSSD framework:** the Task Force agreed on the following yearly funding cost-sharing model for the period 2024-26: For major traditional providers: EUR 200K; for major dual providers/recipients: EUR 75K; and for multilateral institutions: EUR 50K. The Secretariat will investigate what the exact requirements are from the OECD (a three-year commitment and signed agreements, or an MoU where signatories commit to covering the gap if the Forum has a deficit). The co-Chair from the EU urged all members to get confirmations on contributions before January 2023 or February 2023 at the very latest and to engage with other countries and organisations to get more funding for TOSSD. He also asked the Secretariat to prepare a draft MoU and a new and reduced version of the budget considering the current situation and suggestions by members.

	Introduction and welcome
	The meeting was co-Chaired by Mr. Laurent Sarazin, EU, and Mr. Ashwell Jenneker, Deputy Director General of Statistics South Africa, acting for Mr Maluleke who was not able to attend the full meeting. The co-Chairs welcomed participants in this virtual meeting.
Item 1.	**Peer learning – best practices and lessons learnt on TOSSD reporting** Task Force members and observers shared their **experience in TOSSD reporting**. Key messages emerging from the discussions included: - **Build on what already exists:** Several members highlighted the benefits of building on existing reports and processes to compile data on TOSSD (e.g., CRS, internal reports, green budgets). Members could for example screen existing national budgets, annual performance plans and reports to identify pillar II-eligible activities. It is also critical to try to make the various political and technical agendas converge, as this helps to create synergies, harmonise reporting and avoid duplication of efforts. In response to a question on the linkages between TOSSD and the CRS, the Secretariat indicated that any corrections made in the CRS data are also implemented in TOSSD. - **Use available technologies and automatise processes:** One member shared that it is using data science techniques to facilitate the screening of its TOSSD data. The same member is also exploring data on its health assistance to non-residents with a view to clarifying and possibly expanding the scope of its TOSSD reporting. Another member is working on the automatisation of systems to collect data from reporting entities (e.g., on humanitarian activities), recognising that this is a long-term process. The Secretariat noted that it is working on a tool that uses machine learning to read descriptions and suggest possible corresponding SDG targets. - **Use online material, simplified guidance, and coaching sessions to build capacities and expand reporting:** One member informed the Task Force that it has expanded data collection to subnational governments. It is also conducting a pilot with more than 100 universities, notably to track R&D activities, and is designing a distance-learning platform on international co-operation and TOSSD to address capacity challenges in some public entities. Three members highlighted the importance of simplifying complex language when working with national entities on TOSSD reporting. Building strong relationships with focal points in the various national entities is also critical. Task Force members and observers also identified some **common challenges**, which could be addressed in future peer learning sessions: - **Alignment of activities to SDGs and sectors:** Three members mentioned that assigning sectors and SDGs to activities is one of the most-consuming tasks of the reporting process. - **Assigning pillars to activities:** Five members and one observer mentioned that reporting against the pillars was still challenging, which therefore makes it hard to explain to other entities how to report on pillar II. The Secretariat indicated that distinguishing between the two pillars is even more important now that TOSSD is a data source for the SDG indicator 17.3.1., since only pillar I activities are eligible for this indicator. - **Capacity challenges:** Three members signalled that they have limited capacity to support national entities, and that more training sessions and materials are needed. One member explained for example that one single person had held meetings with 92 national institutions to provide support on their national reporting. Another member flagged that data on mobilised private finance can be scattered across various national entities and require significant co-ordination. - **CRS/TOSSD reporting:** Two members asked the Secretariat to provide coordinated feedback on TOSSD and CRS data. The Secretariat emphasised that, for CRS/TOSSD reporters, TOSSD feedback only relates to those data fields that are not in the CRS (e.g., classification by pillar). - **Reporting system and architecture:** One member would welcome more information on how to improve the reporting architecture in-country, for example in which ministries the TOSSD national focal points are located or what is the involvement of non-state actors in TOSSD

	reporting processes. Both the Secretariat and members could share their experience about the reporting architecture at country level. Five members and one observer mentioned that inviting more entities to report to TOSSD (e.g., ministries, agencies, subnational entities) is a key challenge, and would welcome a peer learning session on how to make TOSSD reporting a priority for those entities. **The Secretariat will produce a one-pager and/or a short article on the lessons learnt, best practices and challenges identified by TOSSD reporters. The Secretariat will also organise regular peer-learning sessions on specific topics and types of providers in TOSSD.**
Item 2.	**Governance of the TOSSD framework** **The Task Force first focused on three main aspects of the TOSSD future governance arrangement:** 1. **Membership** • In the new version of the TORs, the Secretariat proposed removing the obligation to pay (and to report) to become a member. However, the Secretariat insisted that for the OECD to host the Forum, it must have solid commitments on funding from Forum members in advance of each hosting period, covering the entire 3-year budget. • Several members supported the Secretariat's proposal. However, one member strongly expressed its view that membership should come with rights and obligations, and that the financial model would not be viable without some sort of obligation for members to contribute. Also, the member stressed that the TOSSD governance structure must strive for balance across stakeholder groups, so that all views are reflected. Two members proposed broadening the notion of contributions to include in-kind contributions, which would encourage recipient countries' participation. New text should be proposed for the next meeting on this issue. One member and one observer considered that the focus should be on increasing the number of reporters so that TOSSD is perceived as a successful, useful tool that deserves financial support. They also considered that the Forum should function with a 'safety net' whereby there is enough funding for the Forum and thus a guarantee for developing countries to participate in the governance structure. The co-Chair from the EU and one observer (MEX) commented that the priority is to provide the minimum conditions to launch the Forum. • One member and one observer suggested that members could approach some MDBs and other international organisations to help channel their resources to the Forum (in the case of dual providers /recipients) or to even seek sponsors directly for the contributions of dual providers and/or developing countries. For some countries, it may be easier to provide contributions when the Forum is created. One MDB responded that this might be possible but should be discussed with the board of governors of the respective multilateral institutions. • The co-Chair from the EU suggested further defining the types of contributions and the various ways in which members can contribute (e.g., sponsorship, contributions through international organisations). 2. **Members/observers/reporters and independent experts** • One member asked for a clarification on the difference between a non-contributing member and an observer. The Secretariat explained that only members make decisions, noting that the model of members and observers was used in many international organisations and forums. The Secretariat also clarified that reporters are not necessarily members or observers; reporters will be invited once a year to participate in the Forum's Plenary meeting, where they can benefit from an update on the evolution of the TOSSD framework and share their reporting experience. Finally, the Secretariat added that the International Forum may invite independent experts to support the work of its bodies on an ad hoc basis. • One member and one observer emphasised the importance of the wording of the TORs, which should not discourage engagement in TOSSD. One member reiterated that the governance structure should strive to keep balance between the various groups of stakeholders and that financial contributions should therefore not be the only way to become a member of the Steering Group. Also, the same member suggested introducing the term "governors" to

distinguish Steering Group members from regular members and asked for a clarification on the difference between the independent expert category and being an observer.

3. Decision-making

- In the new version of the TORs the Secretariat had proposed that the Plenary would appoint members of the Steering Group. This would ensure balanced representation of the various stakeholder groups in the Steering Group.
- Several Task Force members and observers welcomed the proposal. One member considered that any type of contribution should qualify a member to participate in the Steering Group, and that simplicity must be preserved in the future governance arrangement. The co-Chair from the EU expressed the view that, at least for providers, a financial contribution should be expected. One observer warned that such a scheme could set a perverse incentive whereby a member leaving the Steering Group would stop paying the contribution. Also, the observer stated that the Steering Group should be the body that approves new members.
- A few questions on the proposal were also raised. One member asked whether every participant in the Plenary (i.e., member, observer, reporter) could vote. Another member asked whether reporters, while not being members of the Forum, could still participate in the Statistical Working Group. The co-Chair from the EU responded that only contributing members could participate in the Working Groups. An observer asked whether the vote in the Plenary to elect the Steering Group members would be taken by constituencies (e.g., southern providers electing their representative); in its view this would give the constituency a sense of ownership.
- The Secretariat stressed that decision-making bodies are means and not an end. Therefore, the Task Force should decide whether decision-making is limited and on what basis, and which decisions must be taken only by contributing members (e.g., budget).

After addressing the three main points above, the Task Force reviewed the draft TORs section by section:

Section 1. Content and purpose of the document: One member asked that i) the second sentence of paragraph 7 be moved to a new paragraph 4, to present the background of TOSSD in a chronological order, and that ii) in the same paragraph 7, the text "agreed to a gradual transition" be changed to "agreed to start discussing a gradual transition".[1] The Secretariat flagged that UNCTAD had also requested an edit to this paragraph and that an updated text would be proposed at the next Task Force meeting. Another member recalled that the Terms of Reference are not legally binding.

Section 2. Mission and Vision: There was overall support for the wording of the mission and vision; however, some edits were still suggested as follows.

- One member mentioned the ToRs should mention that TOSSD does not measure donor effort, but encourages transparency on financing for development, and that the future governance arrangement is an independent body from the DAC that aims to support the UN and other stakeholders to track SDG financing.
- On paragraph 10, one member proposed enhancing the ambition of the mission by stating that the Forum will work in an open, inclusive, and transparent manner in line with the Addis Ababa Action Agenda's reference to TOSSD. Two members suggested replacing 'complex packages' by 'activities' since the reporting unit in TOSSD is an activity. The Secretariat clarified that the reference to 'complex packages' had been inserted at another member's request to refer to instruments combining private and public resources.
- On the Box 2.1., one member suggested replacing "rapid" by "effective" when referring to the global implementation of TOSSD; another member mentioned that the text should explicitly refer to expanding the number of reporters. The Secretariat clarified that this reference is made in section 2.c.

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[1] The same member submitted written comments after the meeting that will require further discussion within the Task Force.

- One member suggested adding "promotes and supports the implementation".
- One member requested keeping the reference to a Forum that "promotes and increases transparency on support for sustainable development".

There was overall support for the wording of the sections 3. Participation: Members, observers, reporters and independent experts and 4a. Bodies of the International Forum.

A few minor edits were suggested to section 4b. Chairing arrangements (paragraphs 26 to 32) as follows:

- On paragraph 28, one member requested that bullet point "Support the Secretariat in the preparation of the meetings of the Forum, including their timing and agendas" be removed as it described a function of the Secretariat. The Secretariat clarified that this formulation had been used to ensure timely inputs from the co-Chairs to the preparation of the meetings; a new formulation will be proposed.
- Another member mentioned that the bullet point "Provide strategic guidance to the work of the Forum" was not totally clear; either the Steering Group or the Plenary would do this.
- On paragraph 31, one member asked to clarify who "appoints" the co-Chairs, noting an inconsistency with paragraph 34, which refers to the "election" of the co-Chairs. The member favoured a scenario in which all members of the Steering Group are elected, including the co-Chairs. The co-Chair from the EU stated he had the same understanding i.e., that co-Chairs are also elected by the Plenary. The Secretariat reaffirmed that this is indeed the proposed election process for the co-Chairs and that further rules about the election of the co-Chairs can be added in the future.
- One member commented that the discussion on the chairing arrangements should take place once the Forum is established. The co-Chair from the EU responded that the intention was to present part of the ToRs to the OECD Council in an advanced stage.
- **The co-Chair from the EU concluded that, subject to integration of the edits to paragraphs 28 and 34, this section can be considered approved.**

Section 4e. Working groups

- One member commented that a permanent Statistical Working Group could overlap with the work of the Secretariat and that it was not clear whether the Working Group would have a balanced membership. The member further asked clarification on the potential links with existing OECD Working Groups. Another member mentioned that an increased number of meetings and Working Groups would increase the workload and set disincentives to countries' participation in TOSSD. The co-Chair from the EU recognised this could indeed be a challenge. Still, Working Groups will be needed since the governance arrangement will be independent from the OECD (TOSSD will not be covered by OECD Working Groups). Also, "inclusiveness" will be central to the functioning of all bodies of the Forum, including Working Groups, and participation by all types of stakeholders will be welcomed.
- Another member considered that a Statistical Working Group is needed to maintain TOSSD, which is a statistical standard. The TORs should include specific text on the governance of the Statistical Working Group (e.g., operating on consensus basis, co-Chairs chosen by consensus). The text could be inspired from the mandate of the WP-STAT and include the maintenance of TOSSD taxonomies as one of its specific tasks.
- On section 4.e.i., one member suggested including the timeframe established in Annex D in this section. Furthermore, the member commented that the decision on a possible extension of the Statistical Working Group should be based on an evaluation, rather than a self-assessment. Another member suggested including 'permanent' before 'Statistical Working Group' in paragraph 65.
- The Secretariat conveyed a message from UNCTAD that, according to UN instructions, UNCTAD can be an observer to the Forum but cannot co-chair the Statistical Working Group. The Secretariat also informed that the OECD's Chief Statistician had recommended the establishment of a Statistical Working Group.

- One member considered that all bodies should operate on a consensus basis and requested examples of Working Groups using a two-thirds majority. The Secretariat explained that consensus is the primary decision-making modality, but that there is no problem in using a two-thirds majority if the group wishes so. Both co-Chairs considered that the International Forum must aim for consensus decisions, but that its work should not be blocked because of a consensus rule, as is the case in several international organisations. The co-Chair from South Africa further added that a strong majority (e.g., two-thirds) would increase legitimacy of the decisions made, and that strong attention must also be given to the implementation of these decisions. **The Task Force widely supported the establishment of a two-thirds majority for decision-making in case an issue cannot be resolved by consensus.**
- **The co-Chair from the EU concluded that the Task Force agreed the Forum should have a Statistical Working Group, as well as other Working Groups that can be created on an ad-hoc basis for up to three years and renewable. The co-Chairs of the Working Groups will be appointed by the Steering Group and the decision-making will aim for consensus.**

The Secretariat

- On paragraph 75, one member suggested that the Secretariat be guided by and be accountable to the Plenary. It asked for further clarification as to what 'strategic development' meant in this paragraph.

Section 4.c. Plenary and section 4.d. Steering Group

- The Secretariat presented a table summarising a new proposal for the composition and decision-making arrangements for the Plenary and the Steering Group, based on the Task Force deliberations on 20 October (see Annex 1).
- One member requested examples of comparable entities with similar decision-making rules. Several members and the co-Chair from the EU recalled the importance of keeping a balanced composition in the Steering Group and avoiding tensions between members that would decide on the budget and those who would not. A member and an observer asked whether members have an obligation to report to TOSSD.
- One member stressed that the link between contributions and membership in the Steering Group was necessary to ensure that at least traditional providers, dual providers/recipients and multilateral organisations ultimately contribute financially to the Forum, providing the necessary financial predictability for the Secretariat. One member suggested that contributing members could review the budget and the workplan ahead of Steering Group meetings, in an 'advisory capacity', as well as review the financial statements.
- One member and one observer commented that the Steering Group should not be perceived as a group where only the major countries take decisions as this would set disincentives for increased reporting and participation in TOSSD. In this regard, three members and one observer stated they favoured a balanced representation of the various stakeholder groups in the Steering Group. One member indicated that individual members of the Steering Group cannot be considered as representatives of their stakeholder groups.
- One member suggested that changes in the TOSSD methodology be approved by the Steering Group, and not by the Plenary. One observer commented that, in the proposed set-up, the Steering Group would look like a 'management team' with a separate agenda from that of the Plenary. One observer proposed taking as an example the United Nations Economic Commission for Europe, which has a Bureau instead of a Steering Group. The observer explained that the Bureau is not the decision-making body but prepares all decisions made by the Plenary.
- The Secretariat supported the idea that the Plenary proposes specific areas of the methodology for refinement, rather than approving changes to it. The Secretariat also stressed the need of having a Steering Group that runs the initiative and addresses statistical and administrative questions in between Plenary meetings. It recalled that, from 2024 onwards, the Secretariat will become independent from the DAC. Therefore, financial predictability must be ensured, and a person in charge of Finance and Administration in the future governance arrangement should be included in the Forum budget.

	• The Secretariat invited discussion on how to complement the list of members of the Steering Group in cases where there would not be a sufficient number of contributing members. The co-Chair from the EU signalled that this is a relevant question, especially for dual providers/recipients. One observer suggested lowering the base financial contribution for dual providers/recipients, with the expectation that countries with more capacity can pay more. One member stressed that this minimum contribution should be based on the Secretariat's needs. One member and one observer suggested a provision to allow countries to channel their payments through international organisations or by other means. One member suggested requesting higher contributions from multilateral organisations. One dual provider/recipient indicated that it cannot provide the required level of contribution and will investigate the possibility of using OECD assessed contributions to finance TOSSD. • In this context, one member asked about the funding model presented at the 16th TOSSD Task Force meeting. The Secretariat highlighted that, according to the information available to the Secretariat, most dual providers/recipients will not be in a position to make financial contributions. For this reason, the Secretariat had suggested a model whereby all financial contributors to the Forum would be offered a seat in the Steering Group, while the rest of the members in the Steering Group would be appointed by the Plenary. Several members supported this idea, as it would provide an incentive to contribute while ensuring balanced representation. One of these members added that there should be a set number of members in the Steering Group by stakeholder group to avoid over-representation by a certain constituency. One member stressed that this arrangement should be considered as a transition phase until TOSSD grows further. One member considered that further discussions were needed on financing to decide on the expected contribution per country. • **The Task Force agreed to establish a model for the Steering Group whereby members that contribute financially are *de facto* members of the Steering Group, with the rest of Steering Group members being elected by the Plenary. This model would be valid for the first three-year period of the Forum and the extension of this transition period should be subject to further discussion. When the transition period ends, the ambition is that all Steering Group members – and beyond – contribute.**
Item 3.	**Pilot Studies and Reports** The Secretariat presented updates on two pieces of research currently underway. The data pilot on institutional investors in TOSSD, and the report on private philanthropy with data gathered by the OECD. On the Institutional Investors' pilot, the Secretariat presented progress so far and shared some preliminary findings regarding the nature and volume of institutional investments in developing countries. The presentation also informed of the challenges faced in collecting data from institutional investors and next steps. The Secretariat recalled that investments from public institutional investors fall within the scope of the TOSSD framework and emphasised the importance of this pilot in providing evidence on the much-discussed topic of the role of institutional investors in filling the financing gap for the SDGs. Several members supported the Secretariat's work on this pilot. One member shared its experience in coordinating survey responses from pension funds. The member emphasised the importance of building relationships between government officials and institutional investors, including by leveraging contacts in development finance circles. This member also agreed with the Secretariat that there is a need for more guidance on this topic, and noted that in their case, pension fund managers did not necessarily see the SDGs as a primary reference framework when carrying out their investments. Another member particularly welcomed the responses from institutions located in South-South Co-operation provider countries, and further underlined the role that TOSSD could play in filling a data gap on the ESG[2]/SDG focus of institutional investments. Several members mentioned they would continue participating in the ongoing efforts to include institutional investors in TOSSD, which they see as a gradual, long-term process. The co-Chair from the EU asked whether a satellite indicator to TOSSD could be developed to present data on SDG-aligned investments made by private institutional

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[2] Environment, Social and Governance standards.

	investors. The Secretariat added that the pilot study has confirmed that some private institutional investors are engaged in the SDGs and are willing to share data. The main findings of the Private Philanthropy report were also presented. One member flagged that it is reporting private grants to the OECD and that private grants are included in the 17.3.1 indicator. The same member emphasised the need to coordinate and better utilise the data already reported to the OECD, so as not to duplicate efforts. The Secretariat indicated that the Secretariat collects data from private philanthropy at activity level since 2010 (30-40k activities per year), with a level of detail largely comparable to that in TOSSD or the CRS and concurred with the member about the need to increase the usefulness and relevance of the existing data collection. The Secretariat highlighted that, since data are directly collected from foundations at the activity level, it is possible to ensure they comply with the established criteria for sustainability, which is not the case for aggregate data collection on private grants. The question of possible double counting between FDI and mobilised private finance should be discussed with UNCTAD. **The Secretariat will continue moving forward with the pilot study on institutional investors, with the goal of producing a draft report by the end of the year.** Building on the pilot study, the Secretariat will propose guidance for reporting on public institutional investments in TOSSD. The co-Chair from the EU encouraged members to already include investments from these actors in their TOSSD reporting.
Item 4.	**Data Validation Mechanism** The Secretariat presented a proposal for the data review mechanism in TOSSD, including its rationale, suggested principles and implementation process. **Most members and observers supported the establishment of a data review mechanism as a tool to enhance ownership of TOSSD data by recipient countries.** Several members and observers considered that the term 'review' is the most appropriate one for the mechanism. Several members insisted that the review process should not delay data publication. **There was overall support for the principles presented by the Secretariat.** However, one member expressed concerns about the principle related to the necessity for providers and recipients to "dedicate the necessary resources to carry out the verifications", as this would imply resources are infinite, which is not the case. The member therefore suggested putting limitations on the number of countries undertaking the review each year, up to the costs approved in the corresponding budget line of the work programme. The same member suggested adding a cost-benefit principle to the review. Along the same lines, an observer suggested implementing a rotation system (whereby a few countries would be reviewed every year) and stressed the importance of ensuring appropriate resources for the mechanism, as highlighted by the Secretariat in its presentation. **There was also overall support for the process and timeline of the review mechanism.** Nevertheless, two members and one observer suggested the inclusion of specific provisions in case of disagreements between the recipient and the provider on the data reported. One member suggested that these disagreements, if they cannot be resolved bilaterally, should be brought to the Task Force (or to the future governance arrangement) for arbitration, and not only to the Secretariat. This suggestion was supported by co-Chairs. Moreover, three observers proposed that recipient countries should be able to pose questions on specific activities throughout the year, and not only at the time of the review. Two of these observers emphasised that this possibility for countries to provide feedback on TOSSD data should be clearly stated on the TOSSD website, in the TOSSD Reporting Instructions and possibly in the ToRs of the future governance arrangement. One observer asked whether the review mechanism could include pillar II activities. The Secretariat confirmed that recipient countries are free to address questions to the Secretariat anytime through the TOSSD contact email (tossd.contact@oecd.org) on both the methodology and the data collected. The Secretariat will investigate the possibility of including the proposed provisions in the review mechanism, as well as the feasibility of including pillar II activities in the review.

	On the suggested way forward, four members highlighted that the data review mechanism should be an occasion to assess whether TOSSD data and nationally collected data were comparable and how to solve possible discrepancies. One member stressed the need for **clear guidance on how the mechanism would function**, notably regarding the various steps and stakeholders involved. Two observers encouraged the Secretariat to **build a network of focal points**, which could be used for sharing TOSSD data and for inviting countries to participate in the data review mechanism. Finally, one member indicated that its full support to the mechanism would depend on the final process, which should be tested and refined through online consultations and trials.
	
	The Secretariat will:
	  - **Suggest first concrete text for the Reporting Instructions, based on the discussion at the 18th meeting.**
	  - **Start developing a guidance note to describe in more detail how the mechanism would function. As part of this work, the Secretariat will investigate the possibility of including specific provisions about the treatment of activities that would not be agreed upon between providers and recipients. The Secretariat will also look at the feasibility of including pillar II activities in the review.**
	  - **Start compiling a network of relevant focal points in developing countries.**
	  - **Organise in 2023 an online consultation workshop on the data review mechanism.**
	  - **Based on the availability of funds, test the mechanism (principles and process) with a few recipient countries.**

Item 5.	**Update on financing of the TOSSD framework** The Secretariat presented the indicative budget estimates for the period 2024-26, the existing funding gaps for each year and the funding targets by stakeholder groups. It also presented the linkages between TOSSD and OECD statistics on development finance. The Secretariat emphasised that, to establish the new governance arrangement for TOSSD, funding must be secured for three years upfront (for a total of about EUR 6 million). Finally, the Secretariat presented the political, administrative, and financial roadmap to establish the International Forum on TOSSD and its Secretariat at the OECD. The co-Chair from the European Union highlighted that the funding gap represents approximately 50% of the budget. One member suggested asking each member how much they can contribute to TOSSD. One member flagged that its contribution is already confirmed through its Innovation Fund and recommended members to investigate these types of programmes and mechanisms at national level as a source of funding. The co-Chair from the EU and one member suggested reaching out to more providers, outside the Task Force and the OECD, to get the necessary support. One member suggested a future session to clarify whether those that are providing assessed contributions to the OECD could do something to reduce the total funding gap. One observer mentioned that conversations had started so that contributions to the DAC from non-DAC members be, at least partly, channelled towards TOSSD. **As little time was available for discussion, two special follow-up sessions on TOSSD financing were organised on 10 November (with all members) and 21 November 2022 (with those having expressed clear indications that they would support the future Forum financially). The summaries of these two sessions are presented below.** **First special follow-up session on TOSSD financing of 10 November** The Task Force discussed the simplified funding model presented by the Secretariat during the session of 27 October (with 4 categories: traditional providers, South-South Co-operation providers, recipients, multilateral institutions) and concluded that it should rather go back to the funding model envisaged initially (with 6 categories: major traditional providers, other traditional providers, major South-South Co-operation providers, other South-South Co-operation providers, recipients, multilateral institutions).

Discussing this funding model with 6 categories, the Task Force agreed on the following yearly funding cost-sharing model for the period 2024-26:

- **For major traditional providers: EUR 200K**
- **For major dual providers/recipients: EUR 75K**
- **For multilateral institutions: EUR 50K**

The following elements regarding the funding model will still need to be discussed:

- How to consider in-kind contributions.
- How to address the fact that the envisaged 150K for other traditional providers may be too much for the smaller traditional European providers.
- The level of contribution for "other dual providers" (currently set at EUR 25K).
- The level of contributions of recipient countries (currently envisaged at EUR 2K) and if the payment of the participation/travel cost may be accepted in lieu of an annual membership contribution.
- How to address one major traditional provider's issue in relation to its contribution.

The Secretariat reminded members of the link between the funding model and the governance discussion. Agreeing on the above funding model also implies that the Steering Group would need to have 30 members to be able to cover the TOSSD budget. The co-Chair from the EU added that limiting the number of Steering Group members to 20 would mean that traditional providers would be over-represented in comparison to other stakeholder groups.

Several members supported the use of the funding model presented by the Secretariat and confirmed their funding to TOSSD along this model. Two of these members also anticipated that they would be able to sustain such a level of funding over time. One member asked whether secondments and organising Task Force meetings would be accepted as in-kind contributions. The co-Chair from the EU confirmed this is possible. Another member requested to have a version of the funding model in terms of percentages to make the case internally. One traditional provider asked members that confirmed their contributions how they had managed to mobilise these contributions, as this had proven challenging for this member. One member answered that its contribution is a new allocation in its budget. Another member considered that the funding must come from a broader number of funding sources, not only a small group of funders, just like in other international initiatives (e.g., IATI). Several members also mentioned that one potential way to close the funding gap would be to look into a more modest budget, considering the first years of the implementation of the future governance arrangement as a transition period. The co-Chair from the EU added that decreasing the budget and therefore, the ambition for some activities, could affect the global implementation of TOSSD and the capacity to bring in more reporters and funders. The Secretariat supported this view, indicating that now was not the time to decrease the budget but to rather close the funding gap through more contributions. The Secretariat further added that, after some bilateral meetings, some dual providers/recipients had informed that they are currently making the case within their administrations to mobilise the corresponding contributions, and that they agree on the expected contributions for their stakeholder group.

One member expressed the view that the Task Force should not go back to the DAC to ask for TOSSD to be maintained in the DAC Programme of Work and Budget (PWB) in 2024. Also, the member requested to have more detail on the statistical activities that are funded by the DAC PWB and the ones funded only by the TOSSD budget, to ensure that both the contribution and the budget are as efficient as possible. The Secretariat explained that there are 21 common dimensions between the CRS and TOSSD, and that maintaining the linkages ensure maximum coherence and efficiency in data management and minimises duplication in data collection and production. For reporters that report both to the CRS and TOSSD, the CRS file is used as a starting point for TOSSD, with TOSSD-specific fields and flows added to it (e.g., pillars, some peace and security activities that are not ODA eligible) and with sustainable development checks carried out on all activities.

The Secretariat explained that, since TOSSD will no longer be funded from the DAC PWB from 2024 onwards, several activities that were covered by this budget before will need to be integrated in the TOSSD budget (e.g., administrative and financial management).

The co-Chair from the EU asked whether the budget presented by the Secretariat covers only the TOSSD-specific activities, and whether a potential contribution from the OECD members that contribute to the DAC PWB but do not report to the CRS would fund the 21 common dimensions between TOSSD and the CRS. The Secretariat confirmed that the budget presented to the Task Force includes only TOSSD-specific activities. The TOSSD budget applies an economy of scale approach, benefiting from the regular OECD statistical work on development finance. Also, the Secretariat explained that, if OECD countries that contribute to the DAC PWB but do not report to the CRS (i.e., Colombia, Costa Rica, Chile, and Mexico) make the case for directing a part of their assessed contributions to the DAC PWB to TOSSD, it is necessary to ensure the funds are targeted to TOSSD-specific activities. In this regard, the Co-Chair from the EU recognised that the four countries concerned have a strong political case to ensure their assessed contributions to the DAC PWB are earmarked to TOSSD rather than the CRS. One member also asked whether the people in charge of processing TOSSD data are the same as the ones processing CRS data. The Secretariat clarified these teams do not overlap. The same member further suggested that the TOSSD budget makes visible the activities that support those dimensions and activities that are common to the CRS and TOSSD. **The Secretariat mentioned that it will prepare a more elaborated presentation on the difference between the TOSSD budget for the Forum and the DAC PWB's budget line titled 'OECD statistics on development finance'.**

The Secretariat presented some suggestions of potential funding outreach activities that Task Force members and observers can carry out to help close the funding gap. Several members and observers agreed with the suggestions by the Secretariat and committed to reach out to the identified countries and organisations. The co-Chair from the EU encouraged Task Force members and observers to do active funding outreach for TOSSD.

Finally, the Secretariat explained the rationale and main components of the future MoU that will need to be signed between the OECD and some members to establish the International Forum on TOSSD and its Secretariat at the OECD.

In response to questions, the Secretariat confirmed that not all members will need to sign the MoU and that there will be a possibility for countries to edit and/or propose adjustments to the MoU but that an initial draft of the MoU first needs to be prepared within the OECD. The Legal department of the OECD also confirmed that there are precedents within the OECD of using MoUs to formalise the creation of such bodies. Subject to confirmation by the Legal department of the OECD, the Secretariat indicated that the MoU is signed at the level of the Secretary General of the OECD and that it is the OECD Council that authorises the Secretary General to sign the MoU with members. **As regards next steps, the Secretariat will prepare internally a first draft of the MoU, discuss the draft with the possible signatories and prepare a final version for submission to the OECD Council for approval in the course of 2023. The Secretariat recommended organising a second special session on financing at the end of November with those members that had expressed their potential availability to provide a financial contribution in line with the agreed funding model.**

Second special follow-up session on TOSSD financing of 21 November

The meeting took place between those who had announced that they could provide financial contributions to the Forum: Brazil, Canada, the EU, France, the United Kingdom, the United States. Only France could not participate in the end.

The Secretariat presented the financing scenarios for 2024, 2025 and 2026, and asked how the existing funding gap could be closed. One member recommended that some countries cover travel and logistics costs for the Forum's meetings to lower the budget and asked for further information about the status of contributions by other Task Force members. Another member requested further inputs to build a stronger case internally (e.g., a briefing note that will be sent by the Secretariat). One member indicated

that the universe of future users' needs to be identified to broaden the funding base. The EU indicated it had started to reach out to EU Member States to get more funding for TOSSD. One member suggested a more disaggregated budget to make it easier for countries to identify areas that they could contribute to. Three members updated the Secretariat on the status of their financial support to TOSSD. The Secretariat and the co-Chair from the EU provided clarifications on some of the contributions by Task Force and non-Task Force members, and stressed that, although in-kind contributions are welcomed, financial support is needed to fund the human resources in the TOSSD Secretariat. Further discussion should be held regarding the possibility of channelling part of the assessed contributions to the DAC PWB made by OECD members that are not members of the DAC. The co-Chair from the EU indicated that the OECD should help in this discussion, while the Secretariat indicated that this is mainly a member-driven issue. The co-Chair from the EU indicated that he is confident that the funding gap for 2024 can be closed with a bit of goodwill from members.

The Secretariat signalled that, for the International Forum on TOSSD to start in January 2024, the three years of funding should ideally be secured by January 2023. This could also be pushed to April 2023, but it may then delay the start of the Forum.

The Secretariat then explained the general content the MoU between members and the OECD to establish the Forum. The co-Chair from the EU and two members asked what "financial responsibility" to establish the Forum means. One of these members further asked whether this would mean that signing members would need to contribute additional funds in case of under-funding. The same member suggested that contracts only be signed after the financial contributions have been received by the Secretariat, but the co-Chair from the EU clarified that this cannot be an option since most contracts signed by the Secretariat are employment contracts. The co-Chair from the EU and one member flagged that the review, negotiation, and acceptance of the MoU can take time, and that a three-year commitment is a challenge since some of them only get annual appropriations by their Congress/Parliaments. One member suggested splitting the budget between staff and non-staff costs and prioritising the former if this is acceptable for the OECD Council. Also, members requested the Secretariat to share some examples of MoUs on hosting other initiatives. One member asked whether the OECD would count signed agreements that are not MoU signatories in terms of assuring that there is financial support, and what happens between the approval by the OECD Council and the formal start of the Forum. **The Secretariat will investigate what the exact requirements are from the OECD (a three-year commitment and signed agreements, or an MoU where signatories commit to covering the gap if the Forum has a deficit).**

The Secretariat explained that there is not a specific minimum number of countries to sign the MoUs, which are usually renewed every three years. The Secretariat also pointed out that time is needed between the OECD Council approval and the formal start of the Forum, to put several human resources, administrative, and legal arrangements in place. Furthermore, **the Secretariat indicated that it would investigate ways of presenting a more conservative budget proposal,** emphasising that TOSSD will not be in the DAC PWB from 2024 onwards, and that a decision is needed to prioritise those actions that must stay in the proposal for the OECD Council. Finally, the Secretariat would further explain the difference between the TOSSD budget for the Forum and the DAC PWB's budget line titled 'OECD statistics on development finance' in the next Task Force meeting.

In conclusion, the Co-Chair from the EU:
- **Urged all members to get confirmations on contributions before January 2023 or February 2023 at the very latest and to engage with other countries and organisations to get more funding for TOSSD.**
- **Asked the Secretariat to prepare a draft MoU and a new and reduced version of the budget considering the current situation and suggestions by members.**

AOB and Wrap-up

Another Task Force meeting will take place before the end of the year, mainly focused on the finalisation of the Terms of Reference of the International Forum on TOSSD.

Annex 1: Secretariat's proposal for the composition and decision-making arrangements for the Plenary and the Steering Group, based on the Task Force deliberations on 20 October 2022.

Body	Composition (decision-takers)	Observers	Main decisions	Decision-making rule
Plenary / General Assembly	• All Forum Members (countries and intergovernmental organisations).	• Permanent Observers, ad hoc Observers, and Reporters can attend but do not participate in decision-making.	• Forum's Vision and the Mission Statement • Appointment of co-Chairs and Steering Group Members.	• Consensus among Forum Members with two-thirds majority if an issue cannot be resolved by consensus (one country / organisation = one vote).

Body	Composition	Observers	Main decisions	Key pending questions	Proposal
Steering Group	• Members of the Steering Group are appointed from among Forum Members by the Plenary (balanced composition across traditional providers, SSC providers, recipients and multilateral organisations).	• Permanent Observers and Observers can attend but do not participate in decision-making. • Observers to the Steering Group are also appointed by the Plenary.	• Oversees and approves new versions of the TOSSD methodology (Reporting Instructions). • Discusses and approves the budget and work plan prepared by the Secretariat. • Establishes Working Groups (WGs) and appoints their Chairs/co-Chairs.	• How are decisions taken in the Steering Group?	• Members of the Steering Group decide on all issues by consensus. • If there is no consensus, there will be a vote by all Members at the two-thirds majority. • On the approval of the budget and the work plan, the vote will only include Members that have provided a contribution to the Forum the year prior to the date of the vote.
				• What counts as a contribution to the Forum?	• For **traditional providers**: a financial contribution of at least the amount agreed in the funding model (€ 200K).

Body	Composition	Observers	Main decisions	Key pending questions	Proposal
					- For **dual providers**: - A financial contribution according to the funding model (€ 75K) <u>or</u> - The organisation of an IFT in-person meeting (covering all logistical and organisation costs, including the travel cost of developing country participants and the Secretariat) <u>or</u> - The secondment of a staff for at least 2 years <u>or</u> - Contributions via the broader OECD budget (for OECD dual provider countries) – option to be confirmed. - For **recipient countries**: Covering the cost of their in-person participation in the Plenary / SG meetings. - For **multilateral organisations**: it is a financial contribution of at least the amount agreed in the funding model (€50K). Note: expected contributions from dual providers and recipients to the Forum can be "sponsored" by other countries and organisations.