



Emerging Reporting Instructions:

First draft text related to the Pillar II of TOSSD

TOSSD Task Force Issues Paper¹

30 January – 1 February 2019

For discussion under agenda item 6

INTRODUCTION AND BACKGROUND

1. The Task Force started discussing the features of TOSSD Pillar II at its 4th meeting held in Brussels in May 2018, including its definition, eligibility criteria and boundaries. The delineation between Pillar I and II was also discussed. Although several important issues remain to be solved, the Task Force has already reached a number of decisions. This paper therefore proposes first text for the emerging Reporting Instructions (RIs) to reflect those decisions. This text will notably also guide the first TOSSD data survey that will be launched in February 2019.

2. The paper is organised as follows: Sections I and II present suggested text for the Preamble and Chapter I of the RIs respectively. New text proposed for the RIs is presented in *italics*. Paragraph numbers for these new texts are presented as “xx”, but the suggested location for each is indicated using paragraph numbers in version 1.3 of the RIs as of 20 December 2018². Section III provides additional text related to Pillar II proposed for inclusion in the other sections of the RIs. Whenever necessary, explanatory paragraphs precede the new text proposed.

I. Proposed text for the Preamble of the Reporting Instructions

3. At the 5th Task Force meeting in Accra in September 2018, some Task Force members argued that, since providers will also benefit from the consumption of International Public Goods, they will have a relative preference in financing them vis-à-vis country-specific development assistance. To address this issue, the Task Force agreed at this meeting to add wording in the Preamble to stress that Pillar II should not have a crowding-out effect on country-specific development assistance.³

4. The following text is therefore proposed for inclusion at the end of paragraph 5 of the RIs:

xx. “It is also implicitly assumed that providers of TOSSD seek to ensure that the financing of International Public Goods⁴ does not have a crowding-out effect on their country-specific development assistance to TOSSD-eligible countries.”

¹ Drafted by Guillaume Delalande (guillaume.delalande@oecd.org), Aussama Bejraoui (aussama.bejraoui@oecd.org) and Julia Benn (julia.benn@oecd.org).

² <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/Emerging-Reporting-Instructions-V1.3-18-WEB.pdf>

³ <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD-Action-Points-Ghana-WEB.pdf>

⁴ See the definition of International Public Goods in Chapter 1 of the Reporting Instructions.

II. Proposed text for Chapter I of the Reporting Instructions

5. At the 6th Task Force meeting in Stockholm in November 2018, definitions were proposed for the terms “International Public Goods” (IPGs), “global challenges” and “development enablers”. Since these three concepts are central to TOSSD, it is proposed to include these definitions in Chapter 1.

6. With regard to the definition of IPGs, at the 6th Task Force meeting, several members questioned the relevance of including in Pillar II support to IPGs that benefit only a small number of countries, in particular if only two countries are involved. They felt that activities that would provide benefits to only two countries would not be in the spirit of Pillar II. A few other members were strongly in favour of it. Therefore, two options – a minimum of two or three countries – are proposed.

7. The following text is proposed to be inserted after paragraph 14 of the RIs:

International Public Goods, global challenges and development enablers

*xx. **International Public Goods (IPGs)** are goods which provide benefits that are non-exclusive and available for all to consume at least in [two] [three] countries. The term “good” refers to products, services, institutions, policies and conditions.*

*xx. **Global challenges** are issues or concerns that bring disutility on a global scale and that need to be addressed globally.*

xx. There is a significant overlap between IPGs and global challenges. Global challenges are often the reverse side of IPGs (e.g. climate change and stable climate). However, not all activities addressing global challenges are IPGs. In TOSSD, only activities with international spill-over effects are included.

*xx. **Development enablers** are the means that help produce IPGs and/or address global challenges. They often have themselves the characteristics of IPGs. They can be seen as “intermediate” IPGs as opposed to final IPGs.*

8. The following text is also proposed in replacement of Paragraph 15:

xx. TOSSD is a two-pillar framework (see Figure 1) that tracks officially-supported i) cross-border resource flows to developing countries and ii) finance for International Public Goods (IPGs), development enablers and global challenges at regional and global levels.

xx. International Public Goods include Global Public Goods, whose benefits are nearly universal (e.g. stable climate), Regional Public Goods (e.g. transboundary water management), whose benefits extend to countries that belong to the same region, and other IPGs whose benefits are neither global nor regional (e.g. bilateral trade agreements). The “regional” dimension can also apply to “challenges” (e.g. acid rains can be considered as a regional challenge) and “development enablers” (e.g. regional peacekeeping activities).”

III. Proposed additional text related to Pillar II to be included in other sections of the Reporting Instructions

9. Many statistical features elaborated for Pillar I apply equally to Pillar II. This section first identifies those features and then proposes new text to reflect the specificities of Pillar II.

Statistical features common to both Pillars

10. As for Pillar I, to be eligible to Pillar II, an activity should meet general eligibility criteria for TOSSD. As such the activity should:

- i) support “sustainable development” as defined in section 1.1 (paragraphs 10 and 11), and
- ii) meet the specific eligibility criteria for sustainable development outlined in section 2.2.1. (paragraphs 42 through 44) of the RIs.

11. Paragraph 34: Regarding the categories of flows covered, while the text in paragraph 34 of the RIs should be modified to reflect the specificities of Pillar II (see the proposed text further below), the Figure 2 applies equally to Pillar II.

12. Paragraphs 36 through 41: Apart from minor editorial changes, these paragraphs will remain essentially the same. However, a new figure will need to be added to illustrate the reporting responsibilities for Pillar II.

Statistical features specific to Pillar II

13. Draft text on the categories of flows covered in Pillar II is presented below (see paragraphs 34 and 35 of the RIs for the corresponding text for Pillar I):

Categories of resource flows covered in Pillar II

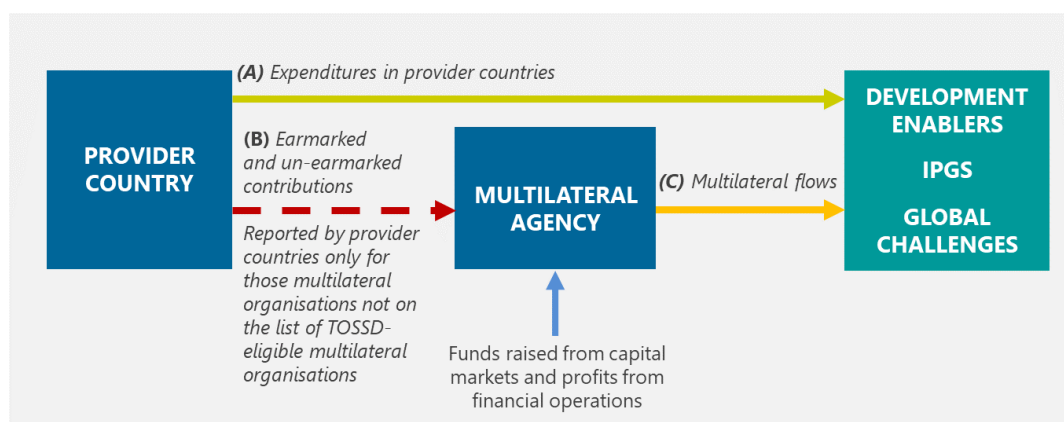
xx. The Pillar II of TOSSD covers resources provided for sustainable development at the regional and global levels. [It also includes expenditures incurred by providers in their own countries or organisations to support development enablers, International Public Goods and to address global challenges].

*xx. [For Pillar II, **bilateral providers** report on their support to development enablers and International Public Goods or addressing global challenges in relation to expenditures incurred in their countries or non TOSSD-eligible countries (see Figure x. below)].*

Note to Task Force members: these paragraphs and the Figure x. will be modified based on decisions taken by the Task Force on the principle of inclusion in TOSSD of costs in the provider countries.

Figure x. Reporting on TOSSD Pillar II by provider

Provider countries report on A and possibly on B.
Multilateral providers report on C.



14. Additional text for Pillar II is also needed to reflect specific eligibility criteria for activities implemented outside of the territories of TOSSD-eligible countries:

xx. TOSSD Pillar II includes activities implemented outside of the territories⁵ of TOSSD-eligible countries. To be eligible to Pillar II, these activities need to:

- *Provide [exclusive] [substantial] benefits to TOSSD-eligible countries⁶ or their populations, or*
- *Be implemented in direct co-operation with TOSSD-eligible countries, or private or public institutions from these countries, thereby ensuring the benefit to TOSSD-eligible countries or their populations.*

15. Moreover, it is expected that certain items will require the addition of specific text to clarify their eligibility in Pillar II. Ideally this section will be organised around the SDGs. It is proposed that a placeholder is included in the RIs as follows:

xx. Specific eligibility criteria are applicable to the following items: [Peace and security]; [Global Health]; [Financial stability]; [Global governance, including human rights]; and [Knowledge and Research].

16. Finally, it is proposed to include the decision trees in the Annex A of the RIs with the following text included in item-by-item reporting instructions for item 18 (TOSSD Pillar):

xx. To help decide whether an activity falls under Pillar I or Pillar II of TOSSD, see decision trees in Annex A.

⁵ In the context of TOSSD, multilateral organizations based in a TOSSD-eligible country are not considered part of their territory.

⁶ In the case of providers that are also TOSSD-eligible countries, in-country expenditures that support IPGs and development enablers, or address global challenges, will have to [exclusively] [substantially] benefit other TOSSD-eligible countries to be eligible.

Figure x. Eligibility of activities to TOSSD - Decision tree for bilateral providers.

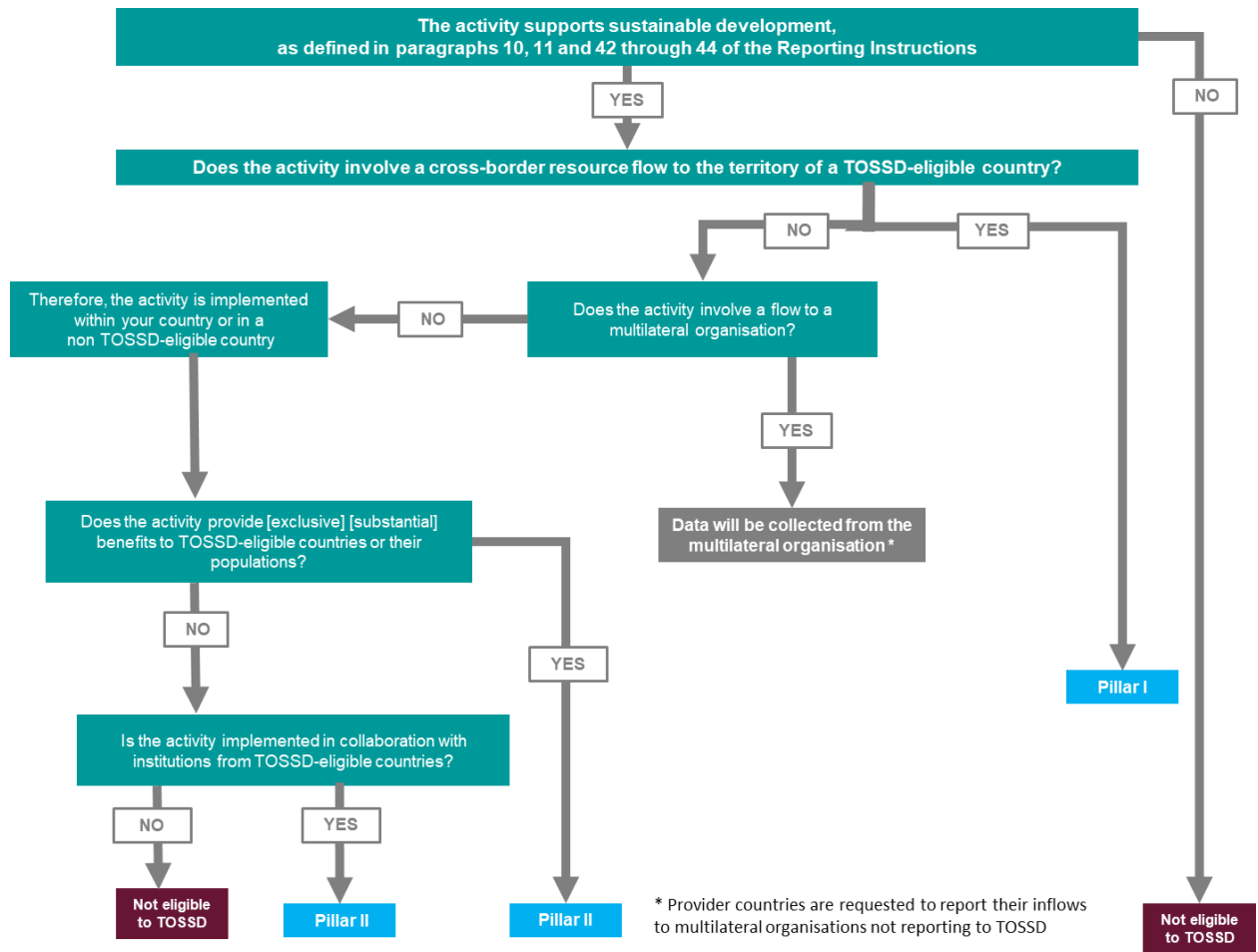
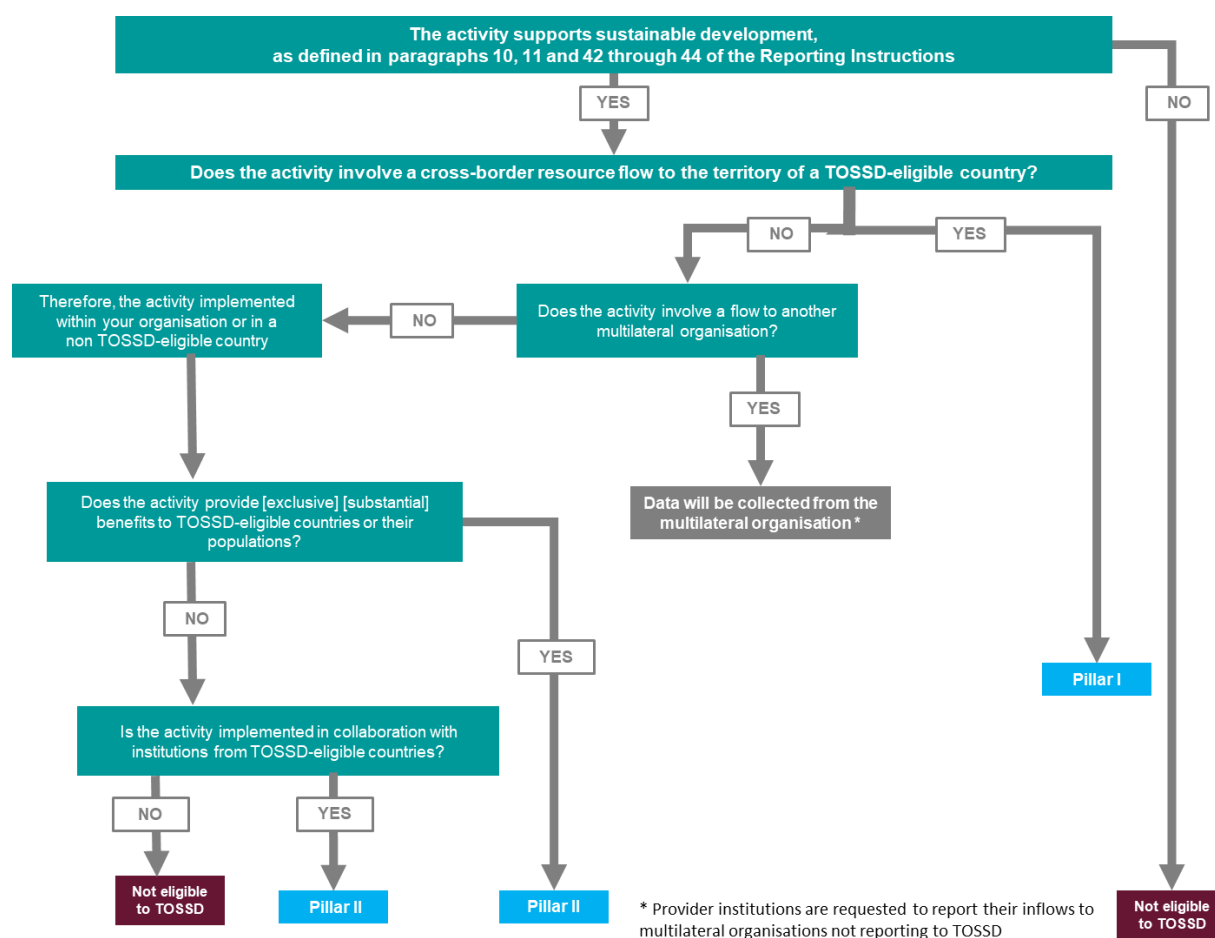


Figure x. Eligibility of activities to TOSSD - Decision tree for multilateral providers.



Issues for discussion

- Task Force members are invited to comment on the proposed Pillar II-related text for the Preamble, the Chapter 1 and for other sections of the RIs.
- In particular, Task Force members are invited to share their views on the case of IPGs that benefit a small number of countries (see paragraph 7 of the present document).
- Task Force members are also invited to discuss the degree of benefit to TOSSD-eligible countries that is necessary for any activity to qualify under Pillar II (e.g. substantive, exclusive or any other term - see paragraph 15).