Introduction to the provider perspective in TOSSD

TOSSD Task Force Issues Paper¹ - Agenda item 2
13th meeting of the International TOSSD Task Force
29-30 June 2021

I. Why develop a “provider perspective” for TOSSD?

1. TOSSD has been designed to measure resources for sustainable development from a recipient perspective, with Pillar I focusing on support to recipient countries and Pillar II capturing expenditures at the regional and global levels for sustainable development, with private finance mobilised separately identified. The TOSSD data visualisation tool² clearly distinguishes between the two pillars. Information on the providers of resources are currently only shown in the microdata (by browsing specific activities in the tool or by downloading the information in Excel).

2. Some Task Force members have requested that, with the measurement framework and database architecture now in place, work should be undertaken to present TOSSD data from the provider perspective.³ This is because they wish to use TOSSD figures to communicate on their contributions to sustainable development as providers. At the same time, the Task Force Secretariat is receiving questions from various stakeholders interested in knowing “who” provides support to sustainable development and with “what level of financing”. The objective of such analyses can be for example to better understand how specific providers support sustainable development in developing countries and at the regional and global levels.

3. This note invites the Task Force to discuss a number of questions to guide the development of the TOSSD provider perspective, i.e. a methodology to calculate aggregate TOSSD figures by provider that are statistically comparable across countries and institutions. However, in doing so, discussion is also needed on how to manage the associated risks, in particular that intense communication by providers on their TOSSD “provider” figures overshadows TOSSD as a recipient-focused measure, or ODA as a measure of donor effort.⁴

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² www.tossd.online
³ The Task Force has acknowledged early on the potential need for a provider perspective and the importance of clearly differentiating between the provider and the recipient perspectives, learning from the initial consultation on TOSSD. The provider perspective has already appeared in several discussions of the Task Force, but the group has not yet dedicated a whole session to this topic.
⁴ The preamble of the Reporting Instructions states that: “Data generated through the TOSSD framework can also be used to compile aggregates on sustainable development finance from the providers’ perspective. These data should be seen as complementary to the figures on Official Development Assistance (ODA) reported by members of the Development Assistance Committee of the OECD and many other provider countries. TOSSD aggregates by provider will not by any means replace ODA as a measure of donor effort, nor will they undermine some providers’ commitment to reach the UN ODA/GNI target of 0.7%.”
II. Questions that will need to be addressed in the development of a provider perspective

A. What are some of the possible principles underpinning a methodology for a “provider perspective”?

4. If the Task Force agrees to develop a provider perspective, the Secretariat would recommend that it develops basic principles to underpin the methodology of the provider perspective, such as:

- **Transparency.** The methodology that underpins the provider perspective should be available to everyone and clearly communicated. It is recommended to include it in the Reporting Instructions and to make publicly available the calculations leading to a specific TOSSD “provider” figure.

- **Simplicity.** Related to the above, the methodology should be simple, so that it can be easily replicated by data analysts and communicated to a wide range of stakeholders.

- **Resource efficiency and capacity constraints.** Resources invested by the TOSSD Task Force Secretariat should be primarily devoted to the continued development of the recipient perspective and the support to developing countries. Therefore, the development of the provider perspective will need to take into consideration the capacity of the Task Force Secretariat and the ease to collect the information necessary to compute provider figures. In particular, as explained further below, some additional information may need to be collected from multilateral institutions.

5. Another element to take into consideration when developing the provider perspective would be how the TOSSD provider methodology relates to the ODA measure, so as to clearly explain the commonalities or differences.

B. What are the major methodological questions to address in the development of the provider perspective?

6. Possible methodologies for collating TOSSD figures from the provider perspective would need to be discussed in detail. While bilateral flows to recipient countries could be attributed directly to providers, a critical question would be how to reflect the support provided to or by the multilateral system:

**Possible methodologies for attributing flows in the provider perspective**

<table>
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<tr>
<th>Methodological options for attribution</th>
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<tr>
<td>Option 1: Measured by the inflows to multilateral institutions</td>
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<tr>
<td>Option 2: Measured by attributing multilateral outflows back to provider countries</td>
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7. Similar questions arise for other channels of delivery (e.g. NGOs, Public-Private Partnerships) but the multilateral example could serve as a good starting point for the discussion.

8. Regarding multilateral flows, if the methodology retained for estimating the provider perspective was the one using inflows (option 1 above), the methodology could be relatively easy to develop based on the experience of the ODA system that captures these inflows (even though the TOSSD
methodology would need to review the mechanism of coefficients contained in this system and assess whether all relevant organisations are included).

9. The methodology for attributing multilateral outflows back to provider countries (option 2 above) would require further study. For example, the attribution methodologies would not necessarily be the same for MDBs and for UN agencies, since they operate in a different manner. For MDBs, there would need to be a discussion around the “keys” necessary to attribute the outflows back to providers (e.g. using shares, voting powers, paid-in capital, paid-in contributions in the latest replenishment and paid-in contributions over several years). Some of this information might need to be collected from these institutions. For UN agencies, there would be a need to discuss whether a different methodology should be used for voluntary and assessed contributions.

10. The provider pilot currently being undertaken with Chile will provide concrete insights into these questions. Preliminary highlights from this pilot will be available by October/November 2021.

**Issues for discussion**

- What are Task Force members’ views on the importance of developing a provider perspective in TOSSD?
- Do Task Force members have comments on the principles outlined in section II.A and that should underpin the “provider perspective” methodology? Do members have other principles to suggest?
- Which option would members favour for the provider perspective on multilateral flows?
  - Option 1: Inflows
  - Option 2: Attribution of multilateral outflows