

Possible adjustments to TOSSD following the UN process: Peace and Security

TOSSD Task Force Issues Paper¹ - Agenda item 3

15th meeting of the International TOSSD Task Force

14 and 17 February 2022

Background

1. It is expected that the UN Statistical Commission (StatCom) adopts the new SDG indicator 17.3.1 for “Additional financial resources mobilized for developing countries from multiple sources” at its meeting in March 2022. See the report of the IAEG-SDGs to the StatCom which makes this proposal: <https://unstats.un.org/unsd/statcom/53rd-session/documents/2022-2-SDG-IAEG-E.pdf>². The OECD and UNCTAD will be co-custodians of the indicator.
2. While this new indicator will use TOSSD (Pillar I and Private Finance Mobilised) as a data source, its scope differs from TOSSD on a few aspects, one of which relates to peace and security expenditures. Indeed, the indicator excludes “peace and security expenditures other than those reportable as ODA”, see note 3 on page 17 of the IAEG-SDGs report. At the last meeting of the Task Force in December 2021, the Task Force discussed the possibility of adjusting the TOSSD framework to the SDG indicator 17.3.1. **One adjustment to consider could be to move all non-ODA eligible peace and security activities to Pillar II, thereby aligning the scope of Pillar I with the indicator in this field. This short paper presents the pros and cons of such an option, and invites members to provide guidance on the preferred way forward for TOSSD.**

Adjustments that would be needed to align TOSSD Pillar I to the scope of SDG indicator 17.3.1 in the field of peace and security

3. The scope of peace and security expenditures of SDG indicator 17.3.1 is defined through two criteria:
 - The expenditures need to be in line with the recipient perspective, i.e. involve cross-border resource flows to developing countries.
 - The expenditures need be in line with the Official Development Assistance (ODA) eligibility rules.
4. Therefore, in order to align the scope of TOSSD cross-border flows pillar (Pillar I) with that of peace and security activities covered in SDG indicator 17.3.1, one major adjustment would be needed to the agreed delineation between TOSSD Pillar I and TOSSD Pillar II: moving the cross-border resource flows not eligible to ODA from Pillar I to Pillar II. These flows include activities in the areas of ‘Countering violent extremism’ (purpose code 1513020), ‘International criminal justice’ (1516020), ‘Disarmament

¹ Drafted by the TOSSD Task Force Secretariat.

² Other relevant documents can be consulted at <https://unstats.un.org/sdgs/iaeg-sdgs/working-group-on-measurement-of-development-support/>

of Weapons of Mass Destruction (WMD)' (1520010), and some activities related to 'Fight against transnational organised crime' (1513010), 'Transitional justice' (1516010) and 'Cyber security' (1513030). See Annex 1 for the list of purpose codes that were introduced to better capture peace and security expenditures in TOSSD, and their relationship to ODA.

5. Moving the share of the United Nations (UN) peacekeeping budget that is eligible to ODA (15%) from Pillar II to Pillar I could also be considered.

Pros and cons of aligning TOSSD Pillar I to the scope of SDG indicator 17.3.1 in the field of peace and security

6. There are pros and cons to aligning TOSSD Pillar I with the scope of indicator 17.3.1. (See Table 1.) While such an alignment would have a number of advantages, operating the needed adjustments would create a number of inconsistencies in TOSSD data and draw into question the key feature of the cross-border flows pillar:
 - The main benefit of the alignment would be to demonstrate the responsiveness of the TOSSD Task Force and the TOSSD framework to the deliberations of the UN, which would further anchor the measure in the UN context and encourage greater political buy-in from countries and organisations for which this anchor is of primary importance.
 - The main concern related to the alignment is that moving non-ODA eligible cross-border support from Pillar I to Pillar II would alter the key feature and objective of the cross-border flows pillar, i.e. showing the most accurate picture possible of the recipient perspective.
7. From a technical point of view, alignment of the scope of TOSSD Pillar I to peace and security expenditures is feasible but would require modifying the Reporting Instructions and including a reference to the ODA rules³ to specify that non-ODA activities in the field of peace and security all fall under Pillar II, even if they do entail cross-border flows. This may trigger questions on the governance of the TOSSD measure (the fact that ODA rules, governed by the DAC, are affecting the classification of flows in TOSSD which is governed by a broader group of stakeholders, including dual providers/recipients, recipient countries and multilateral organisations).
8. In practice, this change in methodology is not required to produce the indicator as defined in the UN proposal. The non-ODA activities can remain in Pillar I but be separately identified and therefore excluded from the data to be submitted to the UN Statistics Division. These exclusions relate to:
 - Activities assigned purpose codes 'Countering violent extremism' (code 1513020), 'International criminal justice' (1516020) and 'Disarmament of Weapons of Mass Destruction (WMD)' (1520010).
 - Activities assigned purpose codes 'Fight against transnational organised crime' (1513010), 'Transitional justice (1516010)' and 'Cyber security' (1513030) that were not reported as ODA by CRS reporters. For non-CRS reporters, in particular South-South Co-operation providers, the Secretariat could review individual activities assigned these purpose codes, and confirm with reporters the ones that need to be removed.

³ DAC [Reporting Directives](#), paragraphs 110-133.

9. The TOSSD framework and TOSSD data go much beyond the coverage of indicator 17.3.1 and will have many other purposes than serving as the data source for this indicator. For this reason, and noting that peace and security is only one sector of support in TOSSD, it could be difficult to justify changing the fundamental nature of TOSSD Pillar I to match with the Indicator 17.3.1. In any case, other adjustments will be needed to produce the data for the indicator 17.3.1 from TOSSD Pillar I (to exclude debt relief and non-grant financial instruments other than loans). These considerations would support maintaining the TOSSD methodology unchanged, keeping the current general logic of the pillar delineation, and using only a subset of Pillar I data to inform indicator 17.3.1.

Table 1: Pros and cons of moving non-ODA peace and security expenditures from Pillar I to Pillar II to align TOSSD to the SDG indicator 17.3.1

Pros	Cons
<ul style="list-style-type: none"> • Aligning to the scope of the indicator would demonstrate the responsiveness of the TOSSD Task Force to the UN decisions and encourage greater political buy-in. • As non-ODA eligible activities would still be included in Pillar II, the overall scope of TOSSD would not be affected. • The volumes concerned are small at present, and would not significantly affect the TOSSD recipient perspective (see Annex 2). • There are still sensitivities around peace and security expenditures and the extent to which they contribute to sustainable development. Moving the non-ODA part to Pillar II could be welcomed by some stakeholders. • The production of the data for the indicator, as derived from TOSSD, would be more straightforward. 	<ul style="list-style-type: none"> • Moving non-ODA eligible cross-border support from Pillar I to Pillar II would alter the key feature and objective of the cross-border flows TOSSD pillar, i.e. showing the most accurate picture possible of the recipient perspective. • ODA and TOSSD, while complementary measures, are fundamentally different (see Annex G of the Reporting Instructions). If ODA rules affect the classification of flows in TOSSD, it risks creating a precedent and could trigger questions on the independence of the TOSSD governance vis-à-vis that of ODA. • The proposed SDG indicator is in any case not optimal, as it excludes other items that are key to sustainable development (e.g. debt relief and non-grant instruments other than loans). All these exclusions might be reviewed by the IAEG-SDGs in 2025; the Task Force could follow the evolution of these discussions, and reconsider its decision to align or not at a later stage. • Alignment would affect the TOSSD architecture and its logic while in practice it is not required to produce the indicator (non-ODA eligible expenditures can be removed at the time of producing the data for the SDG indicator 17.3.1.).

Other considerations: Improving the classification of activities in TOSSD Pillar I versus Pillar II

10. Given that the SDG indicator 17.3.1 will be based on TOSSD Pillar I (and private finance mobilised) solely, the classification of expenditures in Pillar I versus Pillar II has become even more critical. TOSSD providers may in particular wish to ensure that cross-border expenditures in the field of peace and security that are eligible to ODA, and therefore covered in indicator 17.3.1, are indeed included in

TOSSD Pillar I. In this regard, there may be room for adjusting the operational delineation between the two TOSSD pillars, without altering their definition and logic. These adjustments could include the following:

- Preference to Pillar I for regional activities⁴: So far, when the cross-border characteristic of regional activities was not clear based on the project description, the default attribution was Pillar II. This rule of practice could be changed by including these regional activities rather in Pillar I (assigning them the relevant regional recipient codes), in particular in cases where the activities are also reported in ODA. As mentioned by some TOSSD and ODA reporters, the bulk of regional activities eligible to ODA translate into cross-border resource flows to recipient countries.
- Including peacekeeping operations in Pillar I: The TOSSD Task Force decided to include all peacekeeping operations in Pillar II⁵ on the grounds that these operations, even if located in specific countries, aim to address an international threat to peace and security and often take the form of core contributions to multilateral organisations. However, peacekeeping operations can also be seen as having a cross-border nature since they give rise to activities actually implemented in TOSSD-eligible countries.⁶ Therefore, in order to stress the cross-border characteristic of peacekeeping operations and ensuring that they can be reported under indicator 17.3.1, it may be preferable to include these activities in Pillar I, recognising however that only a subset would be reportable under indicator 17.3.1 (15% is ODA-eligible).

Issues for discussion

- **What are Task Force members' views on the possible alignment of the scope of TOSSD Pillar I to SDG indicator 17.3.1 in the field of peace and security?**
- **Do Task Force members agree to keep the TOSSD methodology unchanged i.e. keep the peace and security expenditures that contribute to sustainable development and that entail cross-border flows in Pillar I, even if they do not comply with the ODA rules? If so, the Secretariat would remove the non-ODA activities when producing data for the SDG indicator 17.3.1, to align with its scope.**
- **Task Force members are invited to pay renewed attention to the classification of their expenditures in Pillar I and Pillar II. Do they see merit in pursuing the suggestions in paragraph 10, in particular reclassifying peacekeeping operations in Pillar I?**

⁴ This suggestion would be valid for all TOSSD activities, not solely in the field of peace and security expenditures.

⁵ This item is limited to peacekeeping operations mandated or authorised by the UN Security Council. Peacekeeping operations mandated by non-military regional organisations are eligible to TOSSD as well, providing that their mandate is focused on the protection of civilians, not on defeating an enemy.

⁶ In TOSSD, 'cross-border resource flow' is understood as the implementation of the activity in the territory of one or several TOSSD eligible-countries, not necessarily as the full transfer of funds to entities located in TOSSD-eligible countries.

TOSSD

Total Official Support for Sustainable Development



Annex 1. List of purpose codes that were introduced to better capture peace and security expenditures in TOSSD, and their relationship to ODA

150	Government & Civil Society		Relationship to ODA
151	Government & Civil Society-general		
1513010	Fight against transnational organised crime	Activities that support law enforcement agencies in the fight against all forms of transnational organised crime, including trafficking in cultural property, money laundering and illicit financial flows; trafficking of wild fauna and flora and forest products; maritime piracy; illegal mining, trafficking in precious metals; crimes related to fishing; illicit trafficking in firearms; human trafficking and migrant smuggling. Activities should be aligned with the United Nations Convention against Transnational Organised Crime (UNTOC). The provision, or training on the use, of lethal equipment is excluded even if related to the above-mentioned crimes. [Use code 16063 for counter-narcotics and code 15140 for cyber security.	Includes both ODA and non-ODA activities.
1513020	Countering violent extremism	Activities aimed at combating terrorism. The activities reported here should be aligned with the United Nations Global Counter-Terrorism Strategy and the 19 international legal instruments to prevent terrorist acts. Examples include the facilitation of the implementation of the relevant legal instruments, combating money laundering and financing of terrorism, capacity-building programmes to strengthen transport security and border management systems, and assistance in developing an effective and rule of law-based criminal justice system. The provision, or training on the use, of lethal equipment is excluded.	Includes only non-ODA activities.
1513030	Cyber security	Operational policing to protect computer systems from theft or damage covering hardware, software and electronic data.	Includes both ODA and non-ODA activities.
1516010	Transitional justice	Support to international mechanisms aimed at ensuring accountability for serious crimes such as genocide, crimes against humanity and war crimes as defined in international law.	Includes both ODA and non-ODA activities.
1516020	International criminal justice	Support beyond the regular justice system to address large-scale or systematic human rights violations.	Includes only non-ODA activities.
152	Conflict, Peace & Security		
1520010	Disarmament of Weapons of Mass Destruction (WMD)	Activities intended at supporting disarmament and non-proliferation of biological, chemical and nuclear weapons.	Includes only non-ODA activities.
1520020	Prevention of Violent Extremism	Actions intended at addressing the drivers of violent extremism such as those outlined in the United Nations Secretary General Plan of Action to Prevent Violent Extremism: dialogue and conflict prevention; strengthening good governance, human rights and the rule of law; engaging communities; empowering youth; gender equality and empowering women; education, skills development and employment facilitation; strategic communications, the Internet and social media.	Includes only ODA activities.



Annex 2. Volumes reported in TOSSD for peace and security expenditures in 2019

TOSSD, gross disbursements, USD million

		Pillar I	Pillar II
TOSSD, total		219 707	75 852
TOSSD, peace and security expenditures		4 137	8 070
1513010*	Fight against transnational organised crime	9	0
1513020*	Countering violent extremism	6	0
1513030*	Cyber security	2	1
1516010*	Transitional justice	0	0
1516020*	International criminal justice	2	25
15200	Conflict prevention and resolution, peace and security	38	16
15210	Security system management and reform	1 163	434
15220	Civilian peace-building, conflict prevention and resolution	2 039	1 418
15230	Bilateral participation in international peacekeeping operations	166	815
15240	Reintegration and SALW control	59	13
15250	Removal of land mines and explosive remnants of war	364	59
15261	Child soldiers (prevention and demobilisation)	11	1
1520010*	Disarmament of Weapons of Mass Destruction (WMD)	296	6
1520020	Prevention of Violent Extremism	0	0
	<i>Peacekeeping operations (UN peacekeeping budget)</i>		5 308
Total excluded from the indicator 17.3.1		315	

* Excluded from ODA, in whole or in part