Options for the future governance and financing of TOSSD

TOSSD Task Force Issues Paper[1] - Agenda item 5
6 – 9 October 2020

Introduction

1.   At its 10th meeting in Pretoria, the Task Force (TF) held a discussion on a strategy paper proposed by the two co-Chairs.[2] Task Force members were broadly in agreement with the paper, although they believed specific elements of the sections on governance and funding required further discussion.

2.   The purpose of this paper is to further inform the TF on options for the future governance (Section I) and funding (Section II) of TOSSD. Discussions on these two sections should allow the co-Chairs and Secretariat to subsequently propose revised text for a new version of the strategy paper during the 11th TF meeting, or shortly afterwards possibly via a written procedure.

I.   Governance options in the context of a growing Task Force

3.   The TF has already discussed the future governance of TOSSD in previous TF meetings[3]. These meetings and discussions have highlighted :

- The centrality of the United Nations in a future governance mechanism for TOSSD.

- The importance of situating future technical work within institutions with statistical expertise on development.

- A general consensus on a possible future governance structure, with a general assembly / high-level forum, together with a steering committee and a secretariat.

4.   At the 10th meeting in Pretoria, the discussions held by the TF on the governance section reconfirmed some of these key dimensions and reaffirmed the necessity for the TF to continue its operations to ensure for example continuity in the data collection and specific TOSSD outreach. The meeting also took note of the discussions taking place on the measurement of development support in the context of the IAEG-SDGs working group[4]. The draft strategy paper also recognised that progress at the UN on TOSSD governance has been slow in recent years and that the TF should therefore consider alternative options where all interested countries and stakeholders could take part, albeit with enough room for the UN and all UN member states to play a (large) role.

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[2] See the Draft TOSSD Strategy Paper by the co-Chairs of the International TOSSD Task Force on the Task Force web page.

[3] See: "Possible options for future governance arrangements" at the 3rd meeting of the Task Force and the Action Points of this 3rd meeting; Action points of the 9th meeting and at the 10th meeting the Draft TOSSD Strategy Paper by the co-Chairs and the Action points of this 10th meeting..

[4] The UN StatCom on 3-6 March 2020 decided to mandate a working group under the IAEG-SDGs including countries from all regions, three UN entities (the UNDESA Financing for Sustainable Development Office, the UN Statistics Division and UNCTAD) and the OECD to further develop and refine the measurement of development support in line with the 2030 Agenda.

5.	In order to finalise the strategy paper and ultimately live up to the commitment in the Addis Ababa Action agenda to hold an "open, inclusive and transparent" dialogue on TOSSD, further discussion[5] is needed on three key elements:

- **The composition of the Task Force as it grows** (either as a group of experts or as an intergovernmental body where TF members represent their respective countries or organisations);

- The **timing** for a change into a General Assembly / Steering Committee type of structure and

- The potential **name** of an expanded Task Force.

6.	Based on the outcomes of this discussion, the Co-Chairs with the help of the Secretariat should be able to elaborate appropriate wording for the strategy paper, and also start carrying out concrete actions to ensure that the TF remains an efficient body going forward.

7.	The paragraphs below outlines the overall rationale for discussing the evolution of the governance and financing model at this point in time (Section A.), present the two options of representation within the Task Force (Section B) and invite discussion on possible names for an expanded Task Force (Section C.).

### A.	*Rationale for discussing the evolution of the governance and financing model at this point in time*

8.	Discussing the evolution of the governance and financing model of the TF is important for three main reasons: 1) keeping a high level of interaction and efficiency within the Task Force, 2) managing the increasing costs associated with the growth of the TF and 3) the necessity to clarify the TF institutional identity. These three elements are discussed in the paragraphs below.

9.	**Keeping a high-level of interaction and efficiency:** Since its creation in 2017, the TF has been characterised by a high-level of interaction and a strong involvement by members in the discussions. This has led for example to a significant outcome with the publication of a first version of the TOSSD methodology in June 2019. Since then, the group continues to work in a highly collaborative manner to further develop the methodology and guide the TOSSD initiative.

10.	However, with a growing membership, there is a risk that this high-level of interaction and collaboration be increasingly challenged. The TF anticipated this issue in its current terms of reference[6]: "As and when the number of members exceeds 35, the Task Force will review its modes of deliberation to ensure its decision-making processes remain effective". Even though the TF is currently comprised of only 29 members and 5 observers[7], it would be important that the group already anticipates how it wishes to operate beyond a membership of 35. This is all the more important as, in practice, some members actually participate in the deliberations with more than one representative.

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[5] This discussion may also have an impact on the wording of the upcoming revised version of the Terms of reference of the Task Force.

[6]	See	http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/New%20TOR%20 TOSSD%20Task%20Force%20-%20January%202019_approved_WEB.pdf

[7] See: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/International-TOSSD-Task-Force-Members.pdf

11.   **Managing the increasing costs associated with the growth of the TF**: with a growing TF, the costs for managing the TOSSD framework (e.g. data collection, specific requests, organisation of meetings) tend to increase[8]. The TF should seize the opportunity to discuss the post-COVID era and prepare for a time when the TF will be in a position to resume the organisation of physical meetings. The Task Force may also wish to reflect on the possibility of combining physical and virtual meetings going forward.

12.   **A growing necessity to clarify the TF institutional identity:** the TF Secretariat systematically presents itself as the "TOSSD TF Secretariat" and not as the OECD. This is to reflect the basic composition and spirit of the TF, which is comprised of participants much beyond the OECD membership (today only 10 out of 24 member countries in the TF are also members of the OECD). However, with a TF growing in force and impact, some countries could be discouraged to join the group or embrace TOSSD if they feel that the group is mainly an OECD-driven initiative (this is due to the fact for example that the Task Force page is still hosted on an OECD-branded website[9]). This is a risk in particular in the context of the IAEG-SDGs working group where the Secretariat faces difficulty in presenting itself as a different entity than the OECD despite the fact that it systematically presents itself and its contributions as the TOSSD TF Secretariat. Therefore, it becomes more and more important that the TF develops its own visual and governance identity, even if from a technical perspective, the TF will still benefit from the statistical expertise of the OECD.

B.   *The nature of in the Task Force: country representatives or technical experts in their own rights?*

13.   At the 10th meeting of the TF in Pretoria, there were diverging views as to what should be the nature of the TF. Below is a list of possible arguments in favour of the two options considered by the group.

Possible arguments in favour of a Task Force comprised of **Country / Organisation representatives**[10]	Possible arguments in favour of a Task Force comprised of **Technical experts**
The Task Force would benefit from official country positions. The informality of a TF of experts may not be perceived as compatible with what is at stake in TOSSD. Many issues in TOSSD have far reaching implications for provider and recipient countries. In fact, discussions within the Task Force on several methodological issues have already highlighted the political nature of the measure (e.g. definition and measurement of South-South Co-Operation (SSC), the definition of International Public Goods (IPGs) and the reporting at the goal or target level of the Sustainable Development Goals). The release of the 2019 TOSSD data at the end of2020 may further increase the necessity to discuss TOSSD issues among official representatives of countries and organisations.	**TOSSD is a nascent and dynamic framework and therefore does not necessarily require a high level of formalism.** The strength, innovation and dynamism of the TF also relies on its expert nature. By remaining a group of experts, the TF would focus on technical issues and avoid the risk of politicisation of the discussions on TOSSD and of the topic of financing for development.
Some of the participants in the Task Force meetings are already country representatives. Many members of the TF openly represent their countries and express positions on behalf of their governments.	**The expert nature of the Task Force may favour the growth of the initiative.** Having low barriers of entry incentivises participation in the TF (i.e. when participation in the TF only requires the presence of an expert with no need for official decisions or the preparation of formal country positions).

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[8] Even though in 2020, the COVID-19 crisis has significantly reduced meeting costs, since no additional physical meetings could be organised.

[9] The Secretariat is currently in the process of setting up an independent TOSSD.org website.

[10] A group comprised of country representatives could still host experts as appropriate.

14.   Another possibility for the TF could be to leave the option to countries / organisations to decide whether they wish to appoint a formal representative or an expert in their personal capacity, in which case this should be clearly indicated for each country/organisation. This option may however generate issues when it comes to the decision-making process of the group with a mix of country positions and votes / positions taken by experts.

C. *The name of the "Task Force" may need to evolve*

15.   **A side issue related to the growth of the group is the name "Task Force" itself**. The term "Task Force" usually defines a relatively **small** group assigned to a **defined task**. It is also usually a **temporary** and **technical** group that dissolves once the task is completed. As the TF grows and continues operating, the term "Task Force" may not well describe the international nature and size of the group.

16.   Therefore, the TF may also wish to discuss a change of its name, which could reflect the following dimensions:

- **The multi-country / multi-stakeholder nature of the group:** for example, the new group could be described using terms such as "global" or "international".

- **The nature of the group:** Possible terms could include assembly, association, coalition, committee, community, conference, convention, council, forum, group, initiative, network, partnership, platform, summit or symposium.

- **The purpose of the group:** the group would focus on TOSSD or have a wider focus e.g. Financing for Sustainable Development, Sustainable Development Finance and Development Co-operation.

17.   Using a combination of the three criteria above allows a wide range of possible names: *International TOSSD Forum*, *International Partnership on Financing for Sustainable Development*, *International platform for sustainable development finance*, etc.

18.   Once the TF has had an opportunity to discuss several options, and if deemed appropriate by the Task Force, an international public consultation could be carried out to decide on the final name of the group. This would help to communicate and gather further momentum on the creation of this entity, creating a sense of ownership among existing and potential new member countries and organisations.

D. *What would be an appropriate timing for a transition to a General Assembly / Steering Committee structure?*

19.   The current TORs of the TF indicate that "In line with the objective of increasing ownership of TOSSD at the global level, the Task Force will seek to expand its membership (…)". The TF has been successful in attracting new members and observers in the last few months with Chile, Egypt, Gabon, Indonesia, and Brazil (previously an observer) becoming new members, as well as Germany and Romania as new observers.

20.   Even though the TF is currently comprised of 29 members and 5 observers[11], it would be important that the TF already anticipates how it wishes to operate when the membership goes beyond 35 members and reach 100, 150 members or more.

21.   In practical terms, the change would mean to switch from a "Task Force" mode to "a General Assembly / Steering Committee" type of structure. The Secretariat could propose possible options for the functioning (e.g. elections, modes of decisions by consensus or majority) and representational composition of the future group.

22.   This switch to "a General Assembly / Steering Committee" type of structure could be combined with a change in the type of representation (as appropriate, based on the discussion above) and a change in name of the "Task Force", all at the same time.

> **Issues for discussion**
> - **What are the Task Force members' views on the future <u>composition of the group</u> - country representatives, experts, or a combination of both (See paragraphs 13 and 14)?**
> - **Does the Task Force agree with the various dimensions to be reflected in the name of an expanded Task Force and what could be <u>possible names</u> for this group (see paragraphs 15 to 18)?**
> - **<u>When would be an appropriate time</u> for the Task Force to possibly switch to a model of General Assembly / Steering Committee (paragraphs 19 to 22 above)?**

II. Financing

A. *Core functions*

23.   At its ninth meeting in Washington in October 2019, the TF explored preliminary options of financing models for the Task Force[12]. Task Force members supported **the three core functions** as defined by the Secretariat: i) **the collection and processing of TOSSD data**; ii) **the online publishing of TOSSD data, communications and outreach**; and iii) **the maintenance of the TOSSD standard through the organisation of Task Force meetings**. In addition, the TF also concluded[13] that any future business model would most likely rely on several financing options, including possibly a fee-based model and voluntary contributions (financial or in-kind).

24.   At the 10th TF meeting[14] in Pretoria, the Task Force further discussed possible financing options for the Task Force and the Secretariat was asked to provide rough estimates of yearly costs of maintaining the TOSSD framework. **Preliminary estimates for running TOSSD and carry out the above three core functions amount to 1.8 to 1.9 million EUR per year (approx. USD 2.0 to 2.1 million)**.

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[11] See: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/International-TOSSD-Task-Force-Members.pdf

[12] See Item 6: Exploring options of financing models for the TOSSD Task Force on the TOSSD Task Force web page.

[13] See the Action Points of the ninth TOSSD Task Force meeting.

[14] See the Action Points of the tenth TOSSD Task Force meeting

25. This estimate includes three main types of costs and relies on the following assumptions:

- **Staff** to manage the data collection process (including the necessary quality assurance and support to members for reporting), the publication and online dissemination for about 100 providers; organise Task Force meetings and follow-up on the IAEG-SDGs process. Some of this staff could be seconded from TF members' official agencies, thereby reducing the headline cost. Also, taking into account the aftermath of the COVID-19 crisis, it could be foreseen that some of the Secretariat staff would be based in Paris and others physically located in other countries. This possibility would require further guidance by the Task Force.

- **Costs of organising meetings** (organisation of Task Force and outreach meetings): the budget would include two meetings a year[15], including room rental, funded participants and invitees from developing countries and interpretation in three languages – English, French, and Spanish. Funding also includes two side-events per year, for example to engage with the United Nations (e.g. UN StatCom, UN ECOSOC) and to promote TOSSD in other relevant fora (e.g. African Union, G7, G20, etc.), as appropriate. Travel is included for Secretariat staff to participate in all these meetings, in selected international events, as well as physical meetings of the IAEG-SDGs working group on measurement of development support[16].

- **Technical, communication and IT costs**: maintenance of a TOSSD database and an online TOSSD public website presenting data, analytical papers and communication material on TOSSD, free of charge. Estimates also include provisions for data security, printing and room rental costs, overheads and other miscellaneous expenses.

26. Based on the above estimates, the Task Force Secretariat could develop proposals to study the financing of core functions using a fee-based model, based on existing examples (e.g. International Aid Transparency Initiative, the Global Forum on Transparency and Exchange of Information for Tax Purposes).

B. *Additional functions*

27. At the 10th TF meeting in Pretoria, the Secretariat also proposed "additional functions" in the paper proposed for this meeting: **the production of analytical reports** using TOSSD data and **the provision of advisory services to recipient and provider countries for collating, reporting and using TOSSD data**.[17]

28. **The production of analytical reports using TOSSD data**: Once TOSSD data are published, it will be important to demonstrate how the data can be used in various contexts (e.g. to provide a first landscape of Islamic Finance, to analyse development co-operation to LDCs beyond traditional ODA, etc.). This function would give rise to specific analytical reports on various issues relevant for the Task Force and/or the international community. **Since these reports will be customised to specific needs and subject to availability of funds, the Task Force Secretariat will wait for the first TOSSD data to be able to suggest**

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[15] The estimate was made with the current structure as a Task Force. The Secretariat will provide new estimates if the Task Force adopted a General Assembly / Steering Committee-type of structure depending on the number of meetings held per year.

[16] It is expected that the COVID-19 crisis will lead to a reduction in the number of physical meetings in the future. This would clearly be an area where there would be potential budget gains, keeping in mind that virtual meetings should be used strategically as they may not always be adequate depending on the objectives of the meeting. Given the current uncertainty at this point in time and the fact that the Task Force never had the opportunity to discuss the possibility of holding virtual meetings, estimates have been prepared on the assumption that all meetings will take place physically.

[17] See Item 6: Exploring options of financing models for the TOSSD Task Force on the TOSSD Task Force web page.

specific topics to be further analysed. Members could also signal specific areas that they would like to see analysed in early 2021 and the Secretariat will be ready to provide a proposal and detailed estimates.

29.   **The provision of advisory services to recipient and provider countries for collating, reporting and using TOSSD data** would allow the building of national capacities of both provider and recipient countries. It would be demand-driven: recent TOSSD country pilots[18] have shown the needs of recipient countries to build their capacities to collect and manage TOSSD Data. The main objective for these countries could be to strengthen their national capacities to collate TOSSD data to inform national policies. For providers, the main objective of this function would be to strengthen their capacities to report TOSSD data to the international TOSSD database. This would be particularly useful for countries that do not necessarily have experience in reporting data to an international statistical system. **Estimates for such short targeted on-site missions and virtual support can be estimated at about K 22 to 25 EUR per mission (approximately[19] USD 25-28 K depending on the location and the length of the seminar).**

Issues for discussion

- **What are Task Force members' views on the scope and estimates of the budgets to manage the core and additional functions of the TOSSD framework?**
- **Should the Secretariat start proposing methodologies for assessing country and organisation contributions?**

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[18] See all TOSSD country pilot studies published to date on the OECD iLibrary system.

[19] Using average 2019 yearly conversion rates: https://data.oecd.org/conversion/exchange-rates.htm