THIRD MEETING OF THE TOSSD TASK FORCE
OTTAWA, CANADA, 24-25 JANUARY 2018

MAIN CONCLUSIONS AND ACTION POINTS

This note presents the main conclusions and action points from the 3rd meeting of the TOSSD Task Force (the TF) as recorded by the co-Chairs and the Secretariat. In brief:

- TF members generally agreed on the structure, wording, length and style of the structure and preamble of the TOSSD Reporting Instructions. Several suggestions were made on the wording of the preamble.
- There was general agreement by TF members on the wording and level of detail of the definition of TOSSD. Some editorial suggestions were made.
- There was broad support for the reporting principles for TOSSD. The majority of TF members supported the principle of activity-level reporting to ensure the richness of the TOSSD statistical framework; a proposal was made for reporting at aggregate level in certain cases. It was proposed that the explanation of the two-pillar framework also include a mention of the "provider" and "recipient perspectives" to TOSSD.
- It was agreed that a clear quality statement in the TOSSD Reporting Instructions referring to the UN fundamental principles of statistics will be included.
- Most TF agreed that TOSSD activities should be linked, to the extent possible, to the SDG targets. Goals were considered too vague to demonstrate why an activity is addressing sustainable development. Two members expressed their preference for linking activities to SDG goals but suggested leaving the system flexible and allowing for assigning an SDG goal to an activity when it cannot be matched to a specific target.
- It was noted that the OECD has already mapped the sector codes applicable to ODA to the SDG targets; it was agreed that a presentation would be done on this point at the next meeting of the TF.
- It was agreed that a consultation will be organised with Arab providers to get their views on whether Islamic finance instruments should have a separate category in the taxonomy of financial instruments or should rather be included in the category of instruments with similar characteristics.
- There was general agreement on the proposed text for TOSSD reporting instructions on the scope of flows covered by TOSSD.
- There was general agreement on the proposed treatment of multilateral flows in TOSSD; examples were requested for the next TF meeting on how TOSSD data could be derived from CRS reporting and how double-counting will be avoided.
- There was general consensus on the governance structure, with a high-level forum, a steering committee and a secretariat. Proposals were made for a stronger role for the steering committee on technical decisions and a stronger technical role for the secretariat; the steering committee should have representatives from all stakeholder groups and users of statistics.
- TF members generally agreed with the proposed opt-in procedure for TOSSD-eligible countries and it proposed that the request for inclusion be reviewed every three years.
- With regard to valuing technical co-operation, there was general agreement with proposed wording in the reporting instructions in case international experts are contracted externally and internationally. There was broad support for measuring in-kind technical co-operation in a way that is statistically relevant and that addresses the needs and concerns of Southern providers. It was agreed that a consultation on the preferred option for measuring in-kind technical co-operation (PPP factor or standard salary table) and on possible inclusion of qualitative indicators be made in the margins of the "Forum of the Countries of Latin America and the Caribbean on Sustainable Development" in April 2018.
- In general, members considered the OECD approach for measuring resources mobilised from the private sector more suitable for TOSSD reporting purposes as it takes into account the role of all providers.
- TF members welcomed the general reporting format structure proposed and suggested a few additional elements/adjustments.

1.	**Item 1. Welcome, introductory remarks and adoption of the agenda** After welcoming remarks by Canada and co-Chairs of the Task Force (TF), the agenda for the meeting was approved.
2.	**Item 2. Structure of the TOSSD Reporting Instructions and draft preamble** The structure of the TOSSD Reporting Instructions as well as the first draft of the preamble was presented to TF members, who welcomed the work and generally agreed with the wording, length and style. Several suggestions were made on the preamble as follows: • Indicate that TOSSD should have a life beyond 2030 and for this reason generally refer to "sustainable development" and not only to the "SDGs" in the text. • Reverse the order of the first two paragraphs of the preamble. • Emphasise the "why" of TOSSD, noting the evolution of development co-operation over the years. • Highlight that all countries, even advanced economies, need to reach SDGs. • Include a placeholder for "data collection" in the table of contents. • Signal issues for which there is no consensus, but rather general agreement, with question marks or placeholders. • Indicate the main differences between TOSSD and ODA and that a part of TOSSD can be derived from ODA. • Make reference to the statistical principles that TOSSD should comply with. • Note that the Global Public Goods pillar has not been discussed yet and that the wording could be modified at a later stage. • Consider revising the wording in paragraph 10 – the word "unavoidable" was deemed rather subjective; alternative wording such as "guard against and mitigate negative damage" was suggested. • Further explain the composition of the TF. A reference to the governance of the TOSSD measure could be made in this paragraph or in a separate note. • The statement on compliance with safeguards was welcomed; concrete measures to ensure alignment with safeguards could be discussed at a later stage. • Add a point about TOSSD contributing to the monitoring of SDG 17.
3.	**Item 3. Emerging draft excerpts of the TOSSD Reporting Instructions: the definition of TOSSD** There was general agreement by TF members on the wording and level of detail of the definition of TOSSD included the draft Reporting Instructions. Some suggestions were made as follows: • One TF member suggested that reference be generally made to "sustainable development" rather than to the SDGs. Other TF members commented that TOSSD should indeed have a life beyond 2030 but it would nevertheless be best to link the measure with the SDGs. TOSSD is a tool to track SDG implementation which is the current main concern of the global community; the link with the SDGs will facilitate the anchoring of TOSSD in the UN architecture. The wording on sustainable development could evolve over time to reflect any changes in global sustainable development priorities. An explicit statement could be made to indicate that TOSSD shall not expire after 2030 even if the operational definition is linked to SDG implementation. • One TF member supported the broadest definition of "resources mobilised" to capture as much resources as possible. Another TF member was sceptical about the possibility of collecting data on resources provided by "other enterprises under significant government influence" and suggested that data from non-state-owned enterprises could be collected under a satellite indicator. Some TF members highlighted that the economic services of embassies could provide examples of companies under significant government influence. The co-Chairs clarified that reporting by countries on these resources would be voluntary; also, the fact that a

	country is able to obtain data from an enterprise could indeed demonstrate "significant influence". They recommended collecting data on all three types of resources included in the definition, so as to collect as much information as possible, and reviewing the question of enterprises under significant government influence in a few years' time.
4	**Item 4. Emerging draft excerpts of the TOSSD Reporting Instructions: reporting principles and core statistical features** **a) Reporting principles, including a proposal for associating international statistical standards with the TOSSD statistical system** **Main reporting principles** There was general agreement among TF members on the main reporting principles. Some suggestions were made as follows: • One TF member expressed concerns over the principle of activity-level reporting on TOSSD and proposed that aggregate-level reporting should be a parallel option ("as necessary") and not applied only in exceptional cases. The TOSSD Secretariat asked the TF member to reconsider the issue since, for TOSSD to be a useful analytical tool it should provide as much information as possible to data users. Given that financial information such as the interest rates and other sensitive information is not included in TOSSD reporting format, there should be no major confidentiality issues; aggregation could be permitted in certain cases. The majority of TF members supported the principle of activity-level reporting to ensure the richness of the TOSSD statistical framework. • One TF member suggested including in section 1.2.4 (currency) a principle on reporting in USD on constant prices to address the issue of volatility of exchange rates. Another TF member commented that a fixed exchange rate would not reflect changes in the market prices and suggested using variable exchange rates. Two TF members proposed that the exchange rate at the time of transaction could be collected as a memo item but that an annual average exchange rate should be used for the main TOSSD data. **Statistical quality standards** TF members generally agreed that as a statistical framework, TOSSD should comply with international statistical principles and a reference to this effect should be included in the Reporting Instructions. Other comments were made as follows: • Among the proposed international statistical principles, the UN fundamental principles of statistics are the broadest and most appropriate for TOSSD. • In regard to the quality dimensions, a code of good practice could be developed for TOSSD. The UK code of conduct could serve as an example – it has three main pillars (quality, value and trust) and had been inspired by the UN fundamental principles and the European principles for statistics. In the Philippines, trust is considered as the very foundation of statistics and is based on three core values embedded in the UN fundamental principles: integrity, independence and transparency. Clear metadata, definitions and reporting forms, are also a good basis to ensure trust. It was agreed that the TOSSD Reporting Instructions should include a clear quality statement referring to the UN fundamental principles of statistics and specifically mention trust and some other quality aspects. The issues paper 4.a could serve as reference material for TOSSD in future. **b) Main statistical concepts and classifications** TF members generally agreed with the proposed wording in the TOSSD Reporting Instructions. One TF member, supported by another member, proposed that the "provider" and "recipient perspectives" be spelled out in this section. One of the discussion points under this agenda item was the question of whether the sector classification and the SDG focus field (items 13 and 14 of the reporting format) should be referenced

	in this section of the Reporting Instructions. The discussion went beyond that question – TF members exchanged views on the classification of TOSSD activities by sector and whether the operational definition of TOSSD should be related to SDG targets or goals. Several comments were made as follows: • One TF member suggested using the existing classifications of the Creditor Reporting System (CRS) for ODA. Another TF member proposed that the classification be adapted to the context of sustainable development and would send written comments to that effect. • As regards the question of whether the operational definition of TOSSD should be linked to SDG targets or goals, most TF members agreed that targets would be more appropriate while two TF members expressed their clear preference for goals. A few TF members have already mapped their development co-operation activities against the SDG targets and asserted that reporting at the target level is feasible. A study that Sweden had conducted on linking development co-operation projects from Sida to the SDG goals and targets had found that the goals were too broad for operational purposes, and therefore bound to lead to subjective reporting. Partner countries involved in the study had also found more useful to have information at target level. • The question was raised on whether information by sector was indeed necessary if reporting takes place at the level of targets. Some TF members suggested that sectoral information might not be necessary given the inter-sectoral approach of the 2030 Agenda while most members preferred to have both sectors and SDG targets to ensure statistical continuity (the SDGs will expire in 2030) and also to provide richer information. It was suggested to develop a mapping exercise but given that this would be very complex, data collection on both sectors and targets could facilitate the mapping later on. The OECD has already mapped the sector codes applicable to ODA to the SDG targets; it was agreed that a presentation would be done on this point at the next meeting of the TF. It was also mentioned that the Conference of European Statisticians had conducted work in this area and that their framework of sectors and SDGs might be useful in the context of TOSSD if it could be linked to the CRS. • With regard to the taxonomy of financial instruments, one TF member suggested including therein specific categories for Islamic finance instruments, to give visibility to some countries' and institutions' support to SDG implementation through those instruments. During its 2nd meeting the TF had considered the option of integrating Islamic finance instruments within the other categories but members acknowledged that identifying them separately could give more visibility to Islamic finance. To conclude on this point, it was suggested to hold a consultation with Arab providers, possibly during the UN World Data Forum to take place in Dubai, in October 2018. In the meantime a placeholder for Islamic finance could be inserted in the emerging Reporting Instructions. • It was proposed that a unique international ID number be assigned in case of complex financing arrangements (with multiple countries/institutions financing one project). This information would be very useful for partner countries and also help check that there is no double-counting of cross-border flows.
5.	**Item 5. Emerging draft excerpts of the TOSSD Reporting Instructions: scope of the TOSSD statistical system** **a) Scope of cross-border resource flows covered in TOSSD** • TF members generally agreed with the wording in the TOSSD reporting instructions. On paragraph 31 it was proposed to replace the term "capital flow" by "non-grant capital flows" since grants can also be part of capital flows. • TF members generally agreed with the proposal that only short-term transactions by multilateral development banks be included in the TOSSD measure. One TF member suggested exploring the feasibility of including, in TOSSD, short-term transactions by

	development finance institutions of provider countries. The item was concluded by noting there was general agreement but that the text could remain open for further discussion. **b) Follow-up of the previous Task Force discussion on treatment of multilateral flows in TOSSD** There was general agreement on the proposed treatment of multilateral flows. Some comments were made on the proposed TOSSD reporting instructions as follows: • Add an example of a Financial Intermediary Fund. • Two TF members highlighted the importance of attributing the multilateral flows back to the providers. One member suggested that providers' contributions to the multilateral system be counted in one of the TOSSD satellite indicators to present figures on the donor effort. The Secretariat clarified that donor effort was measured through ODA and that TOSSD was a different measure to capture cross-border flows. It was also noted that the question of attribution of multilateral outflows could be discussed as part of the provider perspective workshop, to take place in March 2018. • With regard to the opt-in procedure for multilateral organisations, there was general agreement with the proposed wording for the Reporting Instructions but it was advised that the criteria might need to be further developed as and when the discussions on the 2nd pillar of TOSSD and the governance structure had advanced. • There were a few concerns about the risk of double-counting flows and questions about how to derive TOSSD data from the CRS reporting on ODA flows. It was agreed that the Secretariat will provide examples on these two issues for the next TF meeting. The question of how to avoid double-counting with contributions to Global Public Goods will be discussed as and when the 2nd TOSSD pillar will be developed. • In response to a comment from one TF member, it was clarified that, based on the consultation with a number of multilateral organisations, the decisions on resource allocations from single-donor trust funds were made by the multilateral organisation and not by the provider; therefore, a clear criterion to distinguish who should be reporting the outflows from a trust fund would be who makes the decision on resource allocation. A visualisation will be developed to clarify this point.
6.	**Item 6. Possible options for TOSSD governance arrangements** The TOSSD Secretariat presented the main outcomes of the discussions at the 2nd TF meeting on TOSSD governance arrangements. TF members provided the following feedback: • The steering committee should take decisions on major changes to the TOSSD Reporting Instructions and the high-level political forum should rather provide strategic and political direction to the steering committee; it could also review qualitative assessments of TOSSD data. • The steering committee should be designed to include expertise from all stakeholder groups including traditional and emerging providers and partner countries, development policy experts and statisticians. The UN and its regional economic commissions as well as key regional organisations such as the EU, AU, ECLAC or ASEAN should be represented as well. • The Secretariat should have a stronger technical role; its mandate should be elaborated to also cover data collection and quality assurance. • TF members did not have strong views on whether the host institution for the general assembly could be UNSC or ECOSOC and suggested that the Secretariat might approach both. The co-Chair noted that the natural entry point for a statistical framework would be the UNSC which, in turn, reports to ECOSOC.

	• One TF member proposed that, if the governance structure is to be associated with UNSC, the best way forward could be the creation of a new subsidiary, rather than associating TOSSD with one of the two existing UNSC subsidiary bodies. (A factual correction was made to the issues paper regarding the name of the second subsidiary body which should read "high level group for partnership, coordination and capacity building".) • The possible association of TOSSD with the Inter-Agency Expert Group on SDGs could also be explored, given that the aim was to introduce TOSSD as an official indicator under SDG 17. It was flagged that all SDG indicators have custodian agencies and that for TOSSD the custodians could be UNCTAD and OECD. • In the context of UNSC, it is important to demonstrate that TOSSD will be useful for partner countries and therefore highlight the focus on cross-border flows. • Further efforts are required to obtain UN support for TOSSD and partnering with entities such as UNCTAD will be a cornerstone of success. The Secretariat explained that it had been in frequent contact with a number of UN entities to keep them updated on the process; with TOSSD now becoming more clearly defined through Reporting Instructions it should be easier to enhance collaboration with the UN. • It was suggested that a link with the high-level forum for the SDGs should be established and that regional spaces for discussion on TOSSD governance should also be created. • One TF member expressed scepticism about the idea of regional data hubs; it could be feasible for Latin America but not necessarily for all regions. • Transparency, consistency and credibility are the most important elements of the governance framework. Lisa Bersales confirmed that the UNSC had approved the co-Chairs' request for a TOSSD side event in the margins of the UNSC meeting in March 2018 and a statement on TOSSD during the meeting itself. The co-chairs will prepare the request for including TOSSD on the agenda of the UNSC meeting in March 2019.
7.	**Item 7. Emerging draft excerpts of the TOSSD Reporting Instructions: specific eligibility criteria** **a) TOSSD-eligible countries** • There were some concerns about whether to include criteria for the opt-in procedure or not, and which body should be assessing the opt-in requests. In the spirit of inclusivity and universality, and to avoid creating a politically contradictory approach to the universality of the SDGs, it was agreed that the proposed procedure is acceptable and that the Reporting Instructions might clarify that there are no criteria for the opt-in procedure. • In the same line, a TF member highlighted that the term "traditional donors" is very vague and that maybe the document should refer to "DAC members". The Secretariat clarified that the language was vague on purpose because the DAC membership might change to include emerging donors that might want to be TOSSD recipients. Moreover, there are very rich economies outside the DAC membership like the Arab donors who are not expected to opt in. • It was proposed that the opt-in request from a country could be reviewed every three years. **b) Clarification regarding SDG targets** • In general the Task Force agreed that TOSSD activities should be linked, to the extent possible, to the SDG targets. Goals were considered too vague to demonstrate why an activity is addressing sustainable development. • One member expressed its preference for linking activities to SDG goals but suggested leaving the system flexible and allowing for assigning an SDG goal to an activity when it cannot be matched to a specific target. • It was suggested that the Secretariat could work on a mapping exercise to link the SDG targets

	to the CRS or CES sector nomenclatures, also building on work by the OECD and Sweden in this area [see action points for discussion item 4.b), bullet 3]. This could be done also using concrete examples (e.g. project targeting several targets).
8.	**Item 8. Emerging draft excerpts of the TOSSD Reporting Instructions: specific methods** **a) Follow-up of the previous Task Force discussion on valuation of technical assistance in TOSSD** • There was general agreement with proposed wording in the TOSSD reporting instructions regarding the treatment of international experts that are contracted externally and internationally, with some proposed edits by two TF members. • There was broad support for measuring in-kind technical co-operation in a way that is statistically relevant and that addresses the needs and concerns of Southern providers. One TF member however expressed preference for taking into account only the real cost (and not value and opportunity cost). • Both option 1 (applying PPP factor) and option 2 (standard salary table) seemed acceptable to TF members. Option 1 is specifically designed to capture the opportunity costs while option 2 is similar to the system of national accounts. There were no strong views on one or other option; one possibility would be to collect information on both and review and assess the most appropriate method after a few years. • With regard to the possibility of incorporating in TOSSD qualitative indicators, some TF members questioned whether the main TOSSD framework was the right place to collect such information while some other TF members agreed on collecting two or three main qualitative indicators that are easy to collect, to capture the value of in-kind technical co-operation. In order to take into account Southern providers' views and concerns, it was agreed that a consultation will be made in the margins of the ECLAC's "Forum of the Countries of Latin America and the Caribbean on Sustainable Development", to take place on April 16-20 in Santiago de Chile. Representatives from other regions shall also be invited. **b) Principles for reporting on resources mobilised from the private sector** The Secretariat presented a comparative analysis of the OECD and the MDB approaches for measuring mobilisation. In general, members considered the OECD approach more suitable for TOSSD reporting purposes as it takes into account the role of all providers (which is not the case of the MDB approach which attributes the resources mobilised to MDBs only, according to a fee-based criterion). • Some members expressed concerns about the fact that the MDB approach does not send correct incentives to other providers. They considered that reporting on resources mobilised should take into account the role of all providers involved in a co-financing arrangement with the private sector. • The Task Force discussed ways to reach out to the MDBs to flag the need for a common standard for reporting on TOSSD while avoiding double counting. The World Bank Spring meetings could provide opportunities for such outreach. • It was also mentioned that introducing a unique identifier could help avoid double counting when measuring mobilisation. One member expressed concerns about the challenges to report on mobilisation at the activity level.
	Item 9. Emerging draft excerpts of the TOSSD Reporting Instructions: reporting format The Secretariat presented a possible reporting format for the TOSSD framework. Members welcomed the general structure and suggested a few additional elements/adjustments: • **Reportable field in case of semi-aggregates**: one TF member asked about the minimum reporting requirements for semi-aggregates. The Secretariat mentioned that, for analytical purposes, the minimum reporting requirements for any activity would include reporting on

	recipient, sector and SDG focus. • **Sectors / SDG focus:** it was suggested to adjust the wording of the SDG focus field so as to make reference to the goals in case a project cannot be linked to a specific target. A few members questioned the relevance of reporting on both sectors and SDGs, while some others acknowledged the complementarity of these two dimensions which could also facilitate the mapping between the CRS – or CES – codes and the SDG targets. One member (Sweden) offered to share the results of its recent work on linking the CRS codes to the SDGs. Regarding the sector classification to be used in the TOSSD context, one member suggested also looking into the International Standard Industrial Classification (ISIC). • **Description:** one member suggested also requesting information on expected outcomes. This information is particularly relevant for partner countries. • **Co-financing arrangements:** several members highlighted the importance of this information, in particular to track co-financing arrangements in which recipient governments may participate. Some members mentioned the need to introduce a unique and universal identifier for projects where multiple actors interact. • **Cross-cutting issues:** it was also suggested to include potential additional fields to capture cross-cutting issues such as the gender or climate focus of an activity. • **Metadata:** one member recommended including a specific metadata field.
10.	**Item 10. Preparations for the March 2018 UN Statistical Commission session and TOSSD side event** The Task Force discussed the preparations for the TOSSD side event at the UNSC. • The Task Force acknowledged that, although much attention is paid to the SDGs in the UN, there is also some scepticism about TOSSD. Therefore, the challenge will be to educate and socialise people around TOSSD. • The Task Force needs to have a clear message about the benefit of TOSSD from a developing country perspective and to what extent it is new when compared to ODA: it captures more flows, including the mobilisation effect of public interventions; it also better values South-South technical co-operation. • The side event in NY could focus on TOSSD definition and framework. It will be important to concentrate on the audience, especially the developing countries which are very vocal in the UN. • It was suggested to invite 2 or 3 panellists: one could talk about the benefits from a recipient and provider perspective, another one about the importance of TOSSD for the UN and more globally. • In parallel, Task Force members should champion TOSSD in their UN permanent missions and get buy-in from their countries. Timor Leste, Costa Rica and Ghana offered to be focal points in the UNSC side event. • The Secretariat should reach out to the UNSC and work on a material (common language around TOSSD) to help members reach out to UN offices and missions.
	Item 11. Conclusions and next steps The co-Chairs and the Secretariat thanked the government of Canada for hosting the meeting and provided their views on the main conclusions of the meeting, which are reflected in the present action points. The next meeting of the TF will take place in Brussels in May 2018 and a consultation with CSOs will be organised in the same venue. Ghana kindly proposed to host the 5th meeting of the TOSSD TF.