SIXTH MEETING OF THE TOSSD TASK FORCE
STOCKHOLM, SWEDEN, 5-8 NOVEMBER 2018
MAIN CONCLUSIONS AND ACTION POINTS

This note presents the main conclusions and action points from the 6th meeting of the TOSSD Task Force (the TF) as recorded by the co-Chair and the Secretariat. In brief:

- The Secretariat will seek further guidance from the UN Statistical Division, which acts as the Secretariat of the IAEG-SDGs, about the process for proposing the inclusion of TOSSD in the SDG framework and about the material that the Task Force needs to prepare to propose TOSSD in the 2020 comprehensive review process.

- Regarding the sector classification, it was confirmed that reporting by sector will be necessary in TOSSD. Reporters will be able to submit data using either the CRS or the ISIC classification, but the backbone classification will be the CRS classification. The custodian agency would translate ISIC sectors into the CRS sectors for reporters that have reported their data using ISIC codes. Any gaps in the CRS classification emerging from the TOSSD reporting exercise could be addressed by amending the classification in the context of the Working Party on Development Finance Statistics of the OECD (WP-STAT), which is the custodian of the OECD sector classification.

- The next version of the Reporting Instructions should not indicate a cap of 10 SDG goals or targets, but rather indicate that it is expected that, for most projects, the number of SDG targets should not exceed ten. The next version of the Reporting Instructions should also highlight that the link of an activity to an SDG target should be "direct" and "significant".

- Members agreed that core contributions to INGOs should be eligible to TOSSD.

- On scholarships, members agreed to maintain a balance of payments approach (these would therefore fall under pillar I), considering also how they are perceived in recipient countries, as highlighted in the conclusions of the Nigeria pilot.

- On administrative costs, although members said that they should in principle be included, a conservative and prudent approach shall be used. The Chair asked the Secretariat to prepare a paper on this topic, covering the cases of bilateral and multilateral providers, as well as INGOs.

- There was no consensus among the Task Force on the inclusion of refugee costs in provider countries and this issue needs to be further discussed.

- For the time being, measuring mobilisation in TOSSD should be limited to the purely "private" finance mobilised as opposed to "commercial" finance.

- Task Force members agreed with the proposal to have in-kind technical co-operation measured using the PPP methodology.

- The Task Force decided to adopt an inclusive approach and keep the three terms of "International Public Goods", "global challenges" and "development enablers" in the TOSSD definition.

- It could be envisaged to have a flag for IPGs and development enablers in Pillar I to show that support to IPGs can also take place in TOSSD-eligible countries.

- It was also decided to reflect in the title of Pillar II its non-cross-border characteristic.

- Task Force members agreed with the proposed decision tree, but requested to remove the exception for research.

- The Task Force Chair invited members to further reflect on the definition and eligibility criteria for pillar II, in particular on the issue of the benefit to TOSSD-eligible countries and on the case of IPGs that benefit a small number of countries.

- New text throughout the Reporting Instructions was validated and additional items that could not be discussed during the meeting will be circulated for comments.

- Next steps in TOSSD development were validated around three work streams: 1) Finalising the Reporting Instructions; 2) Collecting and analysing TOSSD data; and 3) Integrating TOSSD in the SDG framework and finding a custodian UN agency for TOSSD.

- A new version of the TORs of the Task Force will be presented for discussion at the next meeting.

1.	**Introduction and welcome**
	The Chair thanked Sweden for hosting the sixth meeting of the TOSSD Task Force (TF), as well as all participants for their attendance.
2.	**TOSSD and the SDG indicators, including conclusions from interactions with the IAEG-SDGs**
	The summary and action points under this item cover:
	• The session to prepare the TF interactions with the IAEG-SDGs held on 5 November;
	• The outcomes of the TOSSD side-event at the IAEG-SDGs that took place on 6 November;
	• The presentation of key points in the IAEG-SDGs discussion on the 2020 comprehensive review of SDG indicators as recorded by the Secretariat.
	The preparation session aimed to discuss the TF approach for integrating TOSSD in the SDG framework and to sharpen the key messages to convey during the various interactions planned between the TF and the IAEG-SDGs. It covered:
	• Lessons learnt from earlier interactions with the IAEG-SDGs, and a draft presentation on the TOSSD methodology to this group on 6 November;
	• Options for proposing to feature TOSSD in the SDG global indicator framework;
	• Division of labour among TF members to socialise TOSSD with various IAEG-SDGs members.
	On the options proposed for integrating TOSSD in the indicator framework, TF members' reactions included:
	• Creating a new indicator based on TOSSD for target 17.3 (option 1 of the issues paper) would be logical as TOSSD is being developed exactly for the purpose of measuring flows in support of the SDGs. However, given that the IAEG-SDGs had earlier pushed back on creating any additional indicators, this entry point seemed difficult.
	• Instead, TOSSD could be proposed as an additional data source for several existing indicators (option 2 of the issues paper). A "path of least resistance" could be to propose using TOSSD to complement the data sources of the indicators, and not to propose to change indicators that relate to ODA+OOF. OECD, as a custodian agency of some of these indicators, could present amendments to its metadata to include references to TOSSD.
	• The proposal to the IAEG-SDGs could be a combination of options 2 and 3; the latter proposes to integrate TOSSD in the SDG monitoring framework as a medium-term statistical input, with a view to seeking a broader recognition of TOSSD in the longer term.
	• The TF should be careful not to propose TOSSD as a replacement to indicators currently classified as tier 1. TOSSD is likely to be tier 2, and the IAEG-SDGs will not accept to downgrade indicators. It would be more tactical and better perceived to use TOSSD to upgrade tier 3 indicators (even where OECD is not custodian).
	• There is a progress review of indicators planned for 2020 (see description of process and timeline below) which should give the opportunity to propose TOSSD for consideration by the IAEG-SDGs and the UN Statistical Commission (UN StatCom).
	TF members further commented that the presentation to the IAEG-SDGs should focus on illustrating the existing gap in the indicator framework that TOSSD could fill in; the current focus on ODA, or ODA + OOF, is too narrow as it misses the private sector dimension and is therefore at odds with the call of the 2030 Agenda to mobilise "the trillions". The current formulation of the indicators reflect the time constraints that the IAEG-SDGs faced when establishing the list in 2015, but there should now be some flexibility in their processes to fine-tune the framework. In addition to making the point that TOSSD will provide more comprehensive and accurate data than ODA + OOF, the TF should emphasize that TOSSD will also be a more efficient statistical tool, as it will provide for data on all official flows in one place.

The key points of the **TOSSD side-event at IAEG-SDGs** are summarised below.

- **The presentation on TOSSD was made by Pali Lehohla**, former chief statistician of South Africa.
- **The presentation triggered the following reactions, which were largely positive:**
  - **Canada** stated TOSSD would nicely fit in the 2020 comprehensive review of indicators planned by UN Stat Com. The concrete proposal could be to revise some indicators by adding TOSSD as a complementary data source. Support would need to be sought for having this item on the agenda of the UN Stat Com in March 2019.
  - **Mexico** seconded Canada's comments and indicated that TOSSD could be addressed in the framework of the 2020 review of SDG indicators. The TOSSD methodology would however need to be further elaborated until then.
  - **Germany** stated it very much appreciated the logic of TOSSD that looks beyond ODA, but noted that only Tier 2 indicators would be for consideration in the review, and that it was not clear if TOSSD was ready for Tier 2 (e.g. does it benefit from international support?). One option could be to have TOSSD in the 2020 review (if TOSSD can already be considered Tier 2) or wait for the 2025 review; in the meantime TOSSD could also replace some currently Tier 3 indicators as a proxy.
  - **UNODC** praised the work on TOSSD and indicated that there could be synergies with its work on illicit financial flows.
  - **Ghana** expressed some scepticism and thought it was too early to submit TOSSD for the 2020 review, given that the methodology was not yet ready and that no good practice had emerged from the pilot studies yet.
  - **Cameroon** was very interested but raised two points: the issue of transparency and accountability of this new measure (discrepancies between provider and recipient perspectives on amounts provided/received) and how to capture illicit financial flows within TOSSD. In response to the transparency question, the Secretariat presented slides on the mock-up TOSSD database under construction.
- **The TOSSD Task Force co-Chair, Laurent Sarazin, provided a summary of the session.** He confirmed that the Task Force is of the opinion that TOSSD is ready for Tier 2 because the Reporting Instructions will be finalised this year for Pillar I and early 2019 for Pillar II; also, pilots had been conducted and a data survey was coming up. He also noted that the Task Force needed information on what the process would be in concrete terms and what material the Task Force needed to prepare to be able to propose TOSSD in the 2020 review process.

The **IAEG-SDGs session on the 2020 Comprehensive review of indicators** is summarised below:
- **Principles for the review:** the review is an opportunity to improve the indicator framework. It should build on investments already made and not undermine ongoing efforts. The revised framework should also not create burden on national statistical offices. Overall, there is space for improvements, but changes should be limited with the objective to maintain the existing scope and size of the framework; the focus should remain on the implementation of the framework in countries. The bottom line is to maintain the same number of indicators and not to alter significantly the framework, which is already being implemented by countries.
- **Proposed modifications to the indicators can consist of:** replacement, deletion (when the methodological development of Tier 3 indicator has stalled), refinement or adjustment. Only in exceptional circumstances, additional indicators can be considered i.e. when the existing indicators do not map the target adequately (e.g. aspects are missing) or to address emerging critical new issues.
- **Criteria:** proposed indicators must have an agreed methodology and available data, i.e. minimum tier 2 (no tier 3 will be considered).
- **Timeline:**
  - Until March 2019: prepare a review framework with possible deletions, replacements, adjustments, additions

	o March/April 2019: 9th meeting of IAEG-SDGs and final progress review of Tier 3 indicators
	o May/July 2019: open consultation on the preliminary review list until September 2019
	o September/November 2019: prepare final proposal for the 2020 review for the consideration of UN StatCom
	• In response to a question from the floor, the IAEG-SDGs Secretariat clarified that the UN StatCom city groups can work on some indicators if they want, but they cannot be "custodian agencies", as there has to be one body that is tasked with the collection of data.
	Wrap-up: the major update which came out from the various interactions with the IAEG-SDGs relates to the comprehensive review of indicators now planned for 2020. This review opens a door to make proposals to replace, delete, refine, adjust, or even, in exceptional circumstances, to add indicators (while the IAEG-SDGs' earlier clear line was that the review would be limited to a list of 37 indicators determined some years ago). The next step for the TF is to cease this opportunity, and make a proposal for TOSSD to fit in the 2020 review, possibly as a new indicator under 17.3 and/or as a replacement for a number of other indicators (preferably tier 3, see Annex of the issues paper).
3.a.	**Emerging TOSSD Reporting Instructions: sector/purpose codes and mapping with ISIC, as well as the SDG focus field**
	The Secretariat presented a paper on two topics:
	1) A comparison of the two sector classifications that could be used as a backbone for TOSSD (ISIC and the CRS classification), and an assessment of the feasibility of transforming data submitted in one classification to the other;
	2) The modalities of implementing the SDG focus field in TOSSD.
	On the first topic (sector classification), many TF members agreed that, due to the different objectives and characteristics of the ISIC and CRS classifications, having a perfect mapping and appropriate interoperability between them remained a challenge. Most members felt that the CRS classification would be the most appropriate to use as a backbone classification for TOSSD as it is more development-oriented. One member asked however if the CRS classification is adequate for South-South co-operation and if the use of a sector classification is really necessary given that the SDG targets will be reported. One member said that, in the broader political context, the fact that the CRS classification originated from the OECD/DAC could be problematic. Two members noted that while the CRS classification is fit for tracking ODA-eligible activities, there might be gaps to fill in the context of TOSSD, particularly for activities that are typically financed by non-concessional instruments. They also noted that the alignment between the CRS classification and the ISIC classification could be improved. One member asked that the reporting be kept at the detailed (5-digit) level. One member suggested to discuss this topic with the UN Statistics Division.
	The Secretariat replied that, in the first TOSSD data survey, reporters could use either classification and that their adequacy and interoperability would be further tested with real data. This exercise would also inform about any gaps that would be necessary to fill. The Task Force should however decide what classification would be used as the backbone in order to finalise the Reporting Instructions.
	The Chair summarised the following <u>action points</u>:
	• Reporting by sector is necessary in TOSSD.
	• Reporters can submit data using either the CRS or the ISIC classification, but the backbone would be in the CRS classification. The custodian agency would translate ISIC reporting into CRS for reporters that have submitted their data in ISIC.
	• Any gaps in the CRS classification emerging from the TOSSD reporting exercise could be addressed by amending the classification in the context of the Working Party on Development Finance Statistics of the OECD (WP-STAT), which is the custodian of the OECD sector classification.
	• The Reporting Instructions (section 4.3) should indicate that "reporters can submit data either in ISIC or CRS and that data will be eventually converted to the CRS classification by the Secretariat".

On the second topic (the SDG focus field), many TF members agreed with the language proposed in the paper. Several members commented on the maximum number of targets or goals that could be reported, indicating that ten as a maximum may be perceived as arbitrary. There was however broad agreement within the Task Force that reporters should try to limit the number of goals and targets reported. One member indicated that, for the foreseeable future, they will only report at the goal level. Another member commented that the link to an SDG target is an eligibility criteria for TOSSD, and that reporting on goals should be an exception, especially as many goals are vague. Another member invited to reflect on how the TOSSD data on the SDG focus shall be presented. One member invited to reflect on the impact that the projects have in the target country, as a guidance for reporting.

The Chair summarised the following action points:
- The next version of the Reporting Instructions should not indicate a cap of 10 SDG goals or targets, but rather that it is expected that, for most projects, the number of SDG targets indicated should not exceed ten.
- The next version of the Reporting Instructions should also highlight that the link of an activity to an SDG target should be "direct" and "significant".

3.b.	**Emerging TOSSD Reporting Instructions: modalities, financial instruments and Islamic finance, concessionality**
	The Secretariat presented a proposal for a possible taxonomy of modalities of development co-operation (e.g. budget support, project-type interventions), frameworks of collaboration (such as South-South co-operation or triangular co-operation) and financing arrangements (such as blended finance).
	The discussion concentrated on the comprehensiveness and adequacy of the proposed taxonomies, and on the inclusion of certain flows, and in which pillar.
	One member suggested to add "bi-directional" co-operation alongside South-South co-operation.
	A few members asked if the framework of collaboration and financing arrangement should have a default value in case no category is chosen. The Secretariat responded that these fields have been designed to provide an opportunity to highlight some relevant characteristics of the activity but do not need to be reported for all activities. On some of these categories, such as norms and knowledge creation activities, further work is needed to specify the relevant boundaries of eligibility and whether these activities would fall under pillar I or II of TOSSD.
	A few members highlighted the importance of staying as close as possible to a balance of payments approach to distinguish activities in pillar I and pillar II. Members also exchanged views on the issue of in-donor costs, their possible inclusion in TOSSD, and their inclusion in pillar I or II.
	TF members agreed that core-contributions to international NGOs should be eligible to TOSSD, and that given that these institutions would not report to TOSSD there is no risk of double counting. Some members viewed these contributions, if they were not directly linked to projects, as pillar II items while others thought they would fit in pillar I under unspecified recipients. The Chair summarised that they should be included in pillar I if a recipient could be identified, in pillar II if a global challenge / global public good could be identified.
	On scholarships, members agreed to maintain a balance of payments approach (so these would fall under pillar I), particularly also considering how they are perceived in recipient countries, as highlighted in the conclusions of the Nigeria pilot.

	On <u>administrative costs</u>, although members said that in principle they should be included, a conservative and prudent approach shall be used. The Chair asked the Secretariat to prepare a paper on this topic, covering the cases of bilateral and multilateral providers, as well as INGOs. On <u>development awareness,</u> two members recalled that given the universality of the 2030 Agenda, there will be activities carried out for domestic SDG awareness alongside activities for traditional "development awareness". One member indicated that the former should not be eligible to TOSSD and should be separated from the latter. On <u>in-donor refugee costs</u> – the Chair recalled that there had been no consensus among the Task Force in Ghana on the inclusion of in-donor refugee costs, and that this issue needs to be further discussed. The Chair also recalled that, in this case, applying a strict balance of payments logic, which would assign these activities to pillar I, might not be feasible.
3.c.	**Emerging TOSSD Reporting Instructions: measuring mobilisation** The Secretariat presented text to better define the scope of the measure of mobilisation in the Reporting Instructions, in particular to clarify what the terms "mobilisation" and "private" refer to. Additional instructions were suggested in relation to the project boundaries, the point of measurement and the methodology to be used to calculate each provider's share of amounts mobilised (as a means to avoid double counting when multiple actors and instruments interact). Task Force members were invited to reflect and share views in small groups on the issues above, as well as on how a unique identifier for each project could be operationalised in practice: - Regarding the operationalisation of a unique project identifier, Task Force members generally agreed that it was doable, but not easy to implement. It was agreed to address this issue again at the next Task Force meeting. - Task Force members supported the proposed definition of "mobilisation" (i.e. which implies that a direct causal link between the official and private investment be demonstrated/documented), as well as the suggested instructions to identify the appropriate point of measurement and project boundaries (using a list of pre-defined leveraging instruments). - By contrast, views were diverging on the nature of the financing to be captured through the mobilisation measure: from purely private finance (i.e. from entities owned for more than 50% by the private sector) to commercial finance (i.e. from all entities following a for-profit investment logic). While some Task Force members highlighted the relevance of broadening the scope of the measure to commercial resources mobilised in the context of the 2030 agenda, some others expressed concerns regarding the risk of double counting with flows already captured under the official flow category (in particular since flows from publicly-owned enterprises will be included. They also challenged the narrative in the TOSSD context of "public interventions mobilising other public finance". One member suggested to start with a clear division between official and private flows but allow adjustment as work progresses toward harmonisation between the OECD and MDB approaches. The Chair concluded that, for the time being, measuring mobilisation in TOSSD should be limited to the purely private finance mobilised.
3.d.	**Emerging TOSSD Reporting Instructions: measuring methods of technical co-operation, reporting cycle and data collection** During this session, members were invited to decide on the methodology to monetise in-kind technical co-operation in TOSSD (using a Purchasing Power Parity – PPP – factor and/or a standard salary table). Members were also invited to review the proposed text to be included in the TOSSD Reporting Instructions accordingly. Task Force members agreed with the proposal to have in-kind technical co-operation measured using the PPP methodology, taking into account that the TOSSD data collection exercise will be an opportunity to test that methodology.

	• Task Force members also agreed with the principle of possibly revising the methodology, taking into account any methodology adopted, for example in the context of the Buenos Aires Plan of Action (BAPA+40) process. A footnote to this effect was included in the TOSSD Reporting Instructions. • It remains to be clarified which PPP factor should be used. A few members supported the idea that the PPPs used by the OECD should be applied. • In the case of locally-hired experts, for which it had been proposed in previous meetings that the in-kind technical co-operation methodology should also be applied (to take into account the fact that generally the price of the contract will tend to be lower than that of international consultants), one member proposed to include in TOSSD only the price of the contract, as is the case for international consultants, to measure financial flows as much as possible. The proposal was agreed, supported by two other member countries and with no members opposing. • The proposed text on the TOSSD Reporting Instructions presented for discussion was reviewed by members, modified and agreed upon, which will be reflected in the updated version of the document.
3.e.	**Emerging TOSSD Reporting Instructions: proposals arising from the TOSSD pilot in Nigeria, Annex on TOSSD and ODA** Changes proposed following the TOSSD pilot in Nigeria were integrated as part of the review of the Reporting Instructions (see item 9 bis. below).
4.	**Presentation of preliminary conclusions of the Costa Rica Pilot** The representative from Costa Rica presented the main conclusions of the TOSSD pilot conducted in Costa Rica from 22 October to 3 November 2018. The presentations included some suggestions from the Costa Rican stakeholders for the TOSSD Reporting Instructions, the perspective of Costa Rica as a provider of development co-operation and a light assessment of the country's capacity to collect, collate and publish development finance data. Suggestions were made concerning the definition of Sustainable Development, such as developing a methodology to exclude non-sustainable investments from TOSSD and remove "brown" ODA investments from TOSSD. Costa Rican stakeholders supported the fact that TOSSD activities should be linked to SDG targets (as goals were considered too vague), but found that this will not be enough to operationalise TOSSD. In Costa Rica, sustainability is ensured by aligning activities with the National Plan for Development and Public Investment, which has a very strong sustainability focus. Costa Rican stakeholders also supported the idea of updating the framework to adapt it to a new post-2030 Agenda and suggested establishing regional sustainability criteria for TOSSD and, if possible, sub-regional criteria (e.g. Central America). Other suggestions emerging from the TOSSD pilot on the framework were presented as follows: • Including a regional dimension in the second pillar or introducing a third regional pillar in TOSSD. • Minimising references to "developing countries" (which has a North-South connotation) and using "TOSSD-eligible countries" instead. • Having the OECD and other technical bodies compiling TOSSD data. CEPAL is considered as an appropriate body for Latin America and the Caribbean. • Excluding from TOSSD: (i) Administrative costs of development co-operation offices based in Costa Rica; (ii) Contributions made with a mainly religious motivation e.g. Church Reconstruction; (iii) Anti-terrorist activities. • Including in TOSSD: (i) Social and cultural programmes oriented towards development; (ii) Research activities, either in the provider country or elsewhere; (iii) Scholarships / imputed students costs; (iv) Activities related to peace and security (e.g. peacekeeping operations); (v) Refugees and migrants, in particular refugee and migrant costs incurred within the provider country (Costa Rica does not maintain separate records for the care of refugees and migrants); and (vi) Debt relief.

Task Force members discussed some of the main elements as follows:
- With regards to Costa Rica's suggestion of developing a methodology to remove non "green" investments from TOSSD:
  - One member warned that it would be very difficult to draw the line on what a "polluting" investment is and highlighted that sometimes countries can try to promote sustainability through unsustainable activities.
  - Another member suggested including all activities (whether sustainable or not) and flagging those which are not sustainable. This would make the measure more comprehensive and would help understanding which percentage of investments are sustainable, therefore enhancing accountability. Some members noted than unsustainable investments do not fit with the agreed TOSSD definition so they should rather be excluded from TOSSD, as including them could undermine the credibility of TOSSD.
  - The Secretariat informed that the OECD Working Party on Development Finance Statistics (which elaborates ODA-eligibility rules) had clearly stated that not all ODA is sustainable.
  - One member warned against looking only at potential "unsustainable" sectoral codes and suggested being careful with the wording on the TOSSD Reporting Instructions and elaborating further safeguards.
  - One member expressed the idea that the eligibility is linked to reporting against a target and that the assumption is that all targets have a connotation of sustainability. SDG targets under goal 7 are permissive and include renewable and non-renewable energy.
  - One member raised the question on who should decide whether an investment is sustainable or not (should it be the provider or recipient country?). Members agreed that the TOSSD custodian agency/agencies should be able to assess sustainability. The co-Chair also expressed the necessity that Reporting Instructions be more explicit about the definition of sustainability.
- On the exclusion of religiously motivated activities:
  - One member requested clarification on whether the issue arises from the motivation of the activity or the activity itself and another member noted that many charities conduct developmental (non-religious) activities, but have religious connotations.
  - One member noted that deconstructing the motivation of the provider might be challenging.
  - The co-Chair proposed rather looking at the nature of the activity, for example construction of religious buildings would not be TOSSD-eligible, but reconstruction could be, if supporting culture or sustainable tourism.
- One member expressed that some anti-terrorist activities might be sustainable if they focus on training, protecting lives and preventing attacks, and another member supported it. This is a very complex topic and the TOSSD Secretariat will conduct a pilot study on peace and security, which will provide insights for future discussions of the Task Force.

5.	**Delineation of TOSSD Pillar II**

Based on the discussions at the fifth meeting of the Task Force in Ghana, the Secretariat had revised the draft definition and eligibility criteria for pillar II. The Secretariat had also prepared a new version of the decision tree, which was tested in group work.

The usefulness of keeping the three terms "IPGs, global challenges and development enablers" in the definition of TOSSD was discussed:
- Although some members questioned the relevance of including in Pillar II the terms "global challenges" (risk of including controversial issues which could pose acceptability problems at the UN) and "development enablers" (which was considered as being mostly covered in Pillar I), the Task Force decided to adopt an inclusive approach and keep the three terms in the definition. Members expressed the view that the definition of pillar II should not exclude a priori areas that could be relevant for the SDGs. The usefulness of adopting a broad approach was also supported by Mr. Andrew Rogerson, who explained that the term "IPGs" would not cover some important global challenges, such as non-communicable diseases.

- It could be envisaged to have a flag for IPGs and development enablers in Pillar I to show that support to IPGs can also take place in TOSSD-eligible countries. Several members also voiced the importance that the system allows to present a total picture of support to IPGs.
- It was also decided to reflect in the title of Pillar II its non-cross-border characteristic.
- Regarding the listing of IPGs and development enablers, one member considered that it creates confusion as it duplicates topics already included in the SDGs.

In previous meetings, Task Force members stressed the importance that Pillar II be linked to/or focused on TOSSD-eligible countries. In this regard, members discussed the criteria proposed by the Secretariat, which were based on the notions of "direct benefits" and international co-operation:

- TF members were not satisfied by the term "direct benefits" as its meaning was perceived as not sufficiently clear. The Secretariat clarified that what was meant by "direct benefits" to TOSSD-eligible countries was benefit provided "only to" TOSSD-eligible countries.
- Several members felt that the proposed criteria were too restrictive and that the coverage of Pillar II should be as broad as possible and track total support to IPGs and global challenges without necessarily introducing a focus on TOSSD-eligible countries. The example of climate finance in provider countries was cited. Some members suggested to replace "only benefit to" by "substantially benefit to".
- Members also requested to clarify what would be the minimum share of TOSSD-eligible countries membership in a multilateral organisation for considering that its activities are implemented in co-operation with these countries.
- Several members also suggested adding the term "potential" to "benefits" as many SDG-relevant activities do not necessarily translate into actual benefit in terms of impact (e.g. health research which involves considerable uncertainty).

The Task Force also discussed the delineation between Pillar I and Pillar II based on a new definition of "cross-border flows" and a decision tree proposed by the Secretariat:
- Members deemed that the concept of jurisdiction was not appropriate in the context of TOSSD and decided to not include it in the definition of Pillar I.
- Task Force members agreed with the proposed decision tree but requested to remove the exception for research.
- Regarding the concept of IPGs, several members questioned the relevance of including in Pillar II support to IPGs that benefit only a small number of countries. A few other members were strongly in favour of it.

The Task Force co-Chair concluded the session by inviting members to further reflect on the definition and eligibility criteria as they are proposed today, in particular the issue of benefit to TOSSD-eligible countries and the case of IPGs that benefit a small number of countries.

6.	**TOSSD data survey (cancelled)**
	Due to time constraints, this session could not be held during the meeting in Stockholm. The Questionnaire for the Survey will be presented to the TF at its next meeting.
7.	**TOSSD communication: FAQs (cancelled)**
	Due to time constraints, this session could not be held during the meeting in Stockholm. Improvements to the FAQs will be discussed at future meetings of the Task Force.
8.	**Pillar II topics: Focus on research as a global public good**
	Mr. Andrew Rogerson, Senior Research Associate at the Overseas Development Institute (ODI) presented a draft paper entitled *"Counting expenditure on global public goods by, and within, advanced and emerging countries: using Health Research and Development as an illustration"*. The paper examined the main patterns of such expenditure, and the main forms of official support for it, and suggested some pragmatic guidelines for possible inclusion in TOSSD Pillar II or Pillar I. Task

Force members were invited to discuss the findings presented in the paper and how they might relate to other GPGs.

Regarding the definition of Pillar II, Mr. Andrew Rogerson recommended keeping the term "global challenges" as it covers areas which are not covered by the concept of IPGs. He cited the example of non-communicable diseases.

Regarding the issue of linking Pillar II to TOSSD-eligible countries, Mr. Andrew Rogerson advised against trying to measure the extent to which activities benefit TOSSD-eligible countries and rather adopt an inclusive approach by covering all activities that support IPGs. As regards the specific criteria proposed by the Secretariat, he shared the idea that it would be more appropriate to refer to "significant" (rather than "overwhelming" or "exclusive") benefit to developing countries. He further noted that the second criterion, based on "international co-operation" might be broad enough, as there is often an element of international co-operation in research.

Some members raised concerns regarding the acceptability by the international community of TOSSD if the measure adopts a very extensive approach to supporting IPGs, global challenges and development enablers. It would also pose the risk of including very controversial areas. The example of peace and security was cited where this approach would cover research in peace and security or activities to combat terrorism.

Some members raised the issue of patents in research, which makes it excludable (and as such an impure public good). Mr. Andrew Rogerson noted than Intellectual Property Rights are responses to market failures, but acknowledged that this is a real issue as there are often conditions associated with the use of technology.

Regarding the issue of tax-based official support, members recommended not including this in TOSSD as the aim was to measure financial support/flows.

9.	**Pillar II topics: Focus on peace and security as a global/regional public good (cancelled)**
	Due to time constraints, this session could not be held during the meeting in Stockholm. TF members would be invited to comment on the document in writing.
9 bis.	**New Item: Review of Emerging TOSSD Reporting Instructions**
	The TF went through the Reporting Instructions page by page. The main elements discussed were the following (when new text is proposed in the points below, it will be proposed in "Version 1.2 as validated by the Task Force"):

- A footnote specifying the regional standards that apply was agreed (paragraph 3 - page 4).
- In paragraph 13, the term "Public Sector corporations" was retained to reflect the comment from the Nigeria pilot that the term "state-owned" corporations might be confusing for countries that are divided in "states".
- A revised title of pillar II in figure 1 will be proposed to reflect the discussions held in Stockholm.
- On levels of aggregation, paragraph 19 was updated and more precise text to determine the cases were aggregation is permitted was approved in the first paragraph of section 4.2.
- New text was agreed for section 1.3.6 on the "SDG Focus and Sector".
- A source was added for the text on triangular co-operation.
- A specific footnote was added in the last paragraph of section 2.2.1 to reflect the fact that the United States is currently not in a position to report on SDG Goals or targets. One member expressed concerns about including in the Directives specific exemptions for any countries or organisations and how this specific footnote would be perceived by the UN. The US indicated that such exemptions are not without precedence in the context of the UN and therefore this is why this model was proposed. The location of the footnote was also discussed i.e. whether it could be moved elsewhere; the Secretariat will follow-up with the United States on this specific issue.

	- A footnote was added to the section on in-kind technical co-operation where text should be inserted to indicate which PPP factor should be used. - New text was agreed for the section on in-kind technical co-operation as indicated above (item 3d.). One member indicated the difficulty to isolate the salaries from other costs. - The text in section 2.3.2 on resources mobilised was approved. - The reporting format (section 4.3) was reorganised and a new version of the text will be proposed via written procedure. - Annex G on the difference between ODA and TOSSD was agreed upon.
10.	**Wrap-up and next steps** The Secretariat presented the next steps in the TOSSD development around three work streams: 1) Finalising the Reporting Instructions; 2) Collecting and analysing TOSSD data; and 3) Integrating TOSSD in the SDG framework and finding a custodian UN agency. From the discussion that followed, the main action points were: - Two objectives are somewhat interrelated and need to be pursued in parallel: - Having TOSSD recognised as an international statistical standard: here one member commented that it would be helpful that the UN StatCom recognises TOSSD, which would then help to find a UN Home. On the possibility of the city group, it was highlighted that, for this option to be successful, it will have to be supported by many countries during the UN StatCom in March 2019. The Task Force could be the City group with an expanded membership. It was also recognised that having TOSSD recognised as an international statistical standard, e.g. through the city group route, may take a lot of time. Integrating TOSSD in the SDG framework through the IAEG-SDGs could be a simpler and quicker first step and efforts should continue in this direction too (see item 2). - Finding a UN Home for TOSSD: Two members indicated they were not convinced that TOSSD would fit under the UN StatCom and, that perhaps it would better fit under the FFD or HLPF, UNDESA or with UNCTAD. **A new version of the TORs of the Task Force will be presented at the next meeting as they need to be updated.** The TF discussed the possibility of expanding the membership to ensure for example that more countries from the key bodies (UN StatCom, IAEG-SDGs, etc.) become members and can in turn influence these bodies to have TOSSD accepted in the UN space. Beyond the activities included in the presentation made by the Secretariat, it was agreed to investigate the possibility of organising a side-event at BAPA+40. The Chair concluded the meeting by thanking Sweden for hosting the Task Force meeting and the participants for joining the meeting. He summarised the main takeaways, which are contained in the present action points. A written procedure will be organised to validate the remaining sections of the Reporting Instructions.