Brainstorming session on
civil society concerns about the TOSSD framework[1]

I.   BACKDROP

1.   Over the past three years a number of international meetings involving civil society organisations (CSOs) and other constituencies have been organised to discuss the TOSSD concept. These discussions have revealed both support for, and concerns about, the proposed measurement framework. For TOSSD to become a truly global measure of financing in the SDG era, it is necessary to address these concerns as early as possible in the process of its development. The main issues – beyond those regarding the integration of safeguards in the TOSSD framework (discussed under agenda item 6) – include i) the principles for accounting for official flows in the TOSSD framework, ii) the perceived risk that TOSSD could undermine ODA and related international targets, and iii) the utility of TOSSD for partner countries beyond increased transparency about SDG-targeted resources.

II.   FORMAT OF THE BRAINSTORMING SESSION

2.   The Task Force will discuss these issues in a brainstorming format as a way of mobilising innovative yet practical ideas about how these concerns could be addressed in shaping the TOSSD framework. The format calls for Task Force members to break up into small groups seated at tables in the meeting room, and for each table to identify among themselves a designated leader to animate the discussion and a rapporteur. Following a short introduction by the Secretariat for each of the three discussion items, the tables will briefly discuss possible options and ideas that could address the concerns that have been raised. Report-backs by the rapporteurs from each table will then be presented in plenary for each of the discussion topics and the most promising ideas and options will be summarised by participants, with help from the Secretariat.

3.   Following the substantive discussions of the brainstorming, Task Force members will be invited to briefly reflect on how future interactions with civil society might best be organised, including a possible internet-based CSO consultation, convening a special CSO event to discuss TOSSD in 2018, and/or participating in strategically relevant side events at upcoming UN meetings and/or other important international events. Expressions of interest by Task Force members to participate as speakers in these events would be gratefully acknowledged.

III.   DISCUSSION TOPICS

a) *Concerns over the principles for accounting for official flows in the TOSSD framework*

4.   The proposed scope of the TOSSD cross-border flows pillar (see proposals set out in "TOSSD reporting in practice: scope and methods" text, agenda item 4) is defined as "all resource outflows, including in-kind contributions, in support of sustainable development from provider countries and outflows from multilateral development organisations and funds". It is further

---

[1] Jointly drafted by Julia Benn (Julia.Benn@oecd.org) and Raundi Halvorson-Quevedo (Raundi.Halvorson-Quevedo@oecd.org).

proposed that data be reported on both a commitment and disbursement basis, and in gross and net terms (fields "amount committed", "amount extended", and "amount received").

5.   CSOs have emphasised that TOSSD should only capture the actual transfer of resources to developing countries – which is indeed the aim of the cross-border flows pillar. As regards the basis of measurement, they have (rightly) signalled that i) not all commitments materialise and ii) for any given project there may be a gap, sometimes significant, between the amounts that have been committed and amounts that are actually disbursed. Such discrepancies can be due to factors such as changes in project costs or exchange rates but also changes in provider or recipient policies or programmes. CSOs suggest that data on a commitment basis should therefore only be presented as "additional information alongside disbursement figures", and caution that "great care should be taken to stress the limitations of these figures".

6.   The proposed scope of TOSSD summarised above addresses CSO concerns to a large extent, but it would be useful to discuss the possibility of tracking projects over their lifetime in the TOSSD system by linking up both the commitments and disbursements for a given project. In theory, this can be done using a unique project identifier. In practice, however, several issues arise:

- Links can be easily broken (e.g. changes in IT systems).

- To capture the full project, any contributions from other financiers (public or private) should be reported using the same unique identifier. Is this feasible? It may only be so as and when the financing package is pulled together (at the commitment stage). Would a project identifier reduce the risk of double counting?

- Is information on projects over their lifetime useful if it is incomplete? If not, does it make sense to complicate the reporting with this feature?

- Practical issues such as commitment vs. cumulative commitment.

- Practical issues also for activities that are not "projects" as such, e.g. sending an expert.

- As regards tracking net flows over the lifetime of a project, data on return flows are often treated as confidential at the project level if the recipients are private sector entities. This suggests that data on earnings on non-grant financial instruments repatriated to the provider country may need to be collected at the aggregate level. And what is the cross-border flow exactly? If a provider country sells its equity stake to an investor in another country, there is an amount received by the provider but the investment remains in the developing country – the transaction has merely amounted to a change in ownership of the investment.

b) Concerns that TOSSD could undermine ODA and related international commitment targets

7.   CSOs have also flagged that by creating an alternative measure of official support for developing countries, TOSSD could open the door for provider countries to shy away from previous ODA commitments and other international targets. This perception persists, despite concerted efforts throughout the development of TOSSD to clarify that the measure is **complementary** to ODA.

8.   The proposal for the cross-border flows pillar is to organise data collection so that all resources being channelled through the multilateral system will be reported by the multilateral institution concerned. This is not the way that ODA channelled through the multilateral system is reported, which establishes a clear distinction between the TOSSD and the ODA measurement systems and thus has no implications regarding ODA figures and associated commitments by providers.

9.   Other international commitments (e.g. climate finance) have been mentioned in this context too. This should not be a problem because no TOSSD targets are to be established and, at any rate, a separate climate finance monitoring mechanism exists.

10.   Perhaps a more relevant issue for consideration is how to avoid a situation where, in reporting on SDG finance, TOSSD-eligible projects are counted several times, thus inflating the level of overall support. For example, if a TOSSD-eligible project is tagged as contributing to SDG targets x, y and z, and if data on each target is retrieved separately from the database without taking into account the overlap, the project might be captured several times. Some rules on how to determine allocation among multiple uses will need to be developed.

c) *Concerns over the utility of TOSSD for partner countries beyond increased transparency about SDG-targeted resources*

11.   TOSSD data will help recipient countries better apprehend the volume, nature, and use of officially supported resources they receive which, in turn, will help them improve strategic development planning processes, better manage budget outlays, and strengthen balance of payments statistics. Beyond this, are there other possibilities afforded by the TOSSD measurement system that could help address the following challenges and priorities that have been highlighted by the international community:

- Identifying "invisible flows" (e.g. illicit financial flows, transfer pricing)?

- Increasing transparency regarding public debt obligations – including contingent liabilities arising from public/private partnerships?

- Getting a handle on the development results or impact of TOSSD flows?

Issue for discussion

Do TF members have any ideas on the above points?

IV.   CSO OUTREACH OPTIONS

12.   How, and when, might outreach to civil society and other interested development stakeholders regarding the emerging shape of the cross-border pillar be carried out?

- An internet-based CSO consultation?

- Convening a special CSO event to discuss TOSSD in 2018?

- Participating in strategically relevant side events at upcoming UN meetings and/or other important international events?

13.   Would any Task Force members be interested in volunteering to participate in some capacity in this regard?