

DAC CSO Reference Group
TOSSD International Task Force – 11th meeting, October 2020
Initial comments on agenda items

Item 1 Critical questions emerging from the 2019 TOSSD Data Survey

- We welcome the detailed analysis provided in the draft “Lessons Learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) Data Survey.” It provides a rich discussion of both the range of data collected for Pillars I and II as well as the challenges revealed through this pilot exercise. Both require a more careful reading on our part, but we are struck by **the complexity of both the data and these challenges, particular for Pillar II.**
- Given the **challenges in assessing “substantial benefit to TOSSD-eligible countries”** for eligible International Public Goods activities, we are disappointed that this issue did not receive attention in the analysis. Reflecting our own commentary on various areas that are potential for Pillar II in previous Task Force meetings, we are sympathetic to recommendation 2 which calls for “an incremental approach for collecting data on contributions to IPGs.” This approach should be informed by the substantial benefit criteria.

Item 3 Tracking COVID-19 response through TOSSD

- The Covid-19 crisis poses unparalleled challenges to the global community. This is also very true in the case of financing for development and development cooperation in particular. Hence, efforts to improve transparency as to the international efforts to address the pandemic are more than welcome.
- With such a concern in mind, any option leading to **an accurate tracking of relevant Covid-19 related activities** must be fully explored. More specifically, any marker should identify only relevant activities where the response to the Covid-19 pandemic is the principal objective of the activity, which would not have been undertaken if not in response to Covid-19.
- As in the case of other public goods, tracking Covid-19 activities recalls the importance of a robust delineation of both Pillar 1 and Pillar 2 activities to avoid inflating data and misdirecting the public opinion as to the real efforts to support development in TOSSD eligible countries. In this regard, **we strongly support the Annex E criteria** that are expected to apply to R&D activities **also inform the framework of TOSSD eligibility for the Covid-19 response**: there should be open access to findings as well as demonstrable impacts in TOSSD eligible countries.

Item 4. Update on the IAEG-SDGs working group

- We welcome the background document as it offers a valuable summary of relevant developments since June 2019 as well as updates on the Working Group itself. It would be extremely beneficial to all interested parties to complement the document with links to key papers concerning the UN discussions and deliberations.
- There is now a clearer picture of the actors involved. The TOSSD Task Force has set high standards as regards transparency and participation; we would like to **kindly invite the TOSSD TF members on the UN working group to invite greater space for non-executive actors in its on- going discussions.**
- There are extensive discussions within the broad CSO community as to the role of the UN on these matters. The current expectations are that **an active, permanent involvement of the UN membership will lend greater legitimacy to the new metric.**

Item 5. TOSSD Strategy including specific discussion on governance and financing

TOSSD Strategy

- While not undermining the role of ODA is acknowledged, the TOSSD Strategy Paper's language is very strong in support of the *pre-eminent* role of TOSSD. The ambition to *break the mould of the traditional aid narrative* sets the tone of the conversation as was the case with the first draft; discussions at the 10th TF meeting implied a more cautious approach. While the international system is increasingly more complex, the ambition of going beyond the North/South divide and of focusing on partnerships ignores ODA obligations and commitments, which have been derived from international structural and political inequalities that continue to shape the geo-political position and development opportunities of most developing countries.
- *Aid* is referred to in the Paper with mostly negative connotations contrary to Reporting Instructions, where language is more nuanced. ***Aid comes across as traditional and not relevant: something of and in the past. Such a posture confirms concerns that TOSSD may distract donors and undermine their efforts to achieve their ODA international commitments.*** While there are certainly issues to be addressed in ODA, it remains an important source of public finance for many developing countries; it is a fact that the quality of the TOSSD flows is uncertain, particularly for Pillar II: these negative connotations may, for instance, further aggravate consistency with the effectiveness agenda.
- ***We welcome the reconsideration of the proposed changes in the TOSSD definition relating to the focus of TOSSD on SDGs in developing countries.*** Concerns from Task Force members have been taken into account: the references to impact *in developing countries* come across more neatly.
- The TOSSD Strategy Paper helpfully now goes into significant detail to reassert the added value of TOSSD in a patent effort to defuse concerns and *opposition*, which are carefully spelled out. However, some of the rationale in the Paper, particularly relating to the seeming irrelevance of the aid narrative, may in fact accentuate these concerns from partner countries in the context of the current UN deliberations on TOSSD.
- The Paper acknowledges that the UN would be the perfect host to accommodate the new metric. In this context, ***while an International TOSSD Forum may deserve consideration, we believe that moving, or seeming to move, to such a Forum before the discussions within the UN are concluded, is premature.*** In the months to come, we support maximum efforts to work to ensure that TOSSD is a legitimate metric to which all countries are drawn to participate. This we believe will require a UN mandate. Given the complexity of development cooperation, ***any agreed governance framework should be representative not only of the diversity of countries involved, but also inclusive of all major stakeholders.*** In this regard, we note that the Strategy Paper is suggesting a TOSSD International Forum as an inter-governmental body, which raises concerns about the continued role of non-executive actors, including CSOs, in a future governance model.

Options for future governance and financing of TOSSD

- We appreciate the acknowledgement of the centrality of the United Nation in the development and in the governance of a new metric such as TOSSD. The discussions and deliberations that the

international Task Force has come to over the past three years are based on a robust technical understanding of the matters at hand; however, as noted above there are worrying long-term implications with a strong political profile affecting developing countries and with potential to change the development discourse in ways that mask deep inequalities..

- With this concern in mind, again as noted above, **the plans to radically adjust the membership and identity might be better translated in practice once the ongoing conversations at the UN IAEG have been fully taken place** so as to strengthen the proposition that the UN should play a central role.
- In the effort to plan the road ahead for the Task Force, **there are several elements of the current set-up that deserve to be safeguarded**. For instance, the **ownership of the discussions and deliberations** is now well delineated, which is a valued feature to be preserved in case of a scale-up. It is equally important to preserve **a well-focused agenda** (e.g. a new metric), which would lend further credibility. Last but not least, **an active role of non-executive actors** should be seen as a core concern, not merely a complement.

Item 6 Operationalizing sustainability in TOSSD

- As the discussions at the next Task Force meeting will focus on climate change and the environment, we believe it is important to stay mindful of **the other dimensions that define the 2030 Agenda**, the social and the economic pillars. In previous conversations, we referred to the need to safeguard both **the integrity of the notion of sustainability** and, consequently, the application of do-no-harm principle, namely avoiding detrimental effects of any sort, including free, informed and prior consent by affected populations. We look forward to the Task Force's future discussion of social and economic sustainability.
- **We are encouraged by the directions and analysis of the background paper with regard to the energy sector**. More specifically, we support propositions that call for a long-term approach such as in the case of restating that SDG7 and SDG13 must be addressed simultaneously. It is equally crucial to reassert that renewable energy investments are the default option even if they are not the least-cost option.
- **The distinction between greenfield and brownfield investments is useful, but should not be considered as distinct options for considering TOSSD eligibility**. We suggest that eligibility of brownfield investments is not only a question of documented reductions in GHG emissions as stated, but also the demonstration that viable greenfield investment alternatives, which may not be the least cost option, are not available against extending the life of existing fossil fuel infrastructure, irrespective of the short term reduction of GHG emissions for the brownfield investment.
- As per the options for discussion at the Task Force meeting, we note the merit of providing a robust framework to the reporting parties by **endorsing a white/black list**; it would in particular offer a level playing field to all interested actors. The principle of renewable options as the default, not the least cost option, is essential to the sustainability framework for such a list. Case-by-case reviews can assist a TOSSD approach to sustainably; the publication, flagging and excluding from TOSSD of "grey-list" investments would be welcome.

Item 7. Pending issues on TOSSD classifications

Refugees / integration costs

- The discussion on how to report expenditures pertaining to costs incurred in activities to integrate refugees/protected persons/migrants is a reminder of the potential ambitions enshrined in the TOSSD framework, which should retain its focus on "substantial benefit" to partner countries.

Equally, it is a reminder of the challenges coming with an ever-growing Pillar 2, which include data quality, comparability and validity issues.

- While it is appropriate to focus on the “populations” of TOSSD eligible countries as beneficiaries, **at what point in the context of refugees/migrants do the latter in practice receive support for inclusion as part of their new situation in provider countries, benefiting the wider society in partner countries?** CSOs have sought clarity and a clear rationale for what support should be included in TOSSD for refugees/migrants for their first year, which is now part of TOSSD. These new proposals for inclusion of costs for integration go well beyond these initial costs relating to basic settlement, and in our view further compromise the intention of TOSSD as a credible metric relating to the implementation of the SDGs in TOSSD-eligible countries.
- As for the questions for the Task Force team, we would like to point out that:
 - A robust link to the relevant UN frameworks should be safeguarded throughout the whole reporting/validation process
 - As integration is a many folded process, there is the inherent risk of reporting a wide range of different provider activities stretching over many years. Citizenship regulations and policies for inclusion vary greatly among provider countries -- for instance costs related to social benefits for second generation youth who have still to qualify for citizenship;
- In summary, **this proposal seems to go well beyond the primary intentions and focus of TOSSD; it will result in significant distortions in individual provider reporting under Pillar II;** and it will undermine the overall credibility of TOSSD as a viable uniform statistical metric. The Task Force should decide to limit the inclusion in TOSSD to eligible expenditures for refugee/migrants’ first year in provider countries as a reasonable reflection of provider support for refugee/migrant populations of TOSSD-eligible countries.

Financial instrument

- As for subsidies, we see no strong arguments against suggested amendments to the Reporting Instructions as long as they are intended to exclude interventions that may distort trade relationships.

Tracking climate mitigation and adaptation activities

- We notice the efforts to operationalize the decision from the Pretoria meeting to introduce a practical, easy-to-implement notation to track activities that may respond to mitigation and adaptation, in line with definitions agreed with the UN and the Paris Agreement.
- We acknowledge that potential TOSSD reporters may apply or be familiar with diverse dimensions related to mitigation and adaptation and consequently with different reporting practices. Also, we understand that **the suggested flag will cover diverse instances at the same time as exemplified in Table 1 from the Background paper.** As this option may match the need for a friendly instrument, the Task Force may also review the suggested course of action in terms of **granularity, which should be enhanced as much as possible** to provide a reliable picture of activities for the benefit of TOSSD eligible countries.
- **We reiterate our view that the inclusion of mitigation activities in provider countries will highly distort and inflate the metric.** The reporting of such activities belongs under the UNFCCC, which should make provision for such reporting in the biennial reporting by parties to the Convention. It is interesting to note the reporting of budgetary investments in mitigation in TOSSD-eligible countries that are also providers such as Indonesia. But **where do we draw the line with such budgetary investments?** Are not other SDGs equally relevant such as investments in health, which would be extensive, as an International Public Good? In our view we are moving very far from a metric that

will have any meaning and utility as a measure of financial flows to support the SDGs in partner countries.

Item 8 Refining the TOSSD Reporting Instructions on debt relief

- We appreciate the Task Force's efforts to further develop the Reporting Instruction on debt relief, including through a consultation with partner country members that can be most affected. While supporting calls for debt justice and cancellation, **we share the concerns about avoiding any form of TOSSD inflation or double counting** arising from the Reporting Instructions as they have been recalled in the relevant background paper.
- The suggested language and the underpinning methodology – option 3 – appear to go in that direction by avoiding double counting of principal in final TOSSD gross and net figures. On the other hand, **from a recipient perspective – the TOSSD hallmark -, there is no acknowledgement of interests already paid**; we would also appreciate more details on **how debt relief figures will be calculated** even if they are reported for transparency purposes (e.g. memorandum item).

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