



## Total Official Support for Sustainable Development (TOSSD) A new tool to capture the full spectrum of officially-supported resources for the SDGs<sup>1</sup>

### Frequently Asked Questions

November 2018

*“The TOSSD statistical measure includes all officially-supported resource flows to promote sustainable development in developing countries, to support development enablers and to address global challenges at regional or global levels.”*

#### 1. How will TOSSD be helpful for developing countries?

TOSSD is a two-pillar framework that tracks officially-supported i) cross-border resource flows to developing countries and ii) finance for development enablers and global challenges at regional and global levels. The first pillar of TOSSD will improve the transparency of expenditures that are cross-border resource flows, therefore contributing to greater accountability, improved development policy planning and enhanced donor coordination in developing countries. The second pillar will provide specific information that is not currently available in international statistics on activities supporting sustainable development at regional and global levels (e.g. norm-setting, research). This information is critical for developing countries to overcome some of the sustainable development challenges they face.

#### 2. How will TOSSD support the Addis Ababa Agenda for Action call to mobilise additional finance for development?

The vast scope of the SDGs creates a new imperative to maximise the full potential of all resources – public, private, national and international – that finance development. The key to unlocking this potential is understanding the scope, nature and dynamics of the full range of resources being deployed to achieve the SDGs. This, in turn, requires a global framework for measuring resources in support of sustainable development, including external finance.

The primary objective of TOSSD is greater transparency about the full array of officially-supported resources provided in support of the 2030 Agenda in developing countries, including resources mobilised from the private sector by official development finance interventions. It is designed to provide a coherent, comparable and unified system for tracking SDG-relevant investments that can inform strategic planning, identify emerging gaps and priorities, and assess progress in matching supply with needs. It notably aims to capture resources from traditional providers, but also those used in the context of other frameworks of collaboration such as south-south co-operation and triangular co-operation. It also captures resources for Global Public Goods for sustainable development – essential for the implementation of the SDGs while involving no direct resource transfers to developing countries.

By collecting information on officially-supported flows but also on amounts mobilised from the private sector by official interventions, the TOSSD statistical framework is meant to create incentives to mobilise additional resources above and beyond ODA.

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### **3. *There is a fear that TOSSD will gradually replace ODA and will dilute ODA commitments to countries most in need. How can this risk be addressed?***

In the Addis Ababa Action Agenda, ODA providers reaffirmed their respective ODA commitments, including the commitment by many countries to achieve the target of 0.7 per cent of ODA/GNI and 0.15 to 0.20 per cent of ODA/GNI to Least Developed Countries. ODA remains essential to support the most vulnerable populations in many countries, in particular Least Developed Countries.

TOSSD is designed to complement ODA and in a way that does not undermine ODA commitments of donors. There is no target attached to TOSSD and therefore no risk of competition or confusion with ODA targets, and no incentive to reduce ODA to the benefit of non-concessional finance.

The Addis Ababa Action Agenda makes it clear that ODA is not sufficient for eradicating poverty and promoting wellbeing, and that other resources need to be mobilised in support of sustainable development. The aim of TOSSD is not to replace ODA, but to fill a knowledge gap about the resources for sustainable development beyond ODA. Moreover, TOSSD can help maintain the integrity of the ODA measure by tracking a broader set of flows (e.g. development enablers such as peacekeeping costs), thereby reducing pressure to include more of these flows in ODA.

### **4. *How could TOSSD support the 2030 Agenda and the SDG monitoring framework in practice?***

TOSSD has the potential to inform a number of indicators in the SDG framework, particularly those that refer to “total official flows”, “international financial flows” or “total official international support” (indicators 2.a.2, 7.a.1, 9.a.1, 10.b.1, 17.3.1, 17.9.1)<sup>2</sup>. Detailed implementation as to how exactly TOSSD will contribute to the monitoring of these indicators (e.g. only a subset of TOSSD data for 17.3.1) has not been looked at in detail yet.

### **5. *What are the key differences between TOSSD and ODA?***

TOSSD aims to fill a knowledge gap about resources for sustainable development beyond ODA. As such, it is conceptually different from ODA, which is a measure of donor effort. For example, ODA contains several components that involve expenditures in the provider countries (e.g. in-donor refugee costs, administrative costs) that developing countries indicate they often do not “see”. The Pillar I of TOSSD will exclude these elements to only reflect cross-border flows to developing countries.

TOSSD and ODA are also different measures technically, even though there are links between the two. A part of ODA flows, such as grants and concessional loans, will be a core component of the cross-border resource flows pillar of TOSSD. However, TOSSD goes beyond ODA flows, since it includes also non-concessional loans and other debt instruments, equity investments and finance mobilised from the private sector through official interventions. Another difference is in the measurement. ODA measures the grant equivalents of concessional loans while TOSSD measures the volume of these loans (flows).

TOSSD is also broader than ODA because the measure is not only reportable by OECD DAC members (and the 20 countries beyond the DAC that report on ODA flows) but pertains to a larger community of providers, including emerging economies and south-south co-operation providers. In fact, obtaining a better understanding of resources for sustainable development by all providers is an explicit objective of TOSSD.

<sup>2</sup> These indicators are: 2.a.2 Total official flows (official development assistance plus other official flows) to the agriculture sector; 7.a.1 International financial flows to developing countries in support of clean energy research and development and renewable energy production, including in hybrid systems; 9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure; 10.b.1 Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows); 17.3.1 Foreign direct investment (FDI), official development assistance and South-South cooperation as a proportion of total domestic budget; 17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries.



Moreover, TOSSD has been specifically designed to address the sustainability aspects of development co-operation, with an operational definition of sustainable development linked to the sustainable development goals. Sustainable development is an eligibility criterion for TOSSD, which is not the case for ODA.

Lastly, TOSSD can include flows to countries that are not on the DAC List of ODA Recipients but still face difficult challenges to achieve the sustainable development goals.

These issues are summarised in the table below:

TOSSD	ODA
<b>Objective and eligibility criteria for the measure</b>	
Measuring resources in support of sustainable development, which is a key eligibility criterion	Measuring donor effort and resources to support the economic development and welfare of developing countries
<b>Main focus</b>	
Recipient	Provider
<b>Scope of flows considered</b>	
Officially-supported flows: official flows and private finance mobilised	Official flows
Concessional and non-concessional	Concessional
<b>Measurement</b>	
Cash flow	Grant equivalent
<b>Target countries</b>	
DAC List of ODA Recipients and other countries on an opt-in basis	DAC List of ODA Recipients
<b>Reporters</b>	
Ambition: All providers	DAC and some non-DAC countries
<b>Governance arrangements</b>	
Ambition: driven by the international community through the UN	DAC-driven

**6. How will the TOSSD data on official flows and private finance mobilised be presented? Isn't there a risk that TOSSD displays inflated figures by summing up official and private flows?**

The TOSSD framework will clearly delineate the two types of flows, recognising that official and private flows have different roles and can be fundamentally different in their initial motivations. As TOSSD data become publicly available, data users will be able to aggregate and disaggregate the various components of TOSSD based on their respective needs. Data providers will need aggregates to validate the figures (validation will give an “official stamp” on TOSSD data). This does not mean that data will not be available at a more disaggregated level. On the contrary, activity-level data is the norm within TOSSD as indicated in the Reporting Instructions.



The exact official presentation of TOSSD data is not yet decided, but special attention will be paid to this presentation so as to ensure that official and private flows are clearly distinguished and that the possibility to communicate inflated figures is minimised. Data users will be encouraged to present figures that clearly identify the various types of flows.

Ultimately, the ambition is that international statistics with TOSSD data will be better than international statistics without TOSSD data and that, over time, TOSSD will strengthen the statistical system by providing more information on support to sustainable development.