

**DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE**

**PROPOSED ROADMAP FOR DEVELOPING THE TOTAL OFFICIAL SUPPORT FOR  
SUSTAINABLE DEVELOPMENT MEASUREMENT FRAMEWORK FOR 2015-2016**

**DAC Meeting, 17 September 2015**

*This document is submitted for DISCUSSION under item 6 of the draft annotated DAC agenda [DCD/DAC/A(2015)10].*

*This document takes stock of progress to date and proposes for the 2015-16 period a results-oriented work programme aligned with 2014 DAC High Level Meeting mandate and the Addis Ababa Action Agenda.*

*The Committee's guidance on the scope and content of the work programme outlined in the document is sought in order to pave the way for the forthcoming Senior Level Meeting discussions and ultimately High Level Meeting decisions.*

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## **PROPOSED ROADMAP FOR DEVELOPING THE TOTAL OFFICIAL SUPPORT FOR SUSTAINABLE DEVELOPMENT MEASUREMENT FRAMEWORK FOR 2015 - 2016**

### **Introduction**

1. OECD DAC Ministers agreed in December 2014 to carry out consultations and analytical work to develop a new measurement framework for valorising and incentivising development finance from a wide variety of sources and actors in support of the ambitious Sustainable Development Goals (SDGs). To this end, the new framework, provisionally entitled Total Official Support for Sustainable Development (TOSSD), would expand the current scope of statistical tracking to also encompass international public finance that leverages private resources – through blending operations, risk mitigation schemes and equity stakes – invested in sustainable development activities in developing countries. TOSSD would also cover public finance for activities promoting and enabling sustainable development, including contributions to global public goods where these are deemed relevant for development and aligned with developing countries’ priorities, recognising that providers themselves may benefit from such activities. It is expected that TOSSD will be instrumental for informing both provider and recipient countries about the components of different financing packages including instruments used, their terms, and how they are combined, thus encouraging broader learning and exchange of experience about best practice and effectiveness in tapping and deploying a wide range of development finance from public and private sources.

2. The TOSSD measure figures as a main feature of the Addis Ababa Action Agenda (AAAA) under the “International Development Co-operation” heading (paragraph 55) endorsed by the General Assembly in its resolution 69/313 of 27 July 2015. The AAAA specifically calls for further efforts to develop the measure in a broad and inclusive manner by stating “*We will hold open, inclusive and transparent discussions on the modernization of the ODA measurement and on the proposed measure of “total official support for sustainable development” and we affirm that any such measure will not dilute commitments already made*”.

3. This call is consistent with DAC ministers’ decision to ensure that the TOSSD concept is shared with, and shaped by, the broader international community. An array of views, perspectives, insights and competing ideas from all stakeholders is therefore needed in order to clarify the boundaries of the TOSSD concept, its constituent parts and associated parameters, and the statistical conventions that it would require in order to be fully operational. Broad and inclusive consultations with others will ensure that the framework corresponds to diverse needs and priorities – and will thus be as helpful as possible to the post-2015 agenda.

4. The process of developing the scope and parameters of the measurement framework and clarifying the requisite steps and timeframe for operationalising it needs to be carried out in a first phase over the next two years in conjunction with developing countries, other providers of development co-operation including south-south providers, civil society, multilateral institutions and development banks as well as the private sector. In parallel with this process, decisions will also have to be made on the future governance of the concept, which should be modelled on the broad and inclusive process of developing the measure itself. An ambitious timeframe will allow the TOSSD framework to be operational in time for the first High Level Dialogue on Financing for Development of the General Assembly in 2019.

5. This note takes stock of progress to date and proposes for the 2015-16 period a results-oriented work programme combining i) focused consultations; ii) a series of pilots in both provider and recipient countries for testing and validating the measurement methodology; iii) adjustments of the OECD DAC statistical system; and iv) discussions and collaboration with other international actors and data repositories to explore possibilities for bringing together an informal, functional international data network to progressively build the measurement framework. The proposal would accelerate the reform the OECD DAC measurement system in an open, inclusive and transparent manner. It would also complement ongoing DAC work on leveraging private sector-led sustainable economic growth, in particular joint work with the World Economic Forum on Redesigning Development Finance Initiative and the Sustainable Development Investment Partnership, both of which constitute platforms for testing the TOSSD measurement framework. At the same time, the proposal would call for additional resources since it goes beyond the scope of current funding of the OECD DAC core statistical work.

6. Work in subsequent years (i.e. post-2016) will focus on implementation of the new measurement framework and data collection.

7. The forthcoming October 2015 Senior Level Meeting (SLM) will take stock of progress at the political level and provide guidance for the way forward. The High Level Meeting (HLM) scheduled for early 2016 is expected to endorse the work undertaken and provide guidance on how to operationalise a broader governance mechanism for TOSSD.

#### **Planned work for 2015–16 and progress to date**

##### *Consultations for shaping the proposed TOSSD measure: seminars, expert workshops and events*

8. Considerable engagement and outreach activities have been carried out in the lead-up to the Third International Conference on Financing for Development in Addis Ababa and will continue over the course of the coming year, including the production of policy briefs for dissemination.<sup>1</sup> A variety of seminars and briefings will also continue to be organised on the margins of key international meetings and fora (e.g. WB/IMF meetings, the G20 Development Working Group, the United Nations Summit to adopt the 2030 Agenda for Sustainable Development<sup>2</sup>, the 21<sup>st</sup> session of the Conference of Parties to the United Nations Framework Convention on Climate Change, etc.). These will constitute avenues for engagement and dialogue with countries and institutions beyond the OECD DAC. The OECD hosted a successful side event during the Third International Conference on Financing for Development in Addis Ababa, which officially launched the concept within the wider international arena and was met with broad support.<sup>3</sup> Seminars to discuss TOSSD will be held in member capitals. Sweden has scheduled one for 18 September 2015 in Stockholm; other DAC members are encouraged to organise additional events of this nature. The scope for organising similar seminars with providers beyond the DAC will be actively explored.

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1. See [TOSSD Policy Brief](#)

2. TOSSD will be featured in the context of the upcoming side event entitled “The Vision We Need to Fulfill Goal 17”, organised in the margins of the Summit on Monday 28 September • 1:15pm to 2:30pm.

3. See Annex 1 for Summary of the Side Event on TOSSD.

9. Expert workshops gathering leading thinkers, policymakers and practitioners from both the public and private sectors will serve the dual purpose of initiating an inclusive process to shape the conceptual features of the measure and securing multi-stakeholder endorsement. Such workshops will include key representative constituencies, including developing countries from different income groupings and regional contexts, think tanks, a range of financial intermediaries (private banks, DFIs, venture capital providers, impact investors), multilateral institutions and civil society. A first expert workshop was organised on 20 May 2015 i) to stimulate international dialogue and ownership for a broader statistical framework and monitoring system to underpin the 2030 Agenda and ii) to obtain feedback and insights on the boundaries, possible building blocks and statistical features of TOSSD<sup>4</sup>. The outcomes of the first workshop will guide the focus of the next expert workshop scheduled for 22 October 2015, which is tentatively set to address methodologies for capturing resources leveraged, develop meaningful and clearly defined subcategories of TOSSD, and clarify “disciplines” and guidelines that would need to be integrated into the TOSSD concept and its implementation in order to reduce possible distortions it could create vis-à-vis trade and investment flows, tied aid disciplines and international competitiveness. Additional workshops will examine specific dimensions of TOSSD e.g. leveraging private capital, its relation to ODA and concessional finance, mutual benefit (trade and investment support), and Global Public Goods including climate change mitigation and adaptation and peace and security<sup>5</sup>. Finally, the steps and building blocks for operationalising the TOSSD measurement framework will also be taken up in future workshops.

*Outputs and deliverables:*

- 6 expert workshops;
- Summary conclusions and recommendations from the workshops;
- Targeted info-briefs on progress in developing and operationalising TOSSD; and
- Briefings/seminars/colloquia at key international events.

***Pilot studies to scope the analytical concepts, functional categories, measurement issues and data challenges for constructing the TOSSD measurement framework***

10. Work to define and shape the measurement framework will need to be complemented by hands-on studies to test the framework in practice. Accordingly, a number of pilot case studies in both OECD and non-DAC countries will be carried out to assess how the emerging TOSSD framework could be flexibly adapted to the operations and existing data systems of relevant development co-operation agencies, ministries and finance institutions. These pilots will also shed light on the functional boundaries and statistical parameters of the measure and provide insights about the order of magnitude of associated resource flows for each pilot country. A pilot with the United Arab Emirates is ongoing and another pilot has been initiated with the European Union; their results will be presented to the DAC in the coming months.

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4. See Annex 2 summary of the first expert workshop.

5. A separate work strand on peace and security may be required in the light of the ongoing DAC discussions in this area [see DCD/DAC(2015)22].

11. The recipient country perspective is also essential to integrate within the TOSSD framework. A clearer understanding of the taxonomy of international development finance viewed from the recipient perspective – e.g. Resource Inflows for Development – will be essential to ensure that the measure is robust and relevant for developing countries. A number of pilots should also be undertaken to unpack the different features and dynamics of the evolving development finance landscape at country level in order to help improve the understanding of how partner countries are dealing with the increasing complexity, opportunities and risks of today’s international financial context. The recipient country pilots should also clarify how these flows are measured and assess how TOSSD could enhance the transparency of external development finance from the perspective of partner countries – and thus contribute to their strategic planning needs. In 2014/15 the OECD carried out initial case studies in Ghana, Senegal and Timor Leste, which will provide the theoretical foundation for carrying this work forward.

*Outputs and deliverables:*

- Scoping missions in four pilot *provider* countries, including two non-OECD provider countries;
- Scoping mission in four pilot *recipient* countries, including one LDC, other LIC, LMIC and UMIC (also potentially targeting other vulnerable country groups under these income categories, including SIDS, LLDCs and fragile and conflict-affected states); and
- Analytical assessments and quantitative calculation of the TOSSD measure for the pilot countries.

***Assessing necessary adjustments to the OECD DAC statistical system in support of the TOSSD measurement framework***

12. In conjunction with the pilot studies from providers’ and recipients’ perspectives, it will be important to assess the “fit” of the TOSSD measurement framework within the OECD DAC statistical system, including adjustments to the architecture and functionality of the database. Initial discussions have been carried out in the context of the WP-STAT to clarify the relation between grant equivalents, flows and amounts mobilised, including how to make the distinction between provider and recipient perspectives (resource inflows). Furthermore, a note describing ODA, TOSSD and climate-related development finance<sup>6</sup> was presented at the Joint ENVIRONET/WP-STAT Task Team in May 2015. Further discussions will take place at the next meeting of the WP-STAT scheduled on 2-3 November 2015 and in 2016, as and when the Reporting Directives are revised to implement the DAC High Level Meeting agreements on concessionality and new data collection on amounts mobilised from the private sector through official interventions.

13. Overtime, a special TOSSD platform/interface enabling interested publics to consult the data should be developed. Moreover, a specific focus on TOSSD in the work on data presentation and visualisation is needed to facilitate the inclusion of this measurement framework in regular statistical databases.

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6. See DCD/DAC/STAT/RD(2015)3/RD1.

*Outputs and deliverables:*

- Recommendations for adjustments to OECD DAC reporting formats and database, and
- Developing an interactive platform for public access to TOSSD data and integrating the framework in OECD DAC standard data presentation.

***Mobilising support for operationalising the TOSSD measurement framework: forging partnerships***

14. Beyond the workshops and international briefings, efforts will be needed to reach out to interested publics and institutions with TOSSD-relevant databases in order to inform them of the nature, dynamics and potential of the measurement framework and to enlist their engagement and support to operationalise it. In particular, work will be undertaken to begin establishing an informal network of leading data-gathering institutions that can identify data linkages and gaps and assess the scope for bringing different data repositories together and presenting them in a coherent and statistically sound way. This will include institutions that maintain statistics on foreign direct investment, debt stocks, balance of payments, domestic revenues, public private partnerships, remittances, bonds, other data on capital markets, climate finance, etc. Possible partners would include the IMF, the World Bank, other multilateral development banks, international development finance institutions, the UN Statistical Commission, UN regional commissions, UNCTAD, UNFCCC, the BIS, private market data analysis institutions (such as Thomson Reuters and Bloomberg), etc. Attention to maintaining data quality and integrity (e.g. avoiding double-counting) will be a key feature of this work. The aim will be to develop a mosaic of international databases and networks to underpin the TOSSD measurement framework so that it can feed the post-2015 accountability framework.

*Outputs and deliverables:*

- Missions to selected statistical services at key international institutions and data repositories to explain the TOSSD measurement framework and discuss collaboration, and
- Two technical meetings with statistical experts from identified institutions and the UN to discuss data issues and the dissemination of TOSSD data.

**Challenges**

15. A number of challenges may arise and will have to be overcome in the course of implementing the proposed work programme:

- Identifying informed and knowledgeable experts who could provide value-added to analytical discussions and ably represent key constituencies in the expert workshops.
- Developing features and attributes of the measurement framework that would be of sufficient interest to emerging providers of development co-operation, particularly from the BRICS countries, to attract their support and engagement with the TOSSD measurement framework.
- Bringing institutions that work in the private sector space, i.e. multilateral development banks, development finance institutions and national development banks around a common framework for measuring and monitoring private finance mobilised/leveraged.

- Slow uptake from other international institutions housing other key data repositories and difficulty in harmonising and reconciling data quality issues and in tackling double-counting.
- Pushback from some parts of the international community in supporting the TOSSD concept and methodology.
- Establishing a credible, effective process for ensuring broad, open and inclusive dialogue on the development of TOSSD with the ultimate aim of having a broadly-owned measurement system with built-in peer learning features and scope for developing evidence-based recommendations to enhance effectiveness and impact.
- Ensuring an appropriate level of funding for developing the TOSSD measurement system. The scope of the work to be carried out by OECD will depend on the volume of voluntary funding provided by members.

#### **Key outcomes of the work programme**

- A clear conceptual framework for tracking broader resource flows to developing countries that will permit their analysis from both provider and recipient perspectives.
- Recommendations on the scope and operationalisation of the measurement framework, definitional elements and statistical conventions based on expert workshops and results of pilot studies.
- Adjustments to the OECD DAC statistical system endorsed, including adjustments to the architecture and functionality of the databases, presentational formats, and the development of a special TOSSD platform/interface enabling interested publics to consult the data;
- Establishment of an informal, functional international network of development finance data hubs.

16. The DAC's guidance on the scope and content of the work programme outlined above is sought in order to pave the way for the forthcoming SLM discussions and ultimately HLM decisions.

**Annex 1: Summary of the High-Level Panel Discussion on Strengthening International Co-operation to Mobilise and Measure Public Finance for Sustainable Development on 13 July - 1.15-2.45 pm held in the margins of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia**

The OECD hosted a High-Level Panel Discussion on Strengthening International Co-operation to Mobilise and Measure Public Finance for Sustainable Development on 13 July in the margins of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia. The discussions focused on how to provide the necessary means to address the urgent need for mobilisation of significant resources to implement the Sustainable Development Goals (SDGs), including enhancing transparency and oversight of the range of resources provided by governments and the international community, including through the proposed total official support for sustainable development (TOSSD) measurement framework. The event featured:

- H.E. Sheikha Lubna Bint Khalid Al Qasimi, Minister for International Cooperation and Development, UAE
- Mr. Kristian Jensen, Minister for Foreign Affairs, Denmark
- Mr. Claver Gatete, Minister of Finance, Rwanda
- Mr. Komi Koutche, Minister of Finance, Benin
- Mr. Angel Gurría, Secretary-General, OECD
- Ms. Caroline Heider, Director General and Senior Vice President, Evaluation, World Bank Group
- Mr. Juan Manuel Valle, Executive Director, AMEXCID, Mexico
- Mr. Joachim Reiter, Deputy Secretary-General, UNCTAD
- Ms. Mmakgoshi Phetla-Lekhethe, Deputy Director-General, National Treasury, South Africa
- Mr. Jacques Moineville, Deputy CEO, Agence Française de Développement
- Mrs. Heidi Schroderus-Fox, Director, UN-OHRLLS

The ambitious aims of the Sustainable Development Goals (SDGs) will call for successful mobilisation of the broadest possible range of development finance. ODA remains important but a broader measure, TOSSD, is needed to take account of additional official finance supporting development, including through innovative partnerships and instruments that catalyse resources from the private sector. There is a pressing need to devise new approaches and measures to capture more comprehensively and accurately development finance in order to (i) better understand, and therefore, manage financial flows and (ii) incentivise more creative efforts to mobilise additional finance by officially acknowledging such flows.

ODA and TOSSD can work in complementary and synergistic ways to facilitate development finance partnerships that unlock potentially huge development gains. The panel acknowledged the immense potential of the private sector as a source of development finance, noting the diversity of new financial actors, modalities and instruments on offer in this regard. Denmark and Rwanda both offered detailed examples of successful partnerships with the private sector, highlighting the role that oversight and co-ordination played in achieving results. In order for development finance to have the biggest possible impact on low-income countries, ODA should focus on strengthening countries' own statistical systems, infrastructure and markets and building capacity which will, in turn, attract more private investment.

TOSSD data can help non-traditional providers have a clearer picture of their development efforts and guide their decision-making. Mexico and the United Arab Emirates underlined their appreciation of this new framework given the particular characteristics of their development co-operation systems. An estimated 10-20% of the United Arab Emirates' development finance flows provided through philanthropy, corporate social responsibility programmes and religious affiliations are not captured in ODA. Likewise, Mexico's South-South co-operation activities are not captured in the ODA measure: TOSSD could potentially bridge this gap.

Ensuring that development finance is channelled where it is most needed, and achieves results, is crucial. There is currently a gap in statistical data capturing wider development finance. Mexico noted that, in the absence of data on its development activities, it struggles to demonstrate the positive impact of its co-operation efforts and communicate this message to its own citizens. For developing countries, the lack of data creates challenges to ensure that resources are used where they are most needed and to the best effect. The World Bank Group noted that private investment needs to be evaluated in order to ensure that it both delivers value for shareholders and investors as well as results for the developing countries involved. UNCTAD observed that a high quality, broad-based data monitoring framework will be indispensable for implementing the SDGs.

All participants agreed that further inclusive and multi-stakeholder consultations will be crucial to continue to shape the parameters of the TOSSD measure, particularly to ensure the effective deployment of development finance in line with the needs of the new 2030 Agenda for Sustainable Development.

**Annex 2: Summary of first TOSSD expert workshop 13 May 2015, OECD, Paris: “Financing the post-2015 agenda: shaping a measurement framework for monitoring resources in support of the Sustainable Development Goals (SDGs)” - Final draft – 15 July 2015**

**Background**

The international community is devising an ambitious global development framework – the Sustainable Development Goals (SDGs) – that will call for mobilising a significant amount of resources. OECD/DAC Ministers agreed in December 2014 to carry out consultations and analytical work to develop a new measurement framework for valorising and incentivising development finance from a wide variety of sources and actors in support of the SDGs. The ongoing negotiations in the lead up to third Financing for Development Conference in July 2015 have also emphasised the need for open, inclusive and transparent dialogue on broadening the measurement framework of finance in support of the SDGs, while keeping ODA at the core of international commitments.

The new framework, provisionally entitled Total Official Support for Sustainable Development (TOSSD), would expand the current scope of statistical tracking to cover activities promoting and enabling sustainable development. It would include contributions to global public goods (GPGs) where these are deemed relevant for development and aligned with developing countries’ priorities, recognising that providers themselves may benefit from such activities. TOSSD would also encompass international public finance that leverages private resources – through blending operations, risk mitigation schemes and equity stakes – invested in sustainable development activities in developing countries. It is expected that TOSSD will be instrumental for informing both provider and partner countries about the scope, components, and relevant terms and synergies of different financing packages, thus encouraging broader learning and exchange of experience about best practice and effectiveness in tapping and deploying a wide range of development finance including from public and private sources.

The TOSSD concept now needs to be shared with, and shaped by, the broader international community. An array of views, perspectives, insights and competing ideas from all stakeholders is needed in order to flesh out the scope of the TOSSD concept, its constituent parts and associated parameters/boundaries, and the statistical conventions that it would require in order to be fully operational. Broad and inclusive consultations with others will ensure that the framework corresponds to diverse needs and priorities – and will thus be as helpful as possible to the post-2015 agenda.

This paper summarises and distils insights from the first expert workshop, which focused broadly on official and leveraged private finance and brought together approximately 35 leading experts from developing countries, bilateral and multilateral institutions, international think tanks, civil society, public/private partnership units and a diverse array of financial institutions e.g. development finance institutions, venture capital and impact investment funds (see Annex for the list of participants). The summary will serve to foster discussion among key stakeholders in the international community, and to inform additional expert workshops planned for the second half of 2015.

## I. KEY IDEAS DISTILLED FROM THE DISCUSSIONS

### *Scope and specificity of the measure*

- The TOSSD framework is novel – it’s the first time that effort has been undertaken to develop a framework to measure and monitor “whole of development finance” (at global or country level).
- TOSSD is foreseen to be a broad measure that will facilitate assessment of development finance from two different perspectives: that of “providers” and that of “partner countries”. To clarify this, a clearer distinction is needed between the measurement of i) *support provided* (the “provider perspective”) and ii) *cross-border resource flows to developing countries* (the “partner country perspective”).
  - The “provider perspective” captures grants, loans and investments by the official sector, either directly to developing countries or channelled through various intermediaries, in support of the SDGs.
  - The “partner country perspective” would capture the resulting inflow of resources to developing countries. It could also capture resources from other official sources, such as multilateral institutions, as well as from non-state actors.
  - There is no one-to-one relationship between the two perspectives: they are not equivalent. A share of “provider perspective” resources does not give rise to cross-border flows (e.g. in-donor administrative expenses, etc.). “Partner country perspective” inflows, on the other hand, capture both official finance and private finance that it has leveraged. Accordingly, similar to concessional resources (where Official Development Assistance (ODA) measures “provider effort” and Country Programmable Aid (CPA) measures developing countries’ aid receipts), the TOSSD concept measures, on the one hand, official development assistance and investments and, on the other hand, sustainable development finance flows to developing countries.
- From the partner country perspective TOSSD i) should be aligned to the priorities of partner countries and ii) could improve the availability of information about project-level activities by breaking out individual financing packages.
- TOSSD data could also potentially give an indication of where additional liabilities are being created in order to avoid future debt crises.
- Some considered the role of ODA should be to trigger significant investments to support SDGs implementation, in particular capacity-building and preparation of investment planning as well as preparation of bankable projects. ODA should be focused on preparation and TOSSD on implementation.
- TOSSD should measure support for the SDGs and thus include financing for GPGs. Some GPG-related finance will be provided on a regional basis – this should be included.
- Discussions on the name of the concept led to suggestions:
  - Some considered it was not possible to measure everything, and thus questioned the “T” in the acronym;
  - Others considered that since private resources leveraged from official interventions could not be counted as official, the “O” in the acronym would not be appropriate. There was a general view that it would be very important to measure private flows mobilized -- but the question is whether they should be measured through TOSSD or separately (and therefore called something different)?

- Still others noted that TOSSD is a good first step that should soon be followed by a structured expansion of the concept by complementary, well-demarcated metrics that would cover other flows – this would avoid opening TOSSD up to additional flows that would inflate away the added value currently contained in the TOSSD concept. Such additional metrics could take the form of sub-categories such as SSD-OI, -PI, -OD and -PD (e.g. representing different permutations of Official, Private, International and Domestic).
- TOSSD would need to be complemented by measures of other sources of development finance, most notably public domestic resources and broader private finance (from both domestic and international sources). TOSSD together with these other measures would provide a picture of the totality of development finance flows available for SDG implementation.

### *TOSSD governance proposals*

- A measurement framework needs a governing body. While developing country participants at the workshop emphasised the core role of the UN in post-2015 SDG follow-up, they recognised that the OECD is technically well-placed to implement the TOSSD measurement framework. Participants discussed ensuring a link to the UN for legitimacy and ownership.
- Three possible governance features were discussed: i) reporting to the system would automatically enable participation in governance arrangements; ii) both partner countries and providers should participate in governance; and iii) different international institutions/bodies collecting different statistics could collaborate in contributing to the measurement framework (e.g. multi-layered governance).
- If the intent is to create a global measurement framework, one should start elaborating the TOSSD concept and definition with the active participation of representatives from the South. It will be important to i) reach out as soon as possible to developing countries and providers from the South; and ii) ensure a balanced representation in governance arrangements so that the framework fosters a dialogue between North and South.
- The discussions also raised a number of unanswered key questions, such as: i) how can the TOSSD measure become a viable international statistical measure (e.g. a global public good)? ii) should we build an inclusive coalition of the willing, building on what already exists? iii) should private finance for sustainable development – not mobilised through official actions – be included as well (this would include finance from philanthropic organisations, private social impact funds, etc.)?

### *Instruments*

- All financing instruments are on the table for inclusion in TOSSD e.g. concessional and non-concessional loans, technical assistance, grants, equity, guarantees, credit enhancements, etc.
- Export credits are not generally developmental and could create market distortions/competition pressures – drawing the line is therefore very important. It's essential to be consistent at the global level across different institutional commitments and disciplines e.g. WTO rules. However, distortions may be created by many different instruments/actions/conditions – so it's not a good idea to establish a “blanket” exclusion of export credits within the TOSSD measurement framework, since some could legitimately be considered as financing in support of the SDGs.

- What part of leveraging instruments can be counted in TOSSD e.g. the public finance component? The guarantee exposure? In this light, would it be more appropriate to refer to TOSSD as a measure of investment – instead of support?
- In taking stock of the catalytic role of concessional finance, would there be a need to distinguish between ODA provided for altruistic/solidarity motivations and ODA provided in conjunction with investments that are primarily – but not exclusively – motivated by the prospect of profit or gain?
- How could the measurement framework measure technical assistance and take into account the large differences in the unit costs of experts from the North and the South?
- It would be best if additional country-level information on economic benefits linked to TOSSD operations (e.g. tax exemptions, financial subsidies, etc.) were transparently made available through the measurement framework.

### *Modular Approach to implementation*

- In building a broader measurement framework/matrix (TOSSD), OECD would best focus on official international and private officially mobilised resources (where it has data access and resources). It would be useful to develop partnerships with others who collect different data relevant for monitoring resources for sustainable development (e.g. domestic resource mobilisation through IMF, FDI through UNCTAD, bank flows through BIS, etc.). There's a need to map international data options vis-à-vis the different components of TOSSD and continue to think in terms of sequencing and modular categories (i.e. being mindful of possible data sources in the course of “building” the measurement framework, and making a distinction between official, private and officially-leveraged).
- Tips for operationalising the framework: i) start with things that can be measured and proceed in a phased manner thereafter, ii) prioritise “learning by doing” – pilot and experiment with data approaches and options (it is impossible to know everything at the outset), iii) remain flexible, and support an accretionary process/build over time, iv) keep the methodology practical and bear in mind the importance of functionality, v) involve a broad range of stakeholders throughout to ensure relevance and impact of the information to be provided.
- The communication strategy may need to differ for different users/clients (as between providers/partner countries/CSOs/private sector, etc.) e.g.:
  - Partner countries – TOSSD fosters a better understanding of available financial flows and a more informed basis for choosing among alternatives;
  - CSOs are natural allies – TOSSD is a tool for accountability and building trust, and a basis for dialogue;
  - UN system/AU/G77+/developing countries – TOSSD is a complementary element of the monitoring framework of the SDGs (“whole of finance”): technical level dialogues are needed;
  - South-South providers, southern think-tanks – TOSSD is not an alternative to ODA, it recognizes the important contributions made by other providers and can be a tool to measure and mobilize additional resources for SDGs;
  - Private sector – TOSSD can provide insights on how to combine financial instruments and arrangements, and can clarify how private/public partners work more effectively together to identify and address market gaps.

## II. CHALLENGES

- **Ensuring the right incentives and safeguards:** There are potential negative incentives that could be created through the TOSSD measure. For example, ODA allocations may shift to combined TOSSD operations, or TOSSD “credit” may effectively divert official support for the social sectors to infrastructure, or TOSSD may create more incentives to finance development activities in richer countries than poorer countries, or guarantees may over time supplant direct financial support. What are the benefits and risks of TOSSD? What might be the impact of TOSSD on ODA volumes? If providers get credit for “amounts leveraged” in the same way as they do for official flows, some incentives may be created that could lead to problems. How would TOSSD help to mobilise additional resources? As an adjunct to work to define and operationalise the TOSSD measurement framework, work will be needed to develop principles for TOSSD (similar to the principles the OECD/DAC has developed for ODA vis-à-vis tied aid, Paris Declaration principles, etc.) to prevent TOSSD resources from creating unfair, uncompetitive incentives e.g. TOSSD operations benefitting from investment/tax subsidies, etc.
- **Ensuring data quality:** It would be good to triangulate data (e.g. compare similar data from different sources) to enhance veracity – we need tools to make it easy to triangulate data. There is a need for adequate coherence between i) what is transferred to developing countries; ii) what is “visible/measured” at the country level; and iii) what is reported at the OECD (technical assistance costs contribute to variance).
- **Role of private finance mobilised for sustainable development:** The inclusion of private finance leveraged by official interventions is both politically and methodologically challenging. From a partner countries’ perspective, TOSSD is O plus (“O+”) e.g. beyond official finance, it would need to include mobilised private finance – which is key to understanding how finance for projects at country level is coming together and being combined. Again, some considered it important to add meaningful and clearly defined complementary categories of flows to TOSSD to reflect this. **Managing both political and technical issues:** As technical as the process of developing and establishing TOSSD as a viable statistical measure is, it is also deeply political. We need to involve other major providers: TOSSD could be a mechanism for a dialogue between North and South, but it will be essential to assure that partner countries are involved. There is a risk that TOSSD will be perceived as “too OECD/DAC-oriented”. How can it be pitched and positioned as a global concept?

## III. NEXT STEPS

- It will be important to strategically structure future workshops/dialogues to progressively develop the measurement framework through multi-layered dialogue and as broad-based participation as possible.
- Future work should be characterised by the following features: multi-stakeholder, ownership by all, client perspectives (partner countries/private sector/emerging providers, etc.), prototypes, and diagrams.
- Two additional workshops will take place over the course of 2015 (one in September on “mutual benefit” and Global Public Goods including climate-related development finance, and another in November/early December on the “means of implementation”).

**Questions for consideration in carrying out future work  
and international consultations on the TOSSD measurement framework**

- How might export credits and trade finance be taken into account?
- How might the measurement framework deal with non-concessional loans (loans on market terms) of state banks?
- How might private/public partnership financing arrangements be taken into account?
- How should private finance mobilized through public interventions be treated? How might the framework deal with first-loss shares? How should guarantees be taken into account?
- How might contributions from non-state actors (e.g. foundations, philanthropies, NGOs) be taken into account?
- How could South-South co-operation be integrated into the scheme?
- What should be the governance structure of the new measurement framework?
- How might tied aid be dealt with in the new measurement framework?
- Should TOSSD be measured on a commitments or a disbursements basis?