**Backgrounder**

**Total Official Support for Sustainable Development (TOSSD)**

**What is TOSSD?**

Total Official Support for Sustainable Development (TOSSD) is a new metric under development, intended to provide a comprehensive picture of global, official and officially-supported resource flows to promote sustainable development in developing countries. The framework for TOSSD is the 2015 Agenda 2030’s 17 SDGs and the Addis Ababa Action Agenda for development finance. A TOSSD activity is deemed to support sustainable development if it directly contributes to at least one of the SDGs, “and if no substantial detrimental effect is anticipated on one or more of the targets [*Reporting Instructions*, §47].”

The initiative is being led by the OECD DAC through a broad International TOSSD Task Force, with members drawn from provider countries (9), developing countries (13), including non-DAC providers, and from International Organizations (3). The current Co-Chairs of the Task Force are Mr. Laurent Sarazin (EU) and Risenga Maluleke (South Africa).[[1]](#endnote-1)

The result of two years of work and debate by the Task Force is the *TOSSD Reporting Instructions* (June 5th, 2019), setting out the different rules governing the reporting of relevant activities. These *Instructions* have been implemented in 2019 in a pilot survey to which 42 providers responded.[[2]](#endnote-2) CSOs have had opportunities to contribute their perspectives on draft *Reporting Instructions* in relation to the framework for TOSSD and on the inclusion of different areas of resource transfer (see below for outstanding issues).[[3]](#endnote-3)

The TOSSD metric is made up of two Pillars:

Pillar One: All cross-border flows to TOSSD eligible countries by bilateral and multilateral providers, including

* Official Grants, Loans (both concessional and non-concessional), technical assistance, official debt instruments and equity investments. Only ODA and other commitments that are spent outside the provider country are included.
* Officially-supported resources that are those provided by official agencies, including state and local governments, as well as public corporations (corporations over which governments secures control through owning more than half of the voting equity securities).
* Private sector resources mobilized through official interventions, regardless of private sector funds country of origins (to be reported and recorded separately from official flows).

Pillar Two: Global and expenditures in support of International Public Goods (IPGs), and development enablers (means to provide an IPG), and/or to address global challenges, in which benefits are transnational in reach. To be included an activity in Pillar Two must

* Expenditures for IPGs may take place in provider countries, TOSSD-eligible countries, regional or global institutions, but must demonstrate substantial benefit to a TOSSD-eligible country, and/or
* Be implemented in direct cooperation with a TOSSD-eligible country, private or public institution.
* IPGs include activities in relation to climate change (including mitigation in provider countries), peace and security, refugees and protected persons (including expenditures in provider countries), research and development, among others.[[4]](#endnote-4)

All activities are to be reported at the activity level, with some consideration to commercial confidentiality issues in mobilized private sector resources (possibly aggregated at the country level).

The Task Force has had several in-depth consultations with CSOs from the DAC CSO Reference Group and with CSOs in countries where they have been meeting. Following its last meeting in Washington in October (2019) the Task Force offered the Reference Group Observer Status.

Over the past two years, the DAC Secretariat has given considerable technical support to TOSSD with options for consideration by the Task Force. The Task Force has renewed its mandate to further work on TOSSD in 2020, but is actively pursing discussions within the UN to provide a UN-based governance framework for TOSSD, with the OECD possibly providing technical support. To date there has been no political discussions with UN members and no progress in these discussions with relevant UN agencies.

At the October 2019 meeting of the UN Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs), TOSSD was proposed as an SDG indicator by the OECD, on behalf of the Task Force, to replace indicator 17.3.1 (Foreign Direct Investment, Official Development Assistance, and South-South Cooperation as a proportion of total domestic budget), or to become a new indicator under target 17.3.

**Why is TOSSD important to Africa?**

All development stakeholders committed in 2015 to maximize resources for developing countries to realize Agenda 2030 and the SDGs. TOSSD is intended as the metric to measure this commitment. But all CSOs should be concerned that the resulting metric does not replace the metric for Official Development Assistance (ODA) as a measure of performance by provider countries in concessional resources for developing countries. Equally, CSO should be concerned that the TOSSD metric does not inflate provider performance in relation to SDGs in developing countries through inclusions of broad and undefined areas in peace and security spending, peacekeeping operations, support for refugees in provider countries, etc.

The Task Force has conducted two pilots in African countries to test the relevance of TOSSD for developing country partners ( supplemented by more informal consultations when the Task Team met in a particular developing country over the past two years). These pilots are broadly supportive of TOSSD as a useful metric at the country level to provide greater transparency on a broad set of resource flows with a larger set of providers. Nigerian stakeholders were particularly supportive of “the inclusion of private finance mobilised was highly supported, with the caveat that the effectiveness of operations involving the private sector should be closely looked at in parallel of recording them in TOSSD. [p. 65]” The studies made recommendations on the collection, collation and use of data on financial flows for SDGs at the country level. The Senegal study likewise concluded that “a global measurement framework such as TOSSD is very much needed in light of profound changes in the development finance landscape, particularly given the new role played by emerging economies and related flows. [ p. 4]”[[5]](#endnote-5)

While concept of TOSSD has been welcomed by most developing country interlocuters, reports from informal consultations (see the consultation with Latin American government stakeholders in Ottawa) and the exchanges from developing country members during CSO consultations with the Task Team indicate ongoing concerns. These are raised about particular areas of measurement, the importance of a recipient perspective in presenting the metric [i.e. what resources are actually received by TOSSD-eligible countries], and developing countries’ own statistical capacities to verify and use the data.

**What have been some key issues in TOSSD for civil society?**

A number of proposals from CSOs have been taken up by the Task Force in the Reporting Instructions, such as 1) ensuring a clear linkage between TOSSD activities and SDGs, 2) compliance with global, regional, economic, environmental and social standards and safeguards, 3) explicit acknowledgement that TOSSD does not replace the ODA metric as the measure of provider effort, 4) the reporting of mobilized private resources separate from official resources, and 5) a cautionary approach to reporting peace and security flows.

Nevertheless, CSOs in the Reference Group remain concerned about several important aspects of TOSSD as currently being implemented:

1. **The political use of TOSSD by providers** (particularly weak ODA performancers) to provide an alternative public expression of the providers’ accountability to developing countries (with a “better performance” including non-concessional resources and IPG support).
2. **The potential for dramatic inflation of TOSSD** as a global expression of support to SDGs in developing countries through inter alia,
	1. Inclusion of support to refugees in provider countries until they reach the same status as citizens of that country.
	2. Inclusive of pure research, which ]cannot easily be related to particular SDGs.
	3. The inclusion of non-monetary official support for private sector mobilization such as loan and investment guarantees.
	4. The inclusion of concessional loans at their full face value and not at grant-equivalency. TOSSD is calculated on a gross disbursement basis, not a net basis for resources actually received by TOSSD-eligible countries.
	5. The inclusion of mitigation activities in provider countries as an IPG.
	6. The determination of eligible activities in relation to fighting organized crime and terrorism, elimination of biological, chemical and nuclear weapons, engagement with partner countries’ military, and “other peacekeeping operations.”
3. **The absence of partner country / central TOSSD manager validation** of data submitted. Validation by developing countries remains voluntary so as not to increase burdens on partner countries. But several vague areas, particularly in relation to private sector mobilization and IPGs, will require vigilance to ensure the credibility of the metric.
4. **Arrangements for the democratic governance of the metric** are very much a work in progress, although more attention to this issue by the Task Force is expected now that the draft Reporting Instructions are completed. The Task Force / OECD DAC is likely to continue to monitor the full roll out of the metric in 2020 and consider technical adjustments based on experience.

**What are the main priorities for the DAC CSO Reference Group on TOSSD?**

As the Reporting Instructions are largely completed and the metric will be rolled out in 2020, the TOSSD Working Group will focus on

1. **The concrete implementation of the new metric**, a review of data collected at the activity level (against the stated intentions of the Reporting Instructions), and an assessment of its practical and political implications for tracking resources and provider performance (including its counterpoint in ODA). Is the actual experience of TOSSD data a credible measure of support for sustainable development / SDGs?
2. **The development of a strengths / weakness briefing paper** by the Working Group to inform wider CSO deliberations on TOSSD in the Reference Group and at the UN. Will CSOs be able to work with TOSSD in similar ways that CSOs rely on ODA as a measure of provider accountability?
3. **On-going dialogue / CSO proposals** with the Task Force (through a CSO Task Force observer member and future consultations) and with DAC members (through the Reference Group) on their interpretation of the Reporting Instructions and the stated purposes of TOSSD.
1. For details on the Task Force, its members, record of its meetings and its documents see <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-task-force.htm>. [↑](#endnote-ref-1)
2. See <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD-Reporting-Instructions.pdf>. [↑](#endnote-ref-2)
3. See Reference Group submissions to Task Team meetings at <https://drive.google.com/drive/folders/1abLZiJbSrQDzqUleupuiK5IHdtyEcoGK?usp=sharing> [↑](#endnote-ref-3)
4. See Annex E of the *Reporting Instructions* for detailed guidance on what is included in each of these areas. [↑](#endnote-ref-4)
5. See the four country pilots (Philippines, Costa Rica, Senegal and Nigeria) published to date at <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/tossd-country-pilot-studies.htm>. Pilots are expected to be published for Burkina Faso and on Peace and Security issues in the coming months. Bangladesh will also undertake a pilot study in 2020. [↑](#endnote-ref-5)