

Measuring International Public Finance

Background Note

In the Addis Agenda, the international community committed to “open, inclusive and transparent discussions on the proposed measure of Total Official Support for Sustainable Development (TOSSD)” (paragraph 55).

TOSSD originates from a decision by the OECD DAC in December 2014 to develop a new measurement framework for all flows of development finance in support of sustainable development. In the current proposal, TOSSD would include two components: i) all officially-supported resource flows to promote sustainable development in developing countries; and ii) development enablers that address global challenges at regional or global levels. The first component of cross border flows includes five elements: i) concessional grants and loans; ii) non-concessional loans; iii) private sector instruments (e.g. guarantees); iv) private finance mobilized by official sources; and v) humanitarian aid.

In response to the Addis mandate, the Inter-agency Task Force held two technical meetings on TOSSD. The meetings identified significant overlaps between the components of TOSSD and Task Force monitoring of FfD commitments in the International Development Cooperation chapter (II.C) of the Addis Agenda (see overview table below).

The Task Force monitors trends in ODA, South-South cooperation, lending by multilateral development banks and bilateral lending, private finance catalysed, innovative finance and humanitarian finance. In addition, Chapter II.C also covers the quality and effectiveness of development cooperation, as well as specific uses such as climate finance, health and education, country allocation, levels of concessionality and graduation issues.

The first TOSSD pillar on cross-border flows thus largely overlaps with Task Force monitoring of financing flows in Chapter II.C. However, there are also differences. The main difference is that the Task Force would not add different types of flows up into a single metric. The nature of FfD commitments and their emphasis on the qualities, characteristics and historic origins of different components and respective commitments means that Task Force would not add up different flows into a single metric, even within the cross-border flow category. Instead, Task Force plans on pursuing a ‘dash-board approach’, covering largely the same components as TOSSD.

At the same time, there are important gaps in data on international public finance and data inconsistencies. Greater harmonization and standardization of data for various cross-border components – as proposed in TOSSD - would benefit the Task Force’s monitoring work. However, there are significant governance challenges associated with setting new data norms and collecting new data at the global level.

The OECD has suggested bringing the proposed concept of TOSSD to the United Nations. Given the large overlaps between TOSSD and Task Force monitoring, the Task Force could support any efforts by governments – for example in the context of the Statistical Commission and/ or the FfD process – to further shape and develop a measuring framework for international development finance. Such discussions would need to address questions of data norms, statistical definitions and governance mechanisms, data collection, and possibly data aggregation.

FFDO Background Note

Overview of Task Force monitoring of FfD commitments and TOSSD

Components of TOSSD	Task Force monitoring of FfD commitments			Major monitoring challenges		
	International development cooperation (II.C.)	Other chapters	Data sources			
TOSSD CROSS BORDER FLOWS/ RECIPIENT PERSPECTIVE	IATF CROSS BORDER FLOWS	ODA (Provider perspective)				
		Cross-border ODA (CPA) (II.C.2.); SSC (II.C.3.)		OECD (ODA statistics); SSC based on data and reporting by DESA, UNCTAD, OECD, UNDP (UNOSSC)	Lack of (comparable and comprehensive) reporting by SSC providers	
		MDB lending (II.C.4), Other official flows (II.C.5), SSC (II.C.3.)		WBG and MDB reporting, OECD ODA and OOF statistics		
		Other official flows and catalysing additional resources (II.C.5)		WBG and MDB reporting, OECD OOF statistics	No commonly agreed methodology	
		Other official flows and catalysing additional resources (II.C.5); Public and private blended finance for infrastructure financing (I.4.6.)		based on data by OECD, WBG, reporting by DESA	No commonly agreed methodology	
		Innovative development finance		Based on reports by Leading Group, other IDF providers	Lack of uniformly agreed definition	
TOSSD CROSS BORDER FLOWS/ RECIPIENT PERSPECTIVE	USES OF INTERNATIONAL PUBLIC FINANCE	Humanitarian finance and peacebuilding (II.C.9.)		Based on data and reporting by OCHA, PBSO, UNDP, WBG, DESA (for UN OAD)	Additionality to ODA as well as IPF use	
		Climate finance, disaster risk and environmental resilience (II.C.8)		Cross-border flows as reported by UNFCCC, OECD	Different views on what counts as climate finance/additionality	
		Partnerships / health (II.C.11.1.)		Based on data and reporting by WHO, Gavi, Global Fund, OECD (ODA data)	Includes philanthropy as additional to ODA	
		Partnerships / education (II.C.11.2.)		Based on data and reporting by UNESCO, OECD (ODA)		
		Capacity building (II.C.12.)		OECD (ODA statistics), reporting by GEF and other entities	No clear definition / reporting code in ODA statistics	
		Development effectiveness (II.C.7.)		based on data and reporting by DESA, OECD/UNDP/GPEDC		
TOSSD CROSS BORDER FLOWS/ RECIPIENT PERSPECTIVE	QUALITY AND ALLOCATION	Country allocation, levels of concessionality and graduation issues (II.C.6.)		WBG and MDB reporting, OECD ODA and OOF statistics		
		GLOBAL ECONOMIC ENABLING ENVIRONMENT	Fair and stable global trading system	International trade as an engine for development (II.D.)	Comprehensive monitoring of the international trading system and sustainable development, led by UNCTAD, WTO	Quantification of contribution challenging
			Coherent macroeconomic policies	Addressing systemic issues (II.F.)	Monitoring of the coherence and consistency of the international financial system for sustainable development, led by UNCTAD, IMF, DESA	Quantification of contribution challenging
			Stable financial markets	Addressing systemic issues (II.F.), Debt and debt sustainability (II.E.)	Monitoring of the coherence and consistency of the international financial system and debt sustainability, led by UNCTAD, IMF, DESA	Quantification of contribution challenging
			Safe international migration	Promoting safe migration (II.F.6)	based on reporting and data by IOM, DESA Population Division, WBG	Quantification of contribution challenging
			Eradication of infectious diseases	Additional partnerships-health (II.C.11)	Science, technology, innovation and capacity building (II.G.)	Based on reporting by WHO, GAVI Global Fund, others
DEVELOPMENT ENABLERS	ENVIRONMENTAL	Addressing climate change	Climate finance, disaster risk and environmental resilience (II.C.8)	I.7, II.B,II.F,II.G	based on reporting and data by UNFCCC, UNDP, WBG	
		Environmental sustainability	Climate finance, disaster risk and environmental resilience (II.C.8)	Protecting ecosystems (I.7.)	based on reporting and data by UNFCCC, UNDP, WBG	
		Disaster risk management	Climate finance, disaster risk and environmental resilience (II.C.8)	Debt and Debt Sustainability (II.E.)	based on reporting and data by UNFCCC, UNDP, WBG	
	CROSS CUTTING	Access to technology and knowledge	Science, technology, innovation and capacity building (II.G.)	Comprehensive monitoring led by UNCTAD, WBG, UN Task Team on STI mechanism	Quantification of contribution very challenging	
		Human rights protection	Promoting peaceful and inclusive societies (I.8.); Addressing systemic issues (II.F.)	based on reporting and data by UNDP, OHCHR	Quantification of contribution very challenging	
Peace and security	Humanitarian finance and peacebuilding (II.C.9.)	Promoting peaceful and inclusive societies (I.8.)	based on reporting and data by UNDP, OHCHR, PBSO			