



WORKSHOP ON DEVELOPMENT FINANCE STATISTICS

12-13 July 2017 Ankara, Turkey

DRAFT CONCEPT NOTE

1 Introduction

The concept of **Official Development Assistance** (ODA), or aid, was defined over 50 years ago. It refers to financial support – either grants or “concessional” loans – from OECD’s Development Assistance Committee (DAC) member countries to developing countries. Since its establishment, the DAC has been the primary forum in forging consensus among development agencies about basic definitions and statistical norms.

The DAC defines ODA as those flows to countries and territories on the DAC List of ODA Recipients¹ which are:

- i. provided by official agencies, including state and local governments, or by their executive agencies; and
- ii. each transaction of which:
 - a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b. is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).”

The ODA, either flowing directly from a donor to a recipient country (bilateral ODA) or provided via a multilateral agency (multilateral ODA), is indeed the basic financial support used to develop the building blocks of nations, from healthcare and education services, to building infrastructure. Once these are firmly in place, nations can typically start to attract or develop other sources of development finance, as they move up the income scale.

The ODA definition, which has not changed since 1972, has paved the way for enhanced transparency to improve policies and enabled donors to set targets for increasing their aid efforts. In parallel to the donors’ efforts, the Post-2015 Development Agenda has renewed the Millennium Development Goals with an aim to significantly reduce poverty and achieve sustainable development by 2030 at the global level. On the one side, the implementation of the Sustainable Development Goals (SDGs) endorsed in September 2015 requires funding on an unmatched basis; on the other side, the variety and complexity of the development finance landscape grows.

Yet, the data gaps in capturing the magnitude and scope of development finance create obstacles to ensure that resources are used where they are truly required and to the optimal impact. Besides the achievement of DAC having established a general consensus on the ODA concept, various approaches have been proposed to complement it and act as a monitoring tool for the important new trends that have an impact on shaping the international development finance landscape.

¹ <https://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf> (To be updated in 2017)



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2 Background and Rationale

In order to maximise the financing potential of the international system, the Addis Ababa Action Agenda² called for the international community to work with the international community to work in an open, inclusive and transparent way to devise a statistical measurement framework.

The Total Official Support for Sustainable Development (TOSSD)³, as a metric, would contribute to monitoring the Means of Implementation of the SDGs, and in particular fill important data gaps under SDG 17. TOSSD is expected to track all financing provided by official bilateral and multilateral institutions – regardless of the level of concessionality involved or instrument used. It will potentially capture private resources that are mobilised through official means.

The framework is composed of two pillars: i) cross-border flows, and ii) support for promoting development enablers and addressing global challenges (the Global Public Goods Agenda)⁴. The TOSSD measure aims to complement, and not replace, ODA by creating appropriate incentives for using international public finance (ODA and non-concessional official resources) in innovative ways to mobilise additional resources.

While ODA will primarily remain a benchmark for providers' efforts, TOSSD aims to measure providers' gross contributions to cover recipients' financing needs. It will be important for all parts of the international system – including the international statistical community through the United Nations Statistical Commission (UNSC) – to actively engage in forward work to develop TOSSD as an international statistical standard.

A “TOSSD Working Group”, with broad participation of international statistical experts and policymakers, will be established following the 48th Session of the UNSC meeting with a view to carrying forward work to develop the TOSSD measurement framework. The Working Group will carry out work to clarify how the TOSSD concept could best contribute to SDG monitoring efforts and identify relevant statistical features and parameters. The ambition is to establish a robust statistical tool for furthering transparency and informing analytical work by the international community in support of the 2030 Agenda.

In line with SESRIC's mandate to contribute to the efforts of the member countries of the Organisation of Islamic Cooperation (OIC) in strengthening their National Statistical Systems (NSSs), outcomes of the

² https://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.227/L.1
https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

³ <http://www.oecd.org/dac/financing-sustainable-development/tossd.htm>
<http://www.oecd.org/dac/financing-sustainable-development/tossd-events.htm>
<http://www.oecd.org/dac/financing-sustainable-development/tossd-public-consultation.htm>

⁴ For more information on the technical definition of TOSSD, see <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/TOSSD%20Flyer%20crops.pdf> detail on i) the rationale and key components/features of TOSSD and ii) findings from a TOSSD pilot in Senegal assessing the relevance and utility of the TOSSD cross-border flow pillar from a developing country perspective.



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previous meetings held in 2009 and 2010 under its Development and Cooperation Institutions initiative, and significance of the broader development finance in the achievement of the SDGs by OIC member countries by 2030, SESRIC approached OECD to collaborate on improving the capacities of OIC member countries concerning the development finance statistics.

In this regard, SESRIC paid an official visit to the OECD-DAC in September 2016 to detail the cooperation means. Reciprocally, OECD-DAC delivered a presentation on ODA statistics and TOSSD at the Sixth Session of OIC Statistical Commission (OIC-StatCom) in November 2016. In accordance with the resolutions of the Sixth Session of OIC-StatCom, SESRIC and OECD are organising this Workshop.

3 Objectives and Expected Accomplishments

The overall objective of the Workshop is to:

- i. increase the awareness of the participating OIC member countries towards the statistical systems under the OECD Development Assistance Committee (OECD-DAC) and how these help making available more transparent data on development co-operation projects and interventions in developing countries;
- ii. inform about the existing development finance statistics concepts and measurement methodologies;
- iii. share the current systems of OIC member countries on the collection, collation, processing and dissemination of development finance statistics;
- iv. discuss the scope for collecting development finance statistics from OIC member countries and integrating their data in global reporting systems and initiatives;
- v. explore possibilities for integrating and enhancing the development finance statistics in NSSs of OIC member countries;

Towards this end, the Workshop will introduce the key concepts and methodologies on development finance statistics, identify existing obstacles and challenges of integrating development finance statistics into NSSs and data reporting, and exchange experiences and share good practices among participating countries.

The expected accomplishments at the end of the Workshop include:

- i. Experiences concerning development finance statistics systems and coordination mechanisms within the NSSs of OIC member countries were shared;
- ii. Awareness was raised regarding the significance of development finance statistics concerning the monitoring progress for SDGs;
- iii. Information was shared about the required methodologies and mechanisms to collect, collate, process and disseminate development finance data.



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4 Methodology

The Workshop will be hosting:

- i. Information sessions on the OECD-DAC, main concepts and classifications of DAC statistics including Official Development Assistance (ODA), Total Official Support for Sustainable Development (TOSSD), differences between ODA and TOSSD, and enhancing collaboration on development finance statistics reporting;
- ii. Practical sessions on OECD-DAC data reporting formats, collection timeline, dissemination through OECD website;
- iii. Experience sharing sessions in which participating countries inform others about how development cooperation flows are recorded and mechanisms for integrating development finance statistics into their National Statistical Systems; and
- iv. Break-out session during which participants will be divided in smaller groups to discuss the set of questions. The outcomes of discussions will be presented by the group speaker at a plenary session.

5 Target Group

The potential participants of this Workshop are representatives of the National Statistics Offices (NSOs), relevant government agencies/units collecting and disseminating development finance statistics in selected OIC Member Countries, international organizations active in development finance statistics, relevant OIC institutions, and academia. To enrich the content of the Workshop and provide complementing insights on how the reporting process could be implemented in NSOs, the organisers will explore the possibility of inviting a representative of an NSO in an OECD-DAC country that is currently contributing to the development finance statistics reporting.

6 Timing and Duration

The two-day Workshop will be held on 12-13 July 2017.

7 Venue

The Workshop is tentatively planned to be held in Ankara, Turkey.

8 Working Languages

The three official languages of the OIC (Arabic, English, and French) are also the working languages of the Workshop.