

Briefing on mobilizing development finance for the 2030 Agenda: next steps towards measuring total official support for sustainable development (TOSSD)

Co-organized by the Governments of Denmark and the United Arab Emirates, the United Nations Department of Economic and Social Affairs and the Organization for Economic Co-operation and Development

New York, 27 October 2015, 1:15 p.m. - 2:30 p.m.

BACKGROUND

United Nations Member States agreed at the Third International Conference on Financing for Development to hold open, inclusive and transparent discussions on the proposed measure of “Total official support for sustainable development” TOSSD and affirmed that any such measure will not dilute commitments already made (Addis Ababa Action Agenda, paragraph 55).

This briefing, in the margins of the Second Committee meeting on Financing for Development, aimed to update Member States on ongoing consultations related to the technical considerations underpinning this new statistical measure, and invited their feedback on how TOSSD can be designed to contribute to the delivery of all means of implementation needed to realize the 2030 Agenda for Sustainable Development.

Opening remarks were delivered by the Permanent Representatives of Denmark and the United Arab Emirates, as well as Mexico, with presentations made by UNDESA and the OECD. This was followed by an interactive exchange with the approximately 80 participants.

KEY MESSAGES

The AAAA clearly states that ODA must remain the yardstick of DAC donor performance and that all related commitments must be met. Many developing countries continue to depend on ODA, especially countries most in need. It remains key to address poverty eradication in all its dimensions. Efforts must be stepped up to ensure ODA allocation is aligned to national priorities and conducive to true country ownership.

The 2030 Agenda for Sustainable Development and AAAA also recognize the need to mobilize additional financial resources from multiple sources. The growing diversity of actors, instruments and approaches in development finance speaks to this. Efforts to scale up, and make more effective, concessional and non-concessional finance are also intensifying. Partnerships, building on the respective strengths of different partners, will be an important component of SDG implementation.

To harness its potential, the catalytic role of ODA must be better understood. Emphasis must be placed on how to assess the mobilization effect of ODA on other financial resources. Strides have already been made to evaluate the use of ODA to strengthen domestic resources mobilization and to bolster aid for trade. Going forward, the role of ODA to finance specific

market-like instruments, generally used by development banks and development finance institutions (DFIs), to crowd-in (or leverage) private financing and other financing flows, must be further examined.

TOSSD can provide a clearer picture of the motivation, aims, and scope of sustainable development finance. The concept, once fully developed, could help promote transparency and understanding/good practice about sustainable development finance towards achieving the SDGs. It could help to distinguish between public and private flows, including complex financial instruments. While maintaining ODA at the center, all flows should be accounted for separately to avoid double counting.

TOSSD can be a source of information for knowledge sharing and mutual learning. It can provide information on the different sources of development finance and help governments to manage risks and trade-offs based on new trends. It will be a vehicle to share experiences with innovative financing tools and – in addition to assessing progress – help stakeholders understand what works and what does not.

Going forward, universal and multi-stakeholder consultations will be key for the success of TOSSD. Delegates encouraged truly open, inclusive and transparent consultations, bringing in all stakeholders, during the design and validation phase. Defining and developing TOSSD will thus require time. A debate on technical aspects of the definition and methodologies for measurement will be needed. Consultations and briefings in various fora will continue with all stakeholders (UN Member States, UN regional bodies, the private sector, multilateral development banks, civil society organizations, think tanks, etc.) in an effort to operationalize the conceptual framework for TOSSD by the end of 2016. Governments will also have to agree on how to bring these consultations into the realm of the Financing for Development follow-up process, including the new ECOSOC Forum on Financing for Development. The Development Cooperation Forum and the OECD can provide opportune platforms to further discuss TOSSD in an informal setting.