

# Inter-Agency and Expert Group on SDG Indicators: Working Group on Measurement of Development Support

## Research Item 2: International Public Goods

### Measuring the financing of the SDGs: Should International Public Goods be included?

*Contribution by the TOSSD Task Force Secretariat, February 2021*

#### I. Why should the financing of International Public Goods (IPGs) be part of a broader measure on the financing of the SDGs?

**The IPG agenda is an integral part of the 2030 Agenda.** One of the core features of the SDGs is their universality. In addition, many goals and targets<sup>1</sup> aim to provide International Public Goods (IPGs) that set the regional (regional public goods) and global (global public goods) conditions for achieving sustainable development (e.g. climate stability, fight against communicable diseases, macroeconomic stability, peace and security).

**No sustainable development will be possible at the national level if these IPGs are not provided, including in developing countries.** The COVID-19 crisis is only one of the many demonstrations of the necessity to invest in IPGs.

#### II. What would be the usefulness of measuring the financing of IPGs?

Measuring the financing of IPGs would bring the following key advantages:

- **Ensuring that the financial monitoring framework is “fit for purpose”:** for the global monitoring of actions to fight climate change (SDG 13) or the COVID-19 pandemic (SDG 3), it is clear that limiting the scope of the financial monitoring to cross-border financing to developing countries provides a largely incomplete picture. For illustration purposes, the Figure below summarises the exploratory data collected in the 2019 TOSSD<sup>2</sup> data survey on official financing for international public goods.
- **Celebrating the efforts made by countries and international organisations in favour of global sustainable development.** As put forward by the Centre for Global Development in a recent paper<sup>3</sup>: “it would be valuable to count GPG expenditures not least as a tool for celebrating leaders and castigating laggards.”

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<sup>1</sup> For example, Goal 13: “Take urgent action on climate change and its impacts” or target 3b: “Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all”

<sup>2</sup> TOSSD is a new international statistical measure that provides a complete picture of all official resources and private finance mobilised by official interventions in support of sustainable development and the SDGs. It is composed in two categories: cross-border resources (Pillar I) and support to international public goods and global challenges (Pillar II). For more information, please see [www.tossd.org](http://www.tossd.org). New TOSSD data will be released in March 2021 on 2019 expenditures.

<sup>3</sup> Charles Kenny, 2020. “Official Development Assistance, Global Public Goods and Implications for Climate Finance.” CGD Policy Paper 188. Washington, DC: Center for Global Development. <https://www.cgdev.org/publication/official-development-assistance-global-public-goods-and-implications-climate-finance>

- **Monitoring national policy coherence for global sustainable development:** domestic actions and policies can have positive or negative transboundary effects towards developing countries. Therefore, it is important to track to what extent public spending is aligned with global sustainable development objectives. This can support a more coherent and integrated implementation of the SDGs.
- **Incentivising international co-operation for sustainable development** (see section 3 below).

**Figure. Official financing for international public goods and global challenges, TOSSD pillar II**

Disbursements, USD million

Domestic activities				Core contributions		Global and regional activities			
Climate mitigation 6.8		Admin costs 6.6		Core contributions to multilateral institutions not yet reporting in TOSSD 26.7		Other global and regional activities 9.8			
In-donor refugee costs 6.3		Other domestic activities (oversight and management of development programmes, development awareness, etc.) 4.9				Health 3.3		Emergency response and disaster 2.7	
		Student costs 1.8				Global positioning systems & satellites 1.8		Peace and security 3.2	
		Research & Development 2.5				Debt relief 0.6		Environment 1.8	
						Inter-n. NGOs 0.8			

Note: The yellow rectangle refers to activities in third countries which are not in the list of TOSSD recipients (USD 0.6 billion).

Source: Lessons learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) survey. <https://doi.org/10.1787/0cd3da6b-en>

### III. Measuring the financing of IPGs can provide incentives to engage in international co-operation for sustainable development: the example of the ITER project captured in the TOSSD data survey.

**A key characteristic of many international public goods and SDGs is that international co-operation is needed for their effective provision.** As Inge Kaul, an international reference on the concept of public goods, noted, “*In many cases, GPG-type policy challenges are also global public in provision, meaning that no one actor, however powerful, will be able to self-provide a GPG such as climate change mitigation or the control of illicit trade.*”<sup>4</sup> International projects where countries co-operate to provide IPGs exist and tracking and celebrating them could provide more incentives to engage in this type of co-operation.

<sup>4</sup> Kaul, Inge (2020), “Redesigning international co-operation finance for global resilience”, in OECD, Development Co-operation Report 2020: Learning from Crises, Building Resilience, OECD Publishing, Paris. : <https://doi.org/10.1787/935c1ed8-en>

For example, the 2019 data survey on TOSSD<sup>5</sup> captured financial information on a project that is emblematic of this international co-operation – ITER. ITER is an intergovernmental<sup>6</sup> research and engineering project aimed at proving the “*feasibility of nuclear fusion as a large-scale and carbon-free source of energy based on the same principle that powers our Sun and stars*”.<sup>7</sup> In addition to the absence of greenhouse gases, advantages of nuclear fusion include the absence of long-lasting radioactivity, nearly unlimited availability, and limited risk of proliferation.<sup>8</sup> Should ITER succeed in demonstrating that nuclear fusion is scientifically and technologically feasible, it will provide a major contribution to global sustainable development. A notable feature of the ITER project is that it mobilises both advanced and emerging economies to co-operate on producing a particular GPG; members of ITER are China, the European Union (EU), India, Japan, Korea, Russia and the United States.<sup>9</sup>

Beyond the specific case of energy research, international co-operation to address global challenges and achieve sustainable development can also be important in other areas, as demonstrated by the COVID-19 pandemic. Several initiatives to promote international collaboration in response to the COVID-19 crisis were launched, most notably the ACT-Accelerator<sup>10</sup> and the Coronavirus Global Response Initiative.<sup>11</sup> Tracking the financing of these initiatives would provide key information on the financing of the SDGs.

#### IV. How should International Public Goods be defined?

Beyond the purely theoretical definition<sup>12</sup>, there is no international consensus on what goods qualify as public goods. Different actors have identified different sets of GPGs, although some areas, such as peace and security, the eradication of communicable diseases or financial stability are relatively universal. What is understood as public goods might also change over time.

There are two reasons for the various interpretations of the concept. First, because IPGs do not bring the same utility to everyone. For example, medicines against tropical diseases might be of particular interest to tropical countries. Second, IPGs are social and political constructs and often highly contested and contentious issues. For example, as Inge Kaul recently noted, “*Unless a global political choice is made to make a vaccine available for all people and all countries (either for free or at an affordable price), only those able to afford the vaccine – and those living in countries that have already reserved needed supplies for themselves – will be able to be vaccinated.*” Depending on the global policies related to the affordability and accessibility of the vaccine, this vaccine could qualify as a GPG or not.

Acknowledging the role of political choices, the International Task Force on Global Public Goods<sup>13</sup>, created by France and Sweden in 2003 with the mandate to foster an enhanced provision of international public goods, stated: “*The sphere of public goods we are concerned with is delineated by issues that are broadly conceived as important to the international community, that for the most part cannot or will not be*

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<sup>5</sup> Bejraoui, A., et al. (2020), "Lessons learnt from the 2019 Total Official Support for Sustainable Development (TOSSD) data survey", *OECD Development Co-operation Working Papers*, No. 84, OECD Publishing, Paris, <https://doi.org/10.1787/0cd3da6b-en>.

<sup>6</sup> The ITER Organisation is an intergovernmental organisation that was created by an international agreement signed in 2006, and formally established on 24 October 2007 after its ratification by all Parties. It is hosted in Saint-Paul-lès-Durance (France). See <https://www.iter.org/org>.

<sup>7</sup> For more information, see <https://www.iter.org/proj/inafewlines#3>.

<sup>8</sup> For more information, see the ITER project [webpage](#).

<sup>9</sup> [Australia](#) and [Kazakhstan](#) have also signed technical co-operation agreements, as non-members, with the ITER Organisation.

<sup>10</sup> <https://www.who.int/initiatives/act-accelerator>

<sup>11</sup> See [https://global-response.europa.eu/index\\_en](https://global-response.europa.eu/index_en)

<sup>12</sup> Economists usually define public goods as goods that are “non-rival” (i.e. a good can be consumed by one person without diminishing the amount available for consumption by another person) and “non-excludable” (i.e. no one can be excluded from the consumption of the good).

<sup>13</sup> International Task Force on Global Public Goods (2006), Meeting Global Challenges: International Cooperation in the National Interest, Final Report. [https://ycsg.yale.edu/sites/default/files/files/meeting\\_global\\_challenges\\_global\\_public\\_goods.pdf](https://ycsg.yale.edu/sites/default/files/files/meeting_global_challenges_global_public_goods.pdf)

*adequately addressed by individual countries acting alone and that are defined through a broad international consensus or a legitimate process of decision-making”.*

**Therefore, for the definition of GPGs to be legitimate, it needs to be recognised by both Northern and Southern countries alike.** The International TOSSD Task Force, whose membership is equally shared by advanced and developing countries has started defining and collecting data on contributions to IPGs<sup>14</sup>. However, as advocated by the Centre for Global Development<sup>15</sup> and the TOSSD Task Force itself, to be even more inclusive and universal, this process should ideally involve the United Nations.

**The IPGs component is precisely part of the mandate of the working group on the measurement of development support and as such, this group is perfectly legitimate to start discussing IPGs. It is ideally positioned to at least initiate a discussion on IPGs and try to establish the first building blocks for a future, globally-accepted, definition of International Public Goods and make concrete proposals on the relevant actors, including UN entities, that should be included in future discussion on IPGs.**

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<sup>14</sup> Not all members of the Task Force have adopted the concept of International Public Goods.

<sup>15</sup> Charles Kenny, 2020. “Official Development Assistance, Global Public Goods and Implications for Climate Finance.” CGD Policy Paper 188. Washington, DC: Center for Global Development. <https://www.cgdev.org/publication/official-development-assistance-global-public-goods-and-implications-climate-finance>