THE DEVELOPMENT ASSISTANCE COMMITTEE: ENABLING EFFECTIVE DEVELOPMENT

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Financing and partnerships: Two essential elements for delivering on the 2030 Agenda

In the words of OECD Secretary-General Angel Gurría, "Our ability to achieve the SDGs won't depend only on money. It will depend on policy choices, on implementation and – crucially – on smarter partnerships." This edition of the DACnews looks at some of the ways in which the OECD is contributing. For a full overvie w, see: The Sustainable Development Goals: An overview of relevant OECD analysis, tools and approaches.

Financing infrastructure in developing countries

Infrastructure—specifically for water and sanitation, transport, energy and communications—is fundamental to economic growth, poverty reduction and human development. Yet in developing countries, financing for infrastructure is far from sufficient. The United Nations Conference on Trade and Development (UNCTAD) estimates that the current investments in developing country infrastructure—almost USD 1 trillion annually—need to increase two or threefold in order to meet the upcoming Sustainable Development Goals (SDGs) by 2030.

Although development partners on average disburse one-third of their allocable official development finance—including both concessional and non-concessional flows—to the four infrastructure sectors named above, this amounts to only 6-7% of total infrastructure investments in developing countries. Most of the remainder—more than half of the total—is allocated by the developing countries themselves; the private sector contributes roughly one-third of the total.

As was evidenced at the recent Third International Conference on Financing for Development (FfD3) in Addis Ababa, while expenditures from the public sector are expected to continue to be important, an increased amount of private resources will be crucial to fill the investment gap. Development co-operation has a key role to play in leveraging private investment for infrastructure by:

- supporting improvements in the enabling environment of both the general investment climate and the four infrastructure sectors (USD 34 billion was allocated to these activities in 2013.)
- channelling equity and loans directly to the private sector through development finance institutions (Roughly USD 6 billion is currently provided annually.)
- reinforcing public-private mechanisms, such as project preparation facilities, project facilitation platforms and blended finance operations.

The forthcoming OECD report, *Official Development Finance for Infrastructure: Support by Multilateral and Bilateral Development Partners* looks at ways of making a more effective use of scarce public funds in filling the large infrastructure gap, which is crucial for developing countries to achieve sustainable development. It presents an overview of the scale and characteristics of development co-operation for infrastructure, including:

- Development partners disbursed USD 60 billion to infrastructure in 2013, 54% of which was from multilateral agencies and 46% from countries.
- Other providers—in particular China, India, Turkey and the Arab countries—are playing an increasingly important role, contributing 13% of the total through both bilateral and

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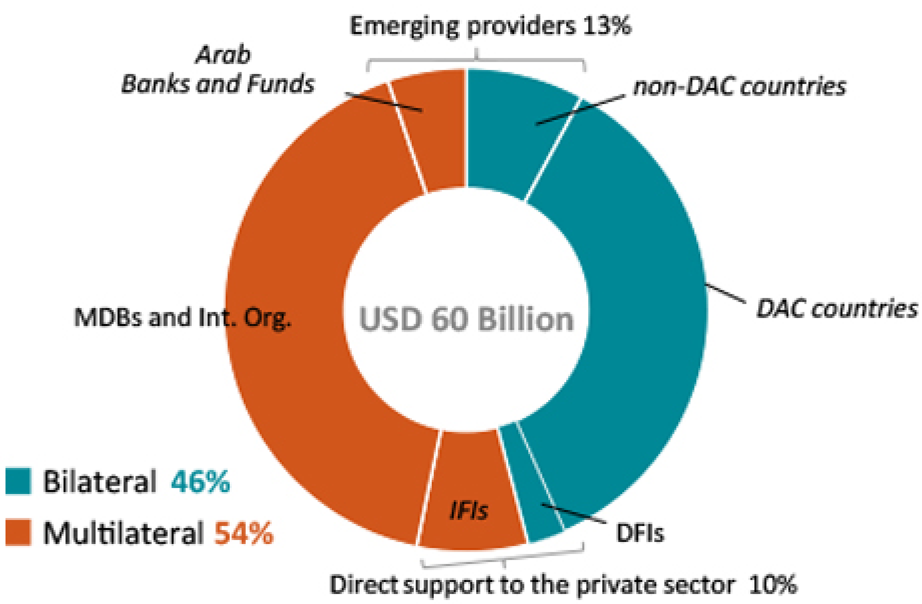
PUBLICATIONS

Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action explores the potential of networks and partnerships to create incentives for responsible action, as well as innovative, fit-for-purpose ways of co-ordinating the

multilateral channels.
- Asia was the largest recipient region.
- The low-income countries received the least.
- The highest sector share went to transport, with almost half the total, followed by energy with one-third.

Figure: Total disbursements for infrastructure by official development partners, 2013



Source: OECD/DAC aid activity database (CRS), disbursements and estimates. Non-DAC countries include Arab countries.

Report available soon [here](#).

To see the previous report, *Official Support for Private Sector Participation in Developing Country Infrastructure:* http://dx.doi.org/10.1787/5jz14cd40nf0-en

Addendum: *Donor Profiles at a Glance*
http://www.oecd.org/dac/stats/documentupload/DonorProfilesInfra.pdf

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A new statistical measure tailored to the SDG framework

The recent Third International Conference on Financing for Development (FfD3) in Addis Ababa resoundingly affirmed the need to mobilise all available funding—public and private—to achieve the ambitious Sustainable Development Goals (SDGs). At the 70th session of the United Nations General Assembly, the world is looking to New York for guidance on the means of implementation of this new, universal international development agenda that intends to leave no one behind.

Financing for sustainable development has already reached an unprecedented scale and increasingly, policy makers are confronted with the daunting task of tracking complex financing packages from an ever-expanding mix of financial actors: private companies, international banks, portfolio and impact investors, and emerging providers of development assistance. Yet current estimates place the annual SDG funding shortfall at USD 2.5 trillion—more than 18 times the amount of official development assistance (ODA) provided by DAC members in 2014. The upcoming 21st Conference of Parties (COP21) in December will further challenge developed countries to live up to their promise to mobilise USD 100 billion by 2020 in support of the climate

activities of diverse stakeholders. The report looks at a number of existing partnerships working in diverse sectors, countries and regions to draw lessons and provide practical guidance, proposing ten success factors for post-2015 partnerships.

OECD Development Co-operation Peer Reviews: Belgium 2015 notes that Belgium is making a push to direct more development aid to the poorest countries, but that to deliver on this, the country needs to set firm deadlines, make its aid programme more flexible, and reverse its decline in official development assistance.

Multilateral Aid 2015: Better Partnerships for a Post-2015 World identifies how bilateral providers can support multilateral organisations in implementing changes and fostering partnerships that:

- make best use of all resources available for development, including earmarked funding
- leverage knowledge and resources from partners beyond the "traditional donors".

The French version of *"**Measuring and managing results in development co-operation**"* is now available online.

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VACANCIES

Senior Policy Advisor – Multilateral Organisation Performance Assessment Network (MOPAN) (Job Number: 10096)

change agenda. The consensus reached in Addis made strong headway in unlocking new avenues to track and incentivise these flows.

A new statistical measure has emerged to contribute to efforts to track and monitor this increasingly complex panorama of finance for sustainable development. Tailored to the SDG framework and including the provision of global public goods, the new measure—currently referred to as "total official support for sustainable development (TOSSD)"—has emerged as a main feature of the means of implementation of the post-2015 financing framework[1]. During the FfD3, A high-level panel discussion at the Addis conference—led by OECD Secretary-General Angel Gurría—flagged the importance of the TOSSD framework as a benefit for all development actors and stakeholders, promoting transparency and accountability on the full range of flows available to developing countries.

ODA will remain the standard measure for monitoring donor performance against the United Nations' ODA/GNI target of 0.7%, in particular ODA targeted to the countries most in need. The TOSSD measure will complement it by clarifying how and where other financing packages are being deployed, and by capturing the catalytic role of ODA in stimulating private investment (e.g. through guarantees, equity, bonds and credit enhancements for debt finance).

To shape and operationalise the TOSSD measurement framework, two expert workshops will be organised in 2015, drawing on the know-how and insights of leading development practitioners and strategists from developing countries, regional organisations, civil society and business. These workshops and future dialogue will strengthen the utility and integrity of the measure and promote ownership across the international community, capitalising on impetus from Addis to continue to "raise the bar" on international development co-operation in the post-2015 context and beyond.

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DAC Development Debates

Implementing the data revolution at the country level

At the heart of the data revolution is an explosion in the volume of data matched by a widespread and growing demand for data. But the data revolution is about more than supply and demand. If it is to be meaningful, it must bridge global data inequalities. It must also enable countries and citizens to monitor development progress, hold leaders accountable and promote sustainable development. The Sustainable Development Goals (SDGs) present an unprecedented opportunity to harness data in support of sustainable development so as to make progress toward inclusive growth and ending extreme poverty. Yet although data will be absolutely critical to achieving the SDGs, the current data gaps are still too significant to allow for this to happen.

At a DAC Development Debate on 7 July, Johannes Jütting, manager of the PARIS21 Secretariat, presented the PARIS21 Road Map for a Country-led Data Revolution as a step-by-step guide to help developing countries produce more and better data for measuring and monitoring progress towards achieving the SDGs. He called for investment in national and subnational statistics in developing countries. More than 40 countries have endorsed PARIS21's Declaration for a Country-led Data Revolution, which spells out the guiding principles and actions needed for a data revolution that benefits developing countries. To continue promoting the better use and production of data, PARIS21 is also helping shape the

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DCD is looking for a dynamic and experienced Senior Policy Advisor with strong leadership and solid technical skills to join the MOPAN Secretariat. The Advisor will drive MOPAN's assessments of multilateral organisations and will pro-actively contribute expertise to the ongoing development of the Network's efforts to enhance the impact and tracking of its work, and multilateral effectiveness more broadly.

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Global Partnership on Sustainable Development Data, which will be launched at the 70 session of the United Nations General Assembly. This new partnership will advocate for the value of data, mobilise resources and foster innovation and knowledge sharing.

Shelton Kanyanda, PARIS21 Programme Co-ordinator for Africa, stressed the need to:

- strengthen planning and co-ordination across sectors and levels
- harness the power of ICT and innovations
- invest in people and development of their skills
- advocate for more and better co-ordinated funding (so far, less than 0.25% of ODA goes to statistics)
- more and better use of statistics.

Bill Anderson from Development Initiatives emphasised the need to promote use of sector-specific management information systems in developing countries. Nicolas de Cordes from the Orange Group presented the Data for Development (D4D) Challenge, an innovation that promotes the use of anonymised data from mobile phone call logs. Initiated in Cote d'Ivoire and Senegal, the Challenge has helped to reduce health risks, improve public transport systems and create proxies for national statistics, among others.

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Effective leadership in international organisations

The 30 June DAC Development Debate focused on the question of how to ensure effective leadership in international organisations. Leaders from the World Economic Forum's Global Agenda Council on Global Governance—including Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20—have contributed to a report on *Effective Leadership in International Organisations* and the main findings of the report were presented and discussed by the project lead, ProfessorNgaire Woods from Oxford University.

The report examines 11 key international organisations and identifies practices that facilitate good leadership across 7 areas:

1. selecting and re-electing leadership on merit
2. managing performance
3. setting and evaluating ethical standards
4. developing and retaining talent
5. setting strategic priorities
6. engaging with a wide range of stakeholders
7. evaluating independently and effectively

H.E. Iztok Jarc, Ambassador of Slovenia to the OECD, discussed the report from a member state's perspective and stressed that members value the OECD for providing evidence-based analysis and policy advice.

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The Global Partnership for Effective Development Co-operation: Key challenges and future prospects

On 8 September 2015, the OECD organised a DAC Development Debate with Talaat Abdel Malek, former co-chair of the OECD-DAC Working Party on Aid Effectiveness. Mr. Abdel Malek presented the conclusions of his recently published book, *The Global Partnership for Effective Development Cooperation: Origins, Actions and Future*

Prospects. He was joined by discussants representing two of the current GPEDC co-chairs -- Jeroen Verheul of the Netherlands and Arturo Hernández Basave, Mexico -- as well as Monica Asuna, representing Kenya (National Treasury), the host country of the next Global Partnership High-Level Meeting.

Building on the lessons learned in implementing the effectiveness agenda since the Second High Level Forum on Aid Effectiveness (Paris, 2005), participants acknowledged progress made so far and noted the important contribution the Global Partnership will make to implementing the 2030 Agenda for Sustainable Development. They also highlighted the urgency of addressing the unfinished business of the aid effectiveness agenda and emphasised the importance of ownership, agreeing that inclusiveness remains important but should not take the focus off the unfinished business. Finally, they agreed that changes to the Global Partnership's governance and operations are needed.

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FEATURE ARTICLE

We can and we will make the SDGs happen

Remarks by Angel Gurría, OECD Secretary-General, at the launch of the ***Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action,*** *Paris, 7 September 2015. (As prepared for delivery)*

Ladies and gentlemen,

The new Sustainable Development Goals are ambitious, but they can be achieved

Today, we stand about 800 weeks away from the complete eradication of extreme poverty, everywhere. That's 800 weeks to lift 800 million people out of extreme poverty. This is not a forecast, but rather an aspiration. And it is an aspiration – embodied in the first of the 17 Sustainable Development Goals to be launched at the end of this month – which I firmly believe the international community can fulfil.

Ladies and gentlemen, I am excited by the new Sustainable Development Goals. They're bold. They're inclusive. And – above all – they provide the international community with a once-in-a-lifetime opportunity to end poverty, and to chart a more prosperous, inclusive, and sustainable future for us all.

The Millennium Development Goals demonstrated the power of global goals to inspire action and mobilise much-needed resources. This includes record levels of aid – or Official Development Assistance (ODA) – from OECD DAC members, which reached $135 billion last year.

In the SDGs, the international community is now the custodian of a much more sophisticated global goals framework. They recognise the need to address the economic, social and environmental dimensions of development. They're universal, and should be embraced by countries at all levels of development – including OECD countries.

Development is no longer the concern of the few. Never before has it been so clear that we all share common risks, threats, hopes and ambitions. The SDGs provide a framework for responsibility, for action, and for results.

No-one can afford to go it alone. Partnerships will be central to achieving the SDGs.

Two months ago, I joined leaders in Addis Ababa for the Third International Conference on Financing for Development. I was encouraged by the determination of governments, civil society, international organisations and business to flesh out an action plan to finance the SDGs.

Yet our ability to achieve the SDGs in 800 weeks won't depend only on money. It will depend on policy choices, on implementation and – crucially – on smarter partnerships. This brings me to the focus of the report that we are launching today.

This year's Development Co-operation Report shows how the need for co-ordinated action is more urgent than ever. In particular, we can and must ensure that Goal 17 – Strengthen the means of implementation and revitalise the global partnership for development – is set in motion quickly. The other goals depend on it.

In the 300 or so pages of this report, we document in detail what has worked well in development partnerships, and why. We've drilled into a range of partnerships, analysed them and pointed at what's worked best in areas as diverse as aid for trade, statistics, agriculture, and education.

We have then synthesised these lessons in ten principles for good development partnerships. Strong leadership, country ownership and transparent governance are just some of the important issues we have covered. We hope these principles will act as a guide for everyone as we embark on the SDG journey: governments, international organisations, the private sector and civil society.

I should add a word of caution here: partnering effectively around the SDGs doesn't necessarily mean creating a whole new set of partnerships and initiatives. One of the examples cited in the report is the proliferation of reporting requirements and additional burden that developing countries have faced as a result of growing international support in the health sector. Our body of research on aid effectiveness has helped to demonstrate why less is sometimes more, and why existing initiatives should be exploited fully to avoid fragmentation and duplication of effort.

The OECD is already gearing up to help implement the SDGs

Ladies and gentlemen,

It is no coincidence that the United Nations Secretary-General visited the OECD earlier this year, in the first ever visit of a serving Secretary-General. His message was clear: 2015 is probably the most important year in the 70-year history of the United Nations, and the task ahead is so large that everyone needs to play a role.

The OECD will play its part, and is already gearing up to support the implementation of the SDGs in a number of ways:

First**,** we are examining the OECD's treasure trove of data, policy tools and recommendations to see how these can be better put at the disposal of all countries. Our PISA for Development initiative, for example, already involves six developing countries which are now piloting the use of PISA to generate crucial evidence on learning outcomes.

Second, we are gearing up to support international efforts to monitor the SDGs. This includes tracking the efforts of advanced economies to support others in the achievement of the SDGs by shining a spotlight on aid and development finance, on efforts to tackle bribery and corruption, on action to curb climate change, and on efforts to promote a fairer tax system.

And third, we will continue to provide a platform for dialogue and the exchange of good practices, extending far beyond the membership of the OECD. We are already doing this through, for example, our role in the Global Partnership for Effective Development Co-operation, and by hosting the 127-member Global Forum on Transparency and Exchange of

Information for Tax Purposes. There are many other examples too.

Ladies and gentlemen, allow me to repeat what I said at the outset: we have 800 weeks to implement the SDGs. This won't be easy, and it will require all the knowledge, finance and leadership we can muster, but my message today is clear: the SDGs can be delivered!

I hope today's discussion will help to show how it can be done. How we can pull the pieces of the jigsaw together through smarter partnerships: finance, knowledge, good policies, a range of actors.

The OECD's motto is "Better Policies for Better Lives". Today, I invite you to go even further – to push the boundaries, and to look at how – hand-in-hand with others – we can deliver better partnerships for better lives.

Thank you.

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COMING UP

Using inclusive partnerships to deliver on the SDGs: The role of gender-responsive budgeting

Building on a series of high-level meetings on transformative financing for gender equality and women's empowerment, the Co-Chairs of the Global Partnership for Effective Development Cooperation and UN Women will host a side event at the United Nations Sustainable Development Summiton 26 September, 15:00–16:30 (United Nations, New York, Conference Room 11). The event will showcase how inclusive partnerships can improve the effectiveness, quality and impact of financing for gender equality. It will also showcase country-level application of gender-responsive budgeting as key to increasing domestic resources to achieve the gender equality commitments in the SDGs. It will seek to demonstrate how the Global Partnership for Effective Development Co-operation can act as a dynamic platform for fostering mutual learning, and how it can contribute to implementation of the SDGs.

Limited seating capacity; please register early by RSVP to info@effectivecooperation.org and nyv-rsvp@minbuza.nl. Registration will close 21 September.

See the full list of OECD side events at the United Nations Sustainable Development Summit.

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Second monitoring round of the Global Partnership for Effective Development Co-operation

To track progress against the implementation of effective development co-operation principles, the Global Partnershipfor Effective Development Co-operation (GPEDC) will launch its 2015-16 monitoring round in October. In preparation for this exercise, the GPEDC has led extensive sensitisation efforts, which resulted in over 60 developing countries expressing their interest in participating. In parallel, the monitoring framework has been strengthened through the inclusion of new indicators to monitor progress on: use of country results frameworks; CSO enabling environments; and the quality of public-private dialogue. In addition, more time has been allocated for data collection and validation at the country level so as to increase data accuracy. To make the process inclusive, providers and other stakeholders are being engaged at an early stage. A series of regional pre-monitoring workshops will be organised in the coming months to support developing country governments' leadership of the exercise.

Global Partnership for Effective Development Co-operation

Contact: monitoring@effectivecooperation.org

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NEWS IN BRIEF

Launch of the *Development Co-operation Report 2015*

The *Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action* was launched at OECD Headquarters in Paris on 7 September 2015. The OECD Secretary-General Angel Gurría opened the launch event, which included a panel discussion moderated by Alex Evans, Senior Fellow at New York University's Center on International Cooperation. The panellists -- Erik Solheim, Chair of the OECD Development Assistance Committee; Gyan Chandra Acharya, United Nations (UN) Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States; David Donoghue, Irish Ambassador to the UN and co-facilitator of the Sustainable Development Goals; Friederike Röder, Director of ONE France; and Monica Bhatia, Head of the Global Tax Forum Secretariat, OECD – discussed the main findings of the report, its ten success factors for turning partnerships into effective coalitions for action, and the guidance it provides for the implementation of the SDG agenda.

A US-based launch event was held by the Brookings Institution in Washington DC on 9 September. The lively discussion was moderated by Homi Kharas, Senior Fellow and Deputy Director at the Brookings Institution. The panel consisted of Erik Solheim; Elizabeth Cousens, Deputy Chief Executive Officer of the United Nations Foundation; and Alex Their, Assistant to the Administrator for Policy, Planning, and Learning, U.S. Agency for International Development. In addition to the main launch events, the report was presented by DAC Chair Erik Solheim in Brussels, Luxembourg and Warsaw.

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Steering Committee Meeting of the Global Partnership for Effective Development Co-operation

The Global Partnership's Eighth Steering Committee meeting was led by its co-chairs: in-coming Mexican Minister of Foreign Affairs, Claudia Ruiz Massieu; Mr Goodall Edward Gondwe, Minister of Finance, Economic Planning & Development, Malawi; and Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation, the Netherlands. The meeting confirmed that the Global Partnership's legitimacy comes from demonstrating results of effective development co-operation. The Global Partnership adds value by focusing on action at the country level and encouraging all stakeholders to promoting dialogue, actions and accountability for change. Thanks to its unique, inclusive, multi-stakeholder nature, the Global Partnership can help to deliver the new 2030 Agenda for Sustainable Development, contributing in particular to monitoring and review of progress. The Steering Committee approved indicators to be used in the Second Monitoring Round (see above).

This meeting also reviewed the results of the Global Partnership side event at Third International Conference on Financing for Development (FfD3), which focused on successful development co-operation practices in middle-income countries (MICs) and the role of the GPEDC as a multi-stakeholder platform. Participants called for more tailored, flexible and responsive development approaches to address the complexity of the challenges faced by MICs, and to capture the full scope of development challenges. Read the summary of key messages.

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A platform for innovation

The Partnership in Statistics for Development in the 21st Century (PARIS21) launched the Innovations Inventory, a collection of innovative approaches in the field of development data. The inventory was launched in 2014 and is now open to the public for uploading solutions to help fill data gaps, reduce costs and improve efficiency. To date, the inventory – which features over 200 innovations from more than 100 innovators – has been consulted by over 10 000 visitors. The inventory gives free visibility to innovations and provides a networking platform for innovation seekers from private companies, national statistical offices, NGOs and international organisations, among others. We invite you to register and explore the Innovations Inventory.

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Preliminary Net ODA figures in 2014 by OECD DAC countries just released:

USD 135.2 billion, down 0.5% in real terms and representing 0.29% of DAC members' combined GNI. For more information, see: http://www.oecd.org/dac/stats/

Also Available

- DACnews February 2015
- DACnews May 2015
- DACnews July 2015