

DACnews March 2016

THE DEVELOPMENT ASSISTANCE COMMITTEE:
ENABLING EFFECTIVE DEVELOPMENT

DACnews



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Innovating development co-operation

In response to the transformative 2030 Agenda for Sustainable Development, the development community is updating its business models. The Sustainable Development Goals (SDGs) are founded on the recognition that the traditional North-South, government-to-government formula is no longer the only game in town. Today's new and diverse development actors, funding sources and challenges call for innovation and diversification in approaches to development.

The 2016 DAC High Level Meeting

The DAC has embarked on a process of modernising its system for measuring official development assistance (ODA). The way in which ODA is measured can incentivise development spending and improve its targeting. At the 2014 HLM, DAC members had already approved clarifications in the reporting of concessional loans to promote lending on highly concessional terms to low-income countries – in particular the least developed among them. Members had also committed to further improving the system for measuring ODA.



At the February 2016 HLM, DAC members followed up on these decisions, as outlined in the [2016 HLM Communiqué](#) agreeing on:

- definitions that clarify the boundaries of what can be counted as ODA in peace and security efforts (see feature article below by Peter Moors)
- a series of principles whose intention is to offer the right incentives (and to remove disincentives) for the public sector to use private sector instruments (loans, guarantees, mezzanine finance and equity) to support activities in developing countries.

DAC members also agreed to:

- identify best practice and develop guidance to support the use of public funds to catalyse private capital (an approach known as "blended finance")
- improve reporting on ODA for refugee costs within the provider country, making it more comparable across countries and more consistent in coverage
- adapt their policies to address the root causes of conflicts, forced displacement and refugee flows.

The HLM participants reaffirmed a number of pre-existing commitments, including:

- meeting their aid targets and reversing the declining trend of ODA to countries most in need
- continuing work on the total official support for sustainable development measurement framework
- collaborating with partners through the Global Partnership for Effective Development Co-operation to realise the SDGs in the most effective way possible.

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PUBLICATIONS

[OECD Development Co-operation Peer Reviews: Spain 2016](#)

The latest Development Assistance Committee (DAC) Peer Review of Spain shows Spain's official development assistance (ODA) dropped by 68% between 2010 and 2014, after an almost threefold rise from 2000 to

Parallel to these upgrades, the HLM participants recognised that the DAC itself must respond to the new development realities by enhancing its representativeness and maximising its relevance and impact. The DAC will review progress in all of this work at its next HLM, in 2017 or 2018.

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The 2030 Agenda for Sustainable Development revitalises the quest for results

The 17 universal goals and 169 targets set out in the 2030 Agenda for Sustainable Development serve as an action plan for countries, partnerships and international collaboration. The goals and targets aim to promote concrete results for people, society, governance and the environment all over the world.



On 3-4 February 2016, the OECD Development Co-operation Directorate organised a workshop on "SDGs and Development Results: Results in the 2030 Agenda for Sustainable Development." The 135 participants came from 53 countries and organisations. The three main messages of the workshop were:

1. The SDGs are an overriding framework for development co-operation. Many providers and partners are adapting their development co-operation goals and policies to the 2030 Agenda, while building on their own priorities. The universality of the SDGs enhances mutual accountability in development co-operation.
2. Monitoring progress on the SDG targets strengthens the pursuit of development co-operation results. Approximately half of the 169 SDG targets are aimed at change on the ground, and they can tell us about real-life progress.
3. The DAC should further examine an SDG-based results approach to development co-operation. Information collected from developing countries on progress towards the SDGs can help to increase the effectiveness and relevance of development co-operation.

The workshop identified several potential advantages to be gained from building a results-based approach to the SDGs, among them:

- The SDGs seek to achieve concrete outcomes, i.e. real change for people, society and the environment, thereby adding value to development co-operation.
- Aggregated evidence of results can be used to support accountability.
- Developing countries will provide the data on progress towards the SDGs. In turn, information on progress can feed back into these countries' results frameworks as well as into the corporate results reporting of providers.

For more information see the [background paper](#) , the [background paper](#)

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Aid innovations that work

There are few more inspiring stories than those that tell about sustainable development success and better lives. For most people today, the world is a better place to live in than it was when their parents and grandparents were born. Extreme poverty has been halved and almost all children attend school. But despite enormous progress, many development gaps remain. Building on innovative ideas that can be taken to scale, solutions can be found to close these gaps.

2009. Spain has promised increases in its 2015 and 2016 aid budgets to begin reversing the trend.

REPORTS

[Aid in support of gender equality and women's empowerment - annual statistical charts](#)

This report, produced annually, summarises the latest statistics on aid focused on gender equality and women's empowerment for each DAC member. Statistics contained in this report released in March 2016 are based on DAC Members' reporting on the for 2013-14.

WORKING PAPERS

[OECD Development Co-operation Working Paper No. 27: Public-Private Partnerships for Statistics: Lessons Learned, Future Steps](#)

This paper focuses on aspects of big data of crucial importance. What are the perspectives of the commercial operations and national statistical offices that respectively produce and might use this data? Which incentives, business models and protocols are needed to leverage non-official data sources within the official statistics community?

[OECD Development Co-operation Working Paper No. 26: Amounts Mobilised from the Private Sector by Official Development Finance Interventions](#)

According to the 2015 DAC Survey on mobilisation, USD 36.4 billion was mobilised from the private sector in 2012-14 through official development finance interventions in the form of guarantees, syndicated loans and shares in collective investment vehicles (development-related investment funds).

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VACANCIES

The OECD recognises such solutions. This year's three winners and seven finalists have Development Assistance Committee's Prize for Taking Development Innovation to Scale developed innovations in important areas – health, agriculture, electricity and education – to benefit people and the planet.

For example, one of the winners of this year's prize, the African Cashew Initiative has trained farmers in Benin, Burkina Faso, Cote d'Ivoire, Ghana and Mozambique to produce better cashew crops. The initiative also supports the factories that prepare and pack the nuts for market. The vast majority of these farmers live in rural areas and struggle to make as little as USD 120 to 450 per year. Thanks to these efforts, 330 000 farmers can now meet the high quality standards of European and US markets and have increased their annual income by as much as USD 120.



Another DAC Prize winner – ReadyPay Solar in Uganda – has helped more than 100 000 people access affordable solar power. Using their mobile phones, customers pay as little as USD 35 cents a day, instead of making large, up-front payments. In this way, they can afford energy that enables them to read, cook, do homework, listen to the radio or keep their shops open.

The third winner, the Plantwise programme, is led by the Centre for Agriculture and Bioscience International. Plantwise supports local “plant clinics”, staffed by trained “plant doctors” who provide practical advice in 34 countries across Africa, Latin America and Asia. Globally, crops suffer losses as high as 30-40% because of pests and diseases. Thanks to Plantwise, nearly 2 million smallholder farmers are now better equipped to fight these pests.

These examples demonstrate that we don't need to wait for a master plan before we take action. The planet and the people living in poverty don't have time to wait for those slow to act, or for the least willing. These success stories can inspire us to do more. Because even though the world is getting better every day for most people, there are still too many children growing up in poverty. The winners of the DAC Prize have shown that innovative ideas and solutions can make a difference.

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Preparing the Second High-Level Meeting of the Global Partnership

The 2030 Agenda – and in particular SDG 17 – acknowledges that the well-being and prosperity of people and planet will, in many contexts, depend on international development co-operation: finance, knowledge sharing, capacity building, technology and other types of inputs will be essential to make the global goals reality.

The Global Partnership for Effective Development Co-operation, jointly supported by the OECD and UNDP, aims to be a major driver of this agenda. This multi-stakeholder platform provides evidence and encourages all actors to make progress through policy dialogue and knowledge sharing.



The Second High-Level Meeting of the Global Partnership (HLM2, 28 November-1 December 2016) in Nairobi will focus on setting priorities for improving development co-operation in the 2030 era. Heads of state, ministers, heads of major international organisations and global leaders from civil society, the private sector, foundations, local governments and parliaments are expected to showcase successes and identify opportunities for scaling up innovative and targeted approaches to international development co-operation.

The Global Partnership's multi-stakeholder Steering Committee and its co-chairs (the Netherlands, Mexico and Malawi) were recently hosted by H.E. Mr. Goodall Gondwe, Malawi's Minister of Finance, to advance preparations for the HLM2. The

Policy Analyst – Peer Reviews – Development (Job Number: 10454)

DCD is looking for an experienced Policy Analyst to join a dynamic team responsible for writing the six reviews delivered annually by the Review, Evaluation and Engagement Division. The Policy Analyst will also contribute to the peer review learning process, to development of methodology and to other key reports such as the annual Development Co-operation Report.

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Permanent Representative of Kenya to the United Nations, Ambassador Macharia Kamau, has been appointed by the President of Kenya, H.E. Uhuru Kenyatta, to facilitate preparations of HLM2's outcome document. At the meeting in Malawi he encouraged the group to take an inclusive approach to negotiations, including on the future mandate and working arrangements for the Global Partnership.

The Steering Committee also welcomed progress towards the commitments made in the [Busan monitoring](#)

Partnership agreement (2011). A monitoring report will bring together the evidence provided by some , showcase progress on selected commitments to inform discussions in Nairobi. Global Partnership initiatives and other national, regional and global implementation efforts, underway in at least 59 countries, will also inject examples of how development co-operation is improving the lives of people.

HLM2 will be critical to improving the scale and ambition of action to achieve the 2030 Agenda for Sustainable Development. Reaching a forward-looking agreement on how to deliver on the 2030 Agenda with effective development co-operation will require intensive global engagement and solidarity over the coming months.

For more information visit or write to .

www.effectivecooperation.org

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FEATURE ARTICLE

The revised ODA peace and security directives: Doing the right thing for victims of conflict

This month's feature article is by Peter Moors, Director-General of Development Co-operation, Belgium. Moors led a discussion process among DAC member agencies aimed at completing a review of the ODA reporting directives in the area of peace and security. In this article, he explains the significance of the decisions in this area approved at the recent DAC High Level Meeting, and how they will help to improve progress in addressing situations of conflict and fragility.

Some months ago I was asked by the Chair of the OECD Development Assistance Committee, Erik Solheim, to help DAC members in their efforts to modernise the reporting directives for official development assistance (ODA). In other circumstances, I might have said no; but this particular request was in relation to peace and security, and for me these issues are too important to ignore. Like many of those involved in development, I was acutely conscious that donors were being criticised for failing to act on policy commitments in the area of conflict and fragility. The 2015 States of Fragility Report notes that bilateral donors have made very slow progress in supporting Peacebuilding and Statebuilding Goals 2 and 3 on security and justice (see the Goals). Yet all the available evidence tells us that conflict and fragility are among the most tenacious obstacles holding back development; the African Development Bank has calculated that conflict can cost a country up to 20 years of development progress.

So I committed to helping to finalise a process that had already been underway for nearly a year. I was encouraged to find out that a joint task team of two OECD networks - the International Network on Conflict and Fragility and the Working Party on Development Finance Statistics - had been diligently working through the old directives to clarify the existing meanings, which were ambiguous. I was grateful for their work. For some issues, basic questions about which reporting code to use had led to real problems in actually designing programmes of support. The task team had pored over each question and issue, delivering a draft revised directives, carefully separating out issues, clarifying the different definitions, and separating the provisions into specific activities and groups. Suddenly a very confusing set of directives looked clearer, and our ambition of improving transparency and functionality seemed more achievable.

Clarifying these questions of eligibility allowed us to demystify what the specialists were counting as "reportable", something that is fundamental for accountability to the public. For example, spelling out ODA-eligible activities (education and research, community-based efforts, rule of law, capacity of judicial systems, etc.) to prevent violent extremism lifted some past ambiguity. Equally, clarifying the difference between police reform and routine policing (eligible) and political intelligence gathering (not eligible) made the rules more explicit. Likewise, while it was already acceptable to fund the delivery of humanitarian and development services by the military of an OECD country, it was not clear exactly what costs this involved – or under what circumstances. With the new directives, we were close to having something that would help the practitioner in the field to know with greater certainty what could and could not be done.

This work to ensure clear boundaries was therefore a great step forward, but there were issues that remained. For example, how to deal with development challenges of governance, human rights abuses, violence against women and poor response to humanitarian crises by developing country militaries? It is possible to make arguments for ignoring these difficult issues and for walking away – but the DAC Chair encouraged members to consider these problems, asking ourselves honestly whether development actors can, with integrity, turn their backs on them. The challenge was rooted in a recognition that Sustainable Development Goal 16 has changed the debate on these very real issues, making it imperative to accept difficult challenges. So when I agreed to convene DAC members, it was with the intent of discussing frankly and constructively our responsibility for trying to safeguard those who are the real victims of conflict, in particular acting to address human rights abuses and sexual violence.

The resulting decisions represent a brave step by the DAC. The area where the use of ODA has been expanded under the new directives is to allow for countering problems of sexual violence, corruption, bad governance and abuse, in particular through training of partner country militaries. Nobody expects this to greatly alter existing aid volumes, or to change aid allocation. The likely costs will be very low - but the impact for those affected by conflict can be very real.

In taking this step DAC members realised that the credibility of aid was at stake and had to be protected. For this reason, the new directives include numerous safeguards and clarifications that greatly extend the ability of the OECD to monitor reported activities and ensure they comply with the rules. This includes prohibiting the use of aid to increase a provider's own security interests.

In short, the definition of what qualifies as aid has not only remained fundamentally unchanged; it has actually been underlined and strengthened. The new safeguards make clear that the benefit and welfare of the population of the recipient country are what matters – first, foremost and exclusively – and they offer the tools needed to ensure that this is the case.

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NEWS IN BRIEF

Global Forum on Development

The OECD will convene the 2016 edition of its Global Forum on Development, From Commitment to Actual Implementation of the Sustainable Development Goals (SDGs): Policies, data and financing, on 31 March 2016 in Paris. The 2016 Global Forum on Development will engage

governments, businesses, foundations and international organisations to address questions such as:

- How will global trends, including migration, affect the implementation of the SDGs?
- Why is rural development still critical and how can rural strategies be strengthened to support the SDGs?
- How can a smarter use of data prioritise and facilitate SDG implementation?
- Is it possible to secure adequate and predictable financing in support of developing and emerging countries' development strategies?
- How can policy dialogue and peer learning be further leveraged to support the implementation of the 2030 Agenda?



The programme and registration details can be found on the 2016 Global Forum on Development website: <http://www.oecd.org/site/oecdgfd/>

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Why gender equality matters for climate change action

Gender equality matters for effective climate change action. Women and girls are disproportionately affected by the impacts of climate change, especially in developing contexts where their livelihoods are particularly dependent on climate-sensitive sectors such as agriculture, forestry and water. Women are also often leaders in building resilience and developing effective coping strategies at the local level, for example by adapting their farming practices and contributing to natural resources management.



The Paris Agreement adopted at COP21 provides a mandate for advancing the integration of gender equality into adaptation measures and capacity-building activities. Yet, the real test will lie in translating political commitments into progress on the ground.

An important entry point is to ensure that climate financing instruments are responsive to women's needs and priorities. A published by the OECD-DAC Network on Gender Equality (GENDERNET) reveals that only 29% of DAC members'

recent brief

bilateral aid to climate change was gender-responsive in 2013. This shows that the vast majority of ODA related to climate change still fails to take into account women's needs and interests. To achieve sustainable development for all, improving the gender-responsiveness of climate finance should be a key priority going forward.

On 14 March 2016, the OECD-DAC GENDERNET, France, Morocco, Peru, Italy, Egypt and the Women's Environment and Development Organisation organised a high-level side-event

Status of Women (New York) to generate innovative ideas for gender-responsive climate solutions. Panellists made a strong call for gender equality to be mainstreamed across all areas of climate action and climate finance. Together with its partners, the GENDERNET will continue to mobilise political support for the gender and climate change agenda in the lead up to the COP22 in Marrakech in November 2016.

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2016 Arab-DAC Dialogue on Development

On 18 January 2016, DAC members and Arab countries and institutions met in Vienna for the 2016 Arab-DAC Dialogue on Development, hosted by the OPEC Fund for International Development. Participants focused on development finance, partnerships, promoting private sector activities in fragile and conflict-affected states, and enhancing collaboration on energy access in Sub-Saharan Africa through the (ACG)-DAC Task Force on Energy. Participants agreed to:

- Encourage the piloting of the concept of total official support for sustainable development (TOSSD) in a MENA region country.
- Promote greater understanding of alternative financing modes, notably Islamic financing instruments and approaches for mobilising private financing for development.
- Support the , especially by contributing actively to its second monitoring round.
- Address more thoroughly the role of the private sector in conflict-affected



Global Partnership for Effective Development Co-operation and fragile states.

- Encourage broader membership in the Task Force on Energy so that it can take on activities in new countries in sub-Saharan Africa, while monitoring the on-going work in Malawi and Uganda.

The Co-Chairs' summary is available on the .
Arab-DAC Dialogue on Development webpage

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Triangular co-operation survey results

The OECD has released its , based on a survey conducted in 2015. A total of 67 governments latest facts on triangular co-operation and international organisations responded to the survey, providing detailed information on over 300 projects and activities. Key messages from the survey findings include:

- Triangular co-operation remains highly relevant. Compared to the previous , the number of survey in 2012 projects and activities, as well as their budgets, durations and scope have increased.
- Most triangular co-operation activities and projects are in Latin America and the Caribbean (LAC), followed by Africa and Asia-Western Pacific; over 20% of reported projects involved more than one region.
- The survey results confirm that triangular co-operation activities go beyond small-scale

activities. The majority of reported triangular co-operation is in the form of project-type interventions; the average duration is 33 months and the average budget is USD 1.7 million.

- In 44% of all reported projects, partners shared costs. Funds can thus be leveraged through triangular operations and, in the long run, may lead to a scaling-up in use of this modality, as well as the involvement of different types of actors, e.g. private sector, civil society and academia.

In general, the survey results point to a more strategic use of triangular co-operation aligned to the international agenda, notably the Sustainable Development Goals. It also evidences support for regional integration processes and national development plans.

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Final ODA figures in 2014 by OECD DAC countries:

An all-time high of USD 137.2 billion, an increase of 1.2% in real terms and representing 0.30% of DAC members' combined GNI.

Preliminary data for flows in 2015 will be published in early April.

For more information, see:

Also Available

[DACnews January 2016](#)

[DACnews February 2015](#)

[DACnews November 2015](#)

[DACnews May 2015](#)

[DACnews September 2015](#)

[DACnews July 2015](#)