

OECD DAC High Level Meeting 18-19 February 2016

Save the Children statement

Save the Children believes that the upcoming High Level Meeting (HLM) of the OECD DAC is an opportunity for its members to sharpen the definition of official development assistance (ODA) so that it fully supports the achievement of the Sustainable Development Goals (SDGs). It is also an opportunity for OECD DAC members to restore their credibility as champions of poverty eradication. As such, it will have important consequences for millions of the world's poorest children, who live in highly aid-dependent contexts.

Ahead of the high level meeting, we urge decision makers to be true to the promises made in the SDGs to leave no one behind, make sure every child survives, learns and is protected from violence by 2030, and implement the new goals by reaching the most deprived first.

Save the Children calls on the OECD DAC to:

1. Ensure that ODA is directed towards development and humanitarian emergencies in developing countries. Aid can play a vital role in supporting vulnerable countries and people to mitigate risks and prevent disasters and to build the foundations of the long-term wellbeing of their population. Aid is crucial to ensure that the most disadvantaged children, those who are not currently benefitting from economic development or increased domestic resource mobilization, can survive, learn and be protected.

2. Sharpen ODA reporting rules around a clearer and tighter definition of the costs that member states can report as development aid. The reporting rules should be specific and explicitly based on the core purpose of poverty reduction, and leave minimal room for interpretation.

- **Any changes to current rules regarding peace and security expenditures should tighten, rather than broaden, the use of ODA for such purposes.** Linking aid to security-related concerns such as countering terrorist activities risks diluting the poverty focus of aid and directing aid away from poor but stable contexts.
- **Revisions of ODA rules on private sector flows and guarantees must prevent any use of tied aid, and must prevent any merging of ODA objectives with OECD DAC members' own commercial interests.** This recommendation is in line with the OECD DAC progress report on untying aid, and is particularly relevant for new private sector strategies and funding mechanisms.¹ Save the Children cautions against reporting any private finance mobilised by public resources as ODA. If flows that meet concessionality requirements are reported as ODA, they need to comply with other ODA criteria and align to principles of aid effectiveness.

¹ OECD DAC, 2015:

[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC\(2015\)37&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2015)37&docLanguage=En)

- **There should be a cap on in-donor refugee costs as percentage of ODA, and a call for governments to make a plan to fully phase out such costs from ODA in the next five-year period.** The OECD DAC rules allowing members to report in-country refugee costs for the first year of a refugee's resettlement as ODA, are not fit for today's situation. As seen in some OECD DAC countries this year, the lack of a ceiling on in-donor refugee costs risks a diversion of development aid from poorer countries. If rules are not tightened, we fear that recipients of long-term aid in effect will pay OECD DAC members' costs for receiving refugees at home.

3. Be transparent and inclusive in the reform of ODA. Partner countries' governments as well as civil society should be more actively involved and consulted in shaping an ODA reform agenda that balances different stakeholders' needs and accountabilities. Materials, meeting dates and information on the decision-making process should be publicly accessible, properly communicated and easily understandable to all interested parties.

We ask all OECD DAC members to:

- 1. Reverse any proposed or current cuts in real ODA.** Relevant donor countries must urgently set concrete timetables to meet their commitments to allocate at least 0.7 % of GNI to ODA.
- 2. Focus ODA on their commitments to fulfill the Sustainable Development Goals** and commitments to finance development as set out in the Addis Ababa Agenda for Action.
- 3. Urgently step up efforts to meet the needs and fulfill the rights of refugee and migrant children.** OECD DAC members have the capacity to support refugees in their own countries without cannibalizing aid budgets.
- 4. Over time, explore alternative ways to increase funding** and establish financial buffers to meet spikes in refugee numbers or other challenges that are difficult to anticipate, through innovative financing mechanisms. OECD countries should also support international initiatives for increased financial transparency and support policies and practices that curb illicit financial flows and facilitate increased domestic resource mobilisation in developed and developing nations.

Technical changes to the definition of ODA will ultimately play out in the lives of millions of children and affect their opportunities to claim their rights to survive, learn and to be protected. The HLM takes place at a time when extreme inequalities are on the rise and the world is facing both a climate crisis and multiple humanitarian and political crises forcing children, men and women to move away from their homes. We call on the OECD DAC and its members to demonstrate leadership by sticking to the development and financing promises made last year, in the form of the SDGs and the Addis Ababa Agenda for Action.