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Better representing the recipient receipts of
development finance – deriving comprehensive data
on "Development Resource Inflows"

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The starting point

Increased complexity of the development finance landscape at country level calls for a better understanding of **how developing countries manage this new diversity of sources and how the international community can help them manage this diversity most effectively**



Need to better track all financing sources and instruments available at country level (beyond ODA)- part of the HLM mandate to work on exploring new ways to represent "recipient benefit" of development finance.

A case study approach

- Case study countries: **Ghana, Senegal and Timor-Leste**

(Interviews with key stakeholders: government officials in central and line agencies, development partners, CSOs, etc)



- Case studies are illustrative and findings are not necessarily extendable to different economic, political and governance contexts

Some key findings from the case studies

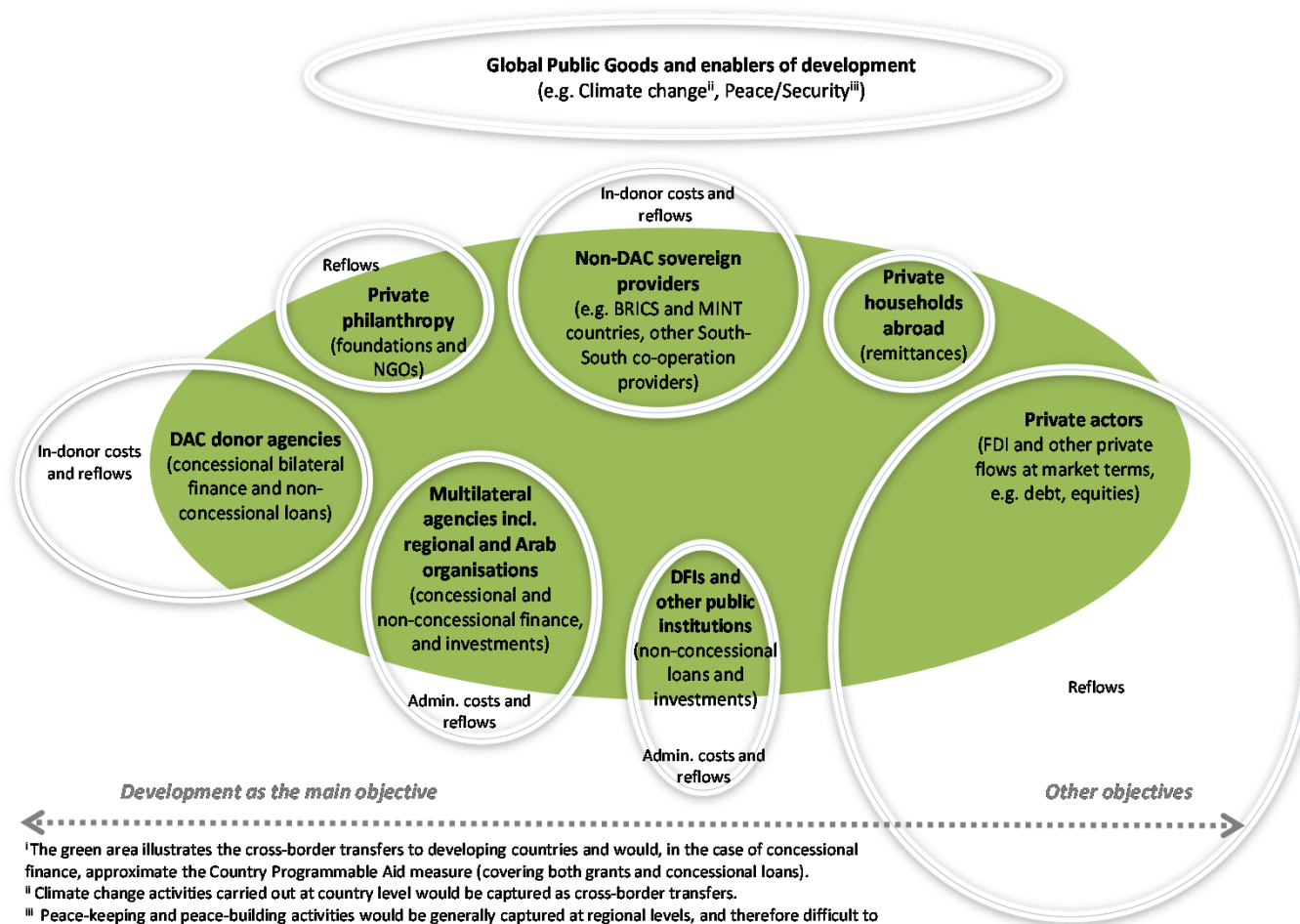
1. More options and more finance are welcome
2. Countries do not have (yet) a strategic approach to managing development finance and a comprehensive overview is lacking
3. There is limited interest in involving non-traditional development partners in co-ordination mechanisms.
4. Governments had similar preferences regarding the characteristics of development finance flows, but different approaches towards concessionality
5. Little is known about philanthropic assistance and climate finance is modest and demand-constrained

Why do we need a comprehensive measure of development finance from partner country perspective?

The measure could help:

- **partner countries have a more strategic approach to financing their development priorities, beyond aid;**
- **create an incentive** for a variety of new and existing providers – sovereign and non-sovereign – to **increase their contribution** to resource inflows for development (nb: TOSD being a provider country measure);
- **assess the impact** of different sources/instruments of development finance and cross-country learning;
- positively contribute to forthcoming discussions on how a **post-2015 measurement system** can best provide comprehensive and transparent information on external resource flows for development, as perceived by developing countries.

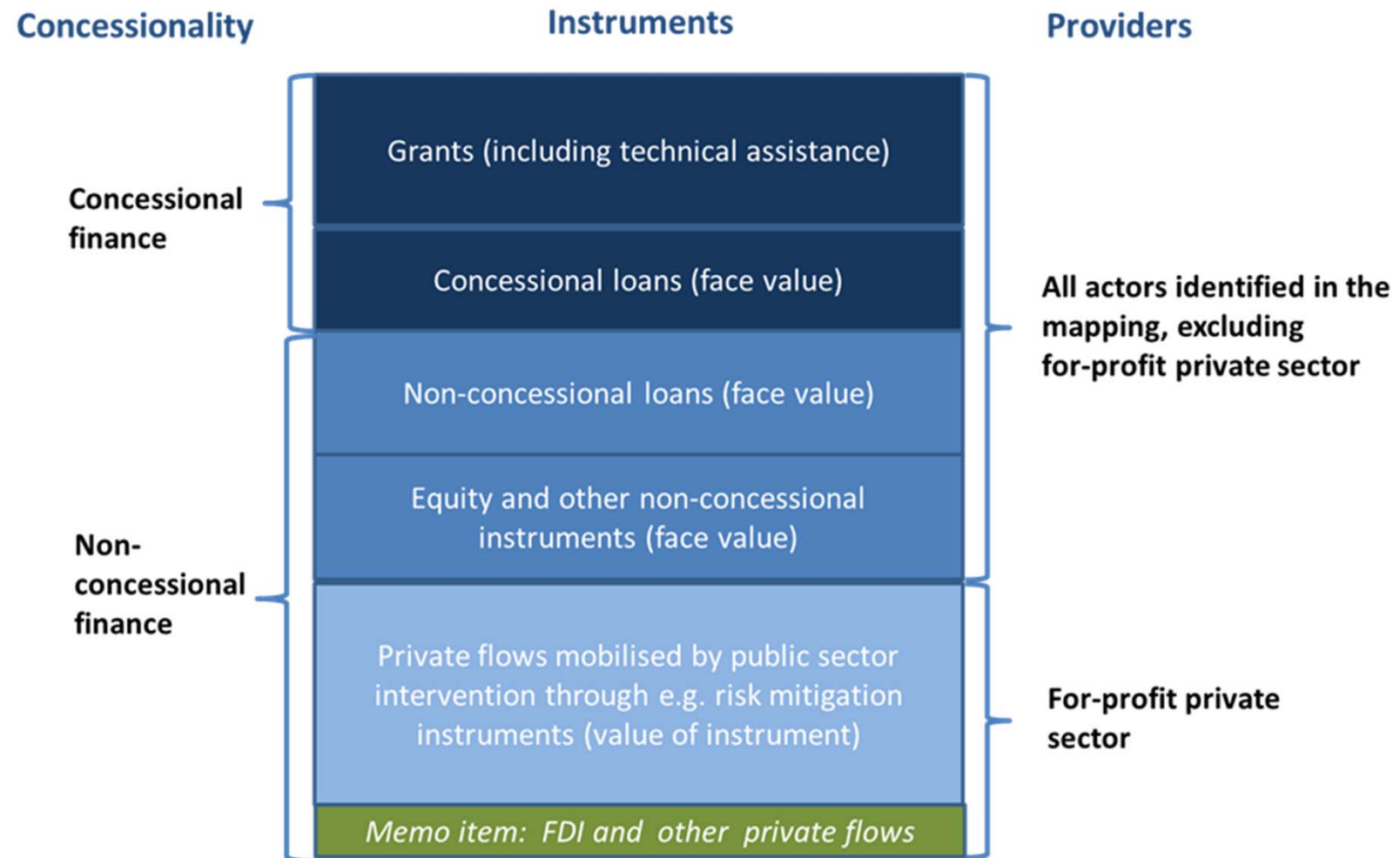
A blueprint of the external financing architecture from developing countries' perspective



Guiding principles for identifying the components of a statistical measure

- **Only cross-border flows would be relevant.**
- **Flows would be measured on a gross basis.**
- **Official flows, private flows mobilised by public sector interventions and flows from private philanthropy would be considered.**
- **Loans would be recorded at face value** and classified as either concessional or non-concessional (IMF).
- **Measures are based on instruments, not on actors.**

Emerging statistical measure of development finance from a developing country perspective



Status of data availability for external finance flowing to developing countries

Categories of actors	Instruments	Actors						
		DAC donor agencies	DFIs	Other public institutions	Non-DAC sovereign providers	Multilateral agencies	Private Philanthropy	Private Sector
All actors identified in the mapping, excluding for-profit private sector	Grants (including TA)							
	Concessional loans							
	Non-concessional loans							
	Equity and other non-concessional instruments							
For-profit private sector	Private flows mobilised by public sector intervention	work in progress	work in progress	work in progress	work in progress	work in progress		work in progress
	Memo: FDI and other private flows at market terms							

= Not applicable

Questions for discussion

- What would be the features of a statistical measure of development finance beyond ODA that would help partner countries take a strategic approach to the financing of their development priorities? Could that measure be limited to resources that partner countries can directly access or to resources mobilised from external official interventions?
- How to create incentives for different actors to provide data needed to populate such a statistical measure?
- Could such a measure significantly enhance transparency and form the basis for better assessing impact and effectiveness of different sources and instruments of development finance?

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Thank You