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DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT CENTRE
DEVELOPMENT ASSISTANCE COMMITTEE
GOVERNING BOARD OF THE DEVELOPMENT CENTRE

Cancels & replaces the same document of 19 October 2020

Development for a global recovery

Following consultation of the Development Assistance Committee and the Development Centre Governing Board, which concluded on 15 October 2020, this document is transmitted to Ministers as a Background Document at the Ministerial Council Meeting, which will be held on 28 and 29 October 2020.

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Introduction

1. COVID-19 is a global crisis that does not respect national boundaries. The crisis has hit developing countries hard, pushing over 70 million people into poverty. This crisis demands a strong, coordinated, inclusive and coherent global response. International and multilateral cooperation is more important now than ever. The OECD Development Cluster¹ will work together to support an effective global recovery from the COVID-19 pandemic and achievement of the 2030 Agenda for Sustainable Development. The collective expertise within the Development Cluster will be used to inform wider debates and policies in the OECD and elsewhere about how to make global recovery from the COVID-19 pandemic as rapid, resilient and sustainable as possible. The focus of these efforts will be on supporting the recovery in developing countries, in particular in the following areas:

- Encouraging more and more effective finance for achieving the Sustainable Development Goals (SDGs);
- Tackling poverty and inequality – especially gender inequality – including by fostering more resilient food systems and promoting social protection;
- Helping build more effective policies and stability in fragile and conflict affected states through better data, sound dialogue, and coherent co-ordination of multilateral actions;
- Supporting sustainable and inclusive economic growth, to stimulate job creation and improve domestic resource mobilisation;
- Promoting environmentally sustainable policies.

2. Work on these priorities has already started in the past weeks and months, as reflected in the Joint Statement of the Development Assistance Committee on the COVID-19 pandemic² (hereafter: the DAC Statement), the Policy Statement by the members of the Governing Board of the OECD Development Centre³ (hereafter: the DEV Governing Board Statement) and the Policy Brief ‘When a global virus meets local realities: Coronavirus (COVID-19) in West Africa’⁴ by the Sahel and West Africa Club Secretariat (hereafter: the SWAC Policy Brief).

Encouraging more and more effective finance for achieving the SDGs

3. The DAC members outlined in their joint statement, *“Official Development Assistance (ODA) is an important means of supporting national responses to the COVID-19 crisis, within the framework of sustainable development and its five components – people, peace, planet, prosperity and partnership. Acknowledging the pressures on public finances in all countries, we will strive to protect ODA budgets, encourage other financial*

¹ The OECD Development Cluster is composed of the Development Assistance Committee (DAC), the Development Co-operation Directorate (DCD), the Development Centre (DEV) and its Governing Board, and the Sahel and West Africa Club (SWAC) and its Strategy and Policy Group (SPG) [see document [C\(2020\)23](#)].

² <https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf>

³ https://read.oecd-ilibrary.org/view/?ref=133_133648-emwpa3wfd0&title=COVID-19-and-developing-countries-Policies-and-partnerships-to-respond-reset-and-rebuild-better

⁴ https://read.oecd-ilibrary.org/view/?ref=132_132742-b9si5r6w73&title=when-a-global-virus-meets-local-realities-coronavirus-COVID-19-in-West-Africa

flows to support governments and communities in partner countries, and invite other development cooperation partners to do the same.”

4. The members of the DEV Governing Board stressed the importance of “*Promoting a global investment effort for a sustainable recovery, including the economic, environmental and social dimensions, co-designed by developed and developing countries, with the involvement of the private sector and other relevant stakeholders.*”

5. The SWAC stated in this regard: “*With the spotlight now on COVID-19, efforts to counter pre-existing crises run the risk of being ignored. Most funds announced to fight the pandemic do not represent additional resources, but are budget reallocations from other sectors. Ironically, emergency funding may result in reduced resources originally allocated to achieve other developmental goals.*”

Tackling poverty and inequality

6. According to DAC members, the response to the COVID-19 crisis “*will require much more than finance. It needs sustained action by many actors to address the immediate public health and humanitarian crisis and simultaneous support for economic, environmental and social resilience. The response must take account of the role of women and girls, children, youth and vulnerable groups, including people with disabilities and the elderly, and aim to reduce inequalities and protect human rights and freedoms.*”

7. The members of the DEV Governing Board framed the issues in the following way: “*Among the main vulnerabilities there are widespread informality, limited access to and availability of social protection and healthcare; digital divides, rising public debts and limited fiscal space, and declining external financing. For several countries, security, climate, food crises, as well as biodiversity loss, combine and exacerbate the consequences of the present shock. In addition, developing countries are facing much tighter financial conditions due to spillover effects of the pandemic on financial markets, which in turn worsens these countries’ capacity to respond to this crisis and contain its economic impact. Remittances-receiving households are also confronted with a reduction in remittance flows, which negatively affects their livelihoods.*” They also “*highlighted the importance of addressing the disproportionate impact on vulnerable and marginalised population groups, notably women and children, indigenous groups, people with disabilities or health conditions and victims of domestic violence.*”

8. In West Africa specifically and due to Covid-19, the SWAC finds that “*In the food sector alone — the largest economic sector in the region, representing 40% of regional gross domestic product (GDP) in 2015 — more than 82 million jobs will be directly affected by mobility restrictions. [...] Food and nutrition security is directly impacted by all the disruptions to the food economy. Higher unemployment and reduced purchasing power directly impact people’s access to food.*” Consequently, “*the combined effect of insecurity and Covid-19 could result in over 50 million additional people falling into a food crisis.*” These disruptions “*underline the critical need for enhanced regional co-ordination to ensure the smooth functioning of food supply chains directly affecting food and nutrition security.*” On a larger scale, “*this pandemic could provide an opportunity to further accelerate integration across the continent.*”

Helping build more effective policies and stability in fragile and conflict-affected states

9. The DAC Statement recognises that “*The consequences of the crisis are severe for us all, but poor people – especially those in fragile countries – will be the hardest hit, where*

health systems, government structures and social safety nets are weak. The ensuing economic effects are likely to be profoundly damaging, particularly for already vulnerable people, and could jeopardise political and economic stability. Economic slowdown, declining exports and tourism revenues, and capital outflows, are depressing tax revenues and aggravating sovereign debt. [...] We will endeavour to support Least Developed Countries and other countries with specific needs via a coherent and coordinated humanitarian-development-peace response. We will respond to immediate needs as the pandemic evolves, including care and vaccines when available, and support crisis transition and recovery. We aim to continue investing in health, social safety nets and humanitarian needs. We also prioritise helping developing countries protect and rebuild the livelihoods of poor people affected by the pandemic, encouraging the support of multilateral banks, the private sector and civil society.”

10. The members of the DEV Governing Board “*are gravely concerned by the consequences of the unfolding COVID-19 pandemic, [...] the unprecedented nature of this crisis, its dire human consequences and the risks of catastrophic impacts on developing countries, particularly the Least Developed Countries (LDCs) and Small Island Developing States (SIDS). In the absence of a fast, adequate and context-specific response, efforts to achieve sustainable development are at risk. The number of poor and food-insecure people may increase significantly.*”

11. The SWAC warns “*Before Covid-19 hit, the Sahel was already facing a security crisis with the worst humanitarian needs in years. Since 2011, [armed] violence have killed more than 92 000 people in North and West Africa, with thousands more wounded. The impact on the affected populations is dramatic, compounding food insecurity and malnutrition, and significantly increasing the number of internally displaced persons (IDPs), [to the amount of] a four-fold increase in one year across Burkina Faso, Mali and Niger. [...] Many live in camps and crowded environments that lack adequate sanitation facilities to prevent contamination from Covid-19. Many lack access to healthcare and basic social services. [...] IDPs and host communities had seen their vulnerabilities increase in terms of food insecurity, water, hygiene, sanitation, and health. Similarly, humanitarian access was already experiencing difficulties due to armed groups undermining the provision of food assistance.*” It adds that “*Against this backdrop, strengthening the peace, humanitarian and development nexus to support the most vulnerable will prove instrumental, especially in the context of multiple and interconnected crises, such as in the Sahel.*”

Supporting sustainable and inclusive economic growth

12. According to the members of the DAC, “*Domestic and international private-sector actors play a key role in supporting governments to deliver effective responses and economic recovery. We call on them to support provision of basic services, maintain supply chains and other essential economic activity in developing countries during the crisis. We recognise CSOs as key partners in tackling COVID-19 and its damaging socioeconomic consequences. They are critical in providing support to vulnerable people, and should be enabled to do so.*”

13. Members of the DEV Governing Board “*emphasise the need for investment in and access to technology and knowledge to strengthen productive and educational capacities in developing countries, which could help provide a more effective response to the current and future crisis. Key investment areas include quality infrastructure and sustainable energy. It will be necessary to reflect on post-COVID-19 industrial systems and the implications for developing countries, including access to technology, associated with the possible reorganisation of global value chains, in order to harness the digital economy and*

build more diversified and resilient economies.” They also “recognize the importance of continued co-ordination to address the risks of debt vulnerabilities in developing countries, including those in debt distress. This includes support for work such as the Call to Action on Debt by the IMF and the World Bank and the G20/Paris Club Debt Service Suspension Initiative to help countries combat the COVID-19 outbreak and its health and economic impacts.” Members of the Governing Board intend to advance “effective approaches and policies that work in the specific contexts of developing countries, across regions, including innovative practices to support the economic recovery and deliver health and social protection services in a sustainable way, in co-operation with other international organisations, and advance, where requested, in the design and implementation of national and international support measures, including Integrated National Financing Frameworks (INFFs).”

14. The SWAC suggests that *“A fresh look at evolving food systems and emerging dynamics such as rapid urbanisation is needed to achieve better food and nutrition security outcomes. [...] While COVID-19 raises tremendous challenges for policy makers, it may also act as a catalyst for raising awareness around the need for a territorial approach to more resilient food systems and sustainable development strategies more broadly.”* Further, *“Any measures to safeguard employment and livelihoods during and after Covid-19 must take into account the realities on the ground. In the case of West Africa, this reality is informality.”*

Promoting environmentally sustainable policies

15. In their statement, DAC members *“welcome the call of the United Nations (UN) Secretary-General and the OECD Secretary-General for countries to prevent the crisis from derailing sustainable development efforts, particularly in developing countries.”*

16. The members of the DEV Governing Board find that the COVID-19 response *“must put the world on track for a more sustainable and resilient development trajectory, which combines economic, environmental and social progress, and promotes just, peaceful, open and inclusive societies, leaving no one behind.”*

17. The SWAC Policy Brief states that *“COVID-19 serves as a reminder that health is a global public good, requiring everyone to act together towards universal recovery. West Africa has a role to play in the global response [...] through the contributions of its scientific community, experienced in infectious diseases, and [...] its rich biodiversity; Similar to the Ebola outbreak in 2014-16, the COVID-19 pandemic shows that there is no other option but to rely on local actors and promote local initiatives during crisis management.”* It adds that *“While local resilience is critical in confronting cross-border terrorism, hunger, drought, pest infestations, and diseases; increased synergy and co-ordinated multilateral action will prove equally important as resources become scarce.”*