

# **CONCORD AidWatch and OECD Seminar: ODA in a Post-2015 World**

**including the launch of the 9th CONCORD AidWatch Report**

**Thursday 20 November 2014**

**OECD Conference Centre Room CC13**

CONCORD is the European Confederation of Relief and Development. Its 28 national associations, 18 international networks and 2 associate members represent 1,800 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organisations. At global level, CONCORD is actively involved in the CSO Partnership on Development Effectiveness, Beyond 2015 campaign and the International Forum of NGO platforms.

The OECD Development Assistance Committee became part of the OECD by Ministerial Resolution on 23 July 1961. It is a unique international forum of many of the largest funders of aid, including 29 DAC members. The World Bank, IMF, UNDP, AfDB, AsDB and IADB participate as observers. The DAC has the mandate to promote development co-operation and other policies so as to contribute to sustainable development, including pro-poor economic growth, poverty reduction, improvement of living standards in developing countries, and a future in which no country will depend on aid. A central element of this mandate is to monitor, assess, report, and promote the provision of resources that support sustainable development, as specified above, by collecting and analysing data and information on ODA and other official and private flows.

2014 has been an important year for development co-operation, with the first Global Partnership for Effective Development Co-operation (GPEDC) high-level meeting in Mexico, the ongoing discussions in the OECD-DAC on modernising the measurement of external development finance, and the start of negotiations at the UN on financing for development that will lead to new commitments in support of the post-2015 development agenda, which will emphasise also the role of domestic resource mobilisation and fighting illicit financial flows. By the end of the year, OECD DAC members are expected to agree to establish a new measure of official support for development to report on broader development finance, including risk-mitigating instruments. At the same time the OECD DAC is reviewing the measurement of ODA to safeguard the credibility of this core measure of donor effort. Decisions on concessionality and the reporting on loans are expected to be taken in December 2014 during OECD DAC High Level Meeting.

The seminar on 20 November 2014 will provide an opportunity for CSOs and the DAC to engage in a dialogue on key priorities relating to development finance 2015, including provide input to the on-going DAC discussion on modernising the measurement of ODA and broader official support for sustainable development ahead of the OECD DAC HLM. The launch of the 9<sup>th</sup> CONCORD Aid Watch Report will be an opportunity to take stock of the progress European donors have made to date and shows the path they need to take to follow to make aid an even more powerful instrument in tackling poverty. One of the messages of the report is that Europe has stood shoulder to shoulder with the world's poor people for a long time. However official forecasts predict that in 2015 the EU will fail to meet the 0.7% target. Even while facing its own internal challenges, Europe would surely prefer to find the dignity, capacity and strength to continue to uphold the principle of global solidarity with poor people.

## Opening Roundtable: Launch of the 9<sup>th</sup> CONCORD AidWatch Report

Time: 9:00-11:00

### Background

CONCORD is monitoring the quality and the quantity of aid provided by EU member states and the EU Institutions since 2005 via the AidWatch initiative. This initiative consists of 28 national platforms representing each European member state in partnership with networks.

The ninth CONCORD AidWatch report takes stock of the progress European donors have made to date and shows the path they need to follow to make aid an even more powerful instrument in tackling poverty and inequality. The launch will provide an opportunity for civil society, OECD DAC representatives and other stakeholders to discuss and debate views on the role of aid in a post-2015 era, modernisation of ODA definition and development effectiveness principles.

### Speakers and moderator

- **Amy Dodd**, Concord AidWatch chair, UK Aid Network Coordinator
- **Erik Solheim**, OECD DAC Chair
- **Lilianne Ploumen**, GPEDC co-chair, Minister for Foreign Trade and Development Cooperation, Netherlands (tbc)
- **Frédéric Bontems**, Director of Development and Global Public Goods, Ministry of Foreign Affairs
- **Lapo Pistelli**, Vice Minister –Ministry of Foreign Affairs and Development Cooperation (tbc)
- **Bhumika Muchhala**, Third World Network TWN

The session will be moderated by **Seamus Jeffreson** (CONCORD Director).

### Round table format

The roundtable will start with a presentation of the findings of the report by Amy Dodd, CONCORD AidWatch chair and first feedback by Erik Solheim, DAC Chair followed by a dynamic policy discussion that will bring together experts and civil society organisations from across Europe. The debate will be led by Seamus Jeffreson (CONCORD Director) and oriented around the following areas covered by the 2014 AidWatch Report:

- **Role of aid and its commitments/targets post 2015:** Robust aid targets are crucial to effective global development efforts. By promoting healthy peer pressure, collective targets create positive incentives for countries to increase aid. They also allow stakeholders – including other countries, NGOs and citizens – to track performance and hold donors to account. As the world progresses towards a new development framework, the donor community has a particular responsibility for living up to its commitments on ODA.
- **Modernisation of ODA definition:** Not everything that is reported as aid translates into development results. In order to secure current and future contributions needed for achieving international development goals, it is important to ensure that aid remains focused on eradicating poverty and achieving positive development outcomes. The OECD DAC review of the measurement of ODA could help to ensure that aid remains an effective tool for fighting poverty and inequality.
- **Development effectiveness:** Development effectiveness principles can and should apply to the new development and finance frameworks, to all forms of financing for development, both public and private. The development effectiveness agenda offers extremely valuable lessons for the future development agenda; it provides a framework for assessing future development efforts and financial flows as well as for ensuring that such efforts have a positive, sustainable impact on the lives of poor people across the world.

## Session 1: Making ODA fit for purpose in a post-2015 world

Time: 11:30-13:00

### Background

Poverty continues to be widespread and there is mounting evidence that economic growth alone will not eradicate it. A wide array of financial resources will be needed for the unfinished business of the MDGs and to achieve any goals the world sets for itself after 2015. Among these resources aid will remain crucial and critical for achieving development objectives. While considered by many to be “a drop in the bucket” when compared to other international financial flows, for least developed countries aid represents over 70% of available external finance, and more than one-third of total public revenue and expenditure<sup>1</sup>. The OECD is working on a modernisation of the ODA measure with the aim of mobilizing more and better ODA in a post-2015 world and ensuring that ODA goes to where it is most needed and has the greatest development impact. This work is important given that current statistics on ODA overestimate actual transfers of aid to developing countries by mixing flows with in-donor costs; do not always reflect donor budgetary effort when it comes to accounting for concessional loans; and, discourage the use of risk-mitigation instruments and the development of new innovative financial mechanisms that could mobilise significant volumes of private flows for development. It is also important, given that those countries that depend on ODA most – least developed countries – have in recent years been receiving a declining share of ODA.

### Objective

This session will facilitate a discussion among a wide range of stakeholders on modernising the measurement of ODA.

### Questions for participants (suggested)

- What elements of ODA are in most need of modernisation? What does ODA modernisation mean for post-2015 negotiations on financing for development?
- What is your view on the proposal to count in ODA the grant equivalent of loans? If modernised ODA incentivises lending, what safeguards need to be put in place to ensure prudent lending, in particular to the poorest countries?
- How should donor use of private sector instruments be monitored to guarantee their developmental focus and avoid market distortions?
- How can DAC members and particularly EU members ensure that aid is better targeted to support least developed countries that depend on it most?

### Speakers and Moderator

- **Tim Kessler**, member of Luxemburg permanent representation to EU(tbc)
- **Mathieu Remond**, European Commission - DEVCO A2
- **Henrik Nielsen**, Globalt Fokus/CONCORD representative
- **Manuel F. Montes**, Senior advisor at Finance and Development at the South Centre in Geneva
- **Julia Benn**, Manager, Statistical Policy, Analysis and Engagement Unit, OECD Development Co-operation Directorate (tbc)

The session will be moderated by **Jeroen Kwakkenbos** (CONCORD AidWatch/Eurodad).

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<sup>1</sup> OECD DAC (2013), “*The Where*” of Development Finance. OECD, Paris

## Session 2: Ensuring global development effectiveness partnership and principles underpin the post- 2015 framework

Time: 14:30-15:45

### Background

The high-level meetings on aid quality and development effectiveness have been critical to establishing a multi-stakeholder global partnership on development effectiveness as well as to focusing attention on the importance of ensuring development finance is effective as a whole. However, there is further to go to widen the participation of new donors and actors in the future and to ensure that development providers step up and meet their development effectiveness commitments.

In the OECD/DAC discussions on the ODA modernisation and in the negotiations ahead of the third conference on Financing for Development, there is the need to build on the current achievements and explore ways to ensure that the commitments to inclusive partnerships are fully implemented. It is equally important to make sure that the development effectiveness principles continue to underpin the post-2015 framework and that providers put these principles into practice consistently.

### Objective

This session will discuss how an inclusive partnership based on the development effectiveness principles can be strengthened as part of the development effectiveness process and the Financing for Development agenda.

### Questions for participants (suggested)

- What measures can be taken to ensure that DAC / EU member states take their development effectiveness commitments more seriously in the future?
- Which role should the development effectiveness agenda play in the financial framework to back the realization of a post-2015 development agenda?
- The GPEDC is a unique partnership as it offers different stakeholders equal access to the governance mechanism. Is it a viable example for the whole post-2015 agenda?

### Speakers and Moderator

- **Justin Kilcullen**, CPDE co-chair
- **Mauricio Escanero Figueroa**, Special Envoy of Mexico for the First HLM GPEDC
- **Gemma Adaba**, Social Justice for Global Development
- **Patti O'Neil**, Head of the Global Partnership and Policy Division, OECD Development Co-operation Directorate

The session will be moderated by **Luca de Fraia** (CONCORD AidWatch/ActionAid).

## Session 3: Measuring Total Official support for Sustainable Development: Looking Beyond ODA

Time: 16:00 – 17:15

### Background<sup>2</sup>

The post-2015 development agenda is currently being shaped under the auspices of the United Nations General assembly. The signs are that the new agenda will build on a much broader approach than the Millennium Development Goals, integrating social, environmental and economic concerns. Greater resources will be needed to finance this broader set of goals; the UN's Intergovernmental Committee of Experts on Sustainable Development Finance has emphasised the need to make use of all financing flows in a more holistic way. The OECD is currently consulting with a wide range of stakeholders on a new measure of official support for sustainable development that would capture, and therefore incentivise, wider resources for the post-2015 financing framework. This measure, Total Official support for Sustainable Development (TOSD), would cover the totality (i.e. face value) of official resources in support of sustainable development and global public goods deemed relevant for development, regardless of the types of instruments used and associated terms. The intent of this measure is to enable the international community to monitor more transparently the broad array of public international financial flows responding to the needs and priorities implicit in the emerging post-2015 SDG agenda. TOSD also goes hand in hand with enhancing the transparency of financial flows reaching developing countries. Improving access to information on cross-border financial flows and the different instruments and mechanisms employed is a priority issue for partner countries, allowing them apprehend the totality of resources on offer and how different sources and instruments can be combined and leveraged.

Final decisions on the coverage of TOSD can only be taken after the post-2015 SDGs have been endorsed, but the broad principles can already be agreed alongside with more transparency on resources inflows. Importantly, the TOSD measure would be distinct from ODA, which would remain the measure of donor effort and the cornerstone of international accountability.

### Objectives

This session will seek feedback on the proposal to measure DAC members' total official support for sustainable development to reflect the broader efforts.

### Questions for participants (suggested)

- Would you support the OECD adopting a new measure of development finance to capture providers' broader development contributions in the future? What are the opportunities and concerns related to such a measure?
- What safeguards need to be in place to ensure that TOSD does not blur the ODA concept which remains the core measure of donor effort and monitoring of international aid commitments?
- Could a new measure of total official support for sustainable development include flows that while supporting the economic development and welfare of developing countries also deliver benefits for the provider country?
- How can the international community ensure transparency of broader resource flows both from providers' and partner countries' perspectives?

### Speakers and moderator

- **Bhumika Muchhala** (Third World Network TWN)

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<sup>2</sup> Further reading: DAC October 2014 SLM background document on TOSD.

- CONCORD Representative
- **Peter Schuurman**, DAC delegate, Netherlands
- **Suzanne Steensen**, Manager, Development Finance Architecture Unit, OECD Development Co-operation Directorate

The session will be moderated by **Nadareh Lee**, DAC Delegate, United States.