

Development Co-operation Report 2019

A FAIRER, GREENER, SAFER TOMORROW





DEVELOPMENT CO-OPERATION REPORT 2019: A FAIRER, GREENER, SAFER TOMORROW



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Preface

EVERYONE GAINS FROM INTERNATIONAL CO-OPERATION FOR DEVELOPMENT

Why co-operate with developing nations? The finance, knowledge and ideas that flow through development co-operation stem from solidarity, a moral imperative to help our fellow humans, as well as from a very rational quest for mutual benefits. We will not be able to achieve fairer and more inclusive economic growth in our societies without greater global sustainable development.

The challenges we face today – climate change, widening inequalities and conflicts, among others – are not contained within national borders. Neither are the solutions. The 2030 Agenda for Sustainable Development and the Paris Agreement are grounded in the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires greater international co-operation.

Citizens worldwide are voicing their frustration and challenging leaders to act for climate and global justice. Those citizens live in wealthier countries where globalisation has left people and groups behind, in small island developing states that face the immediate threats of global warming, in authoritarian societies where expressing dissent carries great personal risk, and in poor countries that will suffer the most from climate change. They are the shareholders, the stakeholders and the partners of co-operation for development. Yet governments struggle to engage them meaningfully, to tell the complex and politically charged story of cooperation in compelling words that speak to all generations, and to respond to citizens' own aspirations.

The 2019 Development Co-operation Report calls on providers of development co-operation to change course. We need a new narrative that goes beyond the rhetoric of "us" and "them", we need to demonstrate how development co-operation contributes to better lives by supporting peace building, through quality early childhood programmes that give equal opportunities to girls and boys, or by building more autonomous administrations capable of cracking down on tax evasion.

We also need more resolute action by the development community to constantly improve their policies, adapt them to changing geopolitical and technological realities, and uphold the highest transparency and accountability standards.

Development co-operation cannot create a perfect world, but it does help create a better one. OECD governments and their agencies need to show, through greater actions and investments, that development co-operation is fit to take on 21st century challenges, and that it is open to working with diverse actors. The OECD will champion this report's call to action, with the ultimate goal of fostering better lives in all parts of the world.

Angel Gurría OECD Secretary-General

Foreword

The annual Development Co-operation Report brings new evidence, analysis and ideas on sustainable development to members of the **OECD** Development Assistance Committee (DAC) and the international community more broadly. The objectives are to promote best practices and innovation in development co-operation and to inform and shape policy reform and behaviour change to realise better lives and the sustainable development goals for all. Each year, the report analyses a policy issue that is timely, relevant or challenging for development co-operation policy and finance. It also includes annual "development co-operation at a glance" data for over 80 providers of development co-operation including members of the OECD, the DAC, other countries and philanthropic foundations.

This 57th edition is intended to align development co-operation with today's most urgent global priorities, from the rising threat of climate change to the flagging response to the Sustainable Development Goals and the 2030 Agenda. The report provides OECD members and other development actors with evidence, analysis and examples that will help them to reinvigorate public and political debates at home and build momentum for the global solutions that today's challenges demand.

The OECD Development Co-operation Directorate decided to produce a different report compared to previous editions in response to requests from member states to tell a more comprehensive story about development co-operation today – why it matters, what it achieves, and how and what it can do better. We were challenged to tell a story that will reach new audiences such as the passionate activists of all ages – and especially youth – who are demanding action for a better tomorrow. Building on the analysis, evidence and recommendations from a series of reports the Directorate published in 2019, this Development Co-operation Report reviews progress towards sustainable development and concludes with recommendations to bring the full capacities and resources of the development system to bear on the immense challenges of our time.

The report comprises two chapters. The first chapter tells an upbeat story, packed with evidence and examples, about development co-operation today. It makes the case for a change of course that features a new narrative and more tangible action. The second chapter contains one-page infographics that provide an overview of emerging trends and insights regarding official development finance and presents individual profiles with key data and policy priorities of official and philanthropic providers of aid, official development assistance and development finance.

The full report is published in English and French and in the form of multilingual summaries. An electronic version, together with other supporting material, is available on line at https://www.oecd.org/dac/ development-cooperation-report/.

Acknowledgements

The 2019 edition of the OECD Development Co-operation Report was prepared under the overall leadership of Jorge Moreira da Silva, Director of the OECD Development Co-operation Directorate (DCD). Rahul Malhotra, Head of the Review, Results, **Evaluation and Development Innovation** Division, DCD, provided strategic guidance and oversight. Ida Mc Donnell is the team lead, manager and substantive editor of the report. The report is produced by a dedicated and productive team - thanks to Stacey Bradbury, Sara Casadevall Belles, Claudio Cerabino, Stephanie Coic, Jason Essomba, Sofia Galanek, Katia Grosheva, Samuel Pleeck and Jessica Voorhees.

The Chair of the OECD Development Assistance Committee, Susanna Moorehead, provided strategic guidance, insights and advice. Members of the DAC contributed to and shaped the overall concept for the report at a special informal meeting dedicated to the report in May 2019.

Chapter 1 was co-authored by Ida Mc Donnell and Justin Cremer, with excellent research assistance and substantive input from Samuel Pleeck. A DCD-wide team of experts and colleagues in their teams and divisions helped to co-create this year's development co-operation story. Special thanks go to Rahul Malhotra for his moderation and leadership of this team and to colleagues (in alphabetical order) Eric Bensel, Olivier Cattaneo, Ana Fernandes, Mags Gaynor, Samer Hachem, Hanna-Mari Kilpeläinen, Rachel Scott and Henri-Bernard Solignac Lecomte, as well as to DCD's senior management team.

To develop the narrative in an inclusive way, the team organised several consultations in the form of physical meetings, webinars, phone calls, and surveys with key partners from civil society, think tanks and developing countries. Many thanks to everyone who bought into the project objectives and contributed constructively to achieving them. Hoping not to forget anyone, contributors included Andrea Ordonez and respondents to the survey with Southern Voice: Vagar Ahmed, Lorena Alcázar, Bitrina Diyamett, Blandina Kiama, Paschal Mihyo, Partha Mukhopadhyay, Rani Mullen, Mustafizur Rahman, Seydina O Sene and Victor Ignacio Vasquez Aranda. Thanks go to participants to webinars and meetings, and for providing evidence: Yasmin Ahmad, Catherine Anderson, Lars Andreas, Thomas Boehler, Emily Bosch, Rachael Calleja, Juan Casado Asensio, Duncan Cass-Beggs, Mario Cervantes, Hannah Cole, Carolyn Culey, Harsh Desai, Mariella Di Ciommo, Amy Dodd, Jason Gagnon, Daniel Giorev, Jonathan Glennie, Nilima Gulrajani, Sarah Harcourt, Tomas Hos, Johannes Jütting, Kumi Kitamori, Paige Kirby, Caitlin McKee, Rachel Morris, François Pacquement, Nadine Piefer-Söyler, Jan Rielander, Alexandra Rosén, Julie Seghers, Zuzana Sladkova, Amy Taylor and Betzy Turnold. Thanks also go to the interns at DCD who shared youth perspectives: Alberto Agnelli, Rachel Brock, Jarrett Dutra, Erik Forsberg, Sofia Vargas Lozada and Maria Villena Cardich. Sincere thanks as well to peer reviewers Tamsyn Barton, Pádraig Carmody, Doug Frantz, Jennifer van Heerde-Hudson, David Hudson, Mark Tran and Felix Zimmermann.

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The OECD would like to thank all DAC members and the providers of development co-operation beyond the DAC membership for fact-checking the digital webbook "Profiles of providers of development co-operation" earlier in the year, which are synthesised in infographics in this report.

TABLE OF CONTENTS

PREFACE	3
FOREWORD	4
ACKNOWLEDGEMENTS	5
EDITORIAL	8
EXECUTIVE SUMMARY	11
1. DEVELOPMENT CO-OPERATION CHANGING COURSE THROUGH NEW WORDS AND ACTIONS	15
2. DEVELOPMENT CO-OPERATION PROFILES AT A GLANCE	57



Editorial

WHY DEVELOPMENT CO-OPERATION MATTERS

By Susanna Moorehead, Chair, Development Assistance Committee and Jorge Moreira da Silva, Director, Development Co-operation Directorate, OECD

The world has seen remarkable progress in the past decades: extreme poverty and child mortality rates have plummeted while literacy and girls' education are on the rise. At the same time, the international community has failed to live up to its commitments in far too many areas. All forms of inequality and the stubborn persistence of poverty, violent conflict, state fragility and mass displacement run counter to the sense of progress. Most profoundly, the climate crisis threatens to both overshadow all other development challenges and to overturn hard-won gains.

As we approach 2030, the target year for both the Sustainable Development Goals and the Paris Agreement on climate change, all actors involved in sustainable development need to confront the urgency of the moment. It's not enough to respond to crises as they arise. Firefighting, while necessary at times, will not create a fairer, greener and safer world. To do that, all nations of the world must act rather than react. The development community must be two steps ahead of looming problems, while remembering to step back to look at what we are doing right and where we need to improve.

Governments and all other development actors need to ask themselves if they are adapting effectively. Development co-operation is different now compared to decades ago. Wealthy western nations no longer dominate the global agenda. The rapid transformations of many developing countries into geopolitical powerhouses mean that the old ways of dividing countries into categories such as donor and recipient, developed and developing, rich and poor, no longer apply.

Yet, we often keep on looking at international development co-operation through these outdated lenses. We continue to tell stories that fail to resonate with the public and engage citizens in a meaningful way. We need a new narrative. To inspire hope and stronger action, this narrative should focus on development co-operation's strengths while being honest about its shortcomings. A narrative that explains how development co-operation is intricately tied to the world's challenges and is well positioned to address those challenges. One that demonstrates how development co-operation that benefits everyone, also advances national interests. A narrative that focuses on

the protection of global public goods, while preserving national sovereignty.

This new narrative should also speak to persistent myths and perceptions. It should speak more openly and forcefully about development co-operation's strong accountability systems that catch and crack down on corruption and share stories about innovative solutions. Look, for example, at how international co-operation helps countries make significant strides in eliminating corporate tax evasion and boosting domestic resources for development.

Changing the narrative will not be easy. It is difficult for positive development news stories to gain traction when the media focuses almost exclusively on what's going wrong. It's no wonder that our publics often question the value of development co-operation. We can choose to view this questioning as a crisis of legitimacy or as an opportunity. Because at the same time that our citizens - especially youth are frustrated about what they perceive as a lack of action, they are creating their own narratives about sustainable development. This provides an opportunity for governments to channel the grassroots energy of the people we serve.

We can promote a modern story that inspires hope, especially for the next generation. We have to demonstrate that development co-operation is a means of making our shared world a safer, healthier and cleaner place to live. The new narrative must respond to the millions of people who have taken to the streets to demand action on the climate crisis and inequalities. We already have a noble clarion call: our pledge to "leave no one behind". But this commitment itself must be updated to include future generations, who will be left behind if we do not act now.

Development co-operation has a unique role to play in building a better future because it has the power to provide a helping hand upto countries that are on different development pathways and to the poorest and most marginalised people on the planet. It lends expertise, financing and support to local actors so that they can chart their own course to a good life. However, development co-operation is not the only solution to the world's problems. Of course not. While we have decades of evidence and a trove of inspiring stories to show the benefits of development-co-operation, we need to demonstrate how working internationally responds to what people care about: climate, health, basic human needs and justice.

Changing the narrative of development co-operation will not be enough. To reflect new realities, we cannot just change the way we talk about development co-operation. We must also change the way we go about it. OECD Development Assistance Committee (DAC) governments and development agencies need to show in deeds not just in words that development co-operation is fit for 21st century challenges and be open to new ways of working with diverse actors.

The impressive progress made by many countries over the past decade, has reshaped the development landscape. Countries that not so long ago were themselves poor are now major players in reducing poverty elsewhere, along with civil society, the private sector and philanthropic foundations. OECD DAC members welcome these new players, while upholding, updating and promoting the high standards, expertise and good practices which we apply to our work and encouraging others to draw on evidence of what works. We must reignite the spirit of effective development co-operation by working imaginatively with these actors, while retaining our shared values.

Today's complex, digitally connected world requires governments to make a better case for development co-operation, and more effectively explain why it matters. We must be honest about the myriad challenges it faces and demonstrate that despite its flaws, development co-operation can help create a better world. By playing to our unique strengths and being nimble enough to respond to inevitable changes, we will ensure that development co-operation remains vital and effective in building a better future for all.



EXECUTIVE SUMMARY

TIME FOR A NEW DEVELOPMENT CO-OPERATION NARRATIVE

The 2030 Agenda for Sustainable Development and the Paris Agreement on climate change are grounded in the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires co-operation. But the goals are proving hard to reach. Progress is uneven and new challenges are constantly emerging that often overshadow the positive outcomes already achieved.

At a time of deepening scepticism about many international institutions and norms, development actors need to step up and champion the work they are doing. Youth are uniting for action, spurring the need for a new narrative. To engage youth and citizens more broadly and counter a mediadriven narrative that reinforces public perceptions of development co-operation's shortcomings, development co-operation needs a fresh narrative that explains to a wider public what it is, how it operates and why it is needed.

INSPIRING HOPE: CONTRIBUTING TO BETTER LIVES AND A SHARED FUTURE

Nations and societies are largely responsible for their own progress. International development co-operation cannot claim sole credit for development progress, but it can claim a supporting role in helping progress happen. The essence of development co-operation is support to developing countries in their efforts to improve the lives of their citizens, leaving no one behind. Countless compelling examples demonstrate how it adds value, catalyses additional investments, costs significantly less than inaction and benefits everyone by helping to head off future problems.

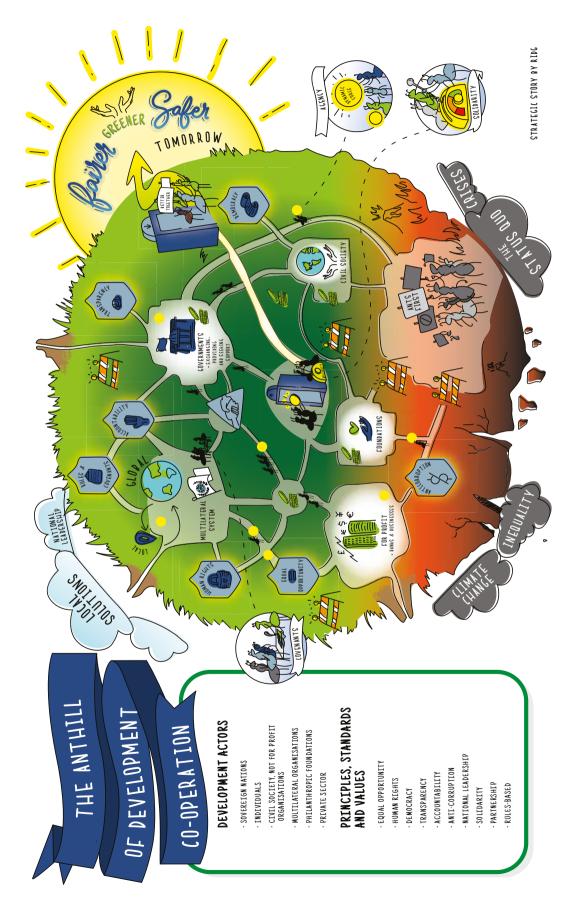
DEVELOPMENT CO-OPERATION IS NEEDED MORE THAN EVER

There is cause for alarm, however, about the future of international development co-operation and the global community's willingness and ability to co-operate effectively and deliver on its promises. When action to reach well-defined and agreed goals for peoples' well-being and sustainable living are off track, it should be a wake-up call that forces international development co-operation actors to ask tough questions about whether they are "walking the talk".

Rising geopolitical and trading tensions between the world's biggest economies appear to be dampening the potential for growth. Global multilateralism and the ambitious goals set by the world community in 2015 are under threat. The rapid digitalisation of the global economy and everyday social interactions is transforming the future of work worldwide. More frequent climate-related shocks are also rattling growth and development prospects, jeopardising hard-won gains by increasing food insecurity, health risks and peoples' vulnerability to extreme weather events. The latest evidence shows that action to achieve the Sustainable Development Goals is falling short on issues that are crucial for a better world, namely gender equality and all other forms of inequality, poverty, fragility and conflict and climate change.

This report calls for a change of course in development co-operation and for OECD DAC governments and their development agencies to step-up action on three fronts. They need to show through words, actions and investments that development cooperation is fit to take on 21st century challenges and open to working with diverse actors for long-term development results. Playing to their strengths they should ensure that development co-operation continues to increase chances of a better tomorrow for one and all. The 'In Brief' section of chapter 1 presents the report's Call to Action.

A CLOSER LOOK AT A COMPLEX DEVELOPMENT CO-OPERATION SYSTEM





DEVELOPMENT CO-OPERATION CHANGING COURSE THROUGH NEW WORDS AND ACTIONS



This chapter illustrates the potential of a new narrative for development co-operation which can inspire renewed public support for international development at a time when, arguably, support is needed more than ever. It reviews the state of progress towards sustainable development and concludes with a call for a change of course with new words and actions to bring the full capacities and resources of the development system to bear on the immense challenges of our time.

BRIFF

IT'S TIME FOR A NEW DEVELOPMENT CO-OPERATION NARRATIVE

- The 2030 Agenda for Sustainable Development and the Paris Agreement on climate change are grounded in the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires co-operation.
- But the Sustainable Development Goals are proving hard to reach. Progress is not fast enough, we are leaving people behind and failing to reach the furthest behind.
- The North-South divide has given way to a more diverse and heterogeneous world where international inequalities remain, but along a more graduated spectrum of development levels.
- Evolving, persistent and new challenges especially on the social and environmental fronts – continuously test the development co-operation system and the actors within it.
- A new, increasingly complex, development co-operation system is taking shape.

Development co-operation is needed more than ever

At its core, support for international development is founded on an understanding that problems are rarely contained within national borders. Neither are the solutions to these problems.

- The essence of development co-operation is to support developing countries in their efforts to improve the lives of their citizens, leaving no one behind.
- We need more, not less, co-operation and collective action.
- Nations and societies hold the keys to their own progress. Development co-operation can only help, but it must do it well.

Call for change of course through new words and action

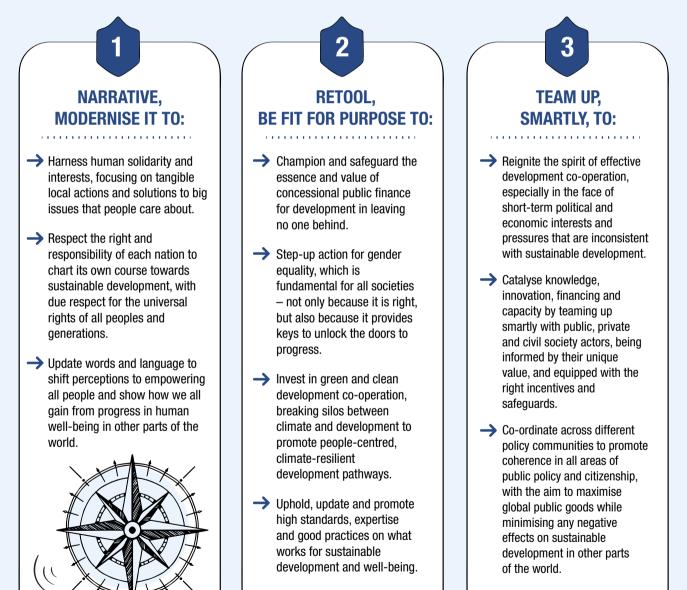
- We must not oversell the role of development co-operation but should not shy away from championing its importance.
- We must play to our strengths and ensure that development co-operation continues to increase our chances of a better tomorrow for one and all.
- To get there, development co-operation providers need to:
 - modernise narratives to inspire public support and trust at home, especially with younger generations and voters;
 - retool to best support the diverse national pathways towards sustainable development; and
 - team up smartly for effective development co-operation, playing to their unique strengths as valuesbased, transparent and results-focused development partners.

) A CALL FOR A CHANGE OF COURSE IN DEVELOPMENT CO-OPERATION



OECD DAC governments and their development agencies need to show through words, actions and investments that development co-operation is fit to take on 21st century challenges and open to working with diverse actors for long-term development results.

THE REPORT CALLS FOR A CHANGE OF COURSE AND ACTION ON THREE FRONTS.



Youth unite for action, spurring the need for a new narrative

In August 2018, a 15-year-old girl armed with a handwritten sign began a solitary school strike outside the Swedish parliament to protest against what she viewed as her government's lack of action on the climate crisis. One year later, Greta Thunberg is a household name. She has built a global movement that is inspiring countless like-minded activists. Those joining her movement include people living in small island developing states who face the most immediate threats from global warming (OECD, 2018₁₁), in authoritarian societies where expressing dissent carries great personal risk and in poor countries that will "suffer the most" from climate change despite contributing very little to the problem.¹

Environmental destruction and global warming have the greatest impact on the world's poorest people and groups whose livelihoods are most dependent on natural resources (OECD, 2019_[2]). Developing countries will bear roughly three-quarters of the total costs of the global climate crisis.

Thunberg readily acknowledges that she is "one of the lucky ones".³ Sweden has the resources to adapt to changing climate, unlike many other countries and communities. Seven thousand kilometres away, in the rural town of Mansa-Konko in Gambia, the capacity to adapt is far different. That is where another activist, Ansumana Darbo, has started a mangrove conservation project that is supported by the United States embassy.⁴ Darbo and Thunberg are connected by their active participation in the Fridays For Future movement and through their shared anger and anxiety for the future of the planet and humanity.

The climate action movement is just the latest illustration of the power of passionate, engaged young people to change local and global conversations on issues of social justice and change, pressuring governments to deliver on their promises. The world has witnessed youth power in action in The disproportionate effect on poorer populations could effectively create a "climate apartheid" wherein the wealthy will be able to escape the worst impacts while everyone else suffers from them.²

Malala Yousafzai's brave fight for the right of all children to receive an education, in Somali-Irish activist Ifrah Ahmed's campaign to eliminate female genital mutilation and champion gender equality, in the efforts by Dutch entrepreneur Boyan Slat to clean up the oceans starting with a floating barrier he developed as a teenager, and in the youth-led Adolescents 360 movement that puts family planning decisions directly in the hands of young people in Ethiopia, Nigeria and the United Republic of Tanzania ("Tanzania").

Today, Yousefzai runs a fund aimed at breaking down the barriers that prevent more than 130 million girls in some of the world's most marginalised communities from going to school.⁵ Ahmed is now advising Somalia's prime minister on gender issues - she convinced him to join with more than 1 million people and sign a petition calling on Somalia to make female genital mutilation illegal.⁶ Slat's group, The Ocean Cleanup, is collecting plastic debris as small as 1 millimetre after seven years of scientific research and dedication.7 Adolescents 360, meanwhile, served more than 138 000 girls with counselling sessions across 11 regions in Tanzania by 2016, leading to nearly 9 out of 10 girls voluntarily taking up a long-acting contraceptive method.8

Their goals are largely the same as the goals articulated by the international community in a series of groundbreaking agreements over the past few years and, more generally, in the core mission of development co-operation (Box 1.2). And behind the scenes, many of these youth and citizen movements are being supported by international development agencies committed to empowering and giving voice to youth as agents of change.⁹

The vision set out in the UN 2030 Agenda for Sustainable Development¹⁰ and the Paris Agreement on climate change¹¹ (UNFCCC, 2015_[3]), both agreed upon in 2015, are countries' promises to their citizens and to each other to secure a shared tomorrow. They were made with the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires co-operation. But these lofty goals are proving hard to reach: progress is uneven and new challenges are constantly emerging that often overshadow the positive outcomes already achieved.

At a time of deepening scepticism about many international institutions and norms, development actors need to step up and champion the work they are doing. To counter a media-driven narrative that reinforces public perceptions of its shortcomings,

- BOX 1.1. WHY DEVELOPMENT CO-OPERATION NEEDS A NEW -NARRATIVE AND CLEAN BREAKS

Globalisation has left many people behind, and the backlash is reverberating within countries and the international system. As OECD Secretary-General Angel Gurría put it succinctly in 2018, trust in governments and institutions is plummeting and populism, protectionism and exclusive nationalism are on the rise (OECD, 2018_[4]). OECD countries, most of which have been providing humanitarian and development assistance for more than 60 years, increasingly face sustainable development challenges at home. Since the financial crisis in 2008 many of the world's richest countries are faced with rising wealth inequality, fraying social cohesion, and austerity policies (Ramos, 2018_[5]).

The impact of these trends on attitudes towards development co-operation is already being felt in some countries in the form of declining or stagnating budgetary allocations and political narratives and policy priorities that emphasise national, bilateral interests over support for multilateral engagement for sustainable development. The development co-operation system itself, sensitive to legitimate concerns that the global community is failing to follow through on its commitments is "in transition and perhaps even turmoil" (Ingram and Lord, 2019₁₆).

Yet the growing interconnectedness of economies and societies makes multilateralism and global governance more important than ever to reduce inequalities and to share benefits more fairly between and within nations.

For a new narrative to be credible, resonate with people, reflect the complex and context-specific nature of international development today, and the universal vision of the 2030 Agenda for Sustainable Development, however, it requires more than just a change in language. It requires a clean break from outdated North-South development co-operation models, with words like 'aid donor' and 'aid recipient' that no longer ring true (Glennie, 2019_[2]; Rioux, 2019_[8]; USAID, 2019_[9]). Recent reports published by the OECD and other organisations lay the groundwork for updating narratives to match today's realities about development co-operation policies, partnerships, financing and results while staying focused on the prize of inclusive and sustainable development - for example (OECD, 2018_[10]; OECD, 2018_[11]; OECD, 2018_[12]).

Choosing the right narrative depends on the audience and what kind of messages resonate with them. Just like marketing or political campaigns, development narratives will have a greater impact if they are based on a deeper understanding of public attitudes and target a more refined set of audience segments. This means that development professionals need to strengthen their listening skills, in part by gathering insights through opinion polls, policy consultations, focus groups and social media analytics.

Note: The final paragraph was contributed by DevCom based on a video entitled "Good Listeners Make Great Development Communicators" OECD DevCom proposes five ways to better understand audiences: See https://www.youtube.com/watch?v=Qso_LcHPhyY.

development co-operation needs a fresh narrative that explains to a wider public what it actually is, how it operates and why it is needed.¹² This report, by illustrating the potential of a new narrative, aims to inspire renewed public support for international development at a time when, arguably, support is needed more than ever (Box 1.1). The report reviews the state of progress towards sustainable development and concludes with recommendations to bring the full capacities and resources of the development system to bear on the immense challenges of our time.

International co-operation contributes to development gains

Feeling overwhelmed, sceptical and indeed cynical about the current state of global affairs is understandable. Across the world, people face an unrelenting barrage of negative headlines from both home and abroad. Even in wealthy nations, a host of pressing domestic issues can make political leaders and members of the public more concerned with what is happening in their own backyards than on the other side of the world and more worried about addressing the here and now than preparing for future calamity. Development professionals understand that it's hard to get people to worry about end of the world-type issues when they're concerned about the end of the month.13

Gains unnoticed

And yet, there is remarkable global progress to be celebrated and better communicated. To name but a few achievements of recent decades, the number of people living in extreme poverty is at a record low,¹⁴ child mortality rates have plummeted¹⁵, literacy is on the rise¹⁶ and nine out of ten girls worldwide - 75% in developing countries now complete their primary education.¹⁷

The nagging feeling that so much of what the world has to celebrate is going

"Does saying 'things are improving' imply that everything is fine, and we should all not worry? Not at all: it's both bad and better. That is how we must think about the current state of the world."

— Hans Rosling

unnoticed was captured in the late Hans Rosling's bestselling book 'Factfulness', which argues that most people are not only unaware of the amazing progress being made, but assume that the world is bad and getting worse (Rosling, 2018_[13]). A more useful, and accurate way of looking at the world, Rosling argued, is to recognise that things are simultaneously "both bad and better" while a fact-based worldview can energise people to identify and tackle real threats.

Inspiring hope: Contributing to better lives

Nations and societies are largely responsible for their own progress. International development co-operation cannot claim sole credit for development progress, but it can claim a supporting role in helping it happen. It adds value, catalyses additional investments, it ultimately proves significantly less expensive than inaction, and it benefits everyone by helping to head off future problems.

The UN 2030 Agenda laid out 17 Sustainable Development Goals (SDGs) to continue to build on progress. It emphasises the need for comprehensive strategies and investments because of the connections between goals – no goal can be achieved in

– BOX 1.2. DEVELOPMENT CO-OPERATION TODAY: -WHAT, WHO AND HOW?

The essence of development co-operation is support to developing countries in their efforts to improve the lives of their citizens, leaving no one behind.

According to the OECD Development Assistance Committee (DAC), the purpose of development co-operation and other relevant policies is to contribute to the implementation of the 2030 Agenda for Sustainable Development and to a future in which no country will depend on aid (OECD DAC, 2017_[14]). Its characteristics, as set out by the UN Development Cooperation Forum, are that it aims explicitly to support national or international development priorities; is not for profit; favours developing countries' priorities; and is based on co-operative relationships that seek to enhance developing country ownership.

Development co-operation comprises an increasingly diverse array of governmental, multilateral and non-state actors working in different ways – government-to-government, people-to-people, peer-to-peer and public-to-private – to advance sustainable development. In the governmental sphere, the main development co-operation communities are members, participants or associates of the DAC or are involved in South-South co-operation. More countries also are teaming up to leverage political, technical and financial resources for development projects through triangular co-operation activities and global and regional development initiatives and funds (OECD, 2019_{I15}).

In 2011, more than 160 countries and over 50 international organisations agreed on shared principles for effective development co-operation (OECD, 2011_[16]), which are reflected in the 2030 Agenda and the Addis Ababa Action Agenda. The Global Partnership for Effective Development Co-operation champions the implementation of these principles amongst diverse development actors including governments, civil society, private sector, parliamentarians and many others.

Official development assistance is the DAC-agreed statistical measure of development co-operation resource flows. The criteria of official development assistance are that it is undertaken by the official sector, has the primary objective of promoting economic development and welfare, and has concessional financial terms (OECD, n.d._[17]). Reflecting the need to capture other resources invested in sustainable development, a diverse, international task force is now developing a shared statistical measure of total official support for sustainable development (TOSSD), including South-South co-operation and triangular co-operation (OECD, 2019_[18]).

Notes:

South-South co-operation is a broad framework for political, economic, social, cultural, environmental and technical collaboration among countries of the global South. Countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. See UNOSSC (2017₁₁₉₁).

Triangular co-operation features different actors coming together in the roles of beneficiary, pivotal and facilitating partner to maximise comparative advantages, share knowledge and expertise, and encourage innovation, mutual learning and mutual accountability. Compelling examples of triangular co-operation in action are presented in (OECD, 2019₁₁₅₁).

isolation and as long as people are being left behind sustainable development is not possible. This pledge to leave no one behind dovetails with development co-operation. In essence it is a commitment to close the gaps that persist between nations, peoples within society and to ensure that those who have been excluded from the progress and opportunities enjoyed by others are prioritised.

While it may be tempting, and all too easy, to succumb to the doom and gloom about the world's problems, individuals' resilience and determination to remake their own and their community's future are reasons for optimism. These can be seen in the inspirational story of Faustin Kalivanda, an Ebola survivor in the Democratic Republic of the Congo who works as a nurse in the same World Health Organization programme that saved his life.18 Or Héctor Alvarado Cantillo, a pig breeder in Costa Rica who built a modern biogas plant to convert polluting farm waste into regenerative electric power for local communities, with the help of the German development agency, GIZ.¹⁹ Or May Kimleang, a Cambodian student who learned about waste management and climate-resilient agriculture at one of the ten eco-schools supported by the EU-funded Cambodia Climate Change Alliance.²⁰ Their stories, and countless others like them, serve as reminders that international development co-operation lays the foundation for long-term results.

Highlighting these types of development success stories can help bring attention to the progress we have achieved and the opportunities we have to create a better world, both now and for future generations. Equally important is addressing head-on some of the myths and misunderstandings about international development and the role different types of co-operation play, while remembering that no country is too poor to share expertise and no country is too rich to learn from others.

Prevention costs less than cure

International development co-operation is widely perceived as more costly than it really is. Not only do taxpayers consistently overestimate the amount of money their governments commit to development projects²¹ but, as shown time and again, it is proof of the old adage that prevention is better than cure. The Institute for Economics and Peace, for instance, finds that every dollar invested in peacebuilding efforts now saves USD 16 through avoiding costly conflict in the future.²² Similarly, the United Nations and World Bank conclude that investing in conflict prevention has the potential to save the world USD 33 billion annually under neutral scenarios and USD 5 billion under even the

The best way to tackle misperceptions is to show development co-operation's unique qualities and strengths, beyond money, to support sustainable development that benefits everyone.

most pessimistic scenarios (UN/World Bank, 2018_[24]).

Education, too, brings about future savings. There is evidence that every additional dollar invested in quality early childhood programmes yields a return of USD 6-17 (World Bank Group/UNICEF, 2018₁₂₅₁). The preventive benefits of spending on education are particularly pronounced for girls, who continue to lag behind boys' education levels in many countries. When girls are taken out of school, they are likely to earn significantly less than their male counterparts and they have less agency over their lives. For example, they are more likely to be married or have children early, which puts both their own health and the health of their children in jeopardy and increases overall fertility rates. But the effects go far beyond ensuring women's rights to decide for themselves. Research for the World Bank, summarised in a 2018 study, found that limited educational opportunities for girls cost countries between USD 15-30 trillion in lost lifetime productivity and earnings, and concluded that achieving universal secondary education would virtually eliminate child marriage and reduce total fertility by onethird in the 18 countries studied.²³

Boosting exports and creating jobs at home

The benefits of development co-operation manifest beyond partner countries. Studies

BOX 1.3. INSIGHTS FROM OPINION POLLS ABOUT DEVELOPMENT -CO-OPERATION TO INFORM NEW NARRATIVES

The following insights are drawn from recent polls by Eurobarometer, Development Engagement Lab and national polls.

Opinion polls find generally positive public attitudes about development co-operation. Development assistance is widely seen by respondents as beneficial to all. People are also interested in hearing more about it: for example, 55% of New Zealanders say they hear "far too little" or "too little" (New Zealand Ministry of Foreign Affairs and Trade, 2019₍₂₀₎) and 77% of French people feel poorly informed about foreign aid (AFD, 2017₍₂₁₎).

Support is high and growing in some countries. Nearly nine out of ten European Union (EU) citizens responding to a June 2019 Eurobarometer survey said that development co-operation is important to support people in developing countries. This was in line with findings over recent years that development co-operation is one of the most positively perceived EU policies. Other surveys by Aid Attitudes Tracker (2013-18), finds support in France for increasing aid spending grew from 18% to 33% and support for cutting aid spending fell from 43% to 27%. The German public start from a higher level of support than in the other countries, but increase in support has been more modest.

Development assistance helps abroad and at home. On balance, the public thinks governments can make a difference in reducing poverty. France stands out, showing the greatest positive shift in views that governments can effectively address poverty in poor countries.

Roughly one-third of respondents in France, Germany and the United Kingdom agree that development assistance helps poor countries become self-sufficient. Respondents were more likely to agree than disagree that it helps poor countries grow their economies. They also saw benefits at home, with more than one-third agreeing that development assistance increases their country's influence in the world, and four in ten agree it is an important way to make friends and allies. Respondents are also more likely to agree than disagree that development assistance helps their country sell more goods and services around the world.

What do people prioritise? Education, health (fighting infectious diseases such as HIV/AIDS and malaria and providing vaccinations), and infrastructure (roads, access to clean water, sanitation and telecommunications) rank the highest among 11 areas identified by Development Engagement Lab. Debt relief, promoting good governance and women's empowerment have been lesser priorities.

Evidence from the United Kingdom shows increasing importance of climate change, with a majority of respondents (51%) citing it as one of their top issues. More than 20% cited education, health care, clean water and hunger in developing countries as issues they care about (Development Engagement Lab, September 2019).

What about corruption and waste? In the United States, more than 50% of respondents think that most aid doesn't get to its intended recipients, a figure that rises to more than 60% in France, Germany and the United Kingdom, (2018 data, Development Engagement Lab). Respondents also expressed strong views that corrupt politicians are to blame for development co-operation not getting to the people who need it. A long-standing paradox in public opinion research is that this perception does not undermine overall support for development co-operation.

Sources: Development Engagement Lab (2019_[22]), Opinion Polls on International Development (website) https://focus2030.org/ Focus-2030-2; Kantar Belgium, (2019_[23]), Eurobarometer 494: EU Citizens and Development Cooperation https://ec.europa.eu/europeaid/ special-eurobarometer-eu-citizens-and-development-cooperation-2019_en

in a number of OECD countries find that their development co-operation boosts exports and job creation at home. One review found that every euro spent on German aid between 1978 and 2011 generated an average increase of EUR 0.83 of German goods exports, and that those export gains helped to create approximately 216 000 new jobs.²⁴ Another study found that in the United Kingdom, every USD 1 of direct bilateral development finance creates a USD 0.22-increase in exports, and that in 2014 alone, the USD 5.9 billion it provided in direct bilateral assistance increased United Kingdom exports by USD 1.3 billion and created 12 000 jobs.²⁵ A paper by the Australian National University found even greater donor benefits, showing that USD 1 of Australian aid increases Australian exports to the recipient country by USD 7.10.²⁶

Building local institutions and capacity for greater autonomy

A catalytic way of supporting developing countries is through the generation of domestic revenue that allows those countries to finance their own sustainable development. The landmark 2015 development financing agreement known as the Addis Ababa Action Agenda (UN, 2015_[26])²⁷ put domestic resource mobilisation front and centre with revenue-boosting measures that include improving tax collection and cracking down on tax evasion. This particular brand of international development co-operation supports greater self-reliance while ensuring a fair deal for all.

By the OECD's own, conservative estimate, as much as USD 240 billion is lost every year to tax avoidance or the exploitation of uneven tax rules. These losses are particularly significant in developing countries that are highly dependent on corporate income tax. The Tax Inspectors Without Borders initiative supports countries in building their own tax audit capacity. As of October 2018, the initiative had helped ten countries collect over USD 414 million in revenues that otherwise may have been lost. A knock-on effect of stronger tax capacity is that local taxpayer scepticism seems to decline, which in turn increases citizens' voluntary compliance with local tax laws, domestic tax revenue and funding for development (OECD, 2019_[27]).²⁸

The levelling of the field in international trade also spurs economic growth. Joint work by the OECD and the World Trade Organization through the Aid for Trade initiative looks at how developing countries can improve their competitiveness; expand and diversify their trade; attract foreign direct investment; create employment; and ensure women, youth and micro-, small and mediumsize enterprises have opportunities to engage in trade. There is evidence that USD 1 in aid for trade creates USD 8 in extra trade for all developing countries and USD 20 for least developed countries (OECD/WTO, 2019_[28]).²⁹

While these unique features of international development co-operation provide developing countries with a needed hand up, the critical ingredients for long-lasting results are developing countries' domestic policies: a lesson that Korea shares as a DAC member (Box 1.4). Demand-driven international development co-operation does more than provide money in the form of grants and loans to help to achieve ambitious domestic agendas. Importantly, it also includes political support, technical capacity and knowledge sharing.

Development should be led by developing countries themselves, taking a practical approach tailored to their own specific situations and needs

- Byung-se Yun, Former Korean Foreign Minister

A good example of this can be found in Ethiopia, where the government-run Productive Safety Net Program (PSNP) has lifted millions of people out of poverty by providing cash and food transfers to citizens who are able to contribute to projects that prioritise climate resilience. Launched in 2005, the PSNP is now the largest climate change adaptation programme in Africa.³⁰ Thanks to

BOX 1.4. LESSONS FROM KOREA'S EXPERIENCE WITH -DEVELOPMENT CO-OPERATION

Korea became a member of the Development Assistance Committee in 2010, capping its remarkable transition out of extreme poverty through the catalytic use of development co-operation and other resources. In addition to channelling official development assistance to rebuild itself after war and establishing social infrastructure for economic growth, Korea worked to mobilise other sources of development finance to achieve fiscal independence. Then-Foreign Minister Byung-se Yun, writing in 2014, advised that developing countries looking to make the same transition should also take ownership and mobilise development resources through the catalytic use of official development assistance. "Development should be led by developing countries themselves, taking a practical approach tailored to their own specific situations and needs," Yun stated. "Each country needs to strengthen its own capacity to establish effective policies and institutions in support of its strategic vision for development on the ground."

Source: Yun, B, 2014 (_[29]) "In my view: Korea's use of ODA can guide other countries in their development" cited in (OECD, 2014_[30]), https://doi.org/10.1787/dcr-2014-en

the project's success in helping to cut poverty rates in half, it has been hailed as a model for other African countries.³¹ Currently in its fourth phase, the costs of the PSNP are shared by the Ethiopian government, the World Bank and at least nine countries that provide development co-operation.³²

Tunisia offers another example of development co-operation supporting local action. Since 2011, Tunisians have participated in several free presidential and parliamentary elections, adopted a new constitution and voted in a parliament with better gender balance than exists in most OECD countries.³³ Tunisia's ongoing transition to democracy is being driven from within but is also being buoyed by international support including the Deauville Partnership, an initiative backed by the Group of Seven that champions continued dialogue on economic and governance challenges in the Middle East and North Africa.³⁴ Pooled funds supported by a mix of nations and organisations also offer financial support to enhance economic stability in Tunisia and promote good governance, job creation, economic diversification and social cohesion.35

Viet Nam, too, has benefitted significantly from development co-operation in its social and economic transition. Since the first market reforms (Đổi Mới) in the late 1980s, when it was one of the world's poorest countries, Viet Nam has undergone a fundamental shift to become a lower middleincome country today. Gross domestic product has roughly doubled every decade and absolute poverty (less than USD 1.9 per day) has fallen from 50% to less than 4% of the population today, driven by economic growth along with investments in social protection.³⁶ During this time, support and development co-operation from a range of multilateral organisations and countries improved economic infrastructure and services and social sectors. Today, as Viet Nam transitions to middle-income status official development assistance continues to play a role but is declining as an overall share of total finance for development.37

New solutions

Today's development projects take new and innovative approaches to delivering solutions. The Building Blocks initiative of the World Food Programme, for instance, uses blockchain technology to deliver food assistance more effectively to more than 100 000 Syrian refugees in Jordan.³⁸ Another example is Phones Against Corruption, an SMS-based reporting system developed by the United Nations Development Programme and the Australian telecommunications company, Mobimedia. It offers a simple and anonymous way to report corruption in Papua New Guinea,³⁹ which ranks near the bottom of Transparency International's Corruption Perceptions Index (Transparency International, 2018_[31]). By 2015, Phones Against Corruption had received over 20 000 messages that resulted in over 250 investigations into corruption and the arrest of two public officials for mismanaging more than USD 2 million.

A further example of innovation is the use of digital technologies in crisis response. Through the digital mapping platform Ushahidi, people in different countries can make themselves visible on the map during crises by using GPS technology that gives them access to a direct channel of communication with government agencies or organisations that can best meet their urgent needs. Such a project would not be possible without the partnerships across foundations, civil society, private sector actors and development bodies.⁴⁰

New solutions don't just harness technology, they extend to innovative financing projects. Among the new approaches to attracting capital to rural areas in developing countries, for instance, is the Agri-Business Capital Fund. Initiated by the International Fund for Agricultural Development, the fund provides loans and equity investments adapted to the needs of small and medium-sized enterprises, farmers' organisations, and rural financial institutions (International Fund for Agricultural Development, 2019_{ray}).

Development co-operation is held to high national and international standards

While a widely held public perception is that too much public finance for development

is lost to corruption and wastefulness, development spending is actually subject to rigorous scrutiny and accountability. When corruption does occur, there is zero tolerance and solid procedures for reporting, dealing with and sanctioning it. Most development agencies encourage and support whistleblowers.⁴¹ Development spending also undergoes regular national and international performance and spending reviews, audits and evaluations. These independent reviews largely conclude that aid spending is effective. The UK Independent Commission for Aid Impact for example, reviewed findings of 28 performance reviews of the country's aid between 2015 and 2019 and found that two-thirds of the reviews had strong or satisfactory achievements (ICAI, 2019,133).

Scepticism about the effectiveness of development co-operation is not new (Box 1.5) and preoccupies most actors involved. Indeed, the international community has invested significantly since 2003 to increase effectiveness. While there is always room to improve, it is notable that the 2019 monitoring report by the Global Partnership for Effective Development Co-operation finds countries have made significant progress in strengthening the quality of national development planning over time and country-level mutual accountability mechanisms are evolving and becoming more inclusive.⁴²

Members of the OECD Development Assistance Committee – an international forum of many of the largest providers of development co-operation - undergo peer reviews to assess how well they are meeting commitments to international development and to evaluate the capacity of their systems to ensure that their partnerships and projects work.⁴³ Based on these reviews, OECD members then make formal recommendations to the countries, which are taken up roughly 80% of the time. Since 2015, the Multilateral Organisation Performance Assessment Network (MOPAN) has assessed the performance of

BOX 1.5. IS DEVELOPMENT CO-OPERATION EFFECTIVE? –

A 2019 review of empirical studies on the impact and efficacy of development assistance for international development opens with this reminder: "The debate on the effectiveness of foreign aid is as old as the history of foreign aid itself." The review by University of South Africa researchers also concludes that there is "significant evidence of the effectiveness of foreign aid on poverty reduction" (Mahembe and Odhiambo, 2019₁₃₄₁).

Likewise, a 2016 article in *The World Bank Economic Review* concluded that the long-term "macroeconomic effects of aid are consistently positive" and that foreign aid makes significant contributions to "achieving development objectives" (Arndt, Jones and Tarp, 2016_{I351}).

Moreover, a study from the U.S. Congressional Research⁴³ released earlier this year also concluded that effective foreign aid helps foster democratic transitions by offering election support, supporting judicial and law enforcement reforms and boosting support for human and democratic rights.

Source: (UN, 2019_[36]) Climate change and poverty: Report of the Special Rapporteur on extreme poverty and human rights https://www.ohchr.org/Documents/Issues/Poverty/A_HRC_41_39.pdf

26 multilateral organisations that receive high levels of development co-operation funding.⁴⁵ A recent review of the MOPAN assessments found that, overall, multilateral organisations perform to satisfactory levels.⁴⁶

The development community also puts in place mechanisms that incentivise shared standards, practices and values. The recently adopted DAC Recommendation on the Humanitarian-Development-Peace Nexus, for example, aims to promote more coherent action among the world's leading humanitarian, development and peace actors in fragile and crisis contexts.⁴⁷ This recommendation requires a shared approach that prioritises prevention always, development wherever possible and humanitarian action when necessary.

The DAC also responded rapidly when evidence of sexual abuse by development workers emerged from major scandals in 2018. In 2019, it issued a critical Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance.⁴⁸ This constituted the first multilateral agreement to hold member states to account and help countries improve systems to prevent and respond to sexual misconduct in the development sector, and set out a clear framework that puts survivors and victims first. It also represents a commitment to take leadership to ensure gender inequalities and power imbalance are addressed more effectively.

Development co-operation is needed more than ever

Despite all these positive stories, there is a growing sense that we have reached a pivotal moment for sustainable development: progress is not fast enough, we are leaving people behind and failing to reach the furthest behind. In so many ways, the world is better equipped than ever before to address development challenges. Rapid technological changes are creating vast opportunities to share knowledge, deliver co-operation more effectively, and design creative solutions to development challenges. But the contextspecific nature of development is that it is ongoing and the reality of development co-operation is that it must adjust to evolving, persistent and newly emerging challenge that continuously test the development system and the actors within it.

At a turning point for sustainable development

The transformative and ambitious idea that underpins the 2030 Agenda and its

Goals (SDGs) is the universality of sustainable development. Everyone stands to gain or lose. The latest evidence shows that action to achieve these global goals is falling short. In its 2019 report on the status of SDG achievement, the UN finds that "extreme poverty remains stubbornly high in lowincome countries and countries affected by conflict and political upheaval, particularly in sub-Saharan Africa", and projects that 6% of the world's population will still be living in extreme poverty in 2030.49 Moreover, the number of malnourished people around the world has increased for three straight years⁵⁰. The number of violent conflicts is at a 30-year high, and fragility impacts 28% of the world's population. Only 18% of contexts affected by fragility are on track to meet selected SDG targets.⁵¹ More people are displaced than at any time since the end of the Second World War. The past four years have been the warmest on record and the trend is almost certain to continue.52 At the same time, rising geo-political and trading tensions between the world's biggest economies appear to be dampening the

17 interdependent Sustainable Development

economies appear to be dampening the potential for growth.⁵³ The rapid digitalisation of the global economy and everyday social interactions is transforming the future of work worldwide,⁵⁴ but this presents both opportunities and risks for countries that are less integrated in the global economy.⁵⁵ More frequent climate-related shocks are also rattling growth and development prospects, jeopardising hard-won gains⁵⁶ by increasing food insecurity, health risks and peoples' vulnerability to extreme weather events.

The global community is undermining its own capacity to tackle these interlocking challenges by failing to follow through on its financial commitments. Only five DAC countries, some donor countries in the Gulf region and Turkey are meeting the international target of spending 0.7% of gross national income on ODA. The failure of so many donor countries to honour this target is compounded by the problems caused when many partner country governments are slow to reform, and raise and invest domestic resources in the best interests of their citizens.

Ending poverty and fighting gender and all forms of inequality

Women and girls are disproportionately affected by poverty. Sustainable development is simply impossible if half of humanity continues to be denied rights and opportunities. Many women are denied access to the political space, which prevents them from voicing their concerns, shaping policies or accessing services due to gender inequalities. Women tend to have the jobs that are the least secure, unpaid and lowest- paid.57 Violence against women is pervasive across the world.58 Exposure to conflict or to fragile situations only deepens structural inequalities. In conflict situations, for instance, young girls are 2.5 times more at risk of not attending school than boys; nine out of the ten countries with the highest child marriage rates are considered fragile or extremely fragile.59

SDG 5 to achieve gender equality and empower all women and girls is a central goal for the 2030 Agenda. Although trends show that a growing number of countries are prioritising this goal by releasing feminist foreign and international policies,⁶⁰ and increasing their budgets for gender issues, it remains the most under-funded goal across the agenda – in 2016-17 funding for development programmes that target gender equality and women's empowerment as the main objective was as low as 4% of ODA.

Of the world's 20 youngest countries, 19 are in Africa. Africa's youth population is projected to double to 830 million by 2050. With 30 million young Africans entering the labour market every year until 2030, job creation is falling far short of what they will need and demand.⁶¹ The consequences of youth unemployment are universal and serious. It can potentially create grounds for conflict, encourage irregular migration, and lock generations into poverty and inequality. Botswana President Mokgweetsi Masisi describes African youth unemployment as a "ticking time bomb".⁶²

At least 730 million people are currently living in extreme poverty and as many as 2.3 billion people are living in fragility-affected contexts. To help end these conditions between now and 2030, smarter, more context-specific and more gender-focused humanitarian, development and peace interventions are needed. The enormity, and urgency, of the task has sunk in for the international community. OECD data show that public development finance in fragile contexts was more than USD 74 billion of net ODA in 2017.⁶³

But can we leave no one behind in a world that is so unequal? Sustainable, inclusive development is impossible without addressing one of the greatest global challenges of all -widening, corrosive economic inequality that is leading to fragmented societies.⁶⁴ Accompanying the growth in income inequality is rising wealth inequality that has reached a bewildering scale, with 1% of the world's population now owning 50% of the world's wealth.⁶⁵

The bleak outlook for achieving the sustainable development goals over the next decade underscores how crucial it is that international development co-operation focus on gender equality and empowering women and girls, eradicating extreme poverty and reversing the trend of rising inequalities with a focus on creating jobs. In particular, it should explicitly recognise the overlapping inequalities experienced by women, and people who are members of marginalised or vulnerable groups.⁶⁶

Tackling root causes of fragility

Fragility manifests itself in conflict, terrorism, homicides, poverty, forced displacement, disasters and famine. Fragile countries and contexts are not necessarily in such full-blown crisis that they grab the world's attention or flicker even briefly across television screens and rolling news feeds. Fragility stalks those places where equitable and sustainable development is lagging and where unacceptable levels of human suffering are commonplace. It has taken hold in the forgotten crises and neglected emergencies that receive only intermittent media coverage,⁶⁷ such as the 1.5 million children in the Central African Republic who require humanitarian assistance and the civil war in Yemen that, five years on, remains the world's "worst humanitarian disaster" in the view of the UN.⁶⁸

As noted in States of Fragility 2018 (OECD, 2018₍₁₁₁), fragility will spread unless its drivers are addressed and dedicated support is mobilised. Without significant action 34% of the global population, or 3.3 billion people, will be living in fragile contexts by 2050. The long-term development co-operation that is needed to address the underlying drivers requires a new approach that addresses fragility in all its dimensions, including through dialogue at the highest levels to address political fragility; reform of the security sector to address the security dimension; and economic, social and environmental programming to address the other drivers of fragility. Critically, all of these interventions are intensive processes that require time and patience to show real results, and thus risk being put aside as luxuries in the face of emergency needs.

Public finance for development, especially concessional grants and loans that make up ODA, is a powerful tool to address fragility and one of the few financial flows that fragile contexts can depend on.⁶⁹ However, an outbreak of immediate crises has resulted in development co-operation budgets being diverted to much-needed humanitarian aid and, in the recent past to in-donor refugee costs, rather than going to long-term development that would address the drivers of fragility.⁷⁰ OECD work calls for understanding that not all of the needs of those affected by fragility are humanitarian in nature and thus a humanitarian response is not by default the best instrument to meet people's needs.

- BOX 1.6. TAKING PEOPLE'S OPINIONS INTO ACCOUNT FOR A BETTER HUMANITARIAN RESPONSE

Humanitarian and development agencies are increasingly recognising that it is critical to take into account the opinions of people who are on the receiving end of such support in order to improve outcomes. This was raised and agreed at the World Humanitarian Summit in 2016. Surveys conducted in Afghanistan, Bangladesh, Haiti, Iraq, Lebanon, Somalia and Uganda find that respondents increasingly perceive that their opinions are being considered. In Somalia, for example, up to 75% of aid recipients reported they are aware of the aid available to them and feel that providers take their opinions into account. Challenges remain, for instance in Lebanon, where only 31% of respondents indicated they are aware of the aid available and just 9% feel that their opinions are taken into account.

Source: (OECD, 2019_[37]), *Humanitarian Financing* (webpage), http://www.oecd.org/dac/conflict-fragility-resilience/humanitarian-financing/.

It requires the use of a larger toolbox, including political dialogue, peace instruments and development co-operation funds.

Understanding and better managing forced displacement and migration

At the end of 2018, nearly 71 million people were forced from their homes as a result of violence, persecution, conflict and natural disasters. Of these, 41.3 million are internally displaced, 25.9 million are refugees and 3.5 million are asylum seekers (UNHCR, 2019_[38]). As alarming as these numbers are, many more people also are unable to escape the dire conditions under which they live.

This widespread global displacement has reverberated throughout host countries, eliciting mixed political and social responses ranging from warm welcomes at train stations to rising xenophobia and racism. Although the influx of migrants starting in 2015 caused a political backlash in some OECD countries, the recent refugee crises in fact disproportionally affect poor and middleincome countries, not wealthy nations. Nearly 80% of all refugees are living in countries that border their home countries (Box 1.7). When allowed to improve their livelihoods through employment, refugees also contribute to the local economy, yielding development benefits (OECD, 2018,111).

Our house is on fire: Getting serious about climate change and its impact on development

No challenge highlights better our connected future than the crisis of climate change and environmental destruction that threatens to wipe out hard-earned development gains and overshadow and worsen all other challenges. The growing protests across the world, spearheaded by young people who see their own futures at stake, expose the lack of effective action by governments, the private sector and the international community more broadly. The vast majority of countries have set climate action targets that are woefully inadequate and that, collectively, have no chance of meeting the Paris Agreement goal of limiting temperature increases to 1.5°C to combat climate change and adapt to its effects.71

Globally, climate progress has stalled. In 2018, emissions grew at the fastest rate since 2011 as fossil fuel consumption rose and renewable energy installations stagnated⁷². These backward steps come at a time when the consequences of climate disruption and the world's unsustainable rates of consumption are on full display. Oceans are acidifying, causing dramatic changes in marine ecosystems. The Amazon rainforest burned at an unprecedented rate in August 2019, threatening one of the planet's most effective

BOX 1.7. SOME ILLUSTRATIVE FACTS ABOUT DISPLACEMENT

Two-thirds of all refugees in the world come from the five conflict-ridden countries of the Syrian Arab Republic, Afghanistan, South Sudan, Myanmar and Somalia. War and violence are not the only factors driving people from their homes, however. The economic collapse and political and humanitarian crises in the Bolivarian Republic of Venezuela have prompted 4 million Venezuelans to flee to neighbouring countries in recent years, including 1 million taken in by Colombia.

Natural disasters and extreme weather events are also displacing people from their homes. The International Displacement Monitoring Centre estimates that such disasters caused 17.2 million new displacements in 2018 alone.

Source: (UNHCR, 2019_[39]). Venezuela Situation, http://reporting.unhcr.org/sites/default/files/UNHCR%20Update%20on%20Venezuela%20 Situation%20-%20May%202019.pdf.

means of keeping greenhouse gases out of the atmosphere. Major cities like Cape Town in South Africa and Chennai in India have come dangerously close to running out of clean water. As humankind consumes more and more land and resources, nearly 1 million species are threatened with extinction (UN, 2019_[40]).

Nonetheless, plenty of evidence indicates that progress is possible. At the UN Climate Summit in September 2019, 65 countries committed to reaching net zero emissions no later than 2050 and China and India announced new domestic initiatives to cut emissions.⁷³ Morocco has built the world's largest concentrated solar farm⁷⁴ and Nordic nations are in a race to see who will be the first to reach carbon neutrality, although they are unlikely to catch up to Costa Rica, which is on track to become carbon neutral by 2021 (Irfan, 2018₁₄₁₁).

Development co-operation has a critical role to play in supporting developing countries as they shift to low-emissions, climate-resilient development pathways that provide opportunities for inclusive growth to protect the poor and ensure higher wealth and well-being globally (OECD, 2019_[2]). The stakes are very high. Development co-operation providers that fail to support ambitious climate action risk instead supporting unsustainable development. There are signs that things may finally be moving in the right direction. The Islamic Development Bank, for example, recently decided that all of its investments must be climate-compatible and lead to sustainable development.⁷⁵ But on the whole, development co-operation has yet to align development and climate action by including climate and environment considerations more deliberately across portfolios. In key sectors such as energy, agriculture, forestry and fishing, water and sanitation, the share of climate-related development finance has either slowed or stalled in recent years (OECD, 2019₁₇₁).

Challenging times for multilateral co-operation

In the face of these shared challenges, we need more, not less, co-operation

Trust in governments and institutions is plummeting and populism, protectionism and exclusive nationalism are on the rise

- OECD Secretary-General, Angel Gurría

and collective action. Just four years after adopting the 2030 Agenda and other international agreements adopted in 2015, there is concern that 2015 may end up representing "the zenith of global multilateralism".⁷⁶ In 2019, global multilateralism and the ambitious goals set by the world community are under threat.

The global co-operative spirit, bolstered by an agreed-set of international laws and norms, is how we tackle threats to global peace, security and prosperity and set a trajectory for future generations. This spirit is responsible for milestones like the Chemical Weapons Convention, the first multilateral disarmament agreement to provide for the elimination of an entire category of weapons of mass destruction.⁷⁷ It's responsible for the EU Solidarity Fund, created in 2002 to help EU member countries recover from disasters. It's the reason 152 countries endorsed the first Global Compact on Migration, which strengthens states' sovereignty to manage migration while empowering migrants and host communities.78

The dynamism of new powers from the developing world are demanding a more equitable distribution of voices and responsibilities, which is enhancing and challenging global governance. The emergence of South-South co-operation is part of a rebalancing of political and economic power worldwide.⁷⁹ Along with these geopolitical changes, international capital markets have grown larger. This has increased the risks of financial instability, tax avoidance, tax evasion and illicit flows, but also diversified the sources of development financing, resulting in easier access to private finance for many developing countries. As a consequence, the relative weight of ODA among international resources for development, especially in many middleincome developing countries, has shrunk significantly.80

The BRICS states of Brazil, Russia, India, China and South Africa are also creating new multilateral institutions, for instance through the establishment of the New Development Bank, which aims to "mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries".81 Many of these nations are simultaneously benefiting from and contributing to development co-operation. Their growing roles illustrate that countries can no longer be divided neatly into developed and developing. Emerging economies may still contend with high levels of extreme poverty domestically even as they are global players within international development, whether through their seats in the Group of Twenty or through South-South co-operation.

Each individual nation, from the wealthiest to the most challenged, sits firmly in the driver's seat on its own development journey. But their development pathways are shaped by a multilateral system that is built on political legitimacy, neutrality and wide membership. As the largest financing partners to the multilateral system, countries providing development co-operation play a major role in keeping the system running to reach the end destination of a peaceful world with protected global public goods.⁸²

We all stand to gain

At its core, support for international development is founded on an understanding that problems are rarely contained within national borders. Neither are the solutions to these problems. This understanding predates the OECD itself. At the closing address of the Bretton Woods Conference in 1944, United States Treasury Secretary Henry Morgenthau, Jr. called on the 44 assembled nations to put forth a "united effort for the attainment of common goals" to support the basic notion that "the peoples of the earth are inseparably linked to one another by a deep, underlying community of purpose".⁸³

Today, thanks in large part to rapid advancements in technology, the people of the world are connected in ways that would have astounded Morgenthau and his contemporaries. But the underlying, simple reality has not changed – a world that's fairer, greener, safer and more prosperous is a world that benefits everyone. While local populations are worst affected, the consequences of conflict, health pandemics, extreme poverty and climate change are not confined by borders so no nation has the luxury of turning its back on what is happening elsewhere.

While a mix of co-existing interests shape development co-operation, there is a shared common interest in long-term developmental goals. Thus, international development co-operation is not driven solely by altruism or a selfless global focus. As far back as 1996, the DAC recognised member states' "strong moral imperative to respond to the extreme poverty and human suffering" alongside their "strong self-interest in fostering increased prosperity in the developing countries".⁸⁴

Mutual benefits are not confined to foreign policy and economic considerations but extend as well to other risks to human security like health. Take the example of the vaccination campaign launched jointly by Brazil and Paraguay in September 2019. Recognising that diseases know no borders, the campaign aims to intensify vaccination coverage against measles, yellow fever and other diseases in the border cities of Argentina, Brazil, Paraguay and Uruguay.⁸⁵

Putting sustainable development at the heart of national interests

This acknowledgement of interests and mutual benefits is neither new nor particularly controversial. There is plenty of evidence to show that development co-operation serves a range of national interests by establishing diplomatic relations, gaining soft power influence, spurring economic growth and trade opportunities, while promoting peace, prosperity and stability in order to reduce conflict, instability and the associated large movements of people.

But also, development co-operation policy does not operate in a vacuum. All nations have widespread political, economic and commercial interests that are not always consistent with shared agendas for sustainable development. The DAC has long argued that while national interests are legitimate in international development policy, they will ultimately prove self-defeating if they don't contribute to sustainable development (Box 1.8)⁸⁶. Managing competing national interests is challenging politically and requires strong, evidence-based and effective policy-making processes that manage tradeoffs. Development actors need to be vigilant in making a convincing case and showing how policies that are coherent with sustainable development contribute to national interest.87

Being catalytic in a complex and evolving international landscape

A new development architecture is still taking shape after more than a decade of fundamental shifts and disruption in the global development landscape.88 The emergence of providers in the Gulf region, private actors and philanthropies is one major change. The increasing importance of South-South co-operation and triangular co-operation is another. The number and types of financial actors is growing, among them global and regional multilateral development banks and national development finance institutions, accompanied by new funding instruments such as impact bonds, Islamic finance tools and mezzanine finance. Box 1.9 presents some of the challenges arising from this array of options in the international development financing landscape.

More diverse actors and instruments

International development co-operation actors and civil society organisations admit they are still coming to terms with this new world, "grappling with complexity", fearful of a plateau in public budgets for development

BOX 1.8. DEVELOPMENT IN THE NATIONAL INTEREST: WHAT POLICIES SAY

Most countries are quite open about how their taxpayers and private companies will directly benefit from support for international development.

The US, for example, explicitly mentions "the value of foreign assistance to American security and prosperity", and frames the assistance as a "hand up, rather than a hand-out" in its 2019 policy framework. Likewise, the United Kingdom Aid Strategy calls for "tackling the great global challenges [...] that directly threaten British interests", while the Danish development co-operation strategy lays out a variety of initiatives that "will also benefit the Danish economy, trade and investment".

The Netherlands agenda for aid, trade and investment states the country's "mission is to combine aid and trade activities to our mutual benefit" whereby the "expertise of Dutch companies" can be exported to partner countries with the expectation that "in return, the Dutch private sector will gain a toehold in growth markets".

Ireland's policy for international development frames the country's national interests more broadly, stating that "our long-standing commitment to internationalism, to multilateralism and a rules-based global system is central to how we further our national interest. Ireland's development co-operation contributes to a better world for us all, shaping and protecting our stability, our prosperity, our strategic interests and our common future."

Source: (Keijzer and Lundsgaarde, 2018_[42]), When 'unintended effects' reveal hidden intentions: Implications of 'mutual benefit' discourses for evaluating development cooperation, https://www.sciencedirect.com/science/article/pii/S0149718917302951; (USAID, 2018_[43]), Joint Strategy Plan FY 2018-2022, https://www.state.gov/wp-content/uploads/2018/12/Joint-Strategic-Plan-FY-2018-2022.pdf; (Government of Ireland, 2019_[44]), A Better World: Ireland's Policy for International Development, https://www.irishaid.ie/media/irishaid/aboutus/abetterwo rldirelandspolicyforinternationaldevelopment/A-Better-World-Irelands-Policy-for-International-Development.pdf

and political challenges to the "rules-based, rights-based" approach to development.⁸⁹ The dramatic process of change underway within the development co-operation system means that the "North-South divide has given way to a more diverse and heterogeneous world where international inequalities remain, but along a more graduated spectrum of development levels".90 While the shared crises we face have disturbed national and international equilibria, they offer a chance to build a new, cohesive world built on relationships that go beyond donors and recipients (Rioux, 2019_[8]). These relationships are blossoming through triangular co-operation. For example, activities such as the project between Cambodia, Colombia and Japan to build up the Cambodian Mine Action Centre's capacity to share its demining expertise with Colombia.91

Development leaders are somewhat apprehensive about this evolving international landscape. But they are also hopeful that an influx of funding and ideas from emerging economies, the private sector, philanthropists and civil society organisations will provide new opportunities to deliver on plans and promises for more sustainable development.

As noted, new players are shaking up the traditional architecture of international development co-operation. China, for example, is projected to invest as much as USD 1.3 trillion in its ambitious Belt and Road Initiative, which includes projects in 65 countries.⁹² According to some estimates, China will spend more in Africa than the United States within the next decade.⁹³ India, too, has provided massive development assistance to neighbouring countries and particularly Afghanistan, where its more than USD 3 billion in development spending makes it the largest donor.⁹⁴

The increased importance of private actors – both for-profit and not-for-profit - in international development is exemplified by

– BOX 1.9. NEW SOURCES OF FINANCING AND INSTRUMENTS: MAKING THEM WORK FOR DEVELOPMENT

The 2015 Addis Ababa Action Agenda provides the framework to finance the SDGs. Underpinning this financing agenda is the recognition that more domestic and external resources need to be mobilised in order to fill the estimated funding gap of USD 2.5 trillion per year in developing countries.

This investment gap, when combined with today's constrained public budgets, challenges development actors to make the best use of limited public resources to partner with the private sector more effectively, mobilise private funds and direct those funds to best serve the SDGs.

OECD work on development finance has highlighted the increasing range and complexity of the financing system that offers countries a choice of at least 1 000 different financing instruments. The rise of blended finance – the use of official development finance to mobilise private finance towards sustainable development – illustrates this increased complexity. At least 17 OECD DAC members currently undertake blended finance operations. The consolidated portfolio of the 15 members of the European Development Finance Institutions was EUR 41.2 billion in 2018, up from EUR 11 billion in 2005.

In addition to concessional public finance such as ODA, public and private investors in development projects are increasingly using new mechanisms such as mezzanine finance (a hybrid instrument situated between debt and equity that is used mostly by private sector actors and institutional investors) and guarantees (instruments that provide protection against political and/or commercial risks).

The challenges of the new financing landscape and public and private sectors partnering more include issues related to transparency, common rules, accountability balanced with lenders' concerns about financial returns. The following reforms are needed to improve clarity and focus on targeting development finance to where needs are greatest.

- **Transparency and measurement**. Better indicators and tools should be developed to track, monitor and assess the volume of financial flows and their alignment with the SDGs.
- Better regulation and incentives. An efficient market for financing for sustainable development is needed to unlock more financing, focus on impact, improve monitoring and evaluation, and be consistent with goals. The market also needs to eliminate the mismatch between mobilising new sources of financing and an international accountability framework that is geared solely toward ODA.
- More co-ordination. Ad hoc projects will not be sufficient to reap the untapped universal benefits of blended finance and to deliver the trillions necessary to achieve the SDGs. Governments and the private sector need broad, ambitious and co-ordinated strategies to mobilise additional resources.
- **Effectiveness:** The five Kampala Principles (Global Partnership for Effective Development Co-operation, 2019_[45]) on effective private sector engagement in development co-operation raise the stakes for partnerships. Going beyond minimum environmental, social and governance standards for the private sector, the voluntary principles aim to enhance the positive contribution of core business operations to sustainable development.

Source: (OECD, 2018_[12]), Global Outlook on Financing for Sustainable Development 2019: Time to Face the Challenge, https://dx.doi.org/10.1787/9789264307995-en; (OECD/UNCDF, 2019_[46]), Blended Finance in the Least Developed Countries, https://doi.org/10.1787/1c142aae-en; (OECD, 2018_[47]), OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals, https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/OECD-Blended-Finance-Principles.pdf; (OECD, 2019_[48]), Social Impact Investment 2019: The Impact Imperative for Sustainable Development, https://doi.org/10.1787/9789264311299-en.



"I foresee poor countries, who are currently weaker partners in development co-operation, becoming knowledgeable of their rights and being empowered towards self-reliance and true co-operation. But I also foresee resistance from the rich countries towards this goal. Consequently, there will be a temporary mess in development co-operation, but it will finally lead to true development co-operation."

- Member of Southern Voice network



the Bill and Melinda Gates Foundation, which accounted for nearly half of all philanthropic funding between 2013 and 2015,95 and is disbursing more money for development than many mid-sized countries that are members of the DAC. Other high net worth individuals also are stepping up their philanthropy. Sudanese-British businessman Mohammed Ibrahim, for instance, established the Mo Ibrahim Foundation in 2006 to focus on the quality of governance in Africa. The Foundation has partnered with a number of other actors to expand its impact on the continent. Philanthropy is also expanding greatly in India, where philanthropic organisations and individuals are pumping an estimated USD 10 billion into development initiatives.⁹⁶ Indian information technology investor Azim Hashim Premji is now believed to be the world's fifth-largest philanthropic giver.

But investing in development and wellbeing is not just for the rich. New models of financing development are springing up that harness blockchain technology to enable people-to-people funding. One example is Kiva, a non-profit organisation that bills itself as providing "loans that change lives". It connects individual borrowers in more than 80 countries with approximately 1.8 million lenders who support small businesses and entrepreneurs – most of them women – with loans as small as USD 25; its repayment rate is more than 90%.

Age of choice for developing countries

For developing countries, the growing diversity of development actors creates "an age of choice".⁹⁷ With so many options available, they are in a stronger position to demand new solutions and more equal economic and development partnerships, on their terms.

There are numerous examples of low- and middle-income countries that are taking resourcing matters into their own hands. Ghana Beyond Aid, for instance, seeks to mobilise domestic resources to create jobs, increase exports, improve agriculture practices and reduce poverty.98 Rwanda's Home Grown Solutions strategy is designed to support its goal of transitioning to an upper middle-income country by 2035 and a high-income country by 2050. Another Rwandan project, the Cooperation Initiative, aims to foster co-operation and ensure that development finance is consistent with domestic priorities (Klingebiel, 2019_[49]). Lowand middle-income countries also are joining forces for sustainable development, for example in the ambitious, co-ordinated Great Green Wall project to combat desertification and land degradation and improve the lives of millions of people in Africa (Great Green Wall, n.d., ...).

The fragmentation of the global development system is raising concerns in developing countries, too. In an OECD survey of members of the Southern Voice network, representatives of think tanks in Africa, Latin America and Asia cited the growing presence of emerging economies such as China and India within development as one of the development system's biggest changes at a time when development co-operation spending is plateauing in OECD countries.⁹⁹

Adjusting to countries changing needs

As countries transition to higher incomes and their markets mature, development co-operation tends to move towards mutually beneficial economic and trading partnerships, although this is not necessarily the case everywhere, for example in small island developing states (OECD, 2018₁₁). At the same time, development co-operation policy and finance take on more catalytic roles, especially in facilitating knowledge transfer, through aid for trade and other cooperation that is more economically focused. OECD work on transition finance shows that as countries' income per capita increases, the portfolio of financing for sustainable development tends to shift from public to private and from external to domestic (through tax).

The main challenge for countries is ensuring the right financing balance between public and private, especially in relation to debt levels. When Zambia, for example, graduated from the low-income developing country category, it continued to rely on external public finance for its development, including ODA (Kim et al., 2018, 511). However, as it gained easier access to international debt markets, it saw its debt service grow to account for 42% of domestic revenue in 2019, which led to cut backs in health and education services with consequences for peoples' well-being. In situations like these, ODA plays an important role in supporting governance reforms and public financial management to help countries anticipate and manage the risks of transition.

When done smartly, development co-operation can help most developing countries navigate and harness the complex and increasingly broad range of options of financial instruments (OECD, 2018,12). But public and private flows must also be made to work for the most vulnerable countries, underserved markets and smaller investment projects.¹⁰⁰ For example, many small to mid-size enterprises are too big to access microfinance, yet too small or perceived as too risky to access commercial loans from mainstream financial institutions. These companies, which are often the greatest job creators (OECD, 2018_[10]), could benefit from more development finance. For public actors that are partnering with private lenders, a major challenge is often how to shift focus from quantity to quality, moving beyond merely counting the money invested to instead being accountable for development results and reaching those being left behind.101

Shared incentives and focus on greatest needs and results

The development landscape today – more complex, more diverse, more uncertain and more open to innovation – is certainly disorienting. To navigate it, an engaged public sector and an enlightened business community need to come together and find shared value in development investments. The financing needed to achieve the SDGs, and keep pace with evolving risks and opportunities, is in the international finance system.¹⁰² The bigger challenge is how to marshal the array of resources and actors to maximum effect for sustainable development.

It is crucial to ensure, for instance, that financing reaches those places where it is most needed. Between 2012 and 2017, just 6% (USD 9.7 billion) of the private finance mobilised by ODA went to the least developed countries, while over 70% went to middleincome countries. But improving the financing system requires better measures of support and more transparency (Box 1.9). At present, there is no way to effectively measure all official support, either financial or in-kind, received by developing countries. Crafting a new international development finance standard that increases transparency of all official support for sustainable development is the aim of the TOSSD International Task Force, which seeks to complement ODA.¹⁰³

Development co-operation policies and financing tools such as ODA may be relatively small players in the overall scheme of things, but used well, they can function as a tugboat that helps pull and push much larger resources in the right direction, thus aligning the various diverse actors and available instruments with the policies and strategies that can ultimately make our lofty development goals reality.

What now?

There is cause for alarm about the future of international development co-operation and the global community's willingness and ability to co-operate effectively and deliver on its promises. When well-defined and agreed goals for people's well-being and sustainable living are off track, it should be a wake-up call that forces international development co-operation actors to ask tough questions about whether they are "walking the talk".

Take on the critical challenges

But things don't have to be this way. The world is complex, progress is uneven with some signs that hunger and conflict are relapsing. But when seen through the wide lens of history we are living in an extraordinarily peaceful and prosperous time.¹⁰⁴ The international rules-based system combined with national leadership, good policies and reforms, investments and innovation have been driving factors behind phenomenal and rapid progress over the last century. But the nature of development is that it is never complete and peoples' sense of reality is often that things are "both bad and better".

Throwing up our collective hands in the face of shared problems is not an option. Walking away from the multilateral systems and processes that have guided progress in the post-Second World War era and adopting an "every nation for itself" mindset in its place, would virtually guarantee that these problems, not least the climate crisis, will become much worse. For everyone, everywhere.

These challenges create a conundrum for those working in international development co-operation. The sector needs to demonstrate how development co-operation will change to realise the shared agenda for sustainable development. The development community needs to have frank discussions that are often avoided, including to address the inherent tensions between the need for global, collective and rules-based action, on one hand, and the right and responsibility of every sovereign nation to look after its own citizens, on the other.

Remake the case

By embracing the "no one will be left behind" pledge at the heart of the 2030 Agenda, UN member states committed to universal, equitable and sustainable development for all, including those in the poorest, most vulnerable and hardest to reach areas.¹⁰⁵ The moral imperative to respond to the most challenging contexts – whether violent conflict, natural disasters, health pandemics or hunger – is a major driving factor behind international development co-operation. It is why the global community has committed to tackling the inequalities and vulnerabilities that force our fellow humans to live in conditions we would not accept in our own communities.

There are many ways to begin a conversation with citizens about development. For example, narratives can appeal to their sense of community or demonstrate the effectiveness of development co-operation and the importance of sustainable development (see Figure 1.1). In explaining why sustainable development matters, we can also show citizens how they can get involved personally.¹⁰⁶

Renew the co-operative spirit

Striving towards a better tomorrow requires that we accept that co-operation has greater benefits for all of us than ungoverned competition. It requires citizens to understand better the universal nature and benefits of sustainable development, peace and prosperity, even if there is no guarantee that this understanding will translate into public support. As we strive for that future, we also have to replace our divisions and outdated ideas of "us" and "them" by harnessing human solidarity and creativity and joining forces to deliver solutions.

Shared values that respect human rights, democracy and the rule of law help lay the groundwork for mutual accountability in development co-operation. These values – combined with principles of transparency, accountability and quality standards – help level the playing field, making it easier to team up, blend and partner behind the global agenda for sustainable development. International willingness to renew and update principles and standards for good development co-operation through inclusive processes

Figure 1.1. Narrative examples "We're in this together" "Development works" Appeal to a sense Combine stories of community. and data to show hiahliahtina that development shared goals, funds are values and invested REST responsibilities. wisely. FOUR **NARRATIVES CHOICES** FOR DEVELOPMENT FEILONS COMMUNICATIONS ISSUE Inspire your Teach people audience and about wellbeing and sustainability, give them the information they and show how need to join they are in the global effort. everyone's interest. "Here's how you can help" "Development matters"

Source: Excerpt from the OECD DevCom Toolkit for Sustainable Development Communications (forthcoming) http://www.oecd.org/dev/pgd/devcom.htm.

can also help shape positive interactions in today's intricate international system of state and non-state development actors.

Act, don't react

Striking the right balance between global concerns and national sovereignty is just one step on the road to modernising international development co-operation. This new approach should also be clear about what it actually means to leave no one behind, and put in place strategies for handling tough choices, trade-offs and the interests of those groups who face short-term economic or political losses – such as power or profit - from more just and sustainable development.

Not only must this pledge continue to drive us to deliver on our existing global commitments to fair, climate-resilient and sustainable development for all nations and peoples, starting with women and girls. It must also push us to act on behalf of future generations. As daunting as our collective challenges may seem today, they will pale in comparison to the challenges that await future generations if we do not act.

If one Swedish teenager can change the global conversation about global warming in just one year, surely the governments of the world can show that they care and that they are listening by taking the actions necessary to deliver on the change millions are demanding. Of course, achieving systemic reforms to make the global economy and society fairer and more sustainable is no easy task. It takes leadership at all levels of society that puts in place the right incentives to get all actors behind the vision of sustainable development.

These active approaches must guide international development co-operation in the future. Creating a fairer, greener and safer tomorrow requires development actors to be two steps ahead of looming problems and to be honest, frank and forthcoming about what they can do better.

International development co-operation cannot create a perfect world. But it does help create a better one. We must not oversell its role, and we should not shy away from championing its importance. The flow of finance and ideas that stems from development co-operation are underpinned by solidarity and public support. They are built upon shared values and commonly defined standards and norms. To build a better tomorrow, we must play to these strengths and ensure that the unique role of development co-operation continues to increase our chances of success for everyone.

Way forward: A call for a change of course in development co-operation

OECD DAC governments and their development agencies need to show through words, actions and investments that development co-operation is fit to take on 21st-century challenges and open to working with diverse actors. This change of course requires a smart balancing act – inspiring public support and trust at home, especially with younger generations and voters; supporting rapidly changing and varied national pathways towards sustainable development; and all the while, playing to unique strengths as values-based, transparent and results-focused development partners.

Changing course requires action on three fronts

1. Narrative, modernise it

 Engage citizens to craft modern and collective narratives that harness human solidarity and interests, focusing on local actions and solutions to big issues that people care about most – climate, health, basic needs, justice, saving lives – and around which progress cannot be taken for granted. Narratives must make action tangible for the public or risk overwhelming people, increasing anxiety and stymieing action.

- Respect the right and responsibility
 of each nation to chart its own course
 towards sustainable development,
 with due respect for the universal
 rights of all peoples and generations,
 home-grown solutions, and protecting
 global commons and goods. Explain
 the diverse and catalytic roles that
 development co-operation plays in
 different contexts.
- Update words and language to move public perceptions away from money and corruption, hand-outs and charity towards the empowerment of all people through education, jobs and other sources of resilience, starting with women and girls. Let narratives show how we all gain economically, socially and environmentally from progress in human well-being in other parts of the world.

2. Fit for purpose, retool

- Champion and safeguard the essence and value of concessional public finance for development to support local, national, regional and global efforts to leave no one behind – and with a laser focus on root and system-wide causes of fragility, all forms of inequality, poverty and exclusion, building resilience, and ensuring more coherent action in humanitarian assistance, development and peace.
- Step-up action for gender equality, which is fundamental for all societies – not only because it is right, but also because it provides keys to unlock the doors to progress.
- Green and clean development co-operation, breaking silos between climate and development to promote people-centred, climate-resilient development pathways.
- Uphold, update and promote high standards, expertise and good practices

informed by decades of experience and lessons, new research and evidence, and peer learning from all relevant actors, including citizens, on what works to achieve progress in well-being and why.

3. Team up, smartly

- Reignite the spirit of effective development co-operation by remaining true to the central tenets of solidarity, country ownership, partnership, mutual accountability, transparency, responsible practices and long-term commitment to development results, especially in the face of short-term political and economic interests and pressures that are inconsistent with development.
- Catalyse knowledge, innovations, financing and capacity towards sustainable development by teaming up smartly with public, private and civil society actors, informed by their unique value and potential and equipped with the right incentives and safeguards for sustainable development.
- Co-ordinate across different policy communities to promote coherence in all areas of public policy and citizenship, to maximise global public goods while minimising any negative effects of domestic policies and actions on sustainable development objectives in other parts of the world.

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NOTES

- 1. For more information, see a video address by UN Secretary General António Guterres at the Consultative meeting of the Climate Commission for the Sahel Region at (UN, 2019₁₇₁).
- 2. Philip Alston, the United Nations Special Rapporteur on Extreme Poverty and Human Rights, used the term "climate apartheid" in his report to the UN Human Rights Council (UN, 2019_{rec}).
- A transcript of Thunberg's speech at the United Nations Climate Action Summit in 2019 can be found: https://www.npr.org/2019/09/23/763452863/transcript-greta-thunbergs-speech-at-the-u-n-climate-actionsummit?t=1571741067836&t=1571840436200
- 4. See (Entrepreneurship Campus, 2019_[106]) for more information.
- 5. See (Malala Fund, 2018,107), https://www.malala.org/ for more information.
- 6. See (Ahmed, 2016_[124]) for more information.
- 7. See (The Ocean Cleanup, 2019₍₅₉₎) for more information.
- 8. See Adolescents 360 (2016_[70]).
- 9. See for example, Restless Development, which works with young people so that they can lead in solving those the challenges that effect their lives. Its and whose financial partners include civil society organisations, foundations and many OECD governments. Further information about the range of funding partners is available at: https://restlessdevelopment.org/funding-partners.
- 10. See UN (2015₁₆₉₁).
- 11. See UNFCCC (2015_[3]).
- 12. For a review of the impact of media coverage on attitudes towards aid, see (Anders, 2018_{r68}).
- 13. This point was made in several consultations conducted between May and September 2019 for this report (see acknowledgements).
- 14. See World Bank (2018, 671).
- 15. UNICEF (2019_[66]).
- 16. See UNESCO (2018_[65]).
- 17. See Wodon et al (2018_[64]).
- 18. See WHO (2019_[63]) for more information.
- 19. See GIZ (n.d.₁₆₂) for more information.
- 20. See European Commission (2019_[61]) for more information.
- 21. Public opinion polls regularly show that people significantly over estimate budgets for development co-operation: American taxpayers on average believe that foreign aid accounts for a full 26% of the federal budget compared to roughly 1% that the US government actually spends on aid (https://www.kff.org/global-health-policy/poll-finding/data-note-americans-views-on-the-u-s-role-in-global -health/).
- 22. The Institute for Economics and Peace notes that the cost-effectiveness ratio of peace building is 16:1, based on Rwanda as a case study. The case study, "History of peacebuilding expenditures in Rwanda", can be found at (Institute for Economics and Peace, 2017, pp. 22-30₍₁₂₉₎).
- 23. See (Wodon et al., 2018_[64]) for more information.
- 24. See (Martínez-Zarzoso et al., 2016₁₉₁₁) for more information.
- 25. See (Mendez-Parra and Willem te Velde, 2017₁₉₃₁) for more information.
- 26. See (Amum Otor and Dornan, 2017₁₉₂₁) for more information.
- 27. See (UN, 2015_[26]) for more information.
- 28. See (OECD, 2019_[27]) for more information.
- 29. See (OECD/WTO, 2019_[28]) for more information.
- 30. See (European Commission, 2019_{[1011}) for further information.
- 31. See (Gashaw, 2018_[102]) for further information.
- 32. See (DFID, 2015_{103}) for further information.

- 33. See (OECD, 2019[116]).
- 34. See (OECD, n.d._[104]).
- 35. OECD data show that ODA to Tunisia increased nearly 40% (from USD 780 million to USD 1.08 billion) from 2010 to 2011, and a further 18% from 2011 to 2012 (to USD 1.27 billion). Since 2012, ODA has remained at around the same level. Data can be accessed at http://dotstat.oecd.org/Index.aspx?QueryId=93599.
- 36. See OECD (forthcoming $_{[141]}$) and (Kolev, 2018 $_{[97]}$) for further information.
- According to OECD (forthcoming_[141]), Viet Nam is in a special situation of not using most of the available ODA for macroeconomic, debt management reasons.
- 38. See (World Food Programme, 2018,1001) for further information.
- 39. See (OECD, 2014_[74]) for further information.
- 40. These include such as Cisco, the Ford Foundation, Google, Humanity United, the MacArthur Foundation, the Rockefeller Foundation, the Knight Foundation, the United States Agency for International Development (USAID) and the United Kingdom Department for International Development.
- 41. See the OECD Recommendation of the Council for Development Co-operation Actors on Managing Risks of Corruption (OECD, 2016_[55]). See also the example of Norway and its "zero tolerance policy" (Government of Norway, 2019_[98]) and its "guidelines for dealing with suspected financial irregularities in the Foreign Service" (Government of Norway, 2019_[99]).
- 42. See Moreira da Silva and Modéer (2019_[131]) and OECD/UNDP (2019_[130]).
- 43. See http://www.oecd.org/dac/development-assistance-committee/ for more information about the DAC.
- 44. See (Congressional Research Service, 2019[136]).
- 45. MOPAN is a network of 19 donor countries. In 2017, MOPAN member countries accounted for more than 85% of official funding to multilateral organisations. MOPAN supports the needs of its members through the collection, analysis and presentation of relevant and credible information on the performance of the multilateral organisations they fund. Since 2015, MOPAN has assessed 26 organisations using its harmonised approach, the MOPAN Methodology 3.0, which includes more than 240 performance criteria grouped under 12 Key Performance Indicators. More information available at: http://www.mopanonline.org/home/
- 46. Information shared by MOPAN Secretariat on basis of MOPAN official document.
- 47. The recommendation can be accessed at: https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020
- The recommendation can be accessed at: https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020
- 49. See UN (2019_[117]) for further information.
- 50. See FAO (2019_[126]).
- 51. See Samman et al (2018₁₉₆₁).
- 52. See NASA (2019[56])
- 53. See key message "low growth ahead" in September 2019 OECD Interim Economic Outlook (OECD, 2019₁₁₃₃).
- See OECD (2019_[134]) for evidence and analysis on the *Future of Work* and (World Bank, 2019_[135]) *The Changing Nature of Work* https://www.worldbank.org/en/publication/wdr2019.
- 55. See (OECD/WTO, 2019_[28]), (AUC/OECD, 2018_[89]) for further evidence and analysis.
- 56. See (OECD, 2018,100) for evidence and analysis on the risks of being left behind.
- 57. See (Hedman and Williams, 2018_[94]) for further evidence and analysis.
- 58. It is estimated that 35% of women worldwide have experienced either physical and/or sexual intimate partner violence or sexual violence by a non-partner (not including sexual harassment) at some point in their lives. However, some national studies show that up to 70% of women have experienced physical and/ or sexual violence from an intimate partner in their lifetime, see https://www.unwomen.org/en/what-we-do/ending-violence-against-women/facts-and-figures
- 59. See (Hedman and Williams, 2018, p. 101₁₉₄₁) for further evidence and analysis.

- 60. Feminist foreign and development co-operation policies promoted by Canada, France and Sweden, for example, go in this direction. See overview of DAC members latest policy priorities at the Development Co-operation Profiles: https://doi.org/10.1787/2dcf1367-en.
- 61. See (AUC/OECD, 2018_[89]), and the overview and the megatrends chapter at (OECD, 2018_[118]).
- Quoted at "Delivering the Promise of Africa's Youth" panel session at the World Economic Forum on Africa 2019 (World Economic Forum on Africa, 2019₍₁₃₂₎).
- 63. See http://www3.compareyourcountry.org/states-of-fragility/flows/2/ for further information.
- 64. See (Kolev, 2018₁₉₇₁) for further evidence and analysis.
- 65. See (Kolev, 2018₁₉₇₁) for further evidence and analysis.
- 66. See Hedman and Williams (2018_{I941}).
- 67. An analysis of United States media broadcasts by the Tyndall Report (2018_[88]), found that the Central African Republic conflict received just one-third of the airtime committed to coverage of the royal wedding in the United Kingdom in 2018.
- 68. See UN (2019_[119]) and UNICEF (2018_[53]) for further information.
- 69. According to (OECD, 2018₁₁₁), ODA accounts for two-thirds of external finance to fragile contexts.
- View States of Fragility platform for extensive analysis of financial flows: http://www3.compareyourcountry. org/states-of-fragility/overview/0/
- This is according to the Climate Action Tracker, which monitors climate action in 32 countries, which account for roughly 80% of global emissions. See also (UNFCCC, 2019₁₁₁₂₁).
- 72. See Climate Action Tracker (2019_[120]).
- 73. See UN (2019_[121]).
- 74. See Shields and Masters (2019_[122]).
- 75. See Islamic Development Bank (2019₁₈₇₁) for more information.
- 76. See Thier and Alexander (2019_[138]).
- 77. (OPCW, 2019_[86]) for more information.
- 78. See (UN, 2018_[85]) for more information.
- 79. See (Mawdsley, 2012_[84]) for more information.
- 80. More information can be found at (OECD, 2014_[54]) and (OECD, 2018_[12]).
- 81. See (New Development Bank, 2017_[83]) for more information.
- 82. According to Jenks and Topping (2019, p. 14_[90]), 74% of the direct funding to the UN Development System comes from governments, 57% from DAC countries and 11% from non-DAC countries; indirectly, governments also funded the UN Development System via EU institutions and in part via UN pooled and vertical funds.
- 83. See (Morgenthau Jr., 1944₁₈₂₁) for more information.
- 84. See (OECD DAC, 1996_[81]) for more information.
- 85. See (PAHO/WHO, 2019_[80]) for more information.
- 86. More about OECD work on policy coherence for sustainable development can be found at (OECD, 2019_(res)).
- 87. See the OECD recommendation on policy coherence at (OECD, 2019_[95]).
- 88. See Kharas and Rogerson (2017[139]) and Ingram and Lord (2019[6]).
- 89. See (Ingram and Lord, 2019_[6]) for more information.
- 90. See Alonso (2018_[137]).
- 91. See OECD, 2019 (p. 26_[15]).
- 92. See (Morgan Stanley, 2018_[78]) for more information.
- 93. See (Feng and Pilling, 2019_[127]) for more information.
- 94. See (TNN, 2019_[79]) for more information.
- 95. See (OECD, 2018,10) for more information.
- 96. See Srinath I (2019_[140]).
- 97. See (Greenhill, Prizzon and Rogerson, 2013₁₇₇₁) for more information.

- 98. See (Carey, 2018_[76]) for more information.
- 99. The OECD consulted the Southern Voice network for input on the added value, changing role and main challenges in development co-operation. Ten members of the network responded, representing views from Africa, Asia and Latin America.
- 100. See (Gertz and Kharas, 2018₍₁₁₄₎) and Chapter 10 in (OECD, 2018₍₁₀₎) on micro-, small and medium-sized enterprises.
- 101. See (OECD/UNCDF, 2019_[46]) for more information and analysis of these issues.
- 102. See (OECD, 2018₁₁₂₁) for more information about financing for development.
- 103. More information about TOSSD at https://www.oecd.org/dac/financing-sustainable-development/tossd. htm
- 104. See for example evidence cited by Pinker (2018_[142]) and Our World in Data: https://ourworldindata.org/ war-and-peace
- 105. See OECD (2018₁₁₀₁) for more information.
- 106. At a DevCom Meet-Up at the 2019 European Development Days, participants identified 4 narrative options for development communicators. See *Takeaways*, OECD DevCom 2019. https://www.oecd.org/dev/pgd/ Takeaways_DevCom_Meet_Up_2019_EDDs.pdf



DEVELOPMENT CO-OPERATION PROFILES AT A GLANCE



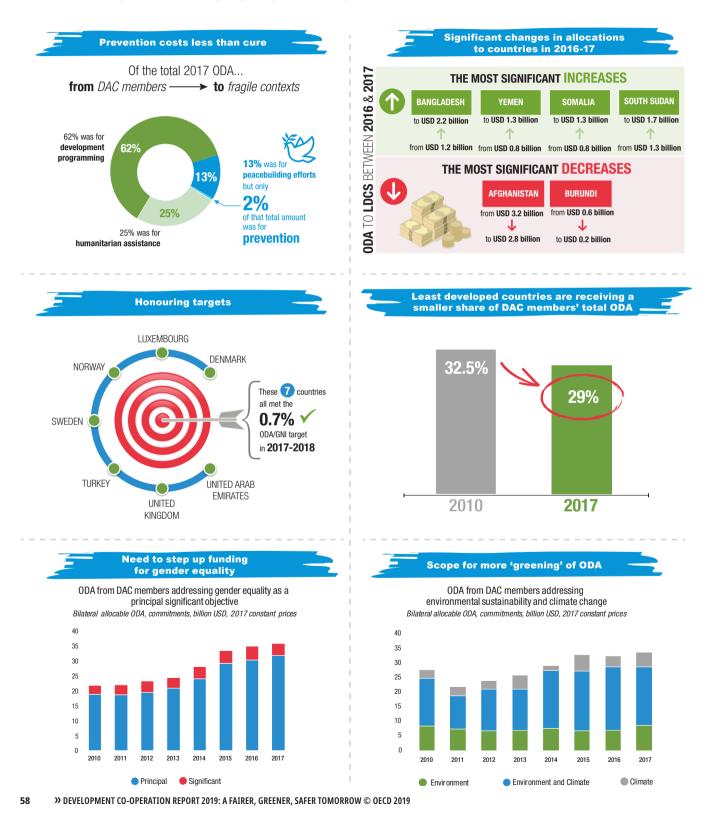
ABSTRACT -

This chapter is an infographics-style synthesis of the digital publication *Development Co-operation Profiles 2019.* The first section highlights emerging trends and insights on development finance, followed by four sections with the profiles of official and philanthropic providers of aid, official development assistance (ODA) and development finance. These providers include members of the OECD and its Development Assistance Committee (DAC), other countries and philanthropic foundations. The profiles give an overview of key data and policy priorities for development co-operation. Most DAC members have agreed to a target of providing 0.7% of their gross national income as official development assistance. EU member states that joined the EU before 2002 agreed to a collective target for the EU of 0.7% of GNI as ODA, whereas EU member states that joined after 2002 committed to increase their ODA to 0.33% of GNI.

DEVELOPMENT CO-OPERATION REPORT 2019 TRENDS AND INSIGHTS ON DEVELOPMENT FINANCE

WHERE THE MONEY GOES

What insights can be gleaned from this year's profiles of development co-operation providers, OECD statistics on official development assistance (ODA) and private development finance, recent publications and DAC Peer Reviews?



USD 143.2

OVERALL NET ODA FLOWS (preliminary data, 2017 prices) from DAC members in 2018 which decreased compared to USD 147.2 billion in 2017. Current levels of ODA do not match the collective ambition of the 2030 Agenda for Sustainable Development or the international commitments set out in the Addis Ababa Action Agenda. Comprehensive 2018 ODA data are not yet available for countries beyond DAC members.

PROVIDED FOR DEVELOPMENT in 2017 by the 26 private philanthropic foundations sharing data with the OECD. Foundations allocated USD 3.7 billion to health and population in 2017, making them the second most important source of development finance in this area after the United States.



USD 6.1

billion

SHARE OF DAC MEMBERS that updated their development co-operation policies and strategies since 2017. New policies and strategies identify how members will contribute to achieving the Sustainable Development Goals in developing countries – both directly and by addressing global challenges – while also serving their national interests in areas such as trade and security.



CORRESPONDING TO 4% OF BILATERAL ODA, were dedicated to gender equality as a main objective in 2017, a figure that has not increased over recent years.

SHARE OF BILATERAL ODA (USD 40.1 BILLION) supporting the environment in

2017 while one guarter (USD 30.7 billion) focused on climate change. Overall



levels of ODA supporting environmental sustainability and climate change have increased over time.

FINANCING MOBILISED FROM THE PRIVATE SECTOR IN 2017 by official development finance interventions. At less than a quarter of ODA volumes in 2017, financing mobilised from the private sector is modest. Furthermore, foreign direct investment in developing countries fell by USD 70 billion, or 11% between 2015 and 2016.



USD 33.9

billion

SHARE OF BILATERAL AID that was marked as "unallocated" by country in 2017, which increased from 25% in 2007. Better reporting is needed to fully track where ODA is going.



DAC MEMBERS' ODA BUDGETS are managed across an increasing number of government departments and agencies. This broadens the pool of expertise available to solve development challenges, but brings with it challenges of co-ordination and coherence.

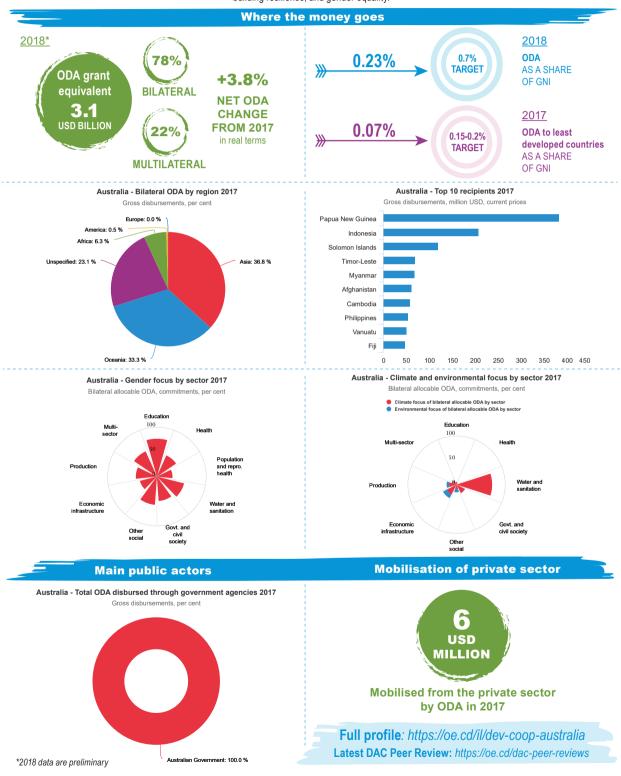
OFFICIAL PROVIDERS REPORTING AT THE ACTIVITY LEVEL TO THE OECD

This section includes information on the volumes and key features of development co-operation provided by 42 development co-operation providers that report regularly to the OECD their development co-operation resource flows at the activity level.

DEVELOPMENT CO-OPERATION AT A GLANCE AUSTRALIA

Latest policy

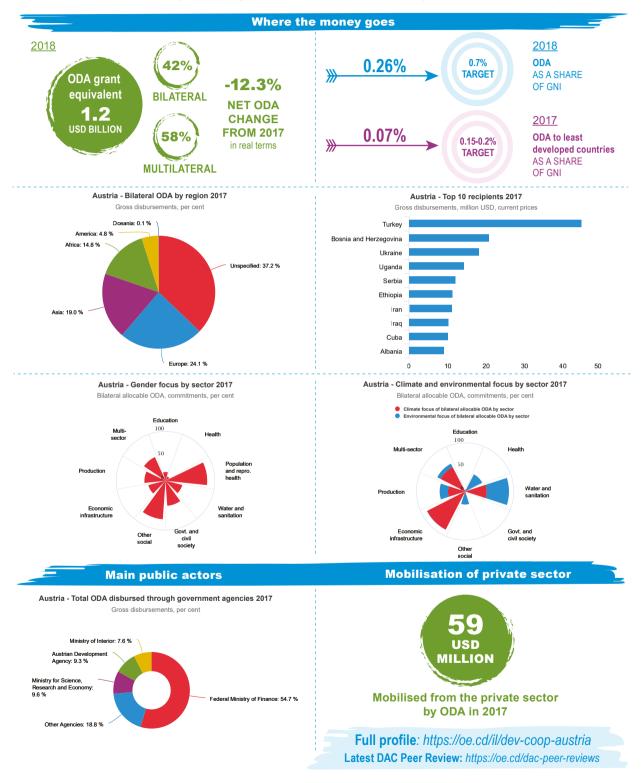
The development policy - Australian Aid: Promoting Prosperity, Reducing Poverty and Enhancing Stability - focuses on infrastructure; trade facilitation and international competitiveness; agriculture, fisheries and water; effective governance; education and health; building resilience; and gender equality.



DEVELOPMENT CO-OPERATION AT A GLANCE AUSTRIA

Latest policy

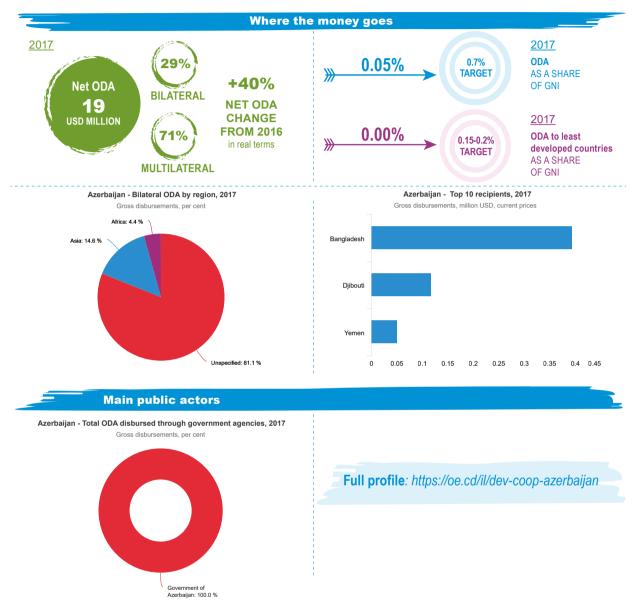
The Three-Year Programme for Austrian Development Co-operation (2019-21) prioritises meeting basic needs to eradicate poverty; sustainable economic development; protecting and preserving the environment; peace and security; building inclusive societies; and promoting women.



DEVELOPMENT CO-OPERATION AT A GLANCE AZERBAIJAN

Latest policy

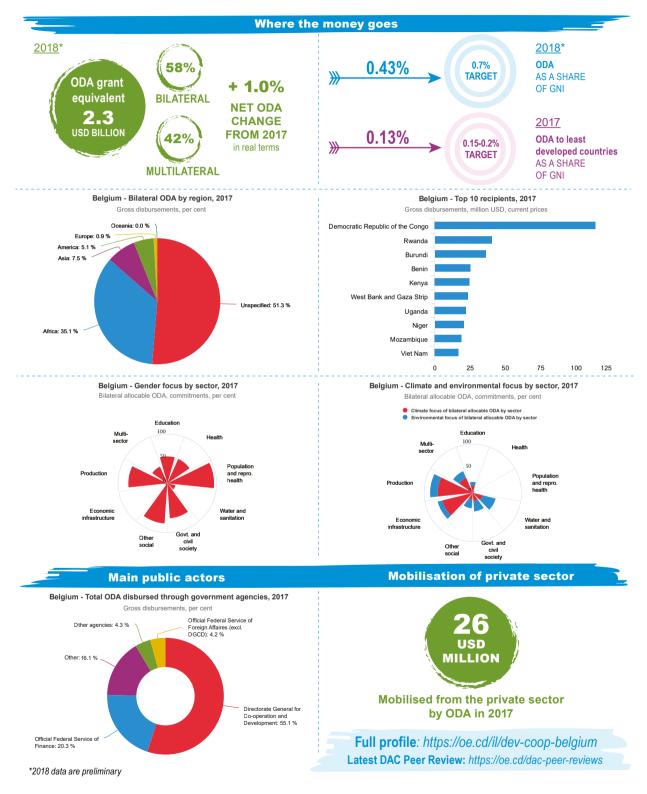
Azerbaijan is an emerging provider of development co-operation. It shares its expertise in various fields of development, such as effective public service delivery, education, labour and social protection, youth empowerment, and mine action.



DEVELOPMENT CO-OPERATION AT A GLANCE BELGIUM

Latest policy

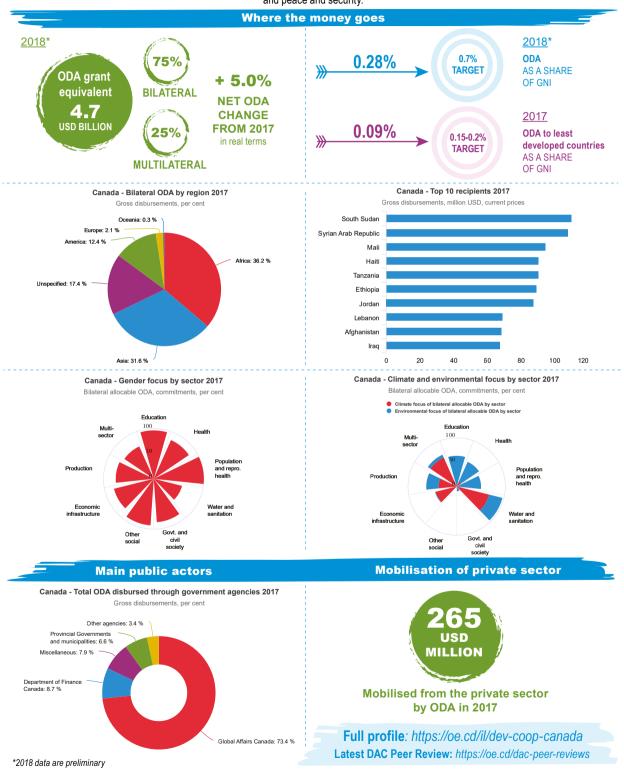
Belgium's development co-operation policy prioritises least developed countries and fragile states. Other policy priorities include private sector development, climate change, digital for development and human rights-based approaches.



DEVELOPMENT CO-OPERATION AT A GLANCE

Latest policy

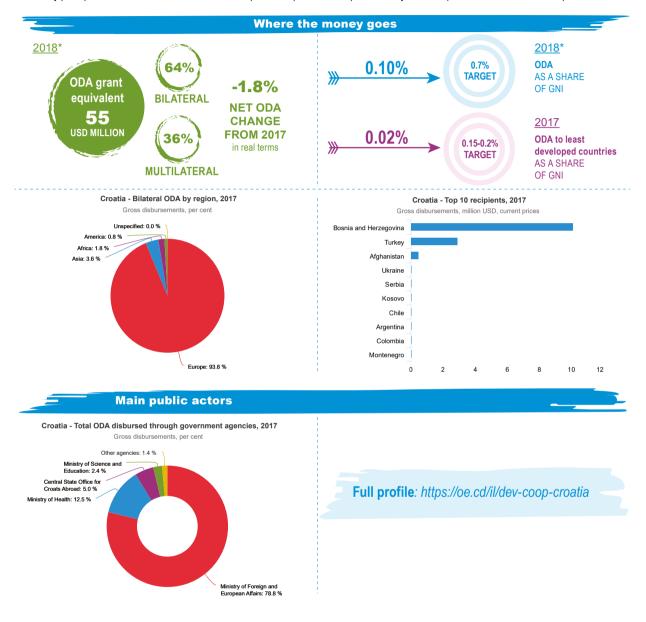
Canada's Feminist International Assistance Policy aims to reduce poverty and build a more peaceful, inclusive and prosperous world. The six priorities are gender equality, human dignity, growth that works for everyone, environment and climate action, inclusive governance, and peace and security.



DEVELOPMENT CO-OPERATION AT A GLANCE

Latest policy

Croatia's development policy is shaped by its size, capacities, challenges and its post-war transition experience. Its policy is underpinned by principles of effectiveness, collaboration and partnerships which can pave the way for wider political and economic co-operation.

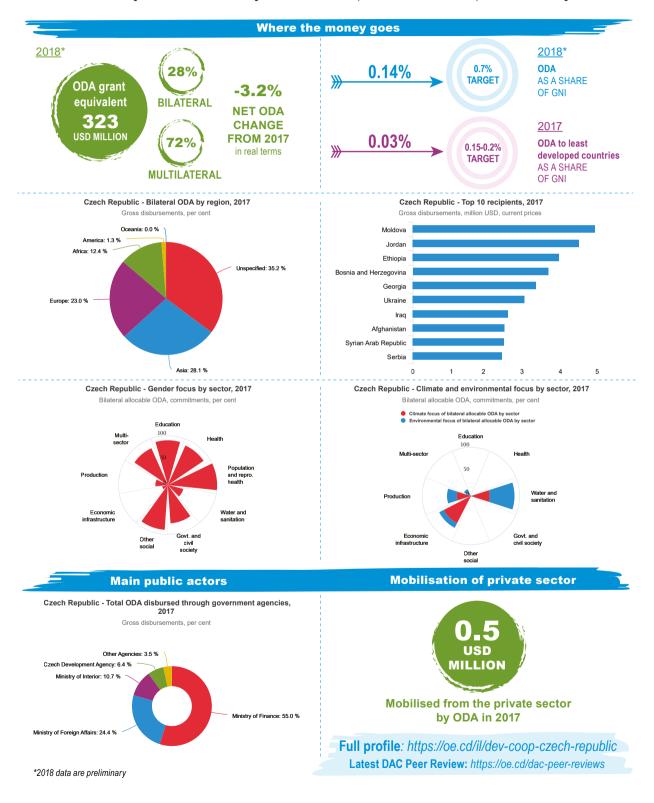


*2018 data are preliminary

DEVELOPMENT CO-OPERATION AT A GLANCE CZECH REPUBLIC

Latest policy

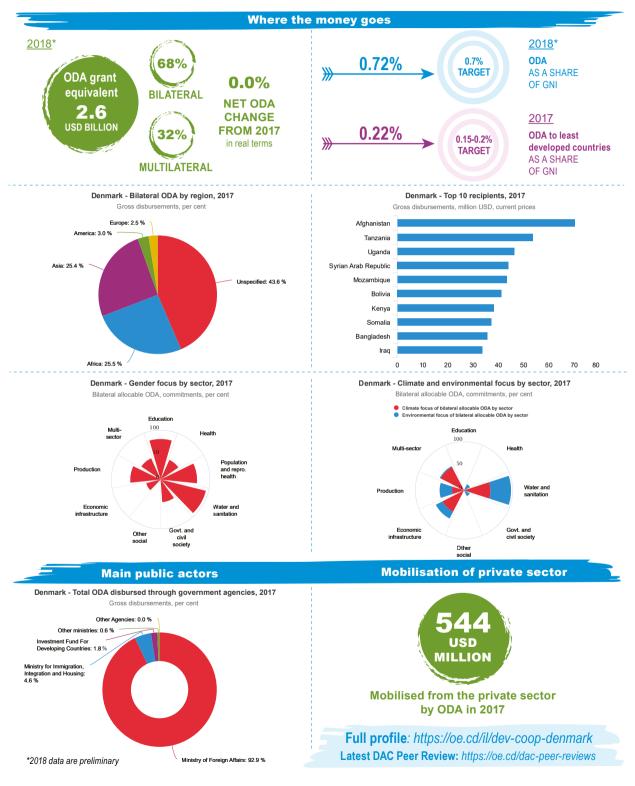
The Czech Republic's Development Co-operation Strategy 2018-2030 sets out five thematic priorities: building stable and democratic institutions; sustainable management of natural resources; agriculture and rural development; inclusive social development; and economic growth



DEVELOPMENT CO-OPERATION AT A GLANCE

Latest policy

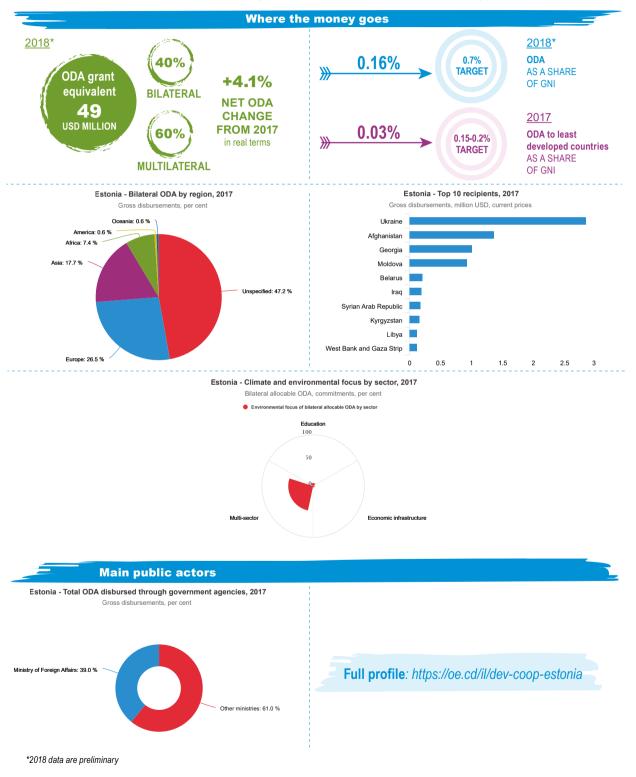
The World 2030 prioritises security and peace; preventing the cause of irregular migration; economic growth; and democracy, human rights and equality in Denmark's development co-operation, as well as the multilateral system, civic space and the Grand Bargain.



DEVELOPMENT CO-OPERATION AT A GLANCE ESTONIA

Latest policy

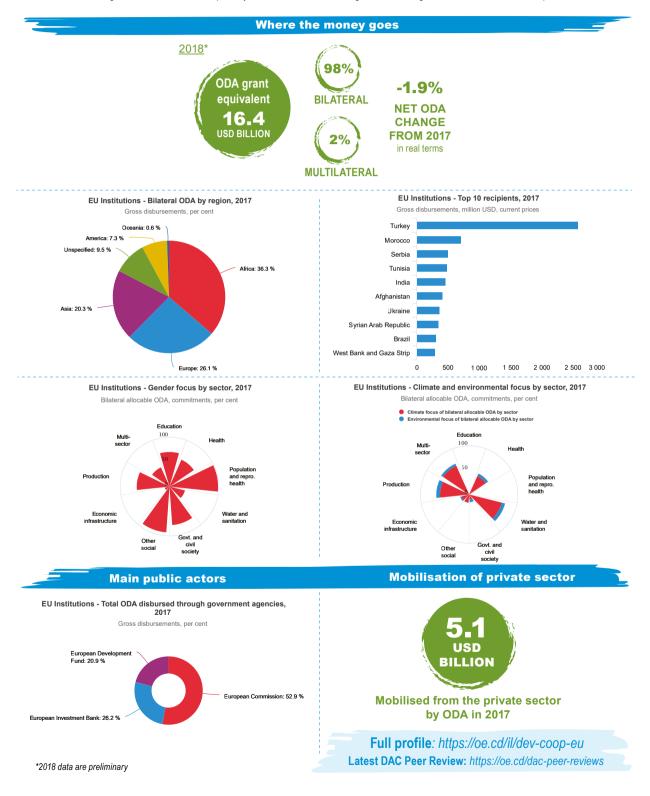
Estonia's development co-operation aims to contribute to eradicating poverty and achieving the Sustainable Development Goals. Priorities include education and health, peace and democracy, human rights, economic and sustainable development and raising public awareness at home.



DEVELOPMENT CO-OPERATION AT A GLANCE EUROPEAN UNION INSTITUTIONS

Latest policy

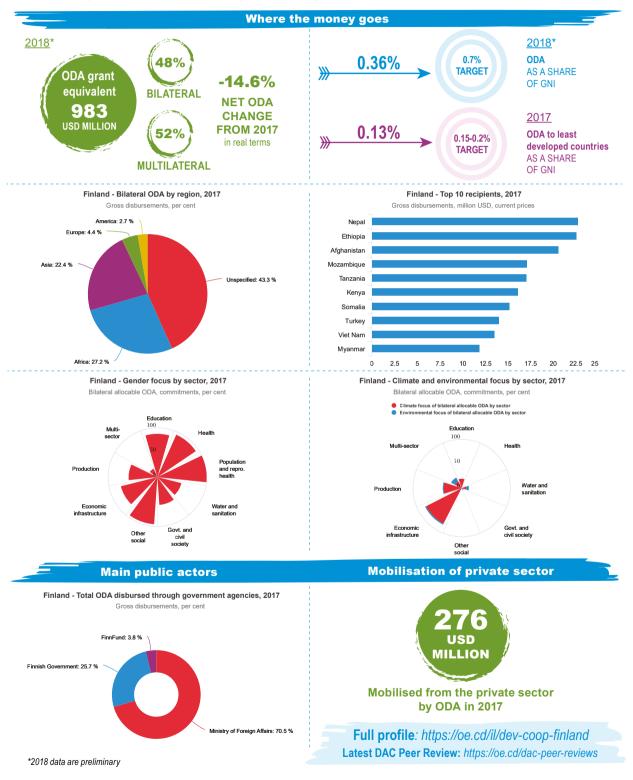
In 2017, the EU and its member states adopted the New European Consensus for Development. The Consensus provides a common strategic vision with a focus on poverty reduction and contributing to the 2030 Agenda for Sustainable Development.



DEVELOPMENT CO-OPERATION AT A GLANCE FINLAND

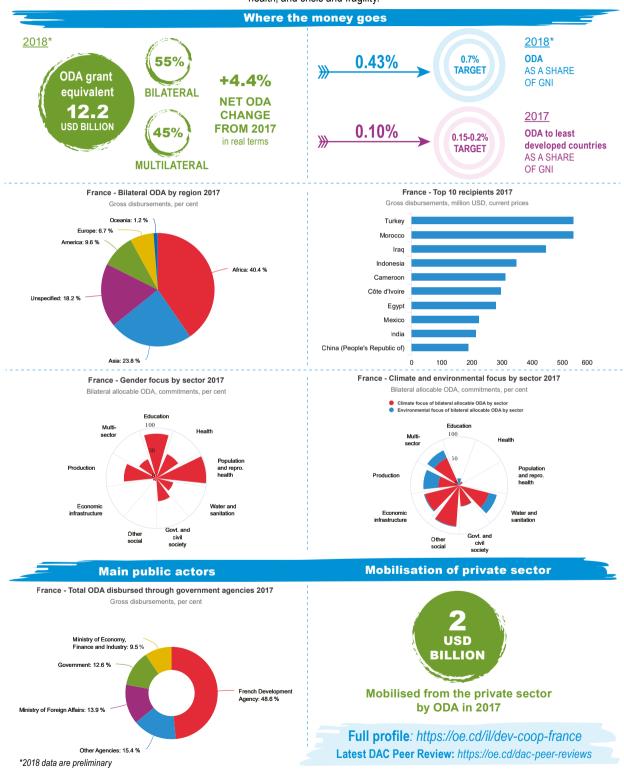
Latest policy

Finland's policy aims to eradicate poverty and inequality and promote sustainable development. It focuses on the rights of women and girls; growth and job creation, livelihoods and well-being; democracy; energy, food security and sustainable use of natural resources.



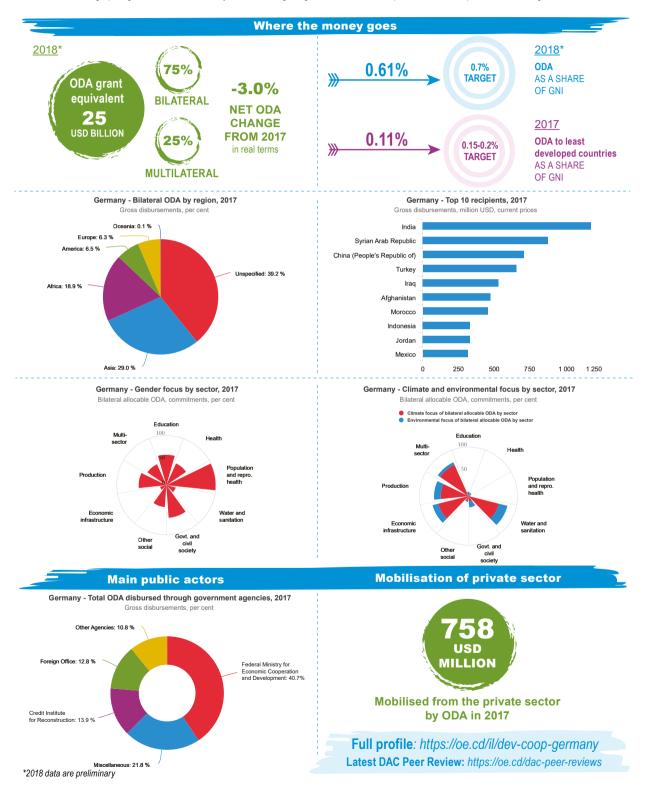
Latest policy

In 2017 France announced that official development assistance ODA would reach 0.55% of gross national income in 2022, before eventually reaching 0.7%. Five priorities for France's development policy are education; the climate; gender equality; health; and crisis and fragility.



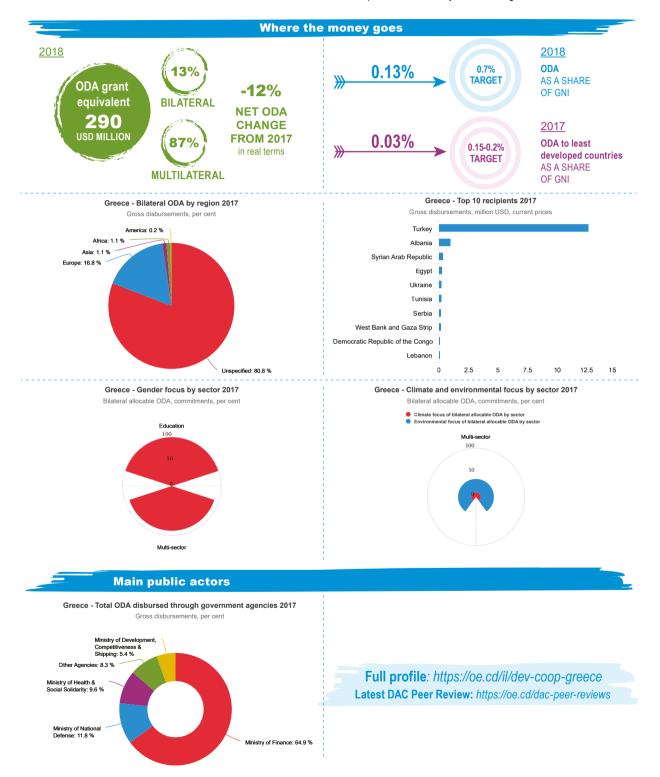
Latest policy

Germany aims to enable dignity for all people while respecting planetary boundaries. Since 2018 focus areas for its development co-operation include demographic growth, resource scarcity, climate change, digitalisation and interdependence, and displacement and migration.



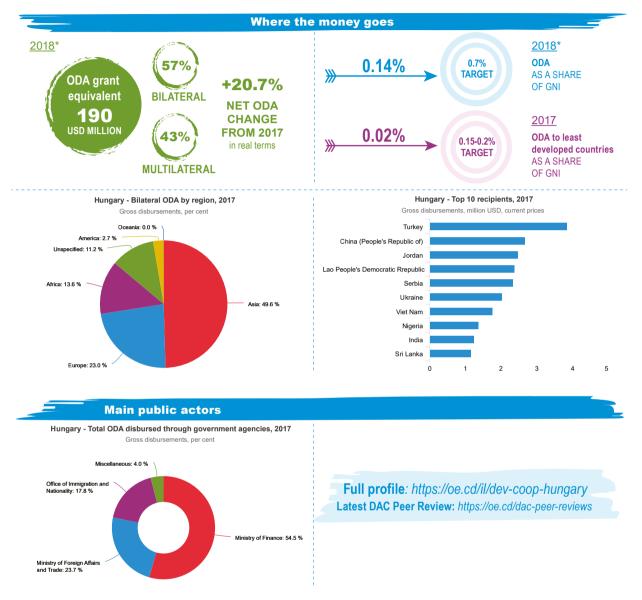
Latest policy

Cuts in Greece's public sector expenditure following the 2008 financial crisis impacted official development assistance (ODA). Greece continued to meet multilateral commitments. Bilateral ODA was limited to scholarships and, more recently, in-donor refugee costs.



Latest policy

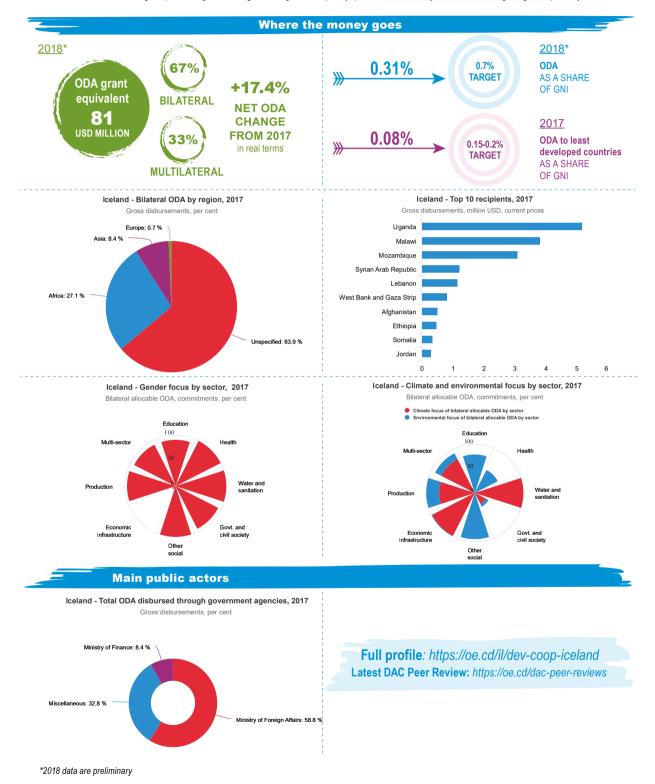
Hungary's development co-operation strategy seeks to foster sustainable development by promoting economic development, enhancing local human capacities, developing health services and promoting water management.



*2018 data are preliminary

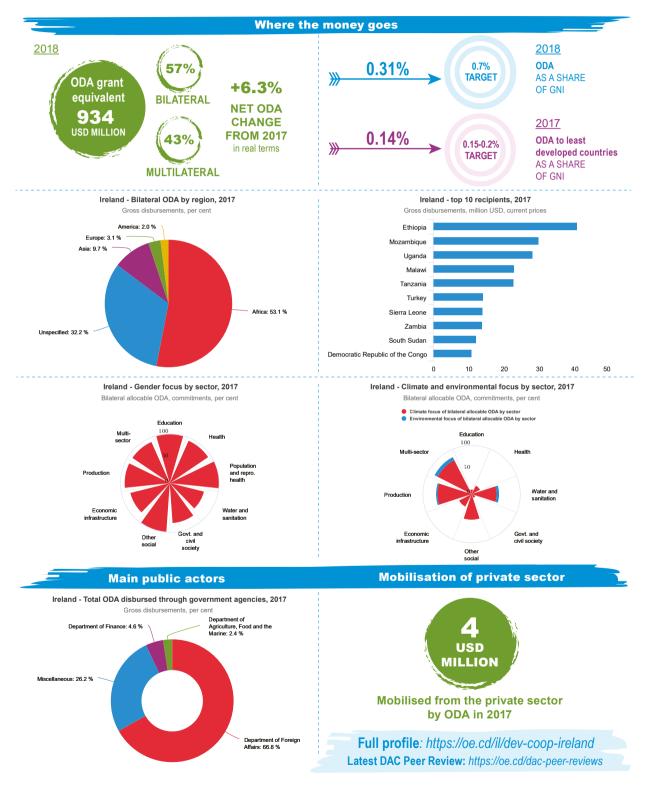
Latest policy

Development co-operation is an integral part of Iceland's foreign policy. Its efforts are concentrated in least developed countries in Africa, focusing on promoting human rights and gender equality, peace and security as well as the fight against poverty.



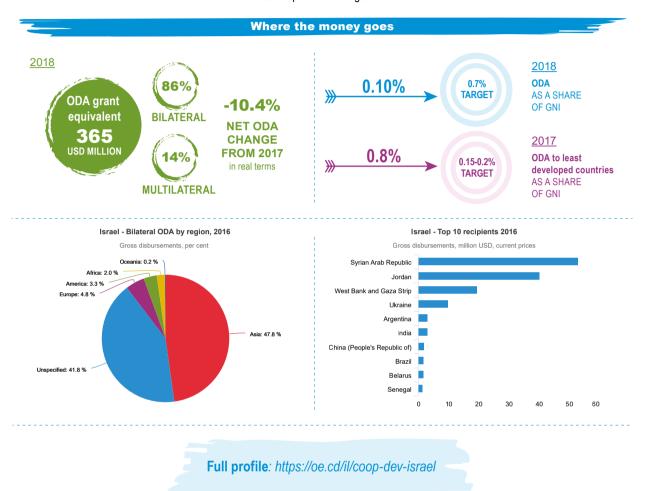
Latest policy

Ireland's new development co-operation policy, "A Better World" (2019) prioritises gender equality, humanitarian assistance, climate change and governance and three clusters of intervention: protection (including fragility), food and people (human development).



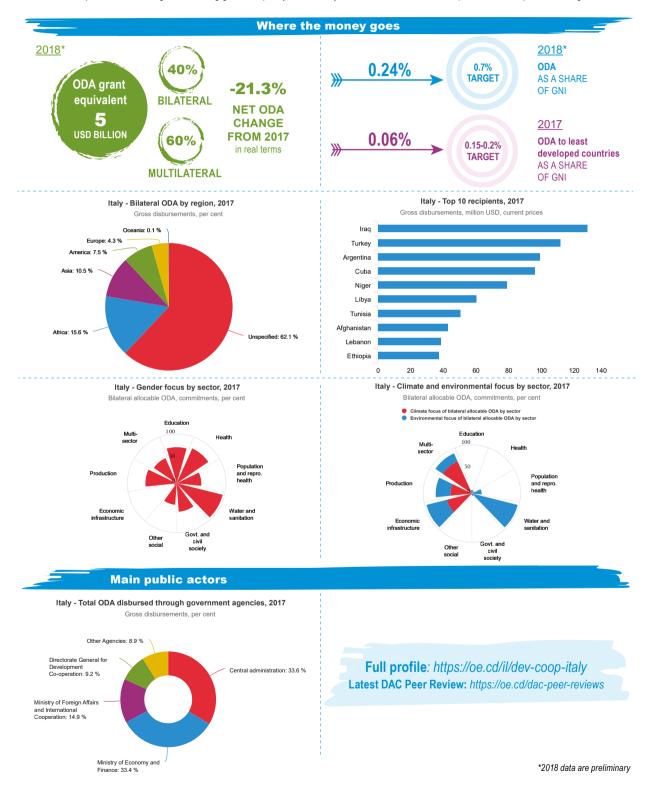
Latest policy

Cabinet Resolution No. 4021 "Advancing Israeli Activity in the Field of International Development" seeks to reform Israel's development strategy. Israel focuses mainly on agriculture, water and health sectors, which can help contribute to meeting global development challenges.



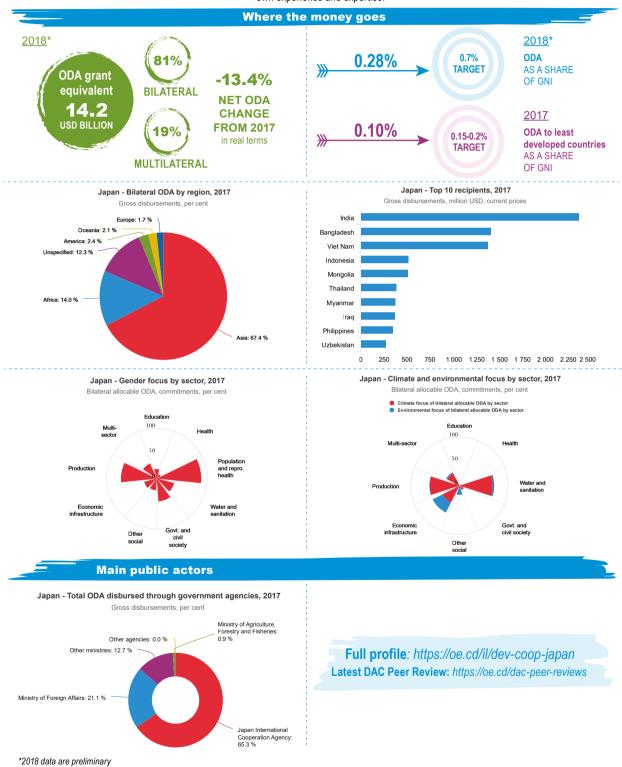
Latest policy

In line with Law 125/2014, the primary objectives of Italy's co-operation are sustainable development, poverty eradication and reducing inequalities; human rights, including gender equality, democracy and rule of law; and conflict prevention and peacebuilding.



Latest policy

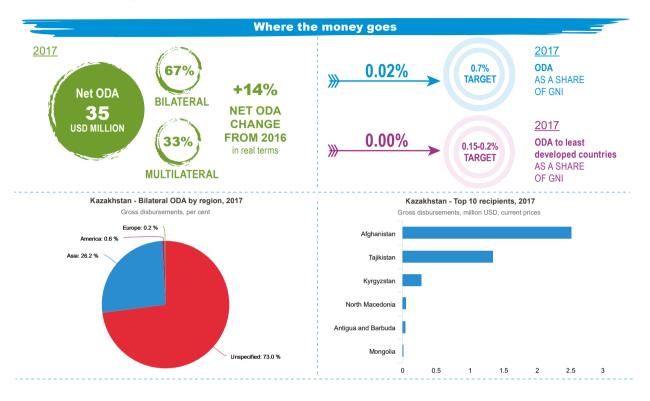
The 2015 Development Co-operation Charter commits Japan to contributing proactively to peace and mobilising a range of resources for development. It also promotes prosperity and human security, and supports self-reliant development based on its own experience and expertise.



DEVELOPMENT CO-OPERATION AT A GLANCE KAZAKHSTAN

Latest policy

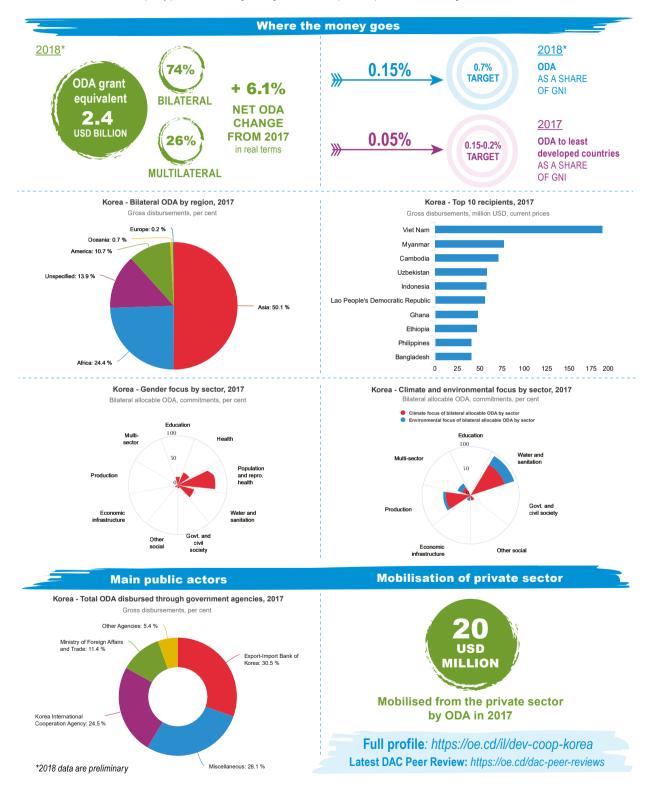
Kazakhstan's ODA Law provides the legal basis for establishing an agency under the Ministry of Foreign Affairs, provisionally known as the Kazakhstan Agency for International Development Assistance, to implement development co-operation activities.



Full profile: https://oe.cd/il/dev-coop-kazakhstan

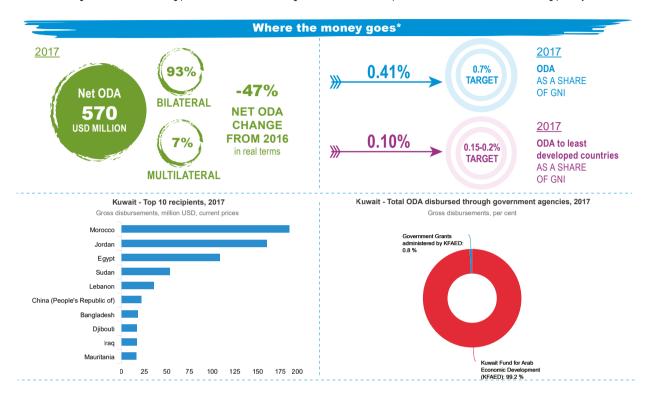
Latest policy

Korea's 2016-20 Mid-Term Strategy for Development Cooperation aligns with the 2030 Agenda for Sustainable Development. It includes a list of partner countries and identifies policy priorities, including sharing Korea's development experience and building economic and social infrastructure.



Latest policy

The Kuwait Fund for Arab Economic Development was established in 1961 to co-operate with other countries in the Arab region. The fund's operations are geared towards assisting partner countries in achieving the Sustainable Development Goals, with a focus on eradicating poverty.

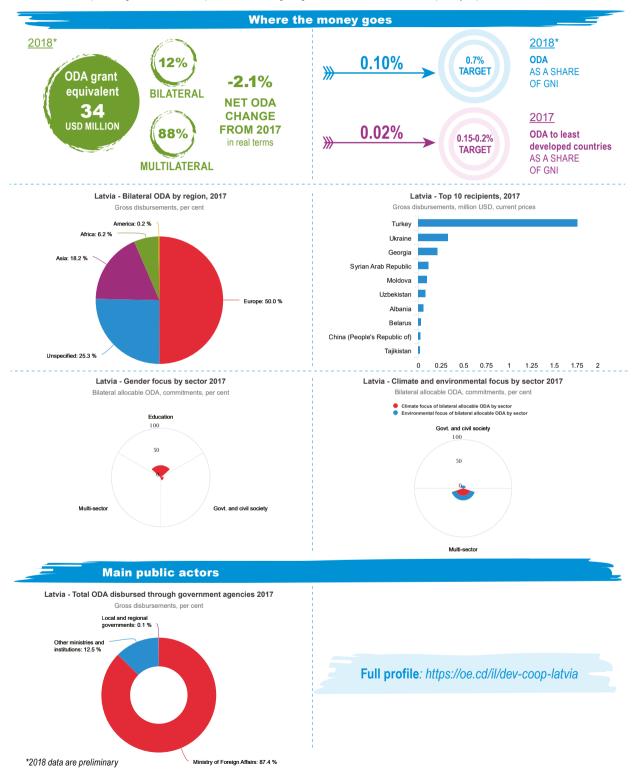


Full profile: *https://oe.cd/il/dev-coop-kuwait*

*This profile relies on partial reporting from Kuwait at the time of writing and underestimates Kuwait's ODA for 2017

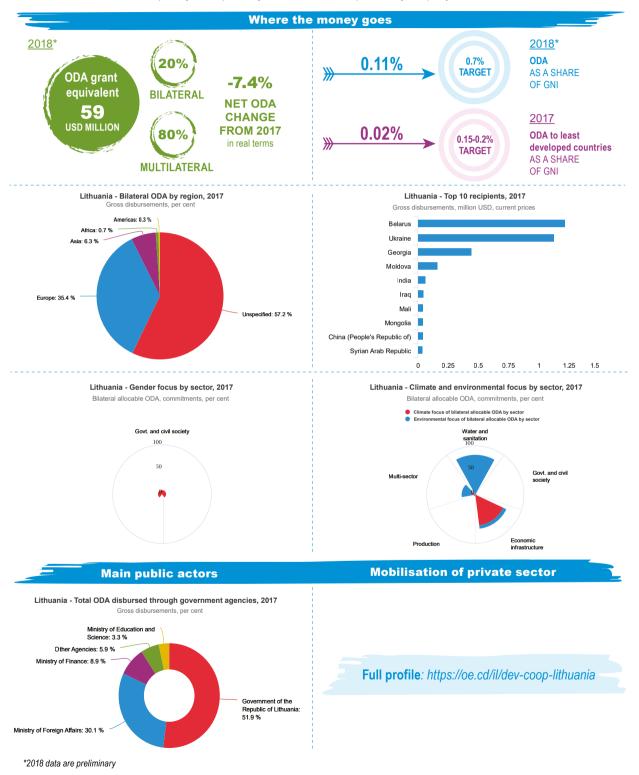
Latest policy

The objective of Latvia's Development Co-operation Policy Guidelines 2016-20 is to contribute to implementing the 2030 Agenda in developing countries by promoting sustainable development, rule of law, good governance and the eradication of poverty in partner countries.



Latest policy

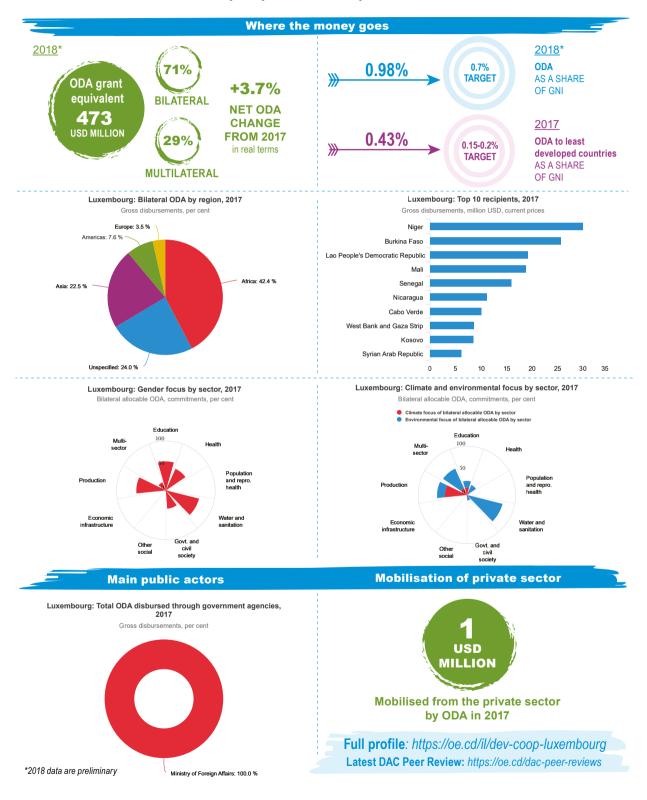
Key principles of Lithuania's Law on Development Cooperation and Humanitarian Aid are country ownership and partnerships, solidarity, efficiency, transparency and responsibility, co-ordination and complementarity, and policy coherence.



DEVELOPMENT CO-OPERATION AT A GLANCE LUXEMBOURG

Latest policy

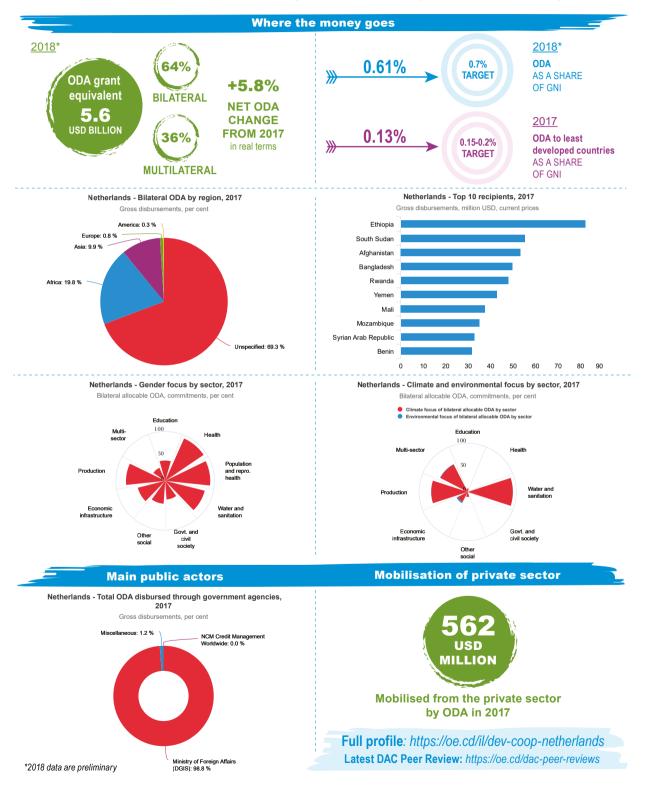
Luxembourg's strategy, The Road to 2030, prioritises access to quality basic social services; socio-economic integration of women and youth; inclusive and sustainable growth, governance, with a strong focus on sub-Saharan Africa.



DEVELOPMENT CO-OPERATION AT A GLANCE **NETHERLANDS**

Latest policy

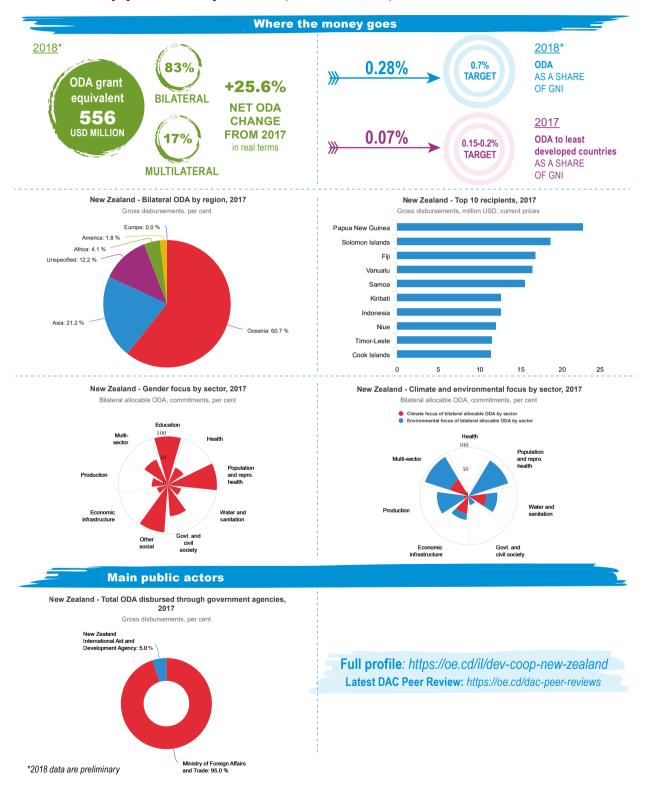
The Netherlands has integrated aid, trade and investment agendas. Development co-operation focuses on unstable regions of the Sahel, the Horn of Africa, and the Middle East and North Africa, and tackling the root causes of poverty, migration, terrorism and climate change.



DEVELOPMENT CO-OPERATION AT A GLANCE NEW ZEALAND

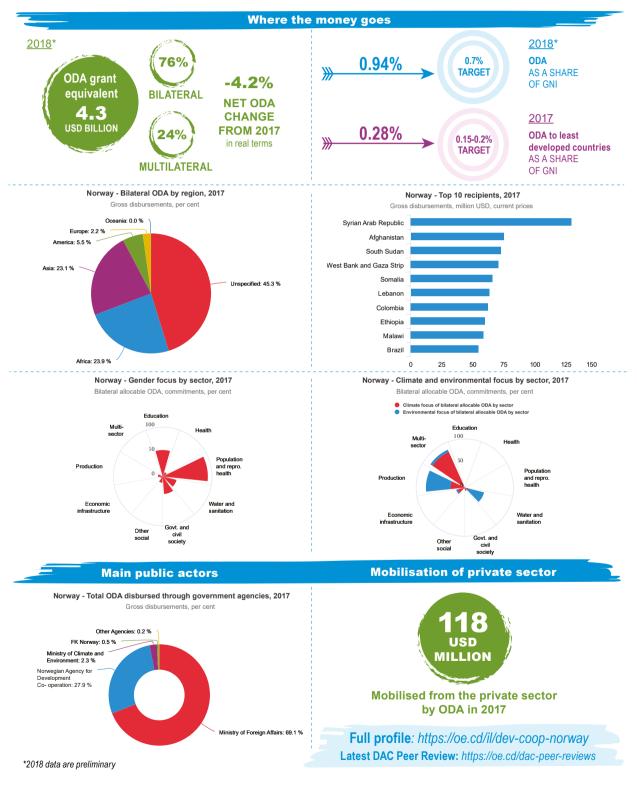
Latest policy

The coalition government, elected in October 2017, is reversing the decline in New Zealand's ODA and paying increased attention to the Pacific, climate change, governance, human rights and women's political and economic empowerment, and to multilateral institutions.



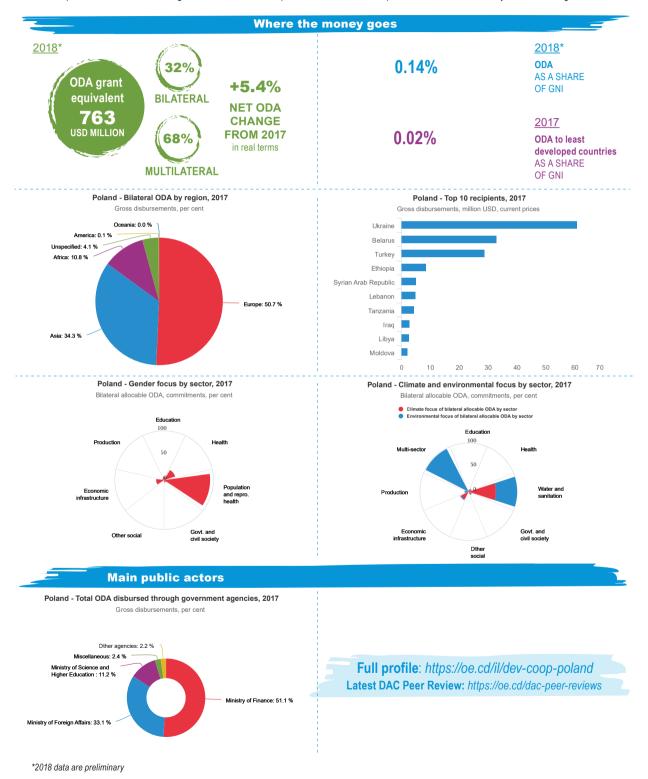
Latest policy

The principle of shared responsibility for the SDGs underpins Norway's development co-operation. It is delivering more of its aid through multilateral channels to deliver on the 2030 Agenda and its thematic priorities such as health, education, climate and the environment.



Latest policy

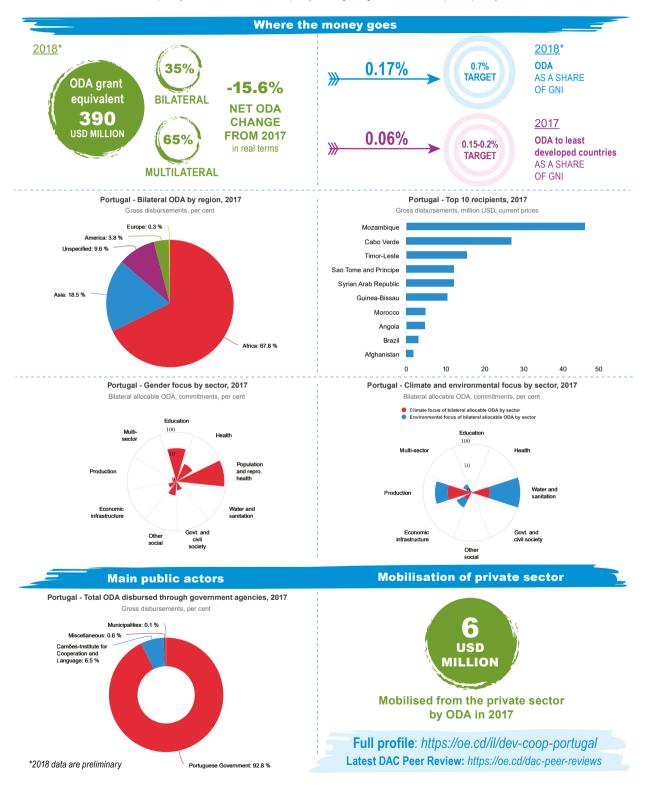
Poland's Development Cooperation Programme (2016-20) prioritises good governance, democracy and human rights, human capital, entrepreneurship and private sector, sustainable agriculture and rural development, and environmental protection and focuses mainly on eastern neighbours.



DEVELOPMENT CO-OPERATION AT A GLANCE **PORTUGAL**

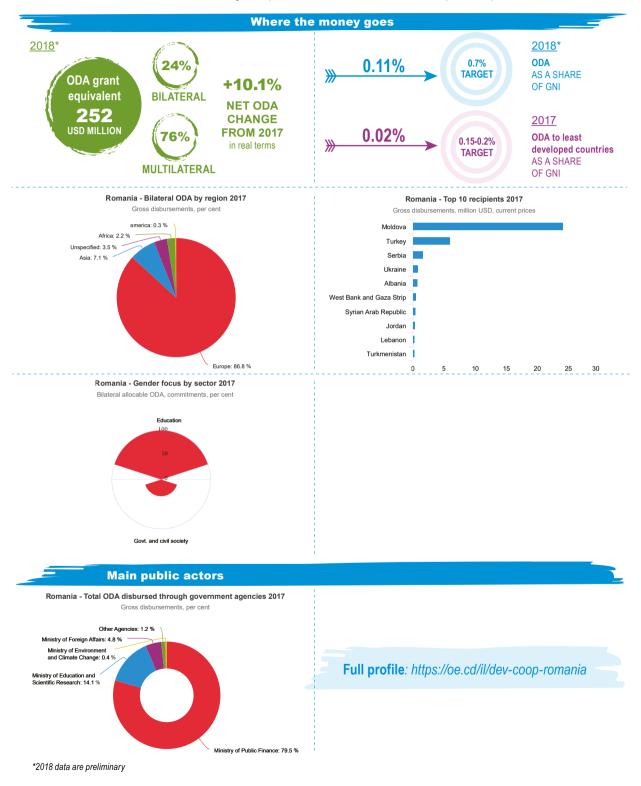
Latest policy

Portugal is committed to poverty eradication. It is developing new policies and instruments to meet the 2030 Agenda and increase the geographic and thematic scope beyond its historic focus on capacity building and governance in Lusophone priority countries.



Latest policy

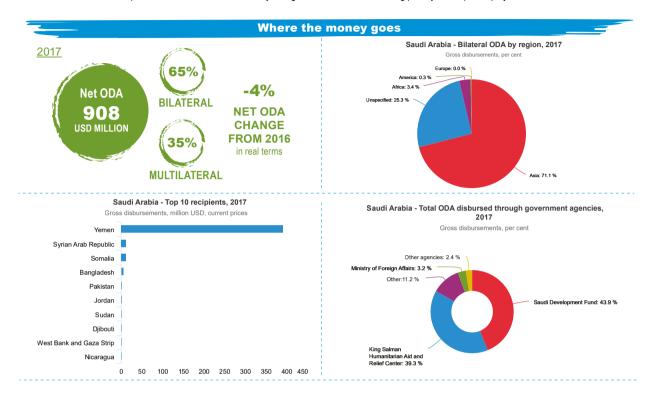
Romania's Law No. 13/2016 regulates development co-operation and humanitarian aid. It sets the strategic objectives, programmatic and institutional framework, as well as financing and implementation modalities of Romania's development co-operation.



DEVELOPMENT CO-OPERATION AT A GLANCE SAUDI ARABIA

Latest policy

Saudi Arabia's development co-operation is guided by its foreign policy and principles to assist developing countries. The Saudi Fund for Development provides soft loans. It deals directly with governments when financing priority development projects.



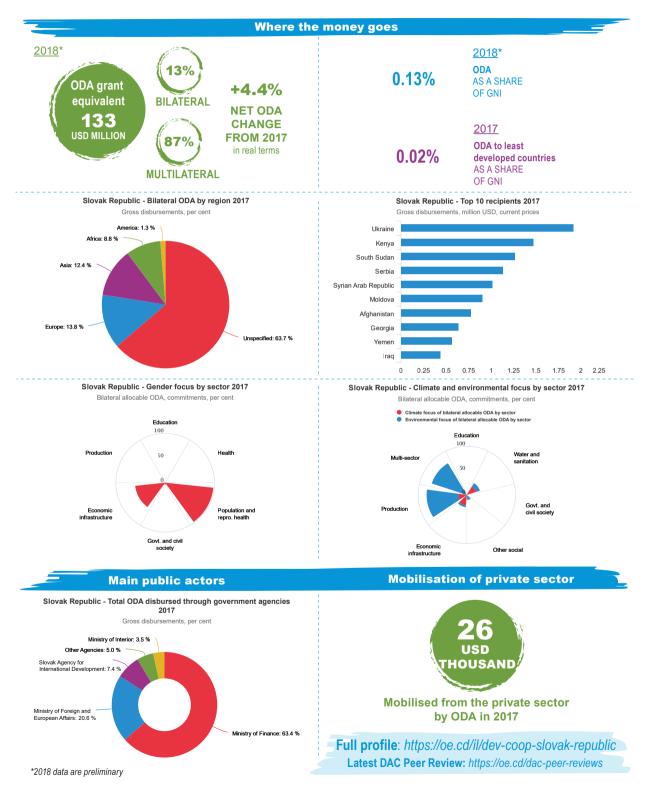
Full profile: https://oe.cd/il/dev-coop-saudi-arabia

Saudi Arabia started reporting to the OECD at the activity level in 2018 and has so far provided partial data for 2015, 2016 and 2017. Data shown in this profile should therefore not be considered as total development aid provided by Saudi Arabia. Notably, data on loans extended and grants from some Saudi entities are missing and the country is working towards completing the data.

DEVELOPMENT CO-OPERATION AT A GLANCE SLOVAK REPUBLIC

Latest policy

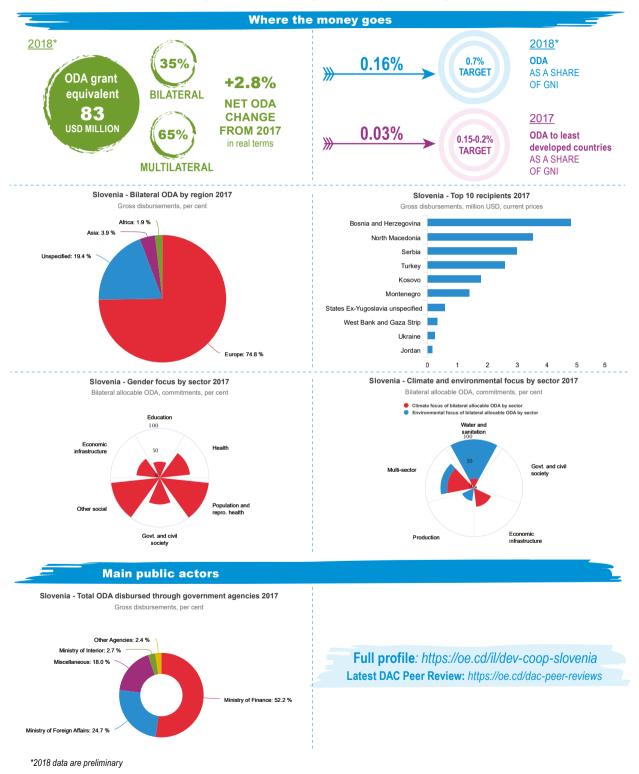
The Slovak Republic's new mid-term strategy 2019-23 identifies six focus sectors and a geographical focus on the Western Balkans, the Eastern Partnership of the EU, East Africa and the Middle East.



DEVELOPMENT CO-OPERATION AT A GLANCE SLOVENIA

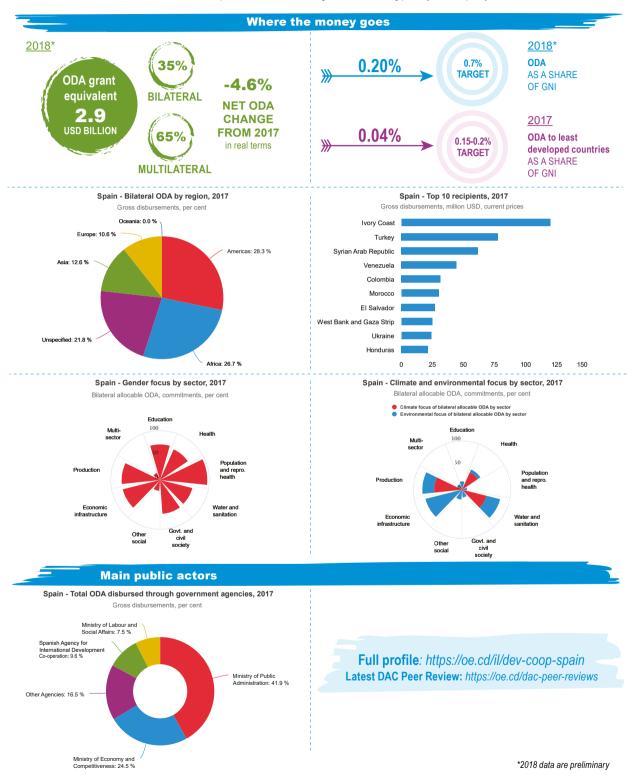
Latest policy

Slovenia's Act for international development co-operation (2017) has two thematic priorities: promoting peaceful and inclusive societies; and sustainable management of natural and energy resources to fight climate change.



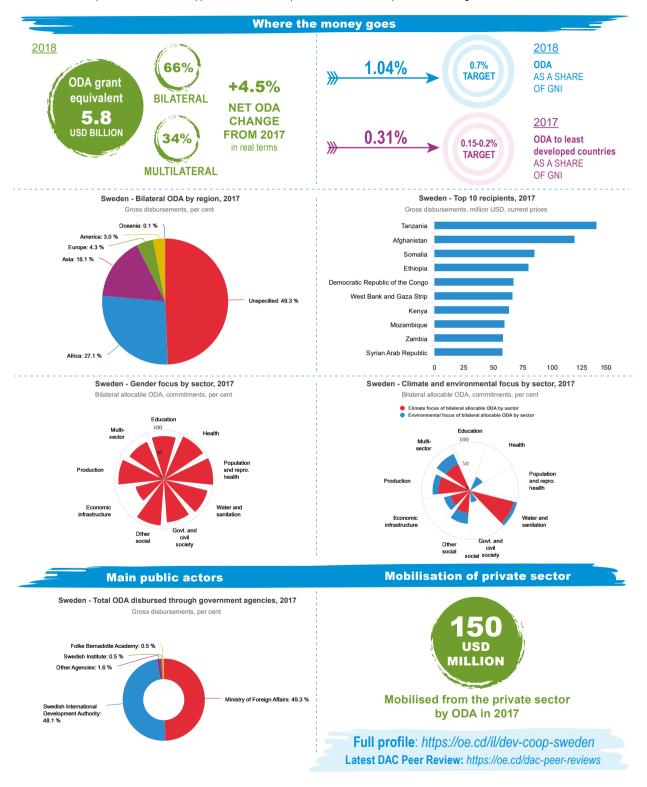
Latest policy

The Master Plan for Spanish Co-operation (2018-21) outlines seven development co-operation priorities, all linked to the Sustainable Development Goals, with a strong focus on reducing poverty and inequality.



Latest policy

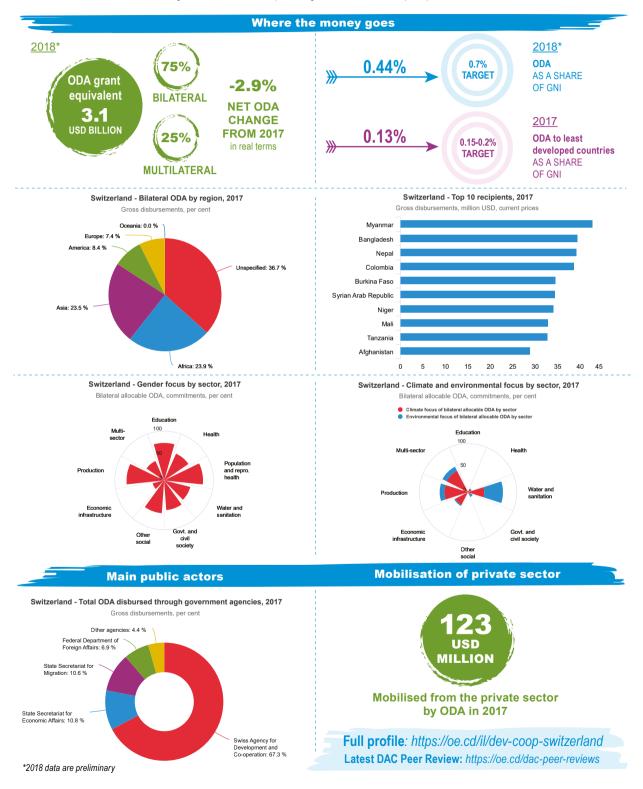
Sweden places strong focus at the international level on gender equality, peace and conflict prevention, environmental sustainability and climate change. It prioritises co-ordinated approaches to the development, humanitarian and peace nexus in fragile and crisis contexts.



DEVELOPMENT CO-OPERATION AT A GLANCE SWITZERLAND

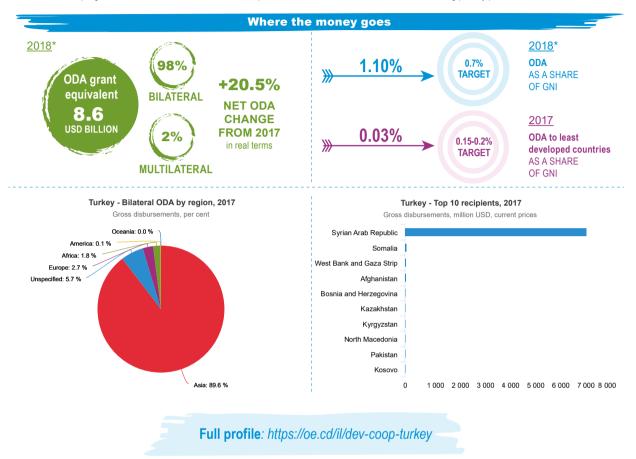
Latest policy

Switzerland is a strong multilateral player, especially on issues related to climate change, food security, water, migration, health, and finance and trade. Switzerland has a strong humanitarian tradition, promoting humanitarian law and principles in the most difficult contexts.



Latest policy

Government Decree No. 234/2011 defines the tasks, mechanisms and institutional framework for development co-operation and humanitarian aid. Medium-term programmes outline areas of intervention, expected outcomes, and financial allocations among priority partner countries and sectors.

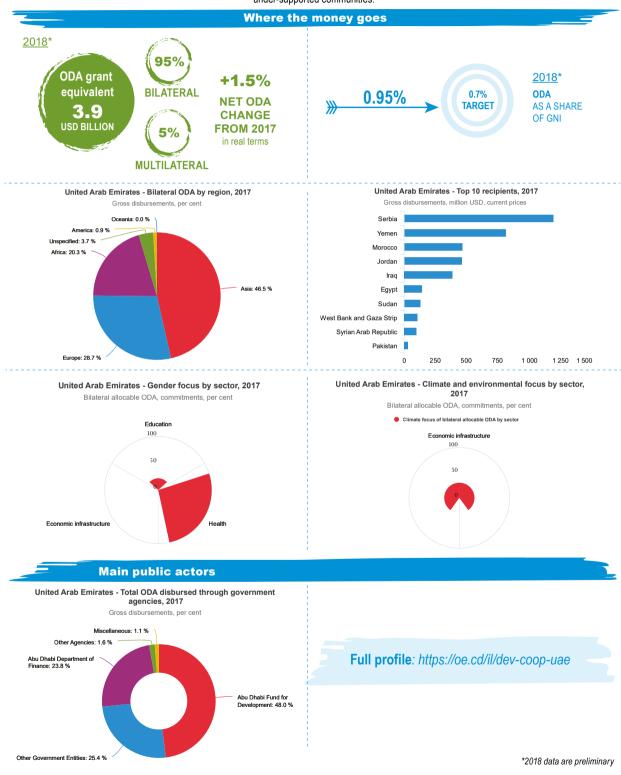


*2018 data are preliminary

DEVELOPMENT CO-OPERATION AT A GLANCE UNITED ARAB EMIRATES

Latest policy

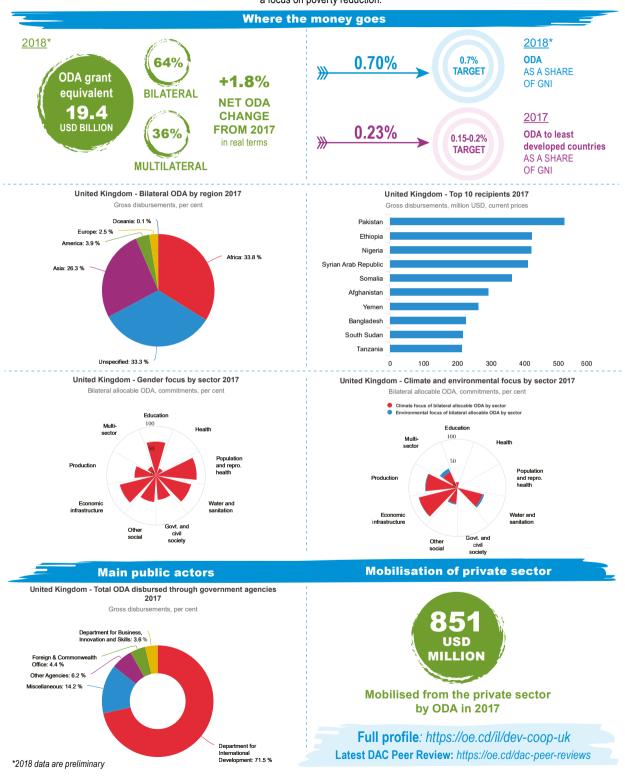
The United Arab Emirates promotes global peace, prosperity and humanitarian aid. The ten-year policy (2016) focuses on transport and urban infrastructure, government effectiveness, empowerment and protection of women. United Arab Emirates also prioritises neglected issues and under-supported communities.



DEVELOPMENT CO-OPERATION AT A GLANCE UNITED KINGDOM

Latest policy

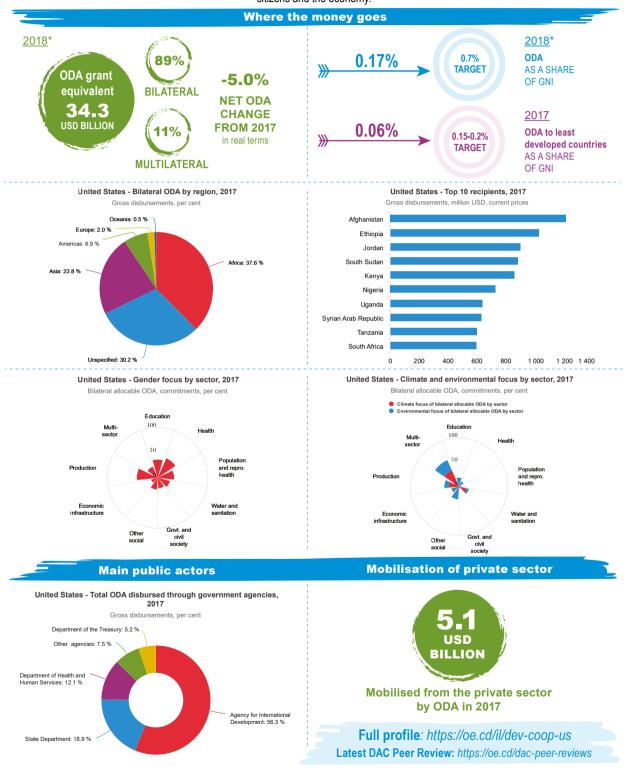
The 2015 strategy "Tackling Global Challenges in the National Interest" places a strong emphasis on global challenges – from the root causes of mass migration and disease to the threat of terrorism and global climate change – while a retaining a focus on poverty reduction.



DEVELOPMENT CO-OPERATION AT A GLANCE UNITED STATES

Latest policy

The United States' new self-reliance country roadmaps anchor its country strategies. They examine areas such as open and accountable governance; inclusive development; economic policy; and the relative capacities of the government, civil society, citizens and the economy.



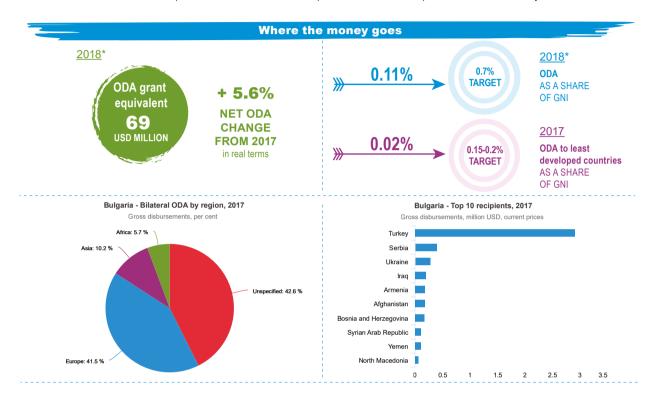
OTHER OFFICIAL PROVIDERS REPORTING AT THE AGGREGATE LEVEL TO THE OECD

This section includes information on the estimated volume and key features of development co-operation provided by six development co-operation providers that are not members of the OECD but report regularly to the OECD their development co-operation resource flows on an aggregated or semi-aggregated manner.

DEVELOPMENT CO-OPERATION AT A GLANCE BULGARIA

Latest policy

Bulgaria's development co-operation and humanitarian policy is an integral part of its foreign policy and is co-ordinated by the Ministry of Foreign Affairs. Bulgaria is implementing the current Medium-term Program for Development Assistance and Humanitarian Aid for the period 2016-19. The Western Balkans and the Black Sea region represent priority geographic areas for Bulgaria's development policy. Priority sectors include environmental protection, education, sexual and reproductive health, and the protection of cultural diversity.



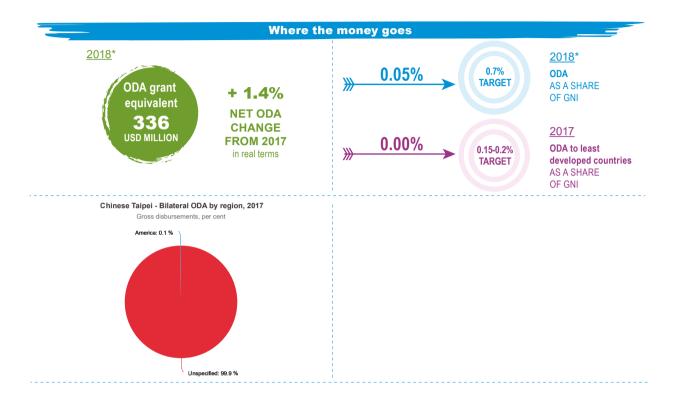
Full profile: https://oe.cd/il/dev-coop-bulgaria

*2018 data are preliminary

DEVELOPMENT CO-OPERATION AT A GLANCE CHINESE TAIPEI

Latest policy

Chinese Taipei's development co-operation is driven by the country's development strategy and global trends, enshrined in the Four-Year National Development Plan (2017-20). It aims to develop a new economic model for sustainable development, enhance the quality of healthcare and education in recipient countries, and work towards the achievement of the goals of the 2030 Agenda for Sustainable Development as well as foster a model of global civil society.



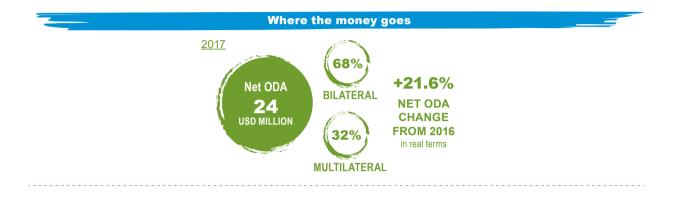
Full profile: https://oe.cd/il/dev-coop-chinese-taipei

*2018 data are preliminary

DEVELOPMENT CO-OPERATION AT A GLANCE **LIECHTENSTEIN**

Latest policy

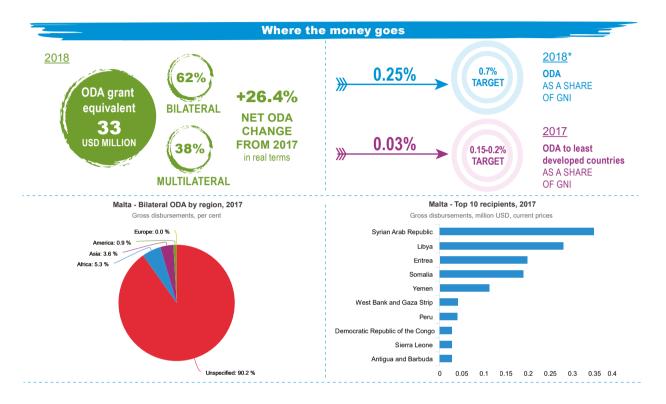
The 2015 Strategy of the Liechtenstein Development Service defines education and rural development as the key sectors for its development co-operation. Human rights, social justice, equal rights, climate and the protection of the environment and resources are important horizontal topics.



Full profile: https://oe.cd/il/dev-coop-liechtenstein

Latest policy

In 2018, Malta launched the Implementation Plan for the "Official Development Assistance Policy and a Framework for Humanitarian Assistance" in response to the adoption of the 2017 European Consensus on Development and the 2030 Agenda for Sustainable Development. Malta's regional priorities are North Africa, sub-Saharan Africa and the Middle East, and it seeks to promote stability and prosperity in its immediate neighbourhood and beyond.

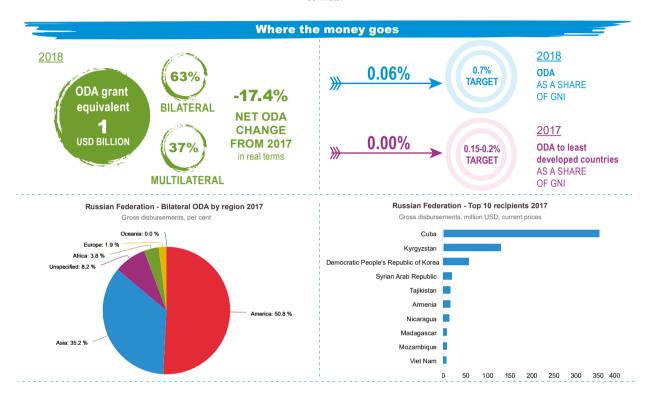


Full profile: https://oe.cd/il/dev-coop-malta

DEVELOPMENT CO-OPERATION AT A GLANCE **RUSSIAN FEDERATION**

Latest policy

The Russian Federation's development co-operation is provided in line with the Concept of Russia's State Policy in the Field of International Development Assistance, approved by the President of the Russian Federation in 2014. It aims to support sustainable social and economic development of recipient countries, and the settlement of crisis situations arising out of natural disasters, man-made disasters and other emergencies, internal and international conflicts.

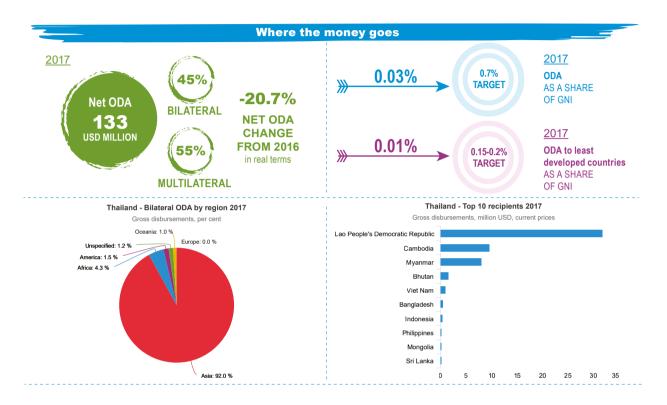


Full profile: https://oe.cd/il/dev-coop-russia

DEVELOPMENT CO-OPERATION AT A GLANCE THAILAND

Latest policy

Thailand's development co-operation is guided by the "Philosophy of Sufficiency Economy" – a model that Thailand follows for its own development and which aims at providing a balanced and stable development to achieve the Sustainable Development Goals. In its development policies, Thailand looks at modernising economies and societies, notably how countries can emerge from the middle-income trap into high-income status.



Full profile: https://oe.cd/il/dev-coop-thailand

OTHER OFFICIAL PROVIDERS NOT REPORTING TO THE OECD

This section includes information on the estimated volume and key features of development co-operation provided by ten providers that are among the largest providers of development co operation beyond the DAC membership, on their way to becoming an OECD member or OECD key partners.

The OECD estimates the volume of their programme based on official government reports, complemented by web-based research (mainly on contributions to multilateral organisations) in an internationally-comparable manner.

The chapter also includes information on volumes of development co-operation as per provider's own methodologies and information on their institutional set up.

Brazil

Introduction

Brazilian South-South and triangular co-operation has expanded its scope; facilitated regional, sub-regional and interregional integration; provided innovative approaches for collective actions; and strengthened its contribution to sustainable development in its three dimensions (ecological, economic and social), implemented under principles that include respect for national sovereignty, noninterference in the internal affairs of other countries and non-conditionality.

Brazil has developed or is developing projects in all Latin American and Caribbean countries; with the Community of Portuguese Language Countries and its members in Africa and Asia; as well as other countries in Africa, Asia and Eastern Europe. The Brazilian Cooperation Agency (ABC) of the Ministry of Foreign Affairs runs the technical and humanitarian modalities of Brazilian co-operation.

Brazilian South-South co-operation operates under bilateral, trilateral and regional formats. It includes knowledge sharing, capacity building, humanitarian co-operation, scholarships and technological development. For Brazil, triangular co-operation is not a new modality, as it is well-established as a regular tool in its development co-operation. Brazil does not use innovative financing.

Estimates of international development co-operation

In 2016, Brazil's international development co-operation reached USD 907.7 million,

up from USD 111 million in 2015. Brazilian contributions to multilateral organisations in 2016 totalled USD 840.5 million (IPEA and ABC, 2018). Data on 2017 and 2018 disbursements are currently under tabulation.

The Brazilian government highlights that the methodology used by the Institute for Applied Economic Research (IPEA) to quantify Brazilian South-South co-operation in monetary terms is different to the DAC reporting methodology. As a result, DAC estimates for Brazilian development co operation over the years have been significantly less than the IPEA's figures.

According to estimates by the OECD, in 2016, Brazil's international development co-operation reached USD 316 million, up from USD 112 million in 2016. Brazil's contributions to multilateral organisations in 2017 totalled USD 152 million. These contributions were mainly channelled through the United Nations system (85%) and the World Bank Group (15%).

REFERENCE

IPEA and ABC (2018), Coperação Brasileira para o Desenvolvimento Internacional: Levantamento 2014-2016 [Brazilian Cooperation for International Development-COBRADI] (in Portuguese), Institute for Applied Economic Research and Brazilian Cooperation Agency, Brasilia, www.ipea. gov.br/portal/index.php?option=com_ content&view=article&id=34507.

FULL PROFILE

https://oe.cd/il/dev-coop-brazil

Chile

Introduction

Chile's vision, policies and international development co-operation strategy reflect its dual role as beneficiary and provider country and are guided by the principles of South-South co-operation.

Chile's priority partner countries are primarily in Latin America and the Caribbean (LAC) as well as sub-Saharan Africa. Its bilateral co-operation programme (technical assistance and capacity building) is spread across a range of sectors, including: social development, environment and renewable resources, institutional strengthening, and economic co operation for development.

Triangular co-operation is an important modality, while decentralised/cross-border co-operation is a growing trend in Chile's co-operation. This type of co-operation has its territorial approach and works with actors at the subnational and local level.

The Chilean International Cooperation Agency for Development (AGCID) manages and co ordinates bilateral, triangular and regional co-operation for incoming and outgoing development. Multi-stakeholder partnerships with the business sector, civil society and/or academia are important for Chile to complement the efforts and competencies of the public sector.

Estimates of international development co-operation

For the 2017-18 biennium, Chile's triangular co-operation (technical transfer and capacity building) amounted to USD 6 million, raised by AGCID and its partners. In turn, bilateral co-operation provided by Chile, mainly in the form of technical assistance and scholarships, for the same biennium was nearly USD 8 million each year. Finally, the resources contributed by the Chile Fund Against Hunger and Poverty accounted for around USD 6 million during the same period.

According to OECD estimates, in 2017, Chile's international development co-operation reached USD 24 million, down from USD 33 million in 2016. Of this, Chile's contributions to multilateral organisations totalled USD 12.3 million and were channelled through the United Nations system.

FULL PROFILE

https://oe.cd/il/dev-coop-chile

China (People's Republic of)

Introduction

In April 2018, the People's Republic of China (hereafter "China") inaugurated the China International Development Cooperation Agency (CIDCA), and in September 2018 published CIDCA's Administrative Measures for Foreign Aid. As a key national entity on development co-operation, CIDCA is in charge of developing aid strategies, including statistical rules.

CIDCA's new administrative measures stipulate that beneficiaries of foreign aid include mainly developing countries in need of support that have established diplomatic relations with China, including international or regional organisations where the majority of the members are developing countries. China's development co-operation shall *inter alia* respect the sovereignty of beneficiary countries, help reduce and eliminate poverty, improve livelihood and ecological environment, promote economic development and social progress, enhance the ability of recipients to develop independently, and develop friendly and cooperative relations with the recipients.

Previously, China's foreign development co-operation was guided by the *Eight Principles for Economic Aid and Technical Assistance to Other Countries*, announced by Premier Zhou Enlai in 1964.

Estimates of international development co-operation

As per OECD estimates, in 2017, China's international development co-operation reached USD 4.8 billion, up from USD 3.6 billion in 2016. Chinese contributions to multilateral organisations totalled USD 2.3 billion. These were primarily channelled through regional development banks (51%), especially the Asian Infrastructure Investment Bank (AIIB); the United Nations (20%) and the World Bank Group (29%).

FULL PROFILE

https://oe.cd/il/dev-coop-china

Colombia

Introduction

Colombia is both a provider of South-South and triangular co-operation and a beneficiary of official development assistance.

Colombian development co-operation is guided by principles of the need for more effective co-operation, alignment with national development priorities, focus on results, diversification of modalities, strengthening of local capacities and greater transparency. The Colombian government is committed to positioning South-South and triangular co-operation towards the implementation of the 2030 Agenda for Sustainable Development – as established at the Second High-level United Nations Conference on South-South Co-operation (BAPA+40).

As a provider of South-South and triangular co-operation, Colombia seeks to consolidate its bilateral and regional relations with Latin America and the Caribbean and diversify its geographic and thematic co-operation agenda with Eurasia and Africa.

Estimates of international development co-operation

From 2012 to 2019, Colombia's contribution to South-South and triangular co-operation amounted to USD 35 million; 70% was for technical co-operation and 30% was for postdisaster international assistance. The average annual budget was USD 4 million.

Since 2015, Colombia has developed the "Quantification and Added Value Measurement Model". Beyond the quantification of direct costs (financial), this model focuses on the appraisal of the knowledge contributed during an exchange (indirect costs). This approach takes into account the profile of those contributing the knowledge (knowledge ambassadors) and measures results under value categories such as knowledge contribution, enhanced relations, differential approach, alignment with the Sustainable Development Goals and visibility of South-South co-operation.

According to estimates by the OECD, in 2017, Colombia's international development co-operation reached USD 198 million (bilateral and multilateral). Colombia's bilateral co-operation amounted to USD 14.4 million, while the high increase is mainly due to non-core contributions to UN bodies, mainly the UN Office on Drugs and Crime (UNODC), which according to the OECD methodology can be counted as development co-operation.

FULL PROFILE

https://oe.cd/il/dev-coop-colombia

Costa Rica

Introduction

Costa Rica has a dual role in development co-operation: it is both a provider of South-South and triangular co-operation and a beneficiary of official development assistance (ODA). Costa Rica provides development co-operation only in the form of technical co-operation through bilateral and regional initiatives by triangular and South-South co-operation. For instance, Spain has a triangular co-operation fund to support Costa Rica in its triangular co-operation projects with other Central American and Caribbean countries (e.g. El Salvador, Guatemala and Honduras) in areas such as sustainable development, social cohesion, competitiveness and production, and participative democracy. Costa Rica also participates in projects of the German regional fund for the promotion of triangular co-operation in Latin America and the Caribbean. The country is also interested in developing decentralised co-operation

initiatives, in line with the Sustainable Development Goals.

Estimates of international development co-operation

In 2018, the in-kind international co-operation offered by Costa Rica channelled more than USD 4.5 million as outgoing and as a counterpart for incoming development co-operation through triangular, South-South, bilateral and multilateral co-operation.

According to estimates by the OECD, in 2017, Costa Rica's international development co-operation reached USD 8 million, down from USD 9 million in 2016. Costa Rica's contributions to multilateral organisations totalled USD 7 million. These contributions were mainly channelled through regional development banks (60%) and the United Nations system (31%).

FULL PROFILE

https://oe.cd/il/dev-coop-costa-rica

India

Introduction

India's foreign policy is integrated with the national priority of sustained, rapid and inclusive socio-economic development. India emphasises in its development co-operation mutual benefit, and combines a range of investment, trade and development instruments in its co-operation with developing countries.

India is also engaged in triangular co-operation, partnering with several international organisations and Development Assistance Committee members such as Japan, Norway, the United Kingdom, the United States and others.

The focus of India's development assistance has been in countries in its immediate neighbourhood and Africa, though India is also expanding its development assistance reach to South East Asia, the Caribbean, Latin America, Mongolia and the Pacific.

The Development Partnership Administration (DPA) within the Ministry of External Affairs (MEA) co-ordinates India's bilateral development co-operation. It manages grants and the Indian Technical & Economic Cooperation Programme, while the Ministry of Finance manages multilateral assistance.

Estimates of international development co-operation

In 2017, India's international development co-operation reached USD 3 billion, up from USD 1.7 billion in 2016. India's contributions to multilateral organisations totalled USD 1.1 billion. These were primarily channelled through regional development banks (78%), mainly the Asian Infrastructure Investment Bank (AIIB); the United Nations (6%) and the World Bank Group (16%).

FULL PROFILE

https://oe.cd/il/dev-coop-india

Indonesia

Introduction

The government of Indonesia's National Medium-Term Development Plan (NMTDP) 2015-2019 emphasises the need for the country to mobilise development financing and therefore the importance of development co-operation. Development co-operation must be aligned with the country's three medium-term development dimensions: human development, priority sectors, and equality and regional-based development.

The NMTDP 2015-2019 also mandates four principles for Indonesia's South-South co-operation, which are solidarity, nonconditionality, mutual benefits and noninterference. Indonesia also commits to achieving Sustainable Development Goal 17. Three flagship programmes for Indonesia's South-South co-operation are development, governance and economy.

The three main modalities of Indonesia's development co-operation are training and workshops, expert dispatch, and channelling funds through multilateral organisations. Indonesia also partners with bilateral donors, UN agencies and multilateral development banks under a triangular co-operation framework to provide technical assistance and knowledge transfer to developing countries on demand.

Estimates of international development co-operation

Indonesia estimates that in the period 2016-18 its development co-operation

financing reached approximately USD 685.8 million. More than 90% of this was channelled as capital contributions through multilateral organisations, of which the Asian Infrastructure Investment Bank, the Islamic Development Bank, the International Development Association, the International Fund for Agricultural Development, and the Global Green Growth Institute received some major portions. Some funds channelled through UN agencies are reportedly committed specifically to support other countries' humanitarian and development works.

In 2016, Indonesia implemented 84 South-South and triangular co-operation activities, which is an increase compared to 2014 and 2015. As in 2014 and 2015, training and workshops were the predominant activities. Indonesia allocated USD 6.22 million in 2016 and USD 7.51 million in 2017 from the state budget to finance South-South and triangular co-operation activities.

According to OECD estimates, in 2017, contributions to multilateral organisations totalled USD 445.4 million, which were channelled through the Asian Infrastructure Investment Bank (77%), the World Bank Group (19%) and UN agencies (4%). There is no information available on bilateral development co-operation for 2017. In 2016, Indonesia's international development co-operation reached USD 144 million.

FULL PROFILE

https://oe.cd/il/dev-coop-indonesia

Mexico

Introduction

Mexico is committed to the promotion of international development co-operation and its effectiveness to achieve global and national goals. The Mexican Agency for International Development Cooperation (AMEXCID), co-ordinates Mexico's international development co-operation actions, and generates the necessary instruments and tools for the planning, monitoring and evaluation of result-oriented co-operation that is transparent and consistent with the principles of effectiveness.

Mexico is engaged in multiple modalities of international co-operation, particularly through the implementation of South-South and triangular co-operation projects to bring development and positive impact solutions to the Latin American region. Furthermore, Mexico is also interested in development co-operation mechanisms that enhance multi-stakeholder partnerships, including, for example, with partners from the civil society, private sector, academia, local governments and international organisations.

With the implementation of the 2030 Agenda in mind, Mexico contributes to the systematisation of South-South and triangular co-operation practices and to the adaptation of the internationally agreed upon development effectiveness principles to the southern context.

Estimates of international development co-operation

Mexico accounts for its development co-operation through a self-developed methodology (with the support of the OECD DAC), which reflects the specific characteristics of South-South co-operation. Using this methodology of valuing South-South co-operation, in 2017, Mexico's development co-operation totalled USD 317.6 million, which represents an increase of 10% from 2016 (USD 287.9 million). This measurement includes: co-operation channelled through multilateral institutions (USD 279.8 million); scholarships (USD 21.6 million); technical and scientific co-operation (USD 14.5 million); humanitarian aid (USD 1.4 million); and financial co-operation (USD 0.4 million).

According to OECD estimates (using the OECD-DAC methodology that includes organisations that have a developmental mandate or else the developmental share of organisations that do not work exclusively on development), in 2017, Mexico's international development co-operation reached USD 340 million, up from USD 220 million in 2016. Of this, Mexico's contributions to multilateral organisations totalled USD 302 million in 2017. These contributions were primarily channelled through regional development banks (49%), the United Nations (21%) and the World Bank Group (16%).

FULL PROFILE

https://oe.cd/il/dev-coop-mexico

Qatar

Introduction

The Qatar Fund for Development (QFFD) is the main implementing arm of Qatar's foreign aid, with projects and programmes in over 100 countries worldwide. Emerging international trends, such as the Sustainable Development Goals, require Qatar to have a more institutional and co-ordinated foreign aid agency that aspires to deliver maximum impact from its projects in a more efficient and sustainable manner. Today, the foreign aid sector in Qatar is more aligned with the principles for effective development co-operation and has placed strong and innovative partnerships at the centre of its activities. This can be attributed to the QFFD's role as co-ordinating agency, which systematically adopts an inclusive partnership approach.

The QFFD's strategy focuses on human development and prioritises education, health and economic infrastructure sectors. This approach builds upon, yet slowly shifts the focus from, sectors that were prevalent prior to 2014 (so-called legacy interventions), namely infrastructure and budget support.

The Qatar Fund has established relations with a large and diverse set of local and global partners over the past four years, engaging with them through multiple funding modalities that directly contribute to advancing and enhancing effective development and humanitarian aid co-operation, including co-financing through grants, pooled funding, core and nonearmarked contributions to UN agencies and multilateral organisations.

Estimates of international development co-operation

According to the Qatar Fund for Development, in 2015, 2016, 2017 and 2018, Qatar's international development co-operation reached USD 269 million, USD 503 million, USD 674 million and USD 585 million respectively. For the period between 2016 and 2018, Qatar's contributions to multilateral organisations totalled USD 67.1 million.

The OECD also estimates contributions to development co-operation in an internationally comparable manner based on publicly available information. According to the OECD, Qatar's development co-operation was USD 337 million in 2016 and USD 744 million in 2017. Contributions to multilateral organisations totalled USD 123.5 million in 2017, which were primarily channelled through the United Nations (97%).

FULL PROFILE

https://oe.cd/il/dev-coop-qatar

South Africa

Introduction

The Revised Strategic Plan 2015-2020 of South Africa's Department of International Relations and Cooperation (DIRCO) emphasises co-operation with "the African continent" and "strengthening South-South relations".

South Africa prioritises co-operation with the African continent, with a strong focus on member countries of the Southern African Development Community. The priority sectors of its bilateral development co-operation are peace, security, post-conflict reconstruction, regional integration, governance and humanitarian assistance. South Africa provides its bilateral development co-operation mostly in the form of technical co-operation.

South Africa is also engaged in triangular co-operation, partnering with several Development Assistance Committee members (e.g. Canada, Germany, Ireland, Norway, Spain, Sweden and the United States) to support other African countries in areas such as governance, public security and postconflict reconstruction.

Estimates of international development co-operation

According to estimates by the OECD, in 2017, South Africa's international development co-operation reached USD 104 million, up from USD 95 million in 2016. South Africa's contributions to multilateral organisations totalled USD 71 million. These were primarily channelled through the United Nations (30%), regional development banks (16%) and the World Bank Group (16%).

FULL PROFILE

https://oe.cd/il/dev-coop-south-africa

Estimates of gross concessional flows for development co-operation, 2012-16

Country	2012	2013	2014	2015	2016	2017	Source
Brazil	411	316	293	112	316		Institute of Applied Economic Research (IPEA) and Brazilian Cooperation Agency (ABC)
Chile	38	44	49	33	33	24	Ministry of Finance
China (People's Republic of)	3 123	2 997	3 401	3 113	3 615	4 792	Fiscal Yearbook, Ministry of Finance
Colombia	27	42	45	42		198	Strategic institutional plans, Presidential Agency of International Cooperation
Costa Rica 1		21	24	10	9.0	8.3	Annual budget laws, Ministry of Finance
India 2	1 077	1 223	1 398	1 772	1 695	2 957	Annual budget figures, Ministry of Finance
Indonesia	26	49	56		144		Ministry of National Development Planning
Mexico 3	203	526	169	207	220	340	Mexican Agency for International Development Cooperation (AMEXCID)
Qatar	543	1 344			337	744	Foreign aid reports, Ministry of Foreign Affairs; Qatar Fund for Development reports
South Africa 2	191	191	148	100	95	104	Estimates of public expenditures, National Treasury; annual reports, Department International Relations & Cooperation.

Million USD

Notes

1. Bilateral figures for Costa Rica were provided by MIDEPLAN and include the cost of experts in charge of implementing South-South and triangular co-operation in 2017, both for co-operation offered and received by Costa Rica.

2. Figures for India and South Africa are based on their fiscal years. For example, 2012 data correspond to fiscal year 2012/13.

3. According to AMEXID, the Mexican Development Co-operation Agency, contributions to international organisations in 2017 amounted to USD 280 million. The OECD is unable to include this information since it does not have access to the list of contributions to international organisations to verify that all contributions to multilateral agencies have as their main aim the promotion of economic development and welfare of developing countries. In practice, in OECD-DAC statistics a percentage of these contributions is applied when a multilateral agency does not work exclusively on developmental activities in developing countries. The OECD estimates that contributions to international organisations amounted to USD 178 million. These estimates are therefore conservative and based on contributions to main multilateral development banks and UN agencies, but might not include contributions to sub-regional organisations.

Estimated development-oriented contributions to and through multilateral organisations, 2017

Million USD, current prices

	,									
	Brazil	Chile	China (People's Republic of)	Colombia	Costa Rica	India	Indonesia	Mexico	Qatar	South Africa
Total United Nations	128.4	12.3	457.1	182.0	2.2	63.1	19.5	63.6	120.2	21.6
United Nations Organization (18%)	17.4	1.8	36.0	1.5	0.2	3.4	2.3	6.5	1.2	1.7
Food and Agriculture Organization (51%)	15.5	0.9	16.0	7.4	0.1	2.0	0.9	11.3	0.5	0.9
UN Educational, Scientific and Cultural Organization (60%)	16.4	1.6	23.5	0.6	0.2	4.3	1.0	4.1	1.3	0.7
World Health Organization (76%)	13.4	1.4	38.1	1.1	0.2	10.7	2.5	5.0	1.2	1.9
UN Department of Peacekeeping Operations (7%)	1.7	0.3	112.8	0.1	0.0	0.3	0.2	0.6	2.5	0.2
World Food Programme (100%)	10.7	0.0	75.9	18.1	-	1.0	-	1.0	2.5	3.7
International Fund for Agricultural Development (100%)	-	-	20.0	-	-	12.0	6.0	1.7	-	-
International Labour Organization (60%)	13.9	1.4	19.1	10.6	0.6	1.7	1.2	3.4	1.6	4.1
UN Industrial Development Organization (100%)	4.0	0.5	8.7	0.8	0.1	1.5	0.5	2.5	0.3	0.5
International Atomic Energy Agency (33%)	13.3	0.9	19.6	0.4	0.2	1.7	0.9	3.3	1.2	0.8
International Organization for Migration (100%)	2.1	0.6	5.4	37.3	0.0	0.8	-	2.6	-	0.2

Data include only development-related contributions. DAC coefficients – the percentage of an organisation's core budget allocated to developmental purposes in developing countries (see first column in parenthesis) – are applied to core contributions. Lastly, local resources, financing from a country through multilateral organisations destined to programmes within that same country, are excluded.

The information in this table is mainly based on data from the UN Department of Economic and Social Affairs (DESA), www.aidflows.org; and websites of other multilateral organisations and national publications of the countries involved. Not all data on contributions to multilateral organisations are made publicly available, so the presented information may not be complete.

	Brazil	Chile	China (People's Republic of)	Colombia	Costa Rica	India	Indonesia	Mexico	Qatar	South Africa
UN Development Programme (100%)	1.5	0.6	21.8	0.2	0.7	11.2	1.0	2.8	-	2.6
Other United Nations	18.5	2.4	60.2	103.9	-	12.6	3.1	19.0	107.8	4.4
Total regional development banks	-	-	1 146.7	0.9	4.2	870.5	342.8	147.6	-	11.2
Inter-American Development Bank (100%)	-	-	-	-	1.7	-	-	96.1		
African Development Bank (100%)		-	132.6	-	-	17.0	-		-	11.2
Central American Bank for Economic Integration (100%)					2.5					
Asian Infrastructure Investment Bank (85%)	-	-	1 012.5	-	-	853.5	342.8		-	-
Development Bank of Latin America (CAF) (100%)	-	-	-	-	-	-	-	51.5	-	-
Caribbean Development Bank (100%)	-		1.6	0.9	-	-	-	-	-	
World Bank Group (total)	23.5	-	649.4	1.0	-	183.0	83.1	49.0	-	11.1
Other multilateral organisations	-	-	6.0	-	0.7	6.0		41.9	3.3	27.2
The Global Fund (100%)			6.0			6.0			3.3	2.0
Other organisations					0.7			41.9	3.3	25.2
Overall total	151.9	12.3	2 259.3	183.9	7.1	1 122.6	445.4	302.1	123.5	71.1

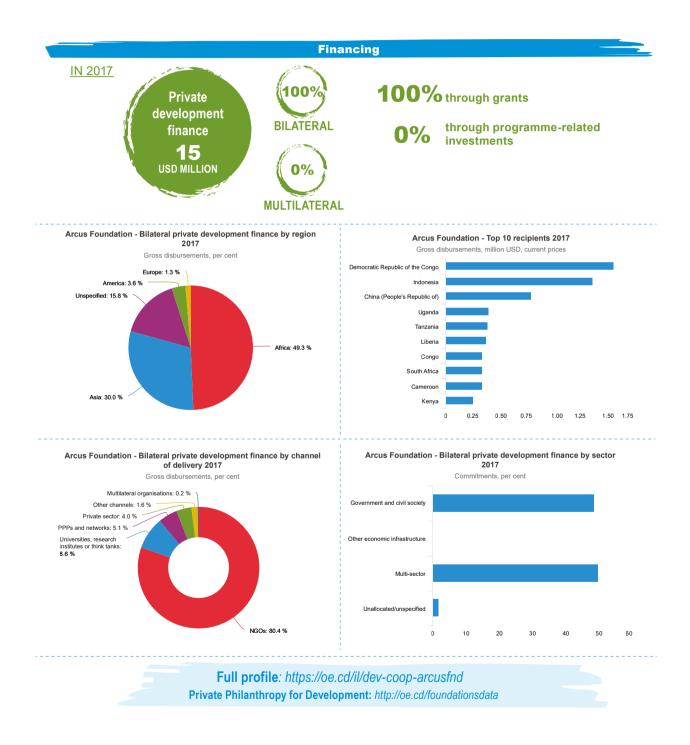
FOUNDATIONS REPORTING TO THE OECD

This section includes information on the volumes and key features of development co-operation provided by 24 foundations that report regularly to the OECD their development finance flows at the activity level.

DEVELOPMENT CO-OPERATION AT A GLANCE ARCUS FOUNDATION

Introduction

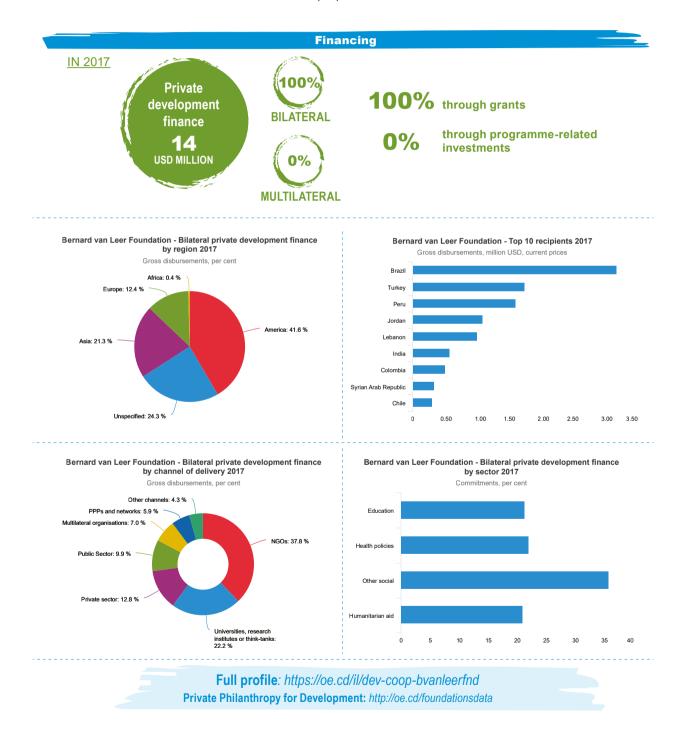
The Arcus Foundation is a charitable foundation with offices in the United States and the United Kingdom, established in 2000 by Jon Stryker. Guided by the vision of its founder and the shared commitment to the global human rights and conservation movements, the Arcus Foundation partners with experts and advocates for change to ensure that lesbian, gay, bisexual, transgender, queer (LGBTQ) people and apes thrive in a world where social and environmental justice, and respect and dignity for all are a reality.



DEVELOPMENT CO-OPERATION AT A GLANCE BERNARD VAN LEER FOUNDATION

Introduction

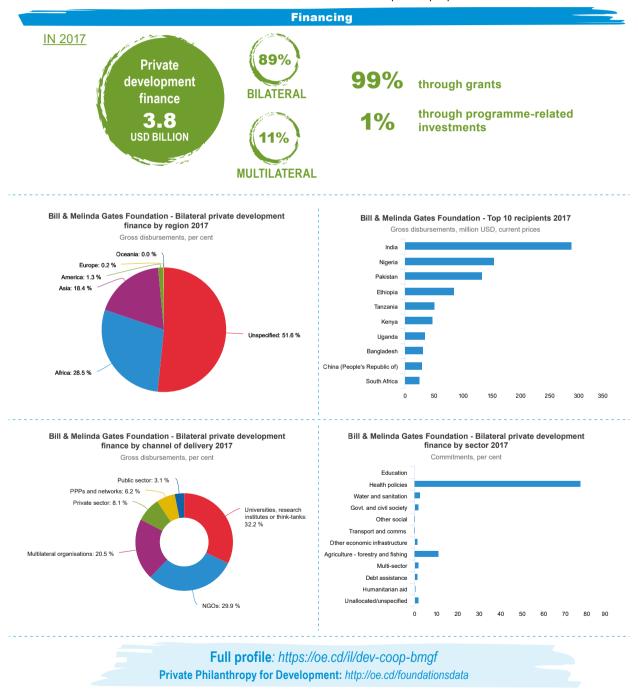
The Bernard van Leer Foundation is a financially independent foundation based in the Netherlands, which was established in 1949. The foundation's income is derived from the bequest of Bernard van Leer. Guided by the vision of Bernard van Leer's son Oscar that all children deserve a good start in life, the foundation works worldwide to inspire and inform large-scale action to improve the health and well-being of babies, toddlers and the people who care for them.



DEVELOPMENT CO-OPERATION AT A GLANCE BILL & MELINDA GATES FOUNDATION

Introduction

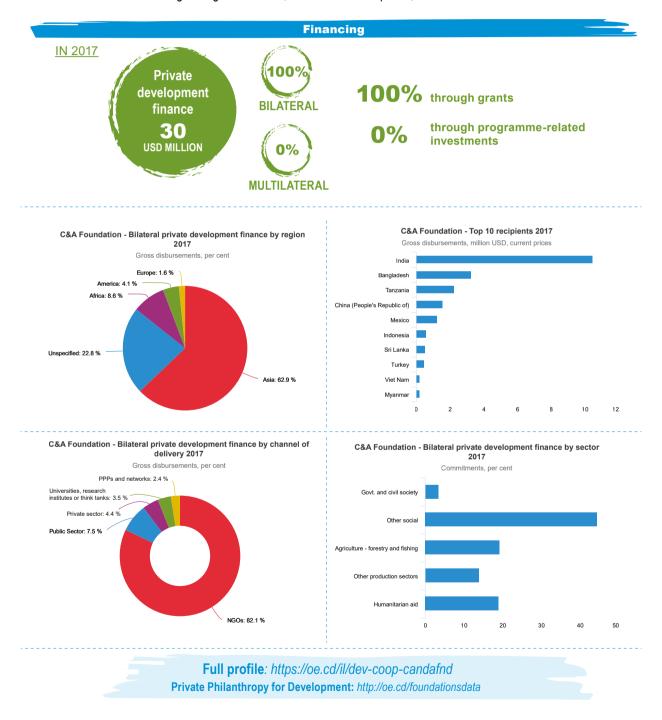
The Bill & Melinda Gates Foundation is a US-based foundation established by Bill and Melinda Gates in 2000. Since 2006, the foundation also benefits from Warren Buffett's support. Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, the foundation focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. The Bill & Melinda Gates Foundation, the largest private foundation in the world, works with grantees and partner organisations across the globe to address critical health and development priorities – from infectious disease to agricultural development and financial services – to benefit the world's poorest people.



DEVELOPMENT CO-OPERATION AT A GLANCE C&A FOUNDATION

Introduction

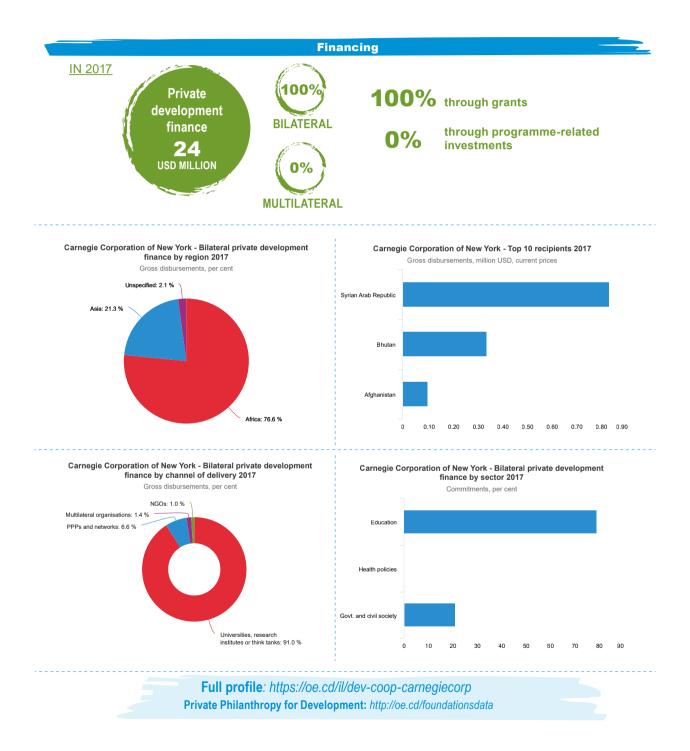
The C&A Foundation is a Swiss-based corporate foundation, affiliated to the global retailer C&A. The foundation was established to fundamentally transform the apparel industry, in collaboration with the entire fashion industry – from manufacturers, government and local charities to major brands, including C&A. Impact areas serving developing countries include forced and child labour, working conditions, gender justice, sustainable cotton, field building, strengthening communities, institutional development, and circular fashion.



DEVELOPMENT CO-OPERATION AT A GLANCE CARNEGIE CORPORATION OF NEW YORK

Introduction

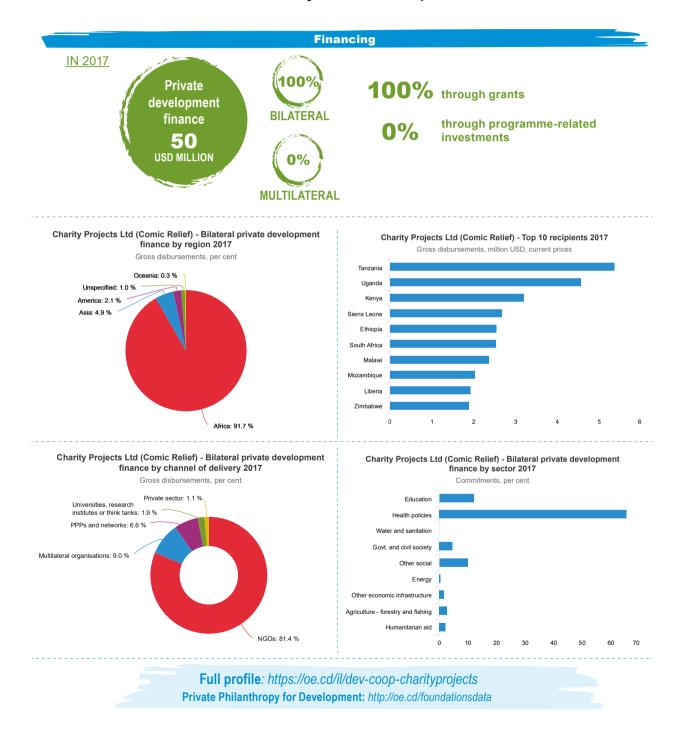
The Carnegie Corporation of New York is a US-based philanthropic fund established by Andrew Carnegie in 1911. Guided by its funder's vision, the foundation has devoted unremitting effort toward international peace and the advancement of education and knowledge to support education activities across the United States, and later the world.



DEVELOPMENT CO-OPERATION AT A GLANCE CHARITY PROJECTS LTD (COMIC RELIEF)

Introduction

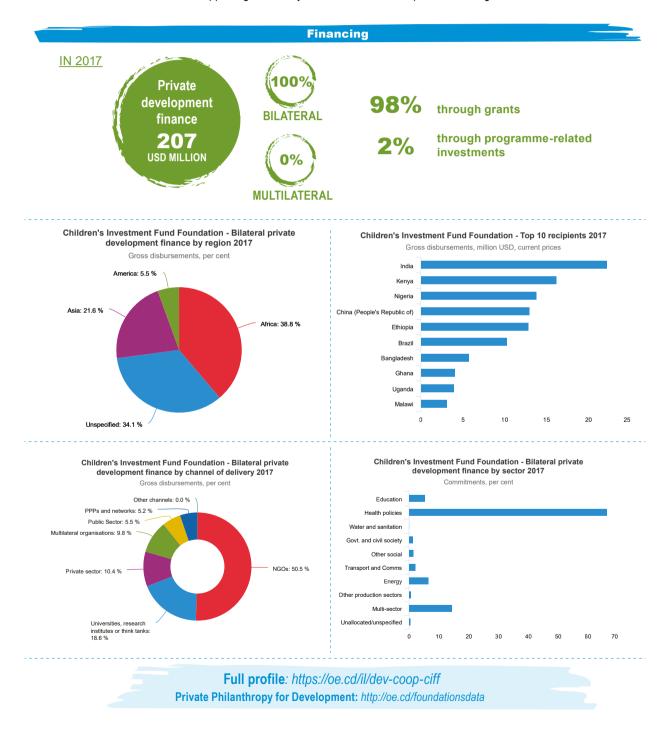
Comic Relief (registered as Charity Projects Ltd) is a UK-based charity, founded in 1985 by the comedy scriptwriter Richard Curtis and comedian Lenny Henry in response to famine in Ethiopia. The charity is funded through two biennial crowdfunding appeals – Red Nose Day and Sport Relief – as well as regular donations. With a vision to create a just world free from poverty, Comic Relief supports people and communities in the United Kingdom and internationally.



DEVELOPMENT CO-OPERATION AT A GLANCE CHILDREN'S INVESTMENT FUND FOUNDATION

Introduction

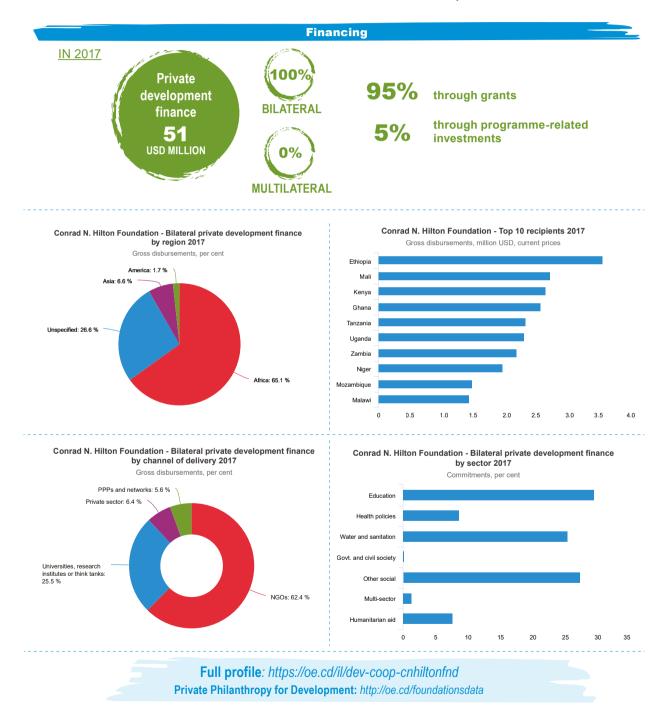
The Children's Investment Fund Foundation is an independent philanthropic organisation, headquartered in London, established in 2002 by Jamie Cooper-Hohn and Sir Chris Hohn. The co-founders set out to improve the lives of children living in poverty in developing strategies that have a lasting impact. Areas of work include maternal and child health, adolescent sexual health, nutrition, education, deworming, tackling child slavery and exploitation, and supporting smart ways to slow down and stop climate change.



DEVELOPMENT CO-OPERATION AT A GLANCE CONRAD N. HILTON FOUNDATION

Introduction

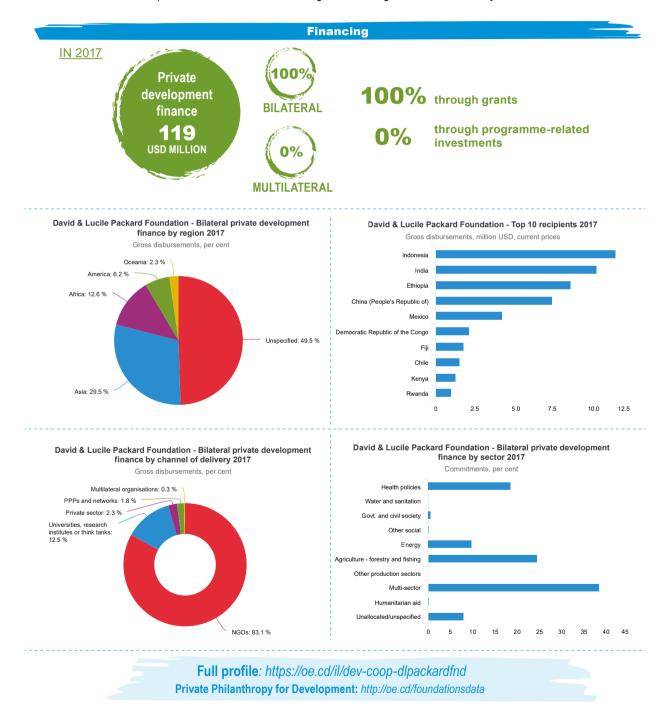
The Conrad N. Hilton Foundation is a US-based family foundation, established in 1944 by Conrad N. Hilton. The foundation provides funds to non-profit organisations working to improve the lives of individuals living in poverty and experiencing disadvantage in the United States and across the world. Programmes serving developing countries include Catholic Sisters, Safe Water, Young Children Affected by HIV and AIDS, Avoidable Blindness, and Disaster Relief and Recovery.



DEVELOPMENT CO-OPERATION AT A GLANCE DAVID & LUCILE PACKARD FOUNDATION

Introduction

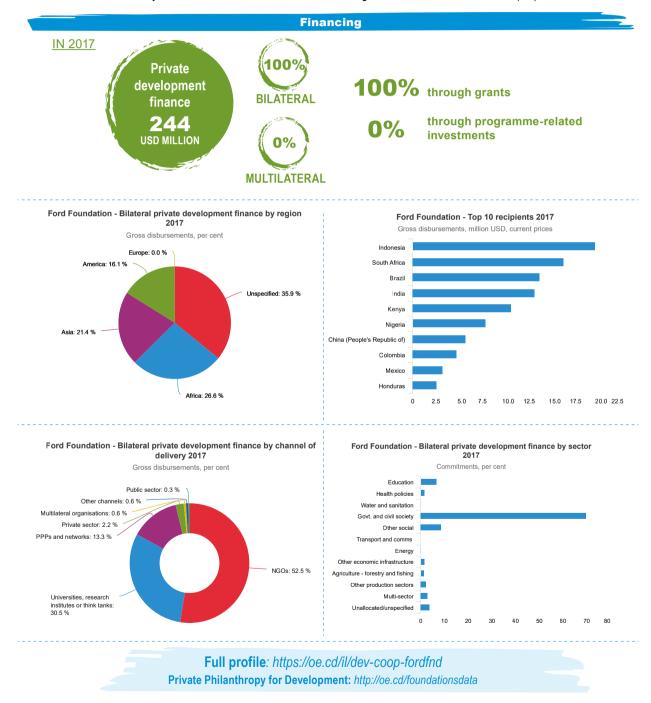
The David and Lucile Packard Foundation is a US-based family foundation established in 1964 and guided by the enduring business philosophy and personal values of Lucile and David Packard, who helped found one of the world's leading technology companies. The foundation funds work domestically and around the world on the issues its founders cared about most: improving the lives of children, enabling the creative pursuit of science, advancing reproductive health, and conserving and restoring the Earth's natural systems.



DEVELOPMENT CO-OPERATION AT A GLANCE FORD FOUNDATION

Introduction

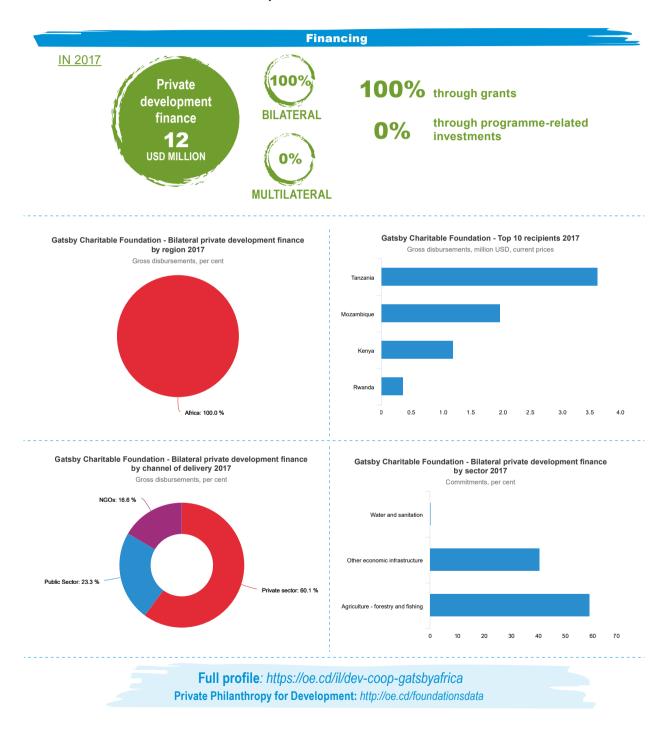
The Ford Foundation is a US-based private foundation established in 1936 by Edsel Ford, son of Henry, the founder of the Ford Motor Company. Their bequests turned the foundation into the then-largest philanthropy in the world. Guided by a vision of social justice across the world, the foundation works to reduce poverty and injustice, strengthen democratic values, promote international co-operation, and advance human achievement. Internationally, the foundation works to address civic engagement and government, creativity and free expression, gender, racial and ethnic justice, natural resources and climate change, as well as the future of work(ers).



DEVELOPMENT CO-OPERATION AT A GLANCE GATSBY CHARITABLE FOUNDATION

Introduction

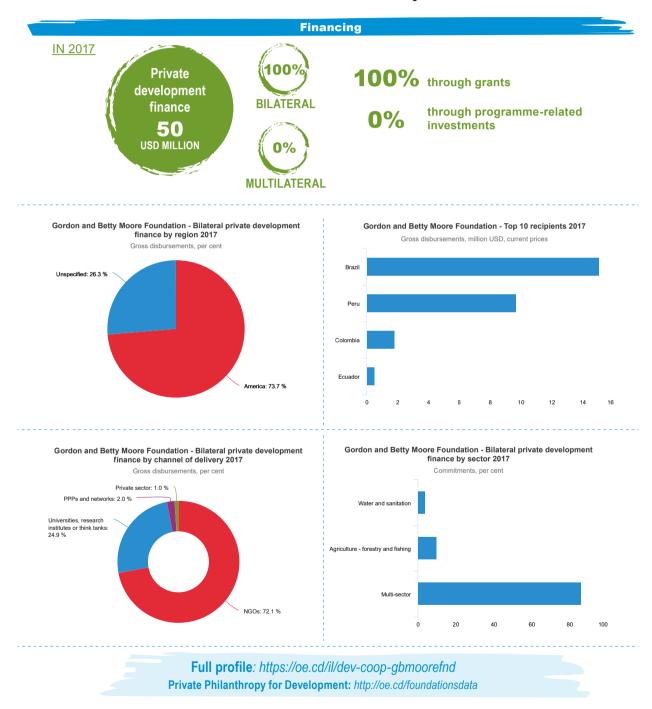
The Gatsby Charitable Foundation is a UK-based grant-making trust established in 1967 by David Sainsbury to realise his charitable objectives. The organisation is one of the Sainsbury Family Charitable Trusts. The foundation's work in Africa focuses on accelerating inclusive and resilient economic growth in East Africa by demonstrating how key sectors can be transformed.



DEVELOPMENT CO-OPERATION AT A GLANCE GORDON AND BETTY MOORE FOUNDATION

Introduction

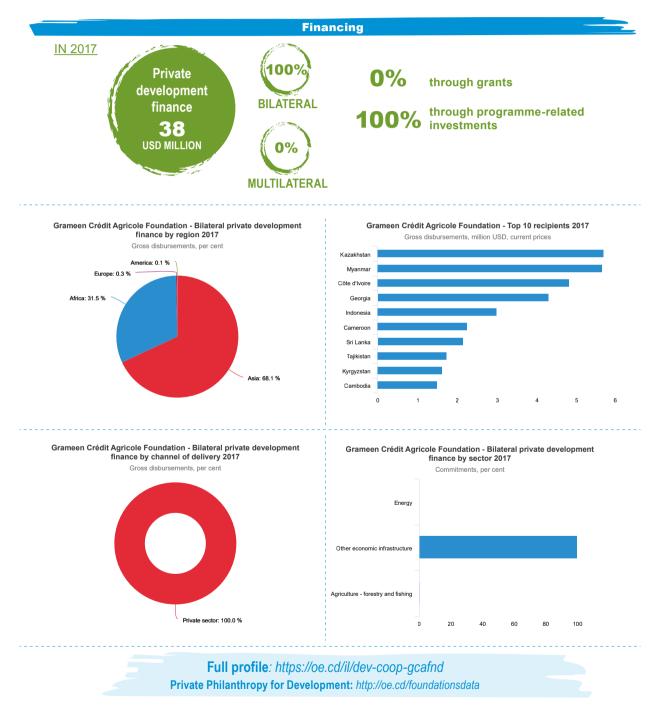
The Gordon and Betty Moore Foundation is a US-based foundation established by Gordon E. Moore, a co-founder of Intel, and his wife Betty I. Moore in 2000. Driven by the founders' vision, the foundation works to create positive outcomes for future generations through scientific discovery, environmental conservation and patient care. The foundation focuses on local, as well as international causes, such as environmental conservation and sustainable fishing.



DEVELOPMENT CO-OPERATION AT A GLANCE GRAMEEN CRÉDIT AGRICOLE FOUNDATION

Introduction

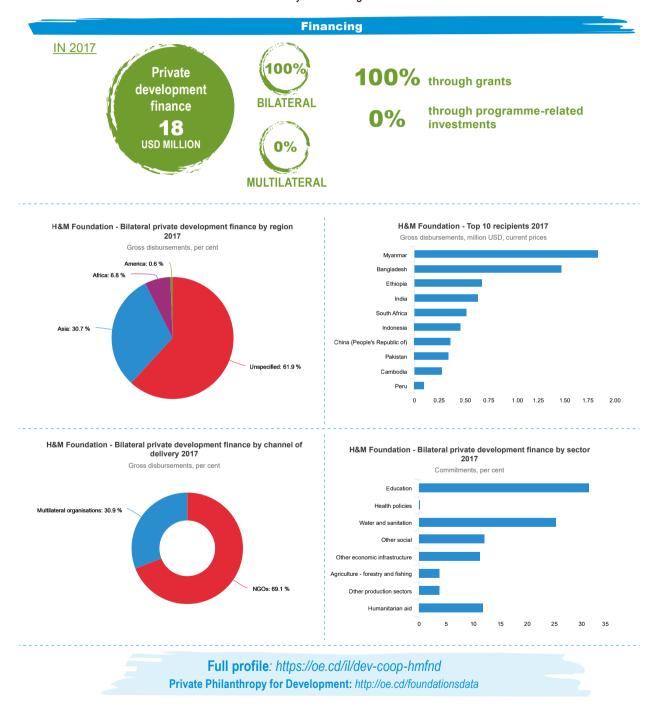
The Grameen Crédit Agricole Foundation is a non-profit foundation created in 2008 as a joint initiative of Crédit Agricole and Professor Muhammad Yunus, founder of the Grameen Bank and 2006 Nobel Peace Prize laureate. Its mission is to finance and support microfinance institutions, businesses and projects that promote inclusive finance and the development of rural economies everywhere in the world. The foundation promotes female entrepreneurship and rural economies through the institutions it supports: 75% of microcredit beneficiaries are women and 80% live in rural areas.



DEVELOPMENT CO-OPERATION AT A GLANCE **H&M FOUNDATION**

Introduction

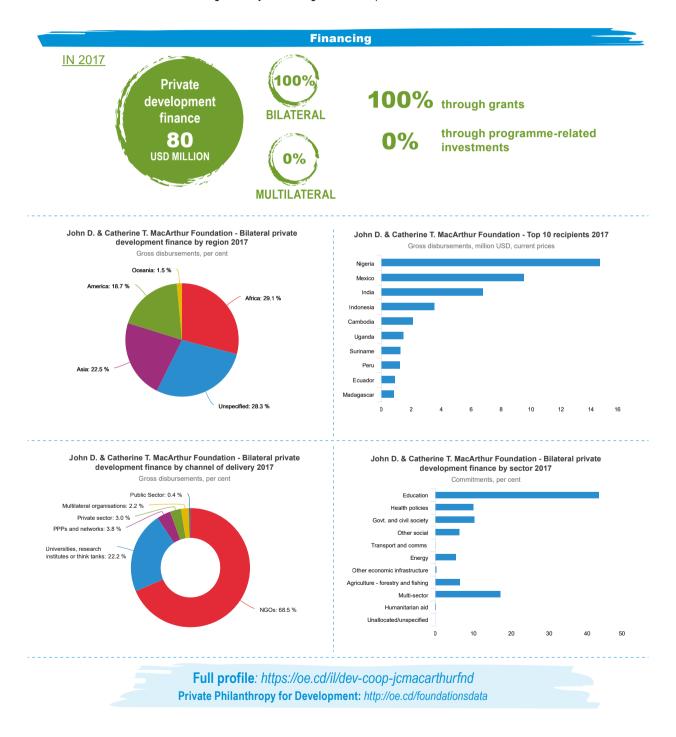
The H&M Foundation is a family foundation based in Sweden, established in 2013 by the Stefan Persson family, founders and main owners of H&M Group. Through partnerships with experienced organisations around the globe, the H&M Foundation aims to accelerate the progress needed to reach the UN Sustainable Development Goals by 2030 through investing in people, communities and innovative ideas. The H&M Foundation works both on a global scale, creating systemic change with transformative programmes, as well as on local projects to directly address urgent needs.



DEVELOPMENT CO-OPERATION AT A GLANCE JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION

Introduction

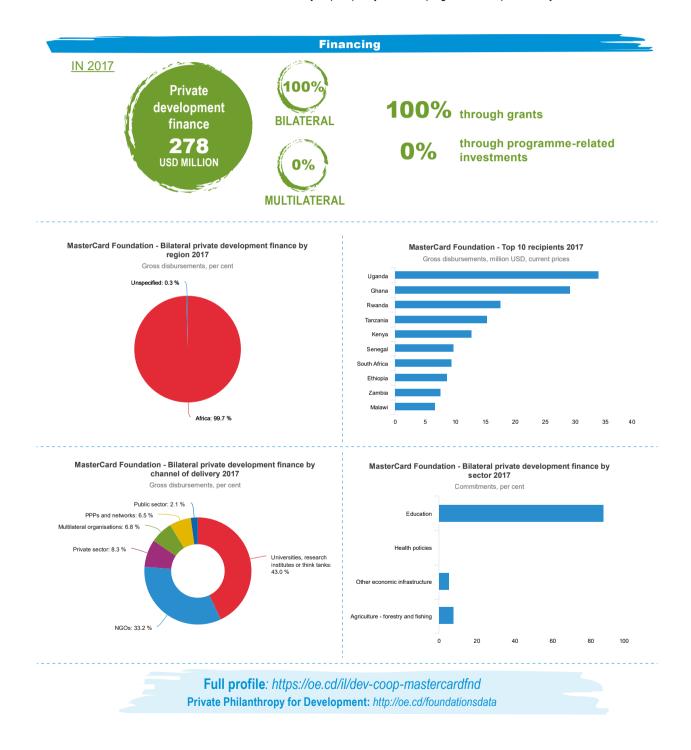
The John D. and Catherine T. MacArthur Foundation is a US-based independent foundation, with offices in India, Mexico and Nigeria. The foundation was established in 1978, initially endowed by John D. MacArthur's bequest. The MacArthur Foundation is placing a few big bets that truly significant progress is possible on some of the world's most pressing social challenges, including over-incarceration, global climate change, nuclear risk and significantly increasing financial capital for the social sector.



DEVELOPMENT CO-OPERATION AT A GLANCE MASTERCARD FOUNDATION

Introduction

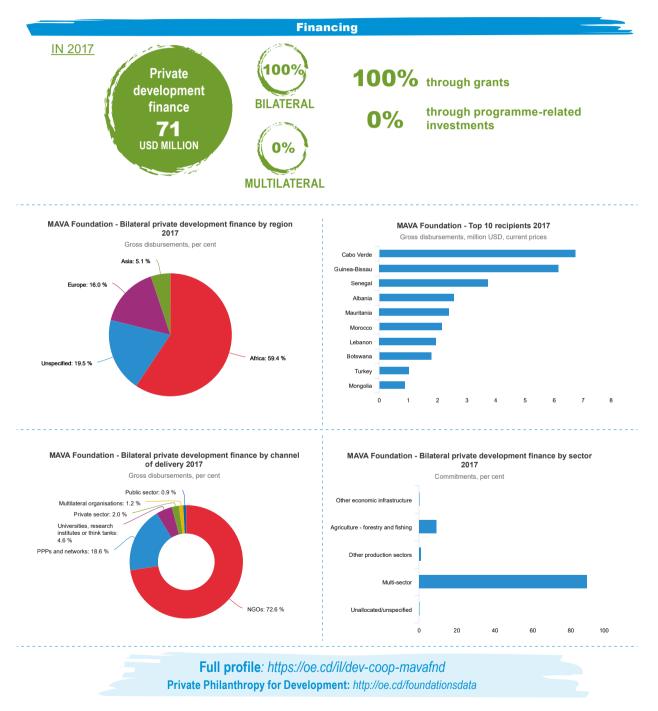
The MasterCard Foundation is a Canadian-based private philanthropic foundation established in 2006, endowed with shares in MasterCard International. The foundation operates independently under the governance of its own board of directors. The MasterCard Foundation partners with more than visionary organisations to advance education and financial inclusion to catalyse prosperity in developing countries, particularly in Africa.



DEVELOPMENT CO-OPERATION AT A GLANCE MAVA FOUNDATION

Introduction

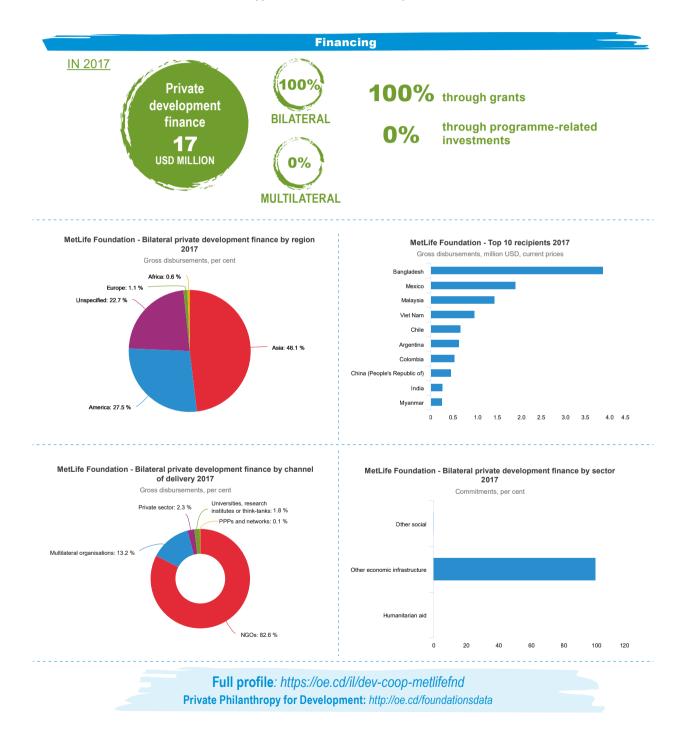
The MAVA Foundation is a Swiss-based foundation, established in 1994 by Luc Hoffmann, a naturalist who believed fiercely in the protection of the planet's wild splendour. Born of the passion and vision of its founder, the MAVA Foundation conserves biodiversity for the benefit of people and nature by funding, mobilising and strengthening its partners and the conservation community. The MAVA Foundation mainly provides support for projects in the Mediterranean basin, coastal West Africa and the Alps, as well as for activities with a global dimension.



DEVELOPMENT CO-OPERATION AT A GLANCE METLIFE FOUNDATION

Introduction

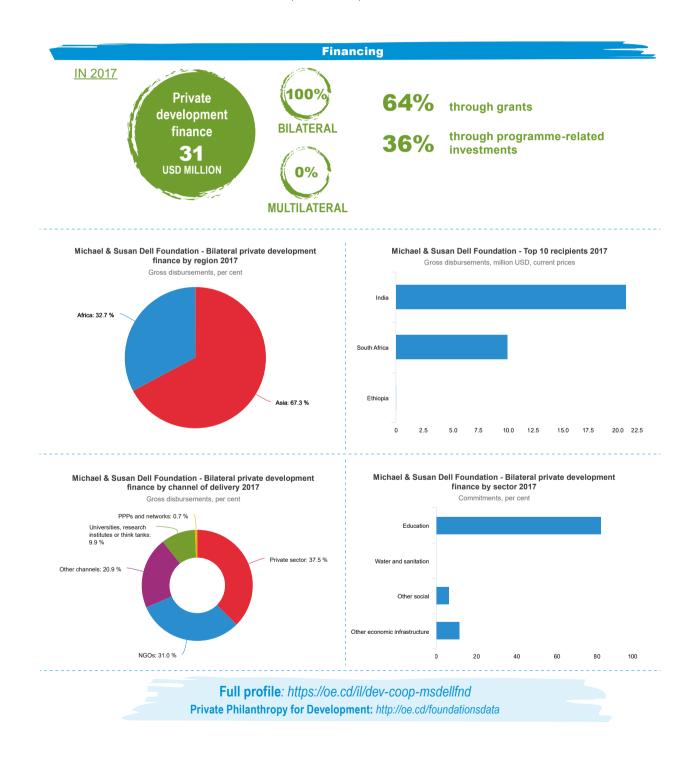
The MetLife Foundation is a US-based corporate foundation, established in 1976 as part of the life insurance company MetLife. With a goal to build healthier and stronger communities worldwide, the MetLife Foundation has been focusing its resources on advancing financial inclusion in the United States and internationally. The foundation also supports local communities and provides humanitarian aid.



DEVELOPMENT CO-OPERATION AT A GLANCE MICHAEL & SUSAN DELL FOUNDATION

Introduction

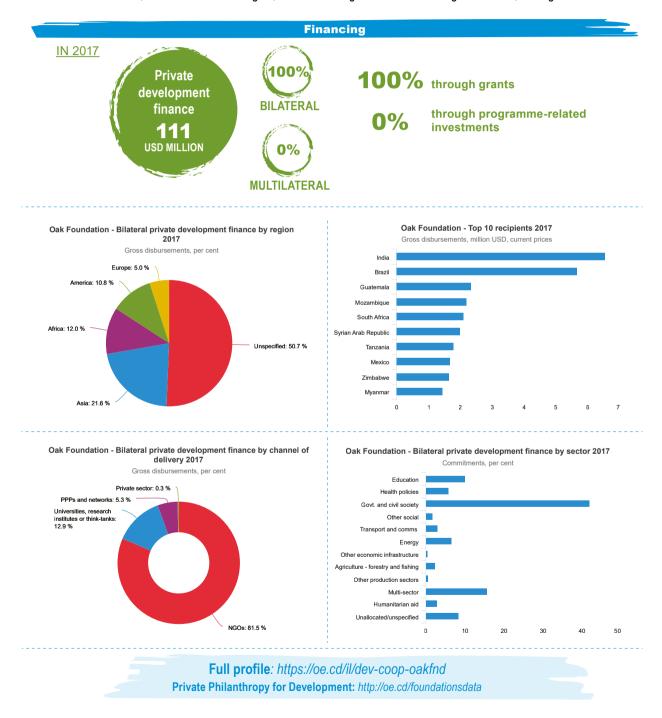
The Michael & Susan Dell Foundation was established in 1999. It was inspired by Michael and Susan Dell's passion for children and by a shared desire to transform the lives of children living in urban poverty. The foundation is based in Austin, Texas (United States) and has offices in both India and South Africa.



DEVELOPMENT CO-OPERATION AT A GLANCE OAK FOUNDATION

Introduction

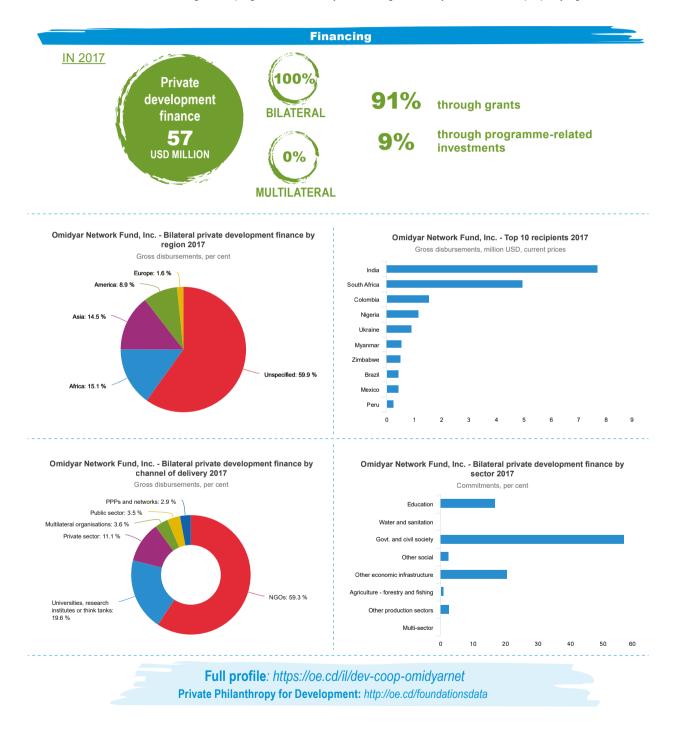
The Oak Foundation was established in 1983 to address issues of global, social and environmental concern. The foundation supports civil society as a pillar of democracy and justice and nurtures innovation and visionary leadership within it. The Oak Foundation has a principal office in Switzerland and other offices in Denmark, India, the United Kingdom and the United States. Programmes benefiting developing countries focus on preventing child sexual abuse, environment, international human rights, issues affecting women and learning differences, among others



DEVELOPMENT CO-OPERATION AT A GLANCE OMIDYAR NETWORK FUND, INC.

Introduction

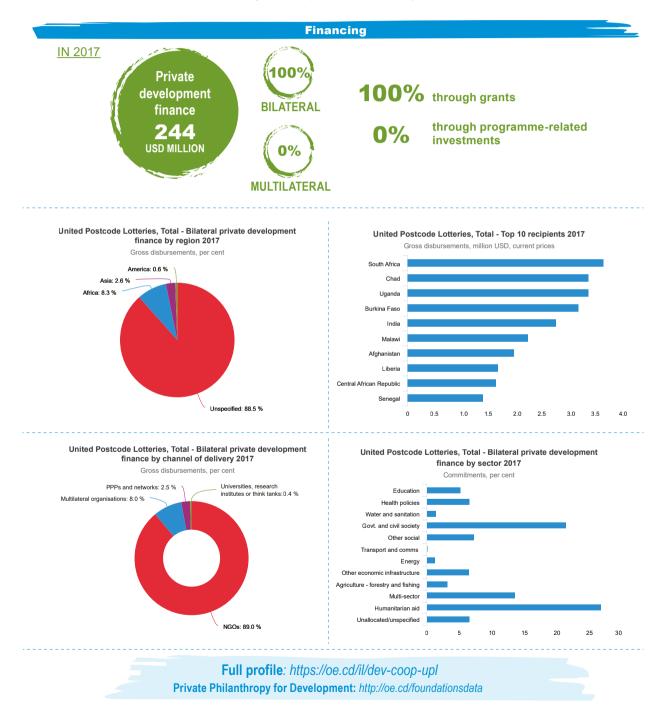
The Omidyar Network Fund, Inc. is the non-profit arm of the Omidyar Network, a global network of innovators, entrepreneurs, technologists, advocates, investors, activists and organisations committed to addressing the most critical economic, technological and societal issues of our time. The Omidyar Network, including the Omidyar Network Fund, Inc., was established in 2004 by the eBay founder Pierre Omidyar and his wife Pam. The Omidyar Network's areas of work benefiting developing countries mainly include digital identity, education and property rights.



DEVELOPMENT CO-OPERATION AT A GLANCE UNITED POSTCODE LOTTERIES

Introduction

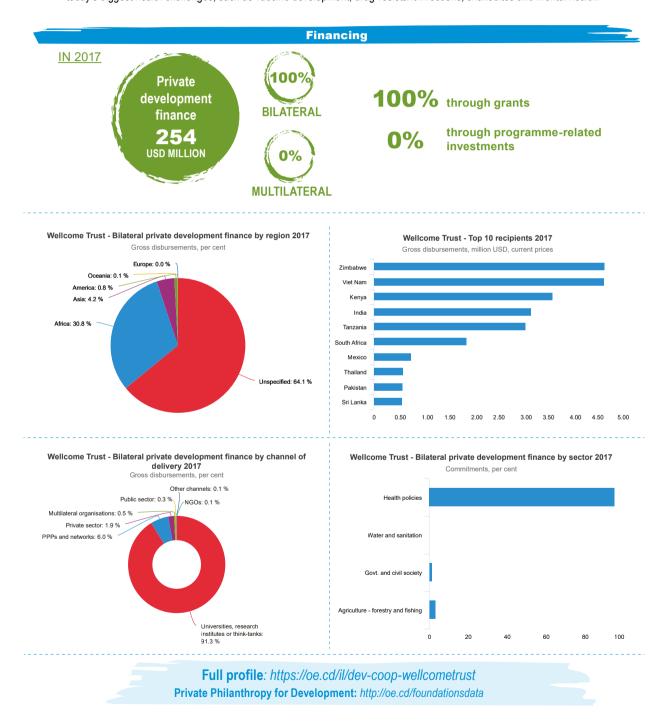
The United Postcode Lotteries are public charity lotteries administered by the social enterprise Novamedia. The lotteries are funded through selling lots: 50% of gross proceeds are provided to a broad range of organisations working in the field of environmental protection, climate change, human rights, gender equality and social cohesion. The United Postcode Lotteries are a significant provider of core/unrestricted support to organisations working on development issues and beyond.



DEVELOPMENT CO-OPERATION AT A GLANCE WELLCOME TRUST

Introduction

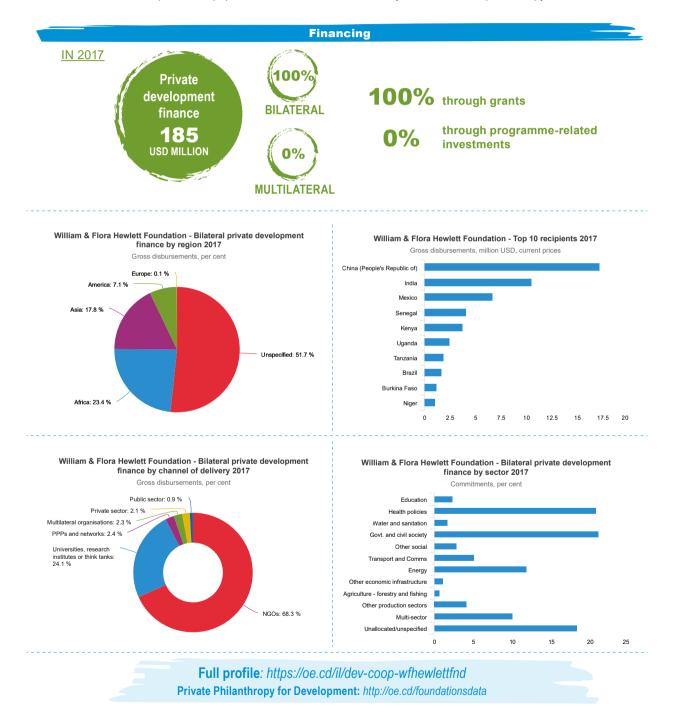
The Wellcome Trust is a UK-based independent charitable foundation established in 1936 by the legacy of the American-born pharmacist and medical entrepreneur Sir Henry Wellcome. Guided by the founder's broad interests and his conviction that health can be improved when research generates, tests and investigates new ideas, the Wellcome Trust takes on big health challenges, campaigns for better science, and helps everyone get involved with science and health research. The foundation also identifies areas in which Wellcome can lead significant change within five or ten years, aiming to transform the global response to some of today's biggest health challenges, such as vaccine development, drug-resistant infections, snakebites and mental health.



DEVELOPMENT CO-OPERATION AT A GLANCE WILLIAM AND FLORA HEWLETT FOUNDATION

Introduction

The William and Flora Hewlett Foundation is a US-based private foundation established in 1966, whose approach flows directly from the ethos and values of its founders William R. Hewlett and Flora Lamson Hewlett and their family. The foundation provides grants to a broad range of institutions – from research institutes and multilateral actors to grassroots organisations working on development. The foundation's international programmes focus on global development and population, education, environment, cyber and effective philanthropy.



METHODOLOGICAL NOTES DEVELOPMENT CO-OPERATION AT A GLANCE 2019

General point: unless otherwise stated, and with the exception of data on allocations by sector, and supporting gender equality and environment objectives (whose figures refer to commitments), all figures in the profiles refer to gross bilateral disbursements. All of the data presented in the profiles are publicly available at: www.oecd.org/dac/ financing-sustainable-development and effectivecooperation.org.

This annex describes the methodology and sources for: official development assistance (ODA) grant equivalent methodology, financial instruments, bilateral ODA by channel of delivery, bilateral ODA unspecified/ unallocated, ODA to least developed countries, the Gender Equality Policy Marker, the Environment markers, bilateral allocable aid, amounts mobilised from the private sector, ODA disbursed through government agencies, and private development finance.

ODA GRANT EQUIVALENT METHODOLOGY

In 2014, members of the OECD's Development Assistance Committee (DAC) decided to modernise the reporting of concessional loans by assessing their concessionality based on discount rates differentiated by income group, and introducing a grant equivalent system for calculating ODA figures. Instead of recording the actual flows of cash between a donor and a recipient country, DAC members agreed that the headline figure for ODA would be based on the grant equivalents of aid loans, i.e. the "gift portion" of the loans, expressed as a monetary value. The grant equivalent methodology would provide a more realistic comparison of the effort involved in providing grants and loans and encourage the provision of grants and highly concessional (or soft) loans, especially to lowincome countries.

In 2016, DAC members also decided to apply the grant equivalent measure to other non-grant instruments, such as equities and

private sector instruments (PSI) to better reflect the donor effort involved. Whilst DAC members agreed on a methodology for counting the grant equivalent of official loans and loans to multilateral institutions. they have yet to reach agreement on how to calculate ODA grant equivalents for equities, PSI and debt relief. Pending an agreement, DAC members have decided on provisional reporting arrangements for PSI whereby either contributions to development finance institutions and other PSI vehicles may be counted at face value (using an institutional approach), or loans and equities made directly to private sector entities may be counted on a cash-flow basis (using an instrument approach), with any equity sale proceeds capped at the value of the original investment. DAC members will continue to work with the support of the OECD Secretariat in 2019 to find an agreement, and make the reporting of PSIs and debt relief consistent with the new grant equivalent method.

This change in the ODA methodology takes effect in 2019 with the publication of preliminary 2018 ODA.

The implementation of the ODA grant equivalent methodology adds 2.5% to 2018 ODA levels for all DAC countries combined, with impacts on individual country figures ranging from 40.8% for Japan, 14.2% for Portugal and 11.4% for Spain to -2.7% for Korea, -2.8% for France, -2.9% for Belgium, and -3.5% for Germany.

The new "grant equivalent" headline ODA figures are no longer comparable with the historical series on "cash basis". In the cash basis, the net capital flow over the lifetime of a loan is nil because repayments of principal are deducted when made; interest payments are not taken into account. In the grant equivalent method, both principal and interest payments are taken into consideration, but discounted to the value they represent in today's money.

In order to be fully transparent, the OECD will continue to also publish ODA data on a cash basis, but not as the headline ODA figure to measure donors' performance in volume or as a percentage of gross national income.

FINANCIAL INSTRUMENTS

In DAC statistics, financial instruments classified as grants comprise: grants, capital subscriptions, debt forgiveness, interest subsidies and other subsidies. Financial instruments classified as non-grants comprise loans, reimbursable grants, debt rescheduling, debt securities (bonds and asset-backed securities), mezzanine finance instruments, equity and shares in collective investment vehicles.

BILATERAL ODA BY CHANNEL OF DELIVERY

The channel of delivery tracks core funding channelled through multilateral organisations, non-governmental organisations, public-private partnerships and other channels. It also distinguishes between public and private implementing partners. The channel of delivery is the first implementing partner. It is the entity that has implementing responsibility over the funds and is normally linked to the extending agency by a contract or other binding agreement, and is directly accountable to it. Where several levels of implementation are involved (e.g. when the extending agency hires a national implementer which in turn may hire a local implementer), the first level of implementation is reported as the channel of delivery. Where activities have several implementers, the principal implementer is reported (e.g. the entity receiving the most funding). In the case of loans, the borrower (i.e. the first entity outside the donor country that receives the funds) is reported.

Public sector institutions include central, state or local government departments (e.g. municipalities) and public corporations in donor or recipient countries. Public corporations refer to corporations over which the government exercises control by owning more than half of the voting equity securities or otherwise controlling more than half of the equity holders' voting power; or through special legislation empowering the government to determine corporate policy or to appoint directors.

Private sector institutions include "for-profit" institutions, consultants and consultancy firms that do not meet the definition of a public sector institution (see above).

BILATERAL ODA UNSPECIFIED/UNALLOCATED

Some activities may benefit several recipient countries. Regional projects and programmes are reportable under the most specific available "regional/multi-country" category (e.g. South of Sahara), and are not attributed to a specific recipient country.

The category "bilateral, unallocated" is used if an activity benefits several regions. It is also used for a number of activities undertaken in donor countries, such as administrative costs not included elsewhere.

ODA TO LEAST DEVELOPED COUNTRIES

ODA to least developed countries is presented in different manners. Bilateral flows reflect the funds that are provided directly by a donor country to an aid-recipient country.

However, when calculating a donor's total ODA effort with regards to the UN target for least developed countries, an estimate needs to be made to impute aid by multilateral organisations back to the funders of those bodies. For more information on imputed multilateral flows, see:www.oecd. org/dac/financing-sustainable -development/development-finance -standards/oecdmethodologyfor calculatingimputedmultilateraloda.htm.

GENDER EQUALITY POLICY MARKER

The DAC Gender Equality Policy marker is a statistical instrument to measure aid that is focused on achieving gender equality and women's empowerment. Activities are classified as "principal" when gender equality is a primary objective, "significant" when gender equality is an important but secondary objective, or "not targeted". In the profiles of DAC members, the basis of calculation is bilateral allocable, screened aid.

Source: OECD (2019), "Aid projects targeting gender equality and women's empowerment (CRS)", OECD International Development Statistics (database), http://stats.oecd.org/ Index.aspx?DataSetCode=GENDER.

ENVIRONMENT MARKERS

The figure "Climate and environmental focus by sector 2017" nets out the overlaps between Rio and environment markers: it shows climate-related aid as a sub-category of total environmental aid; biodiversity and desertification are also included (either overlapping with climate-related aid or as additional - other - environmental aid) but not separately identified for the sake of readability of the figure. One activity can address several policy objectives at the same time. This reflects the fact that the three Rio conventions (targeting global environmental objectives) and local environmental objectives are mutually reinforcing. The same activity can, for example, be marked for climate change mitigation and biodiversity, or for biodiversity and desertification.

"Climate-related aid" covers both aid to climate mitigation and to adaptation. In the profiles of DAC members, the basis of calculation is bilateral allocable ODA. More details are available at: www.oecd.org/dac/ environment-development/rioconventions.htm.

Source: OECD (2019), "Aid activities targeting global environmental objectives",

OECD International Development Statistics (database), http://stats.oecd.org/Index. aspx?DataSetCode=RIOMARKERS.

BILATERAL ALLOCABLE AID

Bilateral allocable aid is the basis of calculation used for all markers (Gender Equality and Environmental markers). It covers bilateral ODA with types of aid A02 (sector budget support), B01 (core support to NGOs), B03 (specific funds managed by international organisation), B04 (pooled funding), C01 (projects), D01 (donor country personnel), D02 (other technical assistance) and E01 (scholarships).

AMOUNTS MOBILISED FROM THE PRIVATE SECTOR

In the OECD DAC statistics, mobilisation means the stimulation by specific financial mechanisms/interventions of additional resource flows for development. The methodologies for reporting on amounts mobilised are defined instrument by instrument (see Annex 6 of DCD/DAC/ STAT(2018)9/ADD1/FINAL), but overall they reflect the principles of causality between private finance made available for a specific project and an official intervention, as well as pro-rated attribution as to avoid double counting in cases where more than one official provider is involved in a project mobilising private finance. The amounts mobilised from the private sector cover all private finance mobilised by official development finance interventions regardless of the origin of the private funds (provider country, recipient country, third country). The objective of data collection by the OECD on amounts mobilised from the private sector is two-fold: i) to improve data on the volume of resources made available to developing countries (recipient perspective); and ii) to valorise the use by the official sector of mechanisms with a

mobilisation effect (provider perspective). Data are collected through the regular CRS data collection for the following financial instruments: syndicated loans, guarantees, shares in collective investment vehicles, direct investment in companies/project finance special purpose vehicles and credit lines. Work is ongoing to expand the scope of the measure to also include simple co-financing arrangements, including in the form of technical assistance.

ODA DISBURSED THROUGH GOVERNMENT AGENCIES

The extending agency is the government entity (central, state or local government agency or department) financing the activity from its own budget. It is the budget holder, controlling the activity on its own account.

PRIVATE DEVELOPMENT FINANCE

Private development finance includes crossborder transactions from the private sector having the promotion of the economic development and welfare of countries and territories included in the DAC List of ODA Recipients as their main objective, and which originate from foundations or other private organisations' own resources, notably endowment, donations from corporations and individuals (including high net-worth individuals and crowdfunding), legacies, bequests, as well as income from royalties, investments (including government securities), dividends, lotteries and similar. More information can be found at: http://www. oecd.org/development/financing-sustainabledevelopment/development-finance-standards/ beyond-oda-foundations.htm

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