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**OECD STATEMENTS DELIVERED DURING THE 2ND DRAFTING SESSION OF THE
CONFERENCE ON FINANCING FOR DEVELOPMENT (13-17 APRIL 2015)**

Room Document 6

DAC Meeting, 19 May 2015

This room document is a compilation of the OECD statements delivered during the second drafting session of the Financing for Development Conference (13-17 April 2015) in New York.

The Secretariat will provide a very brief update on the Road to Addis and the Financing for Development Agenda under Item 6 of the Draft Annotated DAC Agenda [DCD/DAC/A(2015)4].

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Contact: Suzanne Steensen - Tel: +33 (0)1 45 24 76 23 - E-mail: Suzanne.STEENSEN@oecd.org

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Second drafting session on Financing for Development *Session on “Domestic and international private business and finance”*

Statement by the Organisation of Economic Co-operation and Development (OECD)
Tuesday 14 April 2015
New York

Co-facilitators,

On behalf of the OECD, I am honoured to deliver the following statement in relation to private financing and development.

We very much welcome the emphasis in the zero draft on private finance, and investment in particular, as a critical part of the development finance equation.

- **Paragraph 37** recalls that *“Monterrey tasked us to continue our efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, and many countries have made great strides in this area. We commit to continue to promote and create the right enabling conditions for inclusive and sustainable private sector investment”*. **The draft should thus also recognise the developments since 2002 and what instruments and tools are on offer to the international community to better support financing for development.**
- As a response to the Monterrey Consensus on Financing for Development, 60 non-OECD and OECD governments developed **the OECD Policy Framework for Investment (PFI)** to help host countries attract more and better investment. The PFI has been used by 30 developing countries and various regional economic communities to strengthen the enabling environment for responsible investment. It is a key reference point for international organisations and other providers of development co-operation as they assist developing country partners in improving their investment environment. **The PFI was recently updated through an inclusive process, co-chaired by Myanmar and Finland to better reflect necessities to build investment linkages, regional and global value chains, infrastructure, responsible business conduct, and green growth.** The PFI can provide a flagship contribution to the *Third International Conference on Financing for Development* and support developing countries’ efforts in attracting private financing for development. ¹ We thus encourage recognition of the PFI and other available instruments and initiatives in paragraph 37.

¹ <http://www.oecd.org/investment/pfi-update.htm>

- We also welcome the zero draft's support of "*principles for socially and environmentally responsible investment and business activities*" in paragraph 39. We would strongly encourage for the role of the *OECD Guidelines for Multinational Enterprises* to be recognised in this regard along with other international organisations and initiatives. There are almost 50 OECD and non-OECD adherents, who through the Guidelines' mechanisms ensure that any third party harmed by activities of MNEs from adhering countries in any part of the world have access to remedy. The principles embedded in the Guidelines include major UN instruments such as the ILO Conventions as well as the Multilateral Environmental Agreements, thereby paving the way for the implementation of key UN principles on responsible business conduct by most MNEs from OECD and emerging economies.

Co-facilitators,

A global framework for financing sustainable development should build on the tools that are on offer.

Thank you.

Second drafting session on Financing for Development *Section on “Domestic Resource Mobilisation”*

Statement by the Organisation of Economic Co-operation and Development (OECD)

Tuesday, 14 April 2015

New York

The OECD would like to thank the co-facilitators for giving the opportunity to provide comments, and we welcome the zero draft's onus on domestic public resources as the key pillar for sustainable development and believe it grasps the crucial issues countries face in strengthening domestic tax capacity, curbing tax avoidance and tackling illicit financial flows.

In line with the Co-facilitators' request, we would like to provide proactive and focused technical suggestions to specific paragraphs of the draft as follows:

- **At paragraph 25** we would suggest adding after “harmful tax competition” the following reference to the Tax Inspectors Without Borders Initiative: **“We support the Tax Inspectors Without Borders initiative to enhance tax audit capacity which is critical in developing countries.”**
- **At paragraph 26** we would suggest more focused language in various parts of the document and I will read out drafting suggestions as follows:

26. In this context, we welcome ongoing efforts, including the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes **where 126-members work together on an equal footing, and** stress that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the differentiated needs and capacities of all countries, including LDCs and SIDS. **We invite all countries to sign the multilateral Convention on Mutual Administrative Assistance in Tax Matters [which already has 85 jurisdictions participation and which is a powerful tool to enhance cross-border cooperation including greater tax transparency].** We commit to strengthen efforts to develop global norms on taxation, taking into account the work of the Organisation of Economic Cooperation and Development (OECD)-G20 Project on Base Erosion and Profit Shifting **which brings together 62 developed and developing countries directly involved in the Project,** and we welcome the inclusive deliberations to ensure that these efforts benefit all countries, including LDCs and SIDS, **through a structured regional dialogue involving the IMF, the UN and the World Bank Group,** to ensure its global impact. We welcome the efforts of the International Monetary Fund (IMF), including on tax spill-overs and capacity building.

At Paragraph 27, we would suggest to mention **the Global Forum's Africa Initiative which will be critical to improving tax transparency in the region**. Furthermore we would propose to include a reference to the OECD among the other International Organisations.

We will be glad to provide the Co-facilitators with the aforementioned drafting suggestions in writing.

Thank you.

Proposed drafting suggestions attached.

Attachment 1: Proposed Revisions:

25. We recognize that there are limits to how much governments can individually increase revenues in our interconnected world. We thus commit to a global campaign to substantially reduce international tax evasion through more concerted international cooperation. We agree to work together to strengthen transparency and adopt pending policy innovations, including: public country-by-country reporting by multinational enterprises; public beneficial ownership registries; and multilateral, automatic exchange of tax information, with assistance to developing countries, especially the poorest, as needed to upgrade their capacity to participate. We agree to work through relevant fora to end harmful tax competition. [We support the Tax Inspectors Without Borders initiative to enhance tax audit capacity which is critical in developing countries.](#) We call on competing countries to engage in voluntary discussions on tax incentives in regional and international fora, which can also stimulate cooperation to stem illicit financial flows.
26. In this context, ~~while~~ we welcome ongoing efforts, including the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes [where 126-members work together on an equal footing](#), ~~we and~~ stress that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the differentiated needs and capacities of all countries, including LDCs and SIDS. [We invite all countries to sign the multilateral Convention on Mutual Administrative Assistance in Tax Matters \[which already has 85 jurisdictions participation and which is a powerful tool to enhance cross-border cooperation including greater tax transparency\].](#) We commit to strengthen efforts to develop global norms on taxation, taking into account the work of the Organisation of Economic Cooperation and Development (OECD)-[G20 Project for the Group of 20](#) on Base Erosion and Profit Shifting [which brings together 62 developed and developing countries directly involved in the Project](#), and we ~~welcome~~ ~~call for more~~ ~~the~~ inclusive deliberations to ensure that these efforts benefit all countries, including LDCs and SIDS, [through a structured regional dialogue involving the IMF, the UN and the World Bank Group](#), ~~as well as a more inclusive governance structure to reflect~~ ~~to ensure~~ its global impact. We welcome the efforts of the International Monetary Fund (IMF), including on tax spill-overs and capacity building.
27. We welcome the Report of the High Level Panel on Illicit Financial Flows (IFFs) from Africa. We urge governments to take into consideration the recommendations of the report and invite other regions to carry out similar exercises building on this initiative [and note the Global Forum's Africa Initiative which will be critical to improving tax transparency in the region](#). To help track illicit flows, we invite the United Nations, the IMF, [the OECD](#), the World Bank and other relevant stakeholders, to develop a proposal for an official definition of IFFs, and to publish official estimates of their volume and breakdown. We commit to developing the capacity to track 'to whom, from whom' information on cross-border transactions, bearing in mind that the poorest and most vulnerable countries will need assistance. We ask the Financial Stability Board to work expeditiously with relevant institutions to implement the proposed global Legal Entity Identifier system, with appropriate standards to incentivize countries to mandate use of the system. We will support the strengthening of efforts to effectively combat money laundering and the financing of terrorism.

Second drafting session on Financing for Development *Session on "Data Monitoring and Follow up"*

Statement by the Organisation for Economic Co-operation and Development (OECD)

Thursday, 16 April 2015
New York

Co-Facilitators,

Measuring progress towards the Sustainable Development Goals will require technically sound indicators, wider data availability, and enhanced statistical capacities, particularly in developing countries. For over 50 years, OECD statistics have fed the global framework for monitoring and follow-up for development co-operation commitments. We look forward to strengthening the process to monitor and review implementation of the post-2015 agenda.

First, the OECD reaffirms the importance of the systematic collection, analysis and use of **gender statistics** and data disaggregated by sex.

In paragraph 115, we propose a stronger emphasis on committing governments to improving the quality, regularity and independence of official statistics and to encouraging countries to embrace innovations in data collection, processes and use. It is essential to capitalise on existing initiatives and mechanisms that support statistical capacity building, such as the **OECD-hosted PARIS21** partnership.

In paragraph 116, we propose making reference to the proposed framework of **Total Official Support for Sustainable Development (TOSSD)**, which would provide an international post-2015 benchmark for monitoring and measuring the broader array resource flows – international, local, public, private, concessional and non-concessional – and thereby incentivising these flows for a better future.

In paragraph 118, we welcome the effort to consolidate the monitoring building on existing systems and databases and we look forward to contributing to the **UN statistical commission** work. The paragraph should also emphasise the importance of gathering globally comparable revenues statistics to underpin tax policy and measurement.

In paragraph 119, we echo the call to advance measurement to encompass new areas of well-being that recognises the multidimensional nature of poverty. The paragraph could be enriched by including reference to existing initiatives such as the **OECD Better Life Initiative**. This platform allows to monitor and to benchmark countries' performance, as well as contributes toward better measurement in areas such as trust, health inequalities, green growth, income, consumption, inequality measures and job quality.

In paragraph 122, we strongly welcome the call for better peer learning mechanisms and propose to capitalise on existing initiatives, including the **OECD DAC Peer Review mechanisms**. These mechanisms provide mutual learning and exchange of good practices and information through, inter-alia, voluntary and self-initiated peer reviews among interested states. We strongly believe that this pivotal tool would greatly benefit the implementation of the post-2015 agenda.

For a successful monitoring and follow up it will be crucial to pool our international efforts to deliver on monitoring the implementation of the Addis Ababa Accord and avoid reporting overburden by countries. The OECD can help by providing input to monitoring at the global level. We contribute to international data quality and consistency in order to ensure that indicators relevant to the SDGs are as accurate as possible and reflect real status and trends. To this end the OECD data services includes all relevant indicators and statistics, including on **ODA, other cross border flows, investment and domestic revenues**.

Thank you

Second drafting session on Financing for Development Session on “International Public Finance”

Statement by the Organisation for Economic Co-operation and Development (OECD)

Wednesday 15 April 2015
New York

Co-facilitators,

The OECD welcomes the importance accorded in the zero draft to official development assistance (ODA) which is and will remain a crucial source of finance, particularly for very poor, vulnerable and fragile countries. In 2014, net ODA flows were USD 135.2 billion, matching the all-time high of 2013, though with a slight decline in real terms and in the flows to the poorest countries^[1]. OECD DAC Ministers have reaffirmed their commitment to reversing this decline.

The OECD will continue to hold its member states to account in meeting their ODA commitments. Although we support the wording in paragraph 56, we would further add that the text should include reference to efforts by the OECD Development Assistance Committee (DAC) to foster accountability on commitments individually through the OECD DAC Peer Review process and collectively during annual DAC Senior Level Meetings.

We welcome the wording in paragraph 57 which references the **decision in December 2014 by OECD DAC Ministers** who reaffirmed their commitments toward ODA, and in particular to allocate more of total ODA to countries most in need, including least developed countries, LICs, SIDS, LLDCs and conflict affected states. **DAC Ministers also took decisions leading to ODA at more concessional terms to LDCs, other LICs and LMICs.** They also committed to use ODA in a catalytic way in all developing countries

Furthermore, in paragraph 58 we welcome **the call for an open, inclusive and transparent dialogue on the proposed TOSSD measure**, which aims to ensure international benchmarks for measuring, monitoring and enhancing transparency of international development finance above and beyond ODA. DAC ministers stressed the importance of TOSSD to complement and not replace ODA. Furthermore, we look forward to continuing informing the members' states about the modernisation of the ODA measure, which encourages more resources on softer terms to the poorest countries, while putting in place safeguards to ensure debt sustainability.

^[1] [OECD DAC press release](#).

Paragraph 61 calls for **the importance of aligning financial flows with all three dimensions of sustainable development. We welcome the increase in the share of development finance targeting environmental sustainability and climate change.** We would suggest including a reference to OECD work on measuring climate-related development finance, particularly through the Rio Markers. Furthermore, we also believe the text should integrate support for risk mitigation and management to build resilience.

Although paragraphs 63, 64, and 65 make a strong acknowledgment of the role of the MDBs and IFIs, **the text could be strengthened by also emphasising the important role of national/bilateral Development Finance Institutions and development banks both from the north and the south.** They are also key players in mobilising additional resources for sustainable development, from both public and private sources, using financial mechanisms that mitigate risks.

Finally we agree with many of the interventions that we should also focus on the quality and effectiveness of development finance for ensuring maximum impact.

Thank you.

Third International Conference on Financing for Development *2nd Drafting Session - General Discussion*

Statement by the Organisation for Economic Co-operation and Development (OECD)

Monday, 13 April 2015
New York

Co-Facilitators,

The OECD commends the Co-facilitators, the Permanent Representatives of Guyana and Norway, for the delivery of an ambitious zero draft of the Addis Ababa Accord.

We welcome the effort to foster synergies between **more and better aid, more and better investment, and more and better tax**, which resonates with the conclusion of the recent OECD Global Forum on Development. The future of financing for development depends upon this shift to a more complete vision of meeting the vast resources needs required to implement the emerging Sustainable Development Goals – **from more and better AID to more and better A.I.T.**

We look forward to providing further inputs on these specific areas of the Addis Ababa Action Agenda over the course of the week's negotiation sessions.

We echo the **pivotal role of partnerships – public-private, North-South, South-South, triangular, regional, thematic as well as multi-stakeholder – for maximising resource mobilisation, sharing knowledge and disseminating good practices and technology.**

We reaffirm and support the importance accorded to a number of cross-cutting areas currently emphasised in the text, such as:

- **the promotion of gender equality and women's empowerment** for more equitable and effective development worldwide;
- **the targeting of our efforts to meet the needs of countries in special situations** (*including least developed countries (LDCs), landlocked developing countries (LLDCs) and small-island developing States (SIDS), countries in conflict and post-conflict situations, sub-Saharan Africa as well as the specific challenges facing the middle-income countries*);

- **the role of non-state actors such as the private sector and philanthropy to leverage investment, innovative financing approaches and share knowledge.** We particularly welcome the recognition of philanthropies as a significant stakeholders to be considered beyond their funding capacities but as sources of expertise, knowledge and as partners in their own right. Moreover, the zero draft echoes the *Guidelines on Effective Philanthropic Engagement* which the OECD Network of Foundations Working for Development has contributed to developing.

In order to chart a more sustainable and prosperous future for all, further emphasis in the Addis Ababa Action Agenda should be accorded to:

- **Ensuring adequate financing for crises and shocks, conflict, natural disasters, and disease outbreaks** which undermine existing development investments and impede the ability of countries to achieve sustainable development and which have known catastrophic effects on economic growth, both inside and beyond borders;
- **Recognising the special needs of countries in conflict and post-conflict situations** – particularly low income ones, where finance, both public and private, should be “conflict sensitive” and adapted to these countries, to minimise risk of exacerbating conflict and capitalise on opportunities for it to promote peaceful societies;
- **Promoting quality education as an investment in social and economic development**, by recognising existing programmes that promote institutional capacity-building for educational targets in the post-2015 framework. The OECD Programme for International Student Assessment (PISA) and the new “PISA for Development” have become leading references on the quality of education systems worldwide. To date, 70 countries have taken part in the assessment, comparing results and learning from one another in PISA’s collaborative global network;
- **Enhancing development effectiveness by signalling the overarching importance of principles such as national ownership, strong institutions, inclusive partnerships, transparency and mutual accountability.**

Thank you.

Specific drafting suggestions attached.

Attachment 1: Specific drafting suggestions (general discussions)

9. The fundamental responsibility for organizing this global partnership lies with governments. We will be held accountable by future generations for the success of commitments we make today. Our success will also depend on the resources, knowledge and ingenuity of business, civil society, the scientific community, [philanthropy](#), ~~philanthropists and foundations~~, and other stakeholders. We urge business to embrace our commitment to sustainable development, including by directing private sector assets, technologies and capital towards sustainable investments with a long term perspective, and away from harmful, unsustainable ones. We count on civil society around the world to mobilize public support and awareness, and for academia and other experts to bring their scientific, economic, and financial expertise to our pursuit of sustainable development. We will work with all partners to ensure a sustainable, equitable and prosperous future for all.

45. We welcome the rapid growth of philanthropic giving and the significant [financial and non-financial](#) contribution ~~philanthropists individuals~~ have made toward achieving our common goals. [We recognize the value added of philanthropy and see them as committed development partners. We welcome their agility, commitment to achieving impact, capacity for innovation and to take risks combined with their ability to leverage additional funds through multi-stakeholders partnerships.](#) We encourage others to join those who already contribute, and call on all philanthropic providers to [engage in a dialogue and partner with us in our pursuit of sustainable development. We also welcome the first steps philanthropy has taken towards more transparency by sharing data with international bodies and we encourage the sector to pursue their efforts in that respect.](#) ~~call for increased transparency in philanthropy.~~

61. We further acknowledge the importance of aligning all financing flows, including ODA, with the three dimensions of sustainable development and that we need to build climate and disaster resilience considerations into development assistance to ensure the sustainability of development results. [Accordingly we agree to promote incentives and support so that states can anticipate risks and integrate risk management into their own development processes, and make appropriate budget allocations to build resilience to those risks. We recognize that well-designed development actions can capture multiple local and global benefits, including those related to climate change.](#) We recognize the need for transparent accounting for climate finance and welcome the ongoing work in the UNFCCC. [In addition, we agree to adapt and refine international tools for responding to crises and shocks, including crises such as prolonged displacement situations, by providing more predictable and flexible crisis response funding, diversifying funding sources and increasing the use of innovative financing mechanisms, while also committing to reducing the transaction costs related to relief operations.](#)

116. We recognize that greater transparency is essential. To this end, we welcome proposals on improved statistical indicators of financial and technical cooperation for sustainable development by all official providers and, separately, for development assistance ~~from foundations and~~ other non-governmental providers.