

Unclassified

DCD/DAC/RD(2015)7/RD5

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

15-Jun-2015

English text only

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC/RD(2015)7/RD5
Unclassified

FOLLOW-UP ON THE WORKPLAN TO IMPLEMENT DECEMBER 2014 DAC HIGH-LEVEL MEETING DECISIONS ON THE MEASUREMENT AND MONITORING OF DEVELOPMENT FINANCE

Room Document 5

DAC Meeting, 18 June 2015

This Room Document is presented for INFORMATION under Item 6 of the Draft Annotated DAC Agenda [DCD/DAC/A(2015)7].

It presents the state of the progress on workplan to implement the 2014 HLM mandate and an overview of outreach and engagement activities of the OECD/DAC Secretariat in the context of the major international events in the lead-up to Addis Ababa.

Contacts: Julia BENN, DCD/SDF - Tel. +33(0)1 45 24 90 39 - julia.benn@oecd.org
Suzanne STEENSEN, DCD/SDF - Tel. +33(1)45 24 76 23 - suzanne.steensen@oecd.org

JT03378647

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**FOLLOW-UP ON THE WORKPLAN TO IMPLEMENT DECEMBER 2014 DAC HIGH-LEVEL
MEETING DECISIONS ON THE MEASUREMENT AND
MONITORING OF DEVELOPMENT FINANCE**

1. At their High-Level Meeting (HLM) on 15-16 December 2014 DAC members reviewed progress in the work to modernise the DAC statistical system, measures and standards and took decisions in the areas of: (1) ODA modernisation; (2) valorisation of private sector instruments; (3) creation of a broader measure of Total Official Support for Sustainable Development (TOSSD) and better capturing resource inflows; and (4) better targeting of ODA and other resources. The HLM mandated further work in all these areas with a view to completing it in time for the next HLM end-2015/early-2016.

2. A workplan to implement the HLM decisions and to pursue work on post-2015 measures on development finance was prepared at the beginning of the year and updated for the meeting of the DAC on 10 March 2015 [see DCD/DAC/RD(2015)2/RD1]. This note presents the state of the progress on the four areas of the 2014 HLM mandate (Table 1). Furthermore this note also presents an overview of outreach and engagement activities of the OECD/DAC Secretariat in the context of the major international events in the lead-up to Addis Ababa (Table 2). This note is presented **for information** at the 18 June 2015 DAC meeting.

Table 1. Progress on the workplan

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders (see also table 2 below)
1. ODA modernisation			
a. Implement the HLM agreement on concessionality	--Revision of the Reporting Directives and reporting forms in accordance with the HLM agreement. --Implications of the new system on: i) loans to multilateral organisations and multi-country agreements (Q2-Q3); ii) reporting on debt relief (work to start in 2016).	--Analysis of possible implications of the concessionality agreement on the Terms Recommendation, Untying Recommendation and the OECD Arrangement (Q4). --Frequency of updates to the DAC List of ODA Recipients (Q4). --Directives: Based on WP-STAT work in Q1-Q3, for DAC approval in Q4-2015/Q1-2016.	--Outreach to explain the new system to various stakeholders (UN, developing country groups, non-DAC providers, CSOs) in the lead-up to Addis.
b. Reflect in ODA the effort of the official sector in catalysing private sector investment	--Explore further the institutional and instrument-specific approaches and potentially other approaches (Q1-Q2).	--Counting donor effort in using private sector instruments in ODA: Emerging options for consideration by the DAC in Q2.	--As part of the exploratory work, engage with donors' DFIs and other bilateral institutions that use private-sector instruments, and similar multilateral institutions to validate technical analysis.
c. Update ODA reporting instructions on peace and security expenditures	--Clarification of the existing rules (Q2-Q3). --Eligibility of items proposed for consideration [DCD/DAC(2014)57] (Q3). --Revision of the ODA coefficient of DPKO (Q2).	-- Report/recommendations from the Joint INCAF/WP-STAT Task Team for consideration by the DAC in Q4. --Updated Directives for approval by the DAC in Q4-2015/Q1-2016.	--Collaboration with DPKO on the ODA coefficient (Q1-Q2).
d. Harmonise and streamline reporting on in-donor costs	--Refugee costs (Q2-Q3) --Administrative costs (Q4)	Based on WP-STAT work in Q2 and Q3, streamlined reporting instructions for approval by the DAC in Q4-2015/Q1-2016.	

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
Progress on work on ODA modernisation	<p>a. Draft revised Directives implementing the HLM agreement [DCD/DAC/STAT(2015)13 through 16] and additional guidance for reporting on various cases of loans [DCD/DAC/STAT/RD(2015)3/RD4] discussed at WP-STAT in May.</p> <p>b. Analysis of the operational issues related to the institutional and instrument-specific approaches [DCD/DAC/STAT(2015)3] discussed at WP-STAT in March; summary of members' written feedback presented at WP-STAT in May and in a compendium [DCD/DAC/STAT/RD(2015)3/RD2].</p> <p>c. Proposals to clarify boundaries of ODA in the field of peace and security discussed in Joint INCAF/WP-STAT Task Team in February; drafting suggestions collected from members for a discussion by the Task Team on 2 July.</p> <p>d. WP-STAT Task Team on in-donor costs met in May; a proposal on streamlining the reporting on in-donor refugee costs will be developed for consideration by the WP-STAT in Q4.</p>	<p>a. Revised Directives on track for approval by the DAC in Q4-2015.</p> <p>b. Analysis of the incentives embedded in the institutional and instrument-specific approaches [DCD/DAC(2015)15] prepared for discussion by the DAC on 18 June. Informal consultations held with DAC members, including through the informal DAC group on major policy issues.</p> <p>c. Summary of discussions in Joint INCAF/WP-STAT Task Team [DCD/DAC(2015)13] presented for information and comment by the DAC on the direction of the Task Team work.</p>	<p>a. Communications material prepared on the HLM agreement (ODA before and after) and numerous engagement events undertaken to socialise on the ODA modernisation.</p> <p>c. Consultations initiated with DPKO on the ODA coefficient.</p>

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
2. Valorise private sector instruments			
a. Measure mobilisation impact of private sector instruments	--Guarantees, syndicated loans and collective investment vehicles: Test methodologies in DCD/DAC/STAT(2015)8 (Q2). --Develop methodology for equity, mezzanine finance and possibly other instruments (Q3-Q4).	--Based on WP-STAT work in Q1-Q2, Directives for approval by the DAC in Q4-2015/Q1-2016.	--Continue methodological work with donors' DFIs and other bilateral institutions that use private-sector instruments, and similar multilateral institutions.
b. Modernised taxonomy of financial instruments	--Integrate the taxonomy in the Reporting Directives (Q2).	--Updated Directives for approval by the DAC in Q4-2015/Q1-2016.	
c. Collect data on resources mobilised from the private sector using leveraging instruments	--Undertake a second Survey on private finance mobilised in Q2. --Adjust the CRS reporting form and database for the data collection as proposed in DCD/DAC/STAT(2015)7. (Q2)		--Results of the Survey to feed into Addis process.
d. Establish an international standard for measuring the volume of private finance mobilised by official interventions	--Elaborate the standard based on work on a, b and c. (Q4)	--Transparency of development finance beyond aid, including private finance mobilised. (Q4)	
Progress on work on valorising private sector instruments	a-c. Survey on mobilisation to test methodologies and collect data on guarantees, syndicated loans and CIVs launched in April; analysis of responses underway. Modernised taxonomy and data collection on amounts mobilised integrated in draft revised Directives [DCD/DAC/STAT(2015)13 through 16], reviewed by the WP-STAT in May.	a-c. Revised Directives on track for approval by the DAC in Q4-2015.	c. Information about the Survey and methodologies to be disseminated in Addis and other international events.

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
3. Create a broader measure of Total Official support for Sustainable Development and better capture resource inflows			
a. TOSSD (scope, emerging definition of building blocks and statistical features)	<p>--Implications of agreement on concessionality (ODA grant equivalents and TOSSD flows). (Q2)</p> <p>--Initiate discussions on definitional elements of TOSSD building blocks. (Q3)</p> <p>--Clarify distinctions between official support and flows mobilised through official interventions, flows and contingent liabilities. (Q3)</p>	<p>--Possible inclusion of private finance mobilised by official interventions in TOSSD. (Q2)</p> <p>--Further discussion on the outer boundaries of TOSSD. (Q3)</p> <p>--Definition of activities that promote and enable sustainable development. (Q3)</p> <p>--Clarify broader recognition of peace and security related activities in TOSSD. (Q4)</p> <p>--Clarify broader recognition of the Global Public Good agenda, including climate finance. (Q4)</p>	<p>--Broad and inclusive consultations with developing countries, international institutions, including UN, non DAC providers, and CSOs. (Q1-Q4)</p> <p>--Conduct 3 expert workshops that bring together a number of leading thinkers, policymakers and practitioners to support further development of the concept (Q2-Q4).</p>
b. Resource inflows as part of the broader TOSSD framework	<p>--Deriving resource inflows from TOSSD (building on CPA) and reporting from multilateral organisations, INGOs, PPPs, DFIs, non-DAC etc. (Q4)</p> <p>--Discussions on tracking of complex financing packages comprising two or more instruments and funding from different sources including from private sources mobilised by official interventions (Q4).</p>	<p>--Narrative of the relation between the provider and recipient perspectives (Q2-Q3).</p> <p>--Transparency of resource inflows to developing countries (Q4).</p> <p>--OECD DAC contribution to post-2015 resource monitoring mechanism (Q3-Q4).</p>	<p>--Broad and inclusive consultations with developing countries, international institutions, including UN, non DAC providers, and CSOs to ensure that OECD DAC statistics contribute to meeting developing countries' strategic information and planning needs and enhance cross-country learning and sharing. (Q2-Q4)</p>

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
<p><i>Progress on work on Total Official support for Sustainable Development including resource inflows</i></p>	<p>a-b. An illustration of the relation between grant equivalents, flows and amounts mobilised elaborated including how to make the distinction between provider and recipient perspectives (resource inflows). Initial discussions on TOSSD carried out at the WP-STAT in March. A note describing ODA, TOSSD and climate-related development finance [DCD/DAC/STAT/RD(2015)3/RD1] discussed at the Joint ENVIRONET/WP-STAT Task Team in May.</p> <p>A pilot to explore the building blocks and possible coverage of TOSSD ongoing with the UAE (mission carried out in May).</p>	<p>Feedback on the expert workshop provided to the DAC on 20 May and in a summary of main points [DCD/DAC/RD(2015)7/RD6]. Elaboration of a programme work on TOSSD underway to be presented at the DAC meeting of 6 July.</p>	<p>Consultations on the scope of the TOSSD framework organised with the broader development community, including a side event in connection with the 2nd drafting session of the Financing for Development process in New York. Flyers on TOSSD produced and disseminated at several international events and on the DAC website.</p> <p>A workshop with development practitioners and lead experts and thinkers organised in May to stimulate international dialogue and ownership for a broader statistical framework and monitoring system underpinning the Sustainable Development Goals and to obtain feedback and insights on the scope, possible building blocks and statistical features of TOSSD.</p> <p>A side event with a number of partners planned for the upcoming “International Conference on Financing for Development” in Addis Ababa in July 2015.</p>

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
4. Better target ODA and other resources	--Methodological and analytical work on country groups, assessment of contributions through global and regional programmes and institutions.	--Continued monitoring of UN target towards LDCs. --Analysis setting the baseline of resource allocations towards LDCs. --Compendium of additional measures taken by members for countries most in need, including LDCs and SIDS. --Analytical work on the use of financing instruments across sectors and geography.	--Engage and consult with members, non-DAC providers and international institutions on their resource allocation policies. --Discussion on gaps and overlaps in resource allocations, including towards LDCs and SIDS.
<i>Progress on work on better targeting</i>	--Analytical work initiated to assess contributions through global and regional programmes to improve the methodology for assessing contributions to least developed countries. Assessment and options will be developed for consideration by the WP-STAT in Q4-2015.	--Analytical work on resource allocations and monitoring of HLM commitment to allocate more of total ODA to developing countries most in need are on track for discussion in Q4-2015.	--Analytical work initiated together with UNDP on donor practices and policies toward financing for SIDS. The findings will be discussed at a consultation event in Q4-2015 (back-to-back with COP21). The final product will be a joint DAC-UNDP synthesis report of the respective research undertaken by the DAC and UNDP. It will combine both provider and developing country perspectives.

Table 2. List of international events in the lead-up to Addis Ababa providing opportunities for engagement and outreach on the 2014 HLM mandate and the OECD/DAC contributions to the FfD agenda

Upcoming meetings	
15-19 June 2015	<p><u>FfD Third drafting session (NYC)</u> High-level participation and outreach mission by Mr. Jon Lomøy, Director and DAC secretariat.</p>
22–25 June 2015	<p><u>Post-2015 intergovernmental negotiations (Intergovernmental negotiations on the outcome document)</u> DAC Secretariat participation.</p>
28-30 June	<p><u>47th Annual Tidewater meeting, taking place in Oegstgeest, The Netherlands</u> DAC Chair to convene the meeting with High-Level representation of DSG Tamaki.</p>
6-8 July 2015	<p><u>Ministerial segment of the UN High-Level Political Forum on Sustainable Development, under ECOSOC</u> Theme: “Strengthening integration, implementation and review - the HLPF after 2015” OECD/ DAC attendance at high level.</p>
13-16 July 2015	<p><u>Conference on Financing for Development (Addis Ababa)</u> OECD SG and DAC Chair attendance. Outreach on Development Finance through several side events (OECD side events, including on Tax, Investment and TOSSD). Joint side event with UNDP on SIDS and UNOHRLLS on countries in special situations). The OECD/DAC is expected to be playing a key role throughout the conference, including through roundtables.</p>

Outreach activity since January 2015	
28-30 January 2015	<u>FfD First drafting session (NYC)</u> High-Level participation by the OECD and consultations with stakeholders on state of play on elements paper. Delivery of OECD statements [DCD/DAC/RD(2015)1/RD2] (International Public Finance and Data, Monitoring and Follow-up).
9-10 February 2015	<u>UNGA High-Level Thematic Debate on Means of Implementation (NYC)</u> Delivery of OECD statement Political consultations and participation in High-Level panel on Means of Implementation. DAC Chair attended and delivered a statement on more and better "AIT" (aid, investment and tax).
17-20 February 2015	<u>Post-2015 Intergovernmental negotiations session. Theme: Declaration (NYC)</u> Outreach mission by Erik Solheim and DAC Secretariat: High-Level consultations (Heads, ambassadors – ECLAC, LDCs, other non-DACs, UN foundation etc.) and technical consultations on TOSSD/Resource inflows, dissemination of HLM decisions.
14-18 March 2015	<u>World Conference for Disaster Risk Reduction (Sendai City, Japan)</u> Mission led by GOV with DCD participation. Allowed to have a sense of the current environment before negotiations for Addis and the UN Summit.
17-18 March	<u>ODI 'Financing the Future: Fresh Perspectives on Global Development' conference (Accra, Ghana)</u> DCD senior management attended.
20 March 2015	<u>Standing Committee on Economic Development, Finance and Trade of the ACP-EU Joint Parliamentary Assembly (Brussels)</u> DCD attended at Manager's level. Outreach with EU Parliamentarians and Africa Caribbean and Pacific constituencies.
23-24 March 2015	<u>Regional Consultation UN-ECE consultations (Geneva)</u> High-Level representation by DCD secretariat on key AIT offerings.
23-27 March 2015	<u>Post-2015 intergovernmental negotiations session. Theme: SDGs and targets (NYC)</u> OECD/DAC and STD High-Level attendance.
25-26 March 2015	<u>Commonwealth Conference on Financing for Development in Small States (Barbados)</u> DCD attendance. Helped advance the agenda on the collaboration with SIDS.
26-27 March 2015	<u>Strengthening Coherence between the Effective Development Cooperation and Financing for Development Agendas in Asia-Pacific (Manila)</u> DCD attendance. Dissemination on HLM outcomes and advance agenda on SIDS collaboration.

Outreach activity since January 2015	
31 March - 1 April 2015	<p><u>Global Forum on Development – Theme: Post-2015 Financing for Sustainable Development (Paris).</u></p> <p>High-Level Participation, including by UNDESA USG Wu Hongbo. Ensure that the HLM agenda and other complementary work are reflected throughout the conference. The Global Forum also provided an opportunity to engage in a dialogue with partner countries on HLM outcomes through a special event on 31 March on “The role of ODA and broader official development finance in the post-2015 era: capturing the opportunities of smarter official finance”.</p>
8-10 April 2015	<p><u>DCF symposium (Incheon, Korea)</u></p> <p>High-Level participation by DSG Tamaki and DCD. Contributed to the preparations for the FfD, as well as to the 2016 High-Level meeting of the UNDCF.</p>
13-17 April 2015	<p><u>FfD Second drafting session (NYC)</u></p> <p>High-Level participation by the DAC Secretariat and OECD-wide representation from DCD/CTP/DAF/ENV. Organized 3 side events (on the TOSSD measurement framework; the Policy Framework for Investment and on Gender Equality). Delivered 5 statements during the following sessions: General comments on the outcome document; Domestic Resource Mobilisation; Domestic and international private business and finance; International public finance and Data, monitoring and follow up.</p>
15 April 2015	<p><u>OHRLLS – Inter-Agency Consultative Group (IACG) Meeting on the Follow-up and Implementation of the Vienna Programme of Action for LLDCs (Geneva)</u></p> <p>OECD participation. Contributes to maintaining good relationships with UNOHRLLS in preparation for the side-event in Addis and to continue understanding issues related to countries most in need as per the HLM outcome document.</p>
17–19 April 2015	<p><u>IMF/ World Bank Spring Meetings (Washington D.C.)</u></p> <p>SG, DAC Chair and DCD senior management participation. Helped explore side events and High-Level dialogue on key HLM outcomes.</p>
20-21 April 2015	<p><u>ECOSOC High-level Meeting of the Council (NYC)</u></p> <p>World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development. DCD Senior management and staff attendance.</p>
21-24 April 2015	<p><u>Post-2015 intergovernmental negotiations session – Theme: Means of Implementation and Global Partnership for Sustainable Development (NYC)</u></p> <p>High-Level participation by the DAC Secretariat and OECD colleagues from the development cluster.</p>
28 April 2015	<p><u>Official Visit of UN SG Ban Ki-Moon to the OECD (Paris)</u></p> <p>Raised visibility of OECD/UN partnership on the road to Addis. Appealed for continued OECD support on the key AIT offerings. Bilateral meetings to secure High-Level Participation in Addis.</p>

Outreach activity since January 2015	
29-30 April 2015	<u>Regional consultation UN-ESCAP – Asia-Pacific High-level Consultation on Financing for Development (Jakarta)</u> DAC Chair and staff from DCD participated. Promoted the offering of the OECD DAC for the Addis Conference.
8-9 May 2015	<u>UN-OHRLLS Consultative Meeting: LDCs priorities in the post-2015 development agenda and the FfD Conference - Tarrytown House (New York)</u> DCD Secretariat participation on Mol, ODA and beyond.
11-12 May 2015	<u>Roundtable on “Emerging trends in mobilizing concessional resources for international financial institutions”</u> - International Fund for Agricultural Development (IFAD) in Rome, Italy. High-Level participation of the DAC Secretariat.
11-15 May 2015	<u>Additional sessions for consultations on the Draft Outcome Document of Addis Ababa</u> DAC Secretariat participation.
17-18 May 2015	<u>High-level Meeting on South-South cooperation (Dhaka, Bangladesh)</u> OECD DSG Tamaki participated. Meeting convened by the President of the High-Level Committee of the UN General Assembly on South-South cooperation and contributes to the Addis process.
18 May	<u>UNSDSN – KOICA Financing for Sustainable Development Forum (Seoul)</u> Attended by DCD Senior management.
18-22 May 2015	<u>Post-2015 intergovernmental negotiations session – Theme: Follow-Up and review (NYC)</u> High-Level participation by the DAC Secretariat and OECD colleagues from the development cluster.
21-22 May 2015	<u>World Bank High-Level meeting on private sector finance for the post 2015 (Rotterdam).</u> DAC Chair to participate with DAC Secretariat.
21-22 May 2015	<u>Meeting of the WP on Climate, Investment and Development (WPCID)</u> DAC Secretariat to provide a briefing on the post-2015 agenda.
26-29 May	<u>Additional sessions for consultations on the Draft Outcome Document of Addis Ababa (NYC)</u> DCD staff participation.
1- 5 June	<u>Additional sessions for consultations on the Draft Outcome Document of Addis Ababa (NYC)</u> DCD staff participation.
2-4 June 2015.	<u>High-Level/Ministerial Meeting on the Follow-up to the Second United Nations Conference on LLDCs in Livingstone, Zambia</u> Participation of DCD senior management. Presented the opportunity to further deepen the understanding on issues related to countries most in need.

Outreach activity since January 2015	
2-4 June 2015	<u>OECD Forum (2-3 June) and Ministerial Council Meeting (3-4 June) (Paris)</u> Themes: investment and innovation, trade, and improved business climate and support for the post-2015 agenda. Opportunity to raise key HLM offerings with Ministers.
3 June	<u>Pre-Launch of the 2015 Multilateral Aid Report at the DAC Development Debate, OECD Conference Center (Paris)</u> High-Level Participation by the DAC Chair, the DCD Director, Jeffrey Sachs and UNDP
8-10 June 2015	<u>Ministerial Meeting of the African LDCs on Structural Transformation, Graduation and the Post-2015 Development Agenda, Milan – organized by UNOHRRLLS and Italy</u> DAC Chair is scheduled to participate.