TRANSFORMING DEVELOPMENT CO-OPERATION TO DELIVER THE 2030 AGENDA
The development co-operation model that existed in the 1960s, when the OECD got its start, is undergoing its most profound transformation yet. Back then, industrialised countries set out to help others – many newly independent nations – catch up, by transferring capital and knowledge. Aid flowed from north to south. In the ensuing decades, development co-operation played a key role in fostering economic and social progress, helping to cut extreme poverty by more than half and improve lives globally.

Today, however, the challenge has profoundly changed: global threats to humanity’s environment, security and prosperity – illustrated by unprecedented levels of forced migration from conflict and climate-related crises – call for global responses. The fight against extreme poverty – which still afflicts 800 million – is now part of a broader agenda to promote sustainable development for all, on a planet soon to host more than 10 billion citizens.

The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015, the Addis Ababa Action Agenda on Financing for Development, and the Paris Agreement on Climate Change frame the ambitions that living up to this challenge requires. But the radical transformation of the development co-operation system they entail has barely started. To achieve the SDGs, countries at all levels of development have to find new ways of working together, to maximise the benefits of their interdependence and co-construct new, better policies for better lives everywhere.

The OECD Development Co-operation Directorate (DCD) supports the transformative agenda of the Development Assistance Committee (DAC) in this endeavour: its members have a leading role to play – and a particular responsibility – to make the development co-operation system fit for the purpose of the SDGs, in close collaboration with partner countries, the United Nations and other key actors.

The next pages provide a snapshot of how we intend to take this agenda forward in 2019/20, by: promoting policy reform to increase impact on the ground; stimulating new co-operation modalities, including “triangular” approaches; adapting international measurement frameworks to the ambitions of Agenda 2030; and, making sure that innovative approaches to financing sustainable development benefit the poorest first, in order to leave no-one behind.

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What works, what does not? In order to support better policies for better lives in developing countries, providers of development co-operation have set international standards and guidelines based on best practice, encouraging a “race to the top” by holding each other to account.

As the custodian of that process, we gather evidence — grounded in the experience of DAC members, non-members and their partners — to guide the improvement of development co-operation; we monitor their progress towards commitments to reach the SDGs and leave no one behind; and we support the constant adaptation of development co-operation management practices, facilitating the transformation of development co-operation systems.

Our core and unique working methods include peer reviews, learning exercises and supporting communities of practice on data, results and evaluation, as well as strategic partnerships with key global actors.

ENSURING AID WORKS: OECD DAC PEER REVIEWS OF DEVELOPMENT CO-OPERATION

The OECD DAC has embedded the periodic review of its members’ development co-operation programmes, policies, and practices in its mandate. Each DAC member country is examined by fellow members on an equal basis roughly every five years, with three

INTERNATIONAL STANDARDS FOR DEVELOPMENT CO-OPERATION

We support the design of DAC standards and monitor their implementation. They include:

- The Statistical Reporting Directives: the rulebook on how to report statistics on aid and other resource flows.
- OECD DAC Peer Reviews
- Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (updated 2016)
- DAC Recommendation on Good Pledging Practice (2011)
- DAC Recommendation on Untying Official Development Assistance to the Least Development Countries and Highly Indebted Poor Countries (updated 2007)
- DAC Recommendation on the Terms and Conditions of Aid (1978)
main aims: to help the country understand where to improve its development strategy and structures, and thus increase the effectiveness of its investment; to identify and share good practice; and to demonstrate accountability to all stakeholders.

Delivering on the 2030 Agenda for Sustainable Development will require agreement on new norms and standards, as well as action on already existing commitments to financing and aid effectiveness. To support this, peer reviews answer key questions in four areas:

- **Impact and results:** What do we know about policies and practices that work (or do not), and how can these lessons drive effective decision making?
- **Coherence:** How can we make individual policies and actions work together to deliver on developing countries’ priorities and contribute to global public goods?
- **Partnerships:** How can all partners in development effectively combine their resources and know-how for sustainable development results?
- **Fit-for-purpose institutions:** How can development institutions, policies and systems be optimised to contribute to the 2030 Agenda, ensuring that they also address humanitarian, social and environmental dimensions?

**STRENGTHENING EVALUATION PRACTICE AND SYSTEMS**

Providers of development co-operation evaluate their actions in order to learn from experience, but also for reasons of transparency and accountability. We facilitate the DAC Network on Development Evaluation (EVALNET), monitoring trends and challenges in their systems, promoting good practice and encouraging all actors to collaborate. We focus on innovative approaches, such as the use of smart and big data, ICTs and remote sensing, and lobby for evaluation evidence to inform better decisions by policy makers.

**MANAGING FOR BETTER RESULTS**

The 2030 Agenda for Sustainable Development offers a shared results framework for development co-operation providers and their partners. We analyse and share good practice on results-based approaches in the context of the SDGs; support the results agenda with our analysis as it adapts to multi-stakeholder partnerships and fast-changing development finance contexts; and disseminate good practice, including to emerging donors and partner countries.
FINANCE

There is more to statistics than figures: trusted, comparable and widely available information on the finance underpinning development co-operation is the cornerstone of accountability, and an essential basis for making decisions that affect the lives of millions. Supporting the DAC Working Party on Development Finance Statistics (WP-STAT), we continuously develop the DAC’s measurement standards and methods, to ensure high quality and respond to the evolving needs of users, while maintaining the integrity of its statistical system.

As the SDGs make the global agenda more ambitious, however, and the expanding array of actors makes it more complex, providers of development co-operation need a new, more comprehensive compass to guide their investment decisions. We are therefore helping the international community to develop an ambitious, new global statistical framework for measuring resource flows in support of SDG implementation in developing countries.

MOBILISING PRIVATE INVESTMENT

Smart use of public resources to shift private investment towards the SDGs in developing countries is a growing priority for development co-operation providers. How can they help global and local businesses enhance their “sustainable development footprint”, while preserving the integrity of official resources? How much do they know about the actual impact of innovative development finance? We work with all stakeholders to track the evidence, and help them create the right incentives in three main areas:

The G7 endorsed the OECD DAC Blended Finance Principles in 2018. They provide a global standard for using development finance strategically to mobilise additional commercial finance towards the SDGs in developing countries.

The Social Impact Investment initiative aims to devise global standards to enable the collection of internationally comparable data, and document the variety of approaches, instruments, practices and policy issues worldwide.

WHAT IS ODA?

The DAC defines official development assistance (ODA) as government aid that promotes and specifically targets the economic development and welfare of developing countries.

The DAC adopted ODA as the “gold standard” of foreign aid in 1969 and it remains the main source of financing for development aid.

Scaling up green finance will be critical for developing countries to implement the Paris Agreement. We gather evidence and produce analysis and policy recommendations on how development banks and Development Finance Institutions (DFIs) can mobilise private investment for sustainable infrastructure.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA): COUNTING WHAT COUNTS

We hold donors to account, and encourage good donorship, by publishing and monitoring their pledges and disbursements for the long-term development of countries most in need: preliminary ODA figures are traditionally available on our website in April, detailed and comprehensive final data in December. We also monitor their commitment to remove legal and regulatory barriers to open competition for procurement funded by ODA, also known as aid untying. We publish detailed, disaggregated figures by countries and regions, and by sectors of development co-operation, for bilateral as well as multilateral development finance. Finally, we provide deep-dive analyses of the present and future of aid to specific groups of countries, like small island developing states (SIDS).
MODERNISING ODA

We constantly improve the accuracy of the DAC statistical system, and take account of changes in the development sector. Where ambiguities arise, e.g. when counting in-donor refugee costs or expenditures linked to peace and security as ODA, we clarify them to ensure uniform, consistent statistical reporting. When innovations take place, like providers using public funds to stimulate private investment, we work with members to ensure the system provides the right incentives: to encourage more and better allocation of concessional resources for the SDGs, while ensuring that ODA goes where it is most needed and has the greatest development impact.

MAPPING NEW ACTORS AND NEW FLOWS

Providers of development finance outside the DAC play an increasing role in financing development. We help a growing number of them to report their data to the OECD, including Arab countries that have been contributing substantial amounts of ODA for decades, and publish estimates on others. We monitor a growing share of private and philanthropic flows and make them comparable to official flows.

FINANCING DEVELOPMENT AFTER ODA

We help design options for DAC members to support the long-term development of countries as they transition out of ODA, including by securing the progressive growth of other sources of financing, or providing new forms of capacity building and support.

RESHAPING THE INTERNATIONAL DEVELOPMENT CO-OPERATION SYSTEM

How to implement the holistic approach to development finance, which the Addis Ababa Agenda for Action (AAAA) called for? Based on new evidence, and an original mapping of the global web of financial flows and their interactions, the OECD Global Outlook on Financing for Sustainable Development calls for a triple paradigm shift:

1. Better measurement. Measuring gross flows from OECD countries is not enough; we must measure what various flows actually achieve in developing countries.
2. Better policies. Finance is a means to an end. Implementing the Addis Agenda also requires maximising the positive impact of policies—in developing countries, by intermediaries and in OECD countries—on sustainable development.
3. Better co-ordination mechanisms: implementing those changes, and connecting financing strategies with development strategies, demands more effective co-ordination at all levels, from global to local.

The Global Outlook, due to launch end of 2018, aims to support the UN-led process of reshaping global financing for development.
FROM MEASURING AID TO MEASURING RESOURCES FOR THE SDGs

Official finance from OECD countries is but one of the many types of resources that must be mobilised to achieve the SDGs in developing countries. The international community therefore needs a new international standard for measuring the full array of resources in support of the 2030 Agenda. We are developing a measure for total official support for sustainable development (TOSSD), through open, transparent and inclusive consultations with the United Nations (UN), experts and civil society organisations, as agreed in the 2015 Addis Ababa Action Agenda. TOSSD will not only measure all official finance flowing into a developing country for sustainable development, but also private resources mobilised through official means (e.g. public–private partnerships), as well as investments in global goods that help the country reach its own SDGs (e.g. fair trade, human rights), which are “invisible” in today’s development finance statistics.

Azerbaijan
Bulgaria
Croatia
Cyprus*
Estonia
Israel **
Kazakhstan

COUNTRIES OUTSIDE THE DAC REPORTING THEIR DEVELOPMENT FINANCE TO THE OECD

Bulgaria
Croatia
Cyprus*
Estonia
Israel **
Kazakhstan

COUNTRIES FOR WHICH THE OECD PROVIDES ESTIMATES OF THEIR DEVELOPMENT FINANCE

Brazil
Chile
People’s Rep. of China
Colombia

Policy makers in developing countries are on the frontline in the fight against poverty and inequality. In their effort to advance the SDGs and improve the lives of citizens, they face an unprecedented mix of challenges, and must balance complex economic, social and environmental agendas, often under stark financial and technical constraints. International co-operation provides them with vital additional resources, capacity and knowledge to design and implement their policies.

We help DAC members and other providers to maximise the impact of their contributions, making sure the poorest and the most vulnerable benefit. To do this, we convene and support specialised networks of policy makers in the areas of development co-operation that matter the most for implementing Agenda 2030. We monitor ODA trends in their respective sectors, apply evidence-based analysis, help DAC members learn from one another and produce policy guidance.

IMPROVING GOVERNANCE

Strong governance mechanisms and practices are essential for the effective delivery of public services, and for ensuring citizens are able to hold their governments accountable in meeting their development goals. We support the DAC Governance Network (GIVNET) of practitioners with a focus on SDG 16, inclusive and accountable public sector institutions, and the curbing of corruption and illicit financial flows. We act with UNDP as the secretariat of the Effective Institutions Platform (EIP), an alliance of over 60 countries and organisations that supports country-led and evidence-based policy dialogue, knowledge sharing and peer learning on public sector management and institutional reform. Finally, we support the International Dialogue on Peace Building and State building (IDPS), where countries affected by conflict and fragility, development partners, and civil society seek ways of working better together.

PROMOTING GENDER EQUALITY

Empowering women means improving their lives, as well as breaking down barriers that prevent women from making the world a better place for all. The DAC Network on Gender Equality (GENDERNET) is the only international forum where gender experts from development co-operation agencies meet to define common approaches, influencing key policy frameworks such as the SDGs or the outcome of the Third International Conference on Financing for Development. We help the network make the most of their investments to strengthen gender equality, uphold women’s rights and promote women’s economic empowerment.
**PRESERVING ENVIRONMENTAL SUSTAINABILITY**

Developing countries are particularly vulnerable to environmental degradation and the impacts of climate change. We support the DAC Network on Environment and Development Co-operation (ENVIRONET) in integrating this dimension into all aspects of DAC members’ work, and in putting well-being at the centre while ensuring that natural assets continue to provide the resources and environmental services to support sustainable development, and fostering innovations to advance the development of the blue economy.

**ENHANCING RESILIENCE**

Crises & fragility adversely affect the lives of millions, displacing individuals, devastating livelihoods and destroying opportunities for prosperity. We support the work of the International Network on Conflict and Fragility (INCAF) of DAC members and multilateral agencies to bridge the gap between humanitarian and development approaches, and meet the needs of affected populations in a more sustainable manner. We also track and measure humanitarian financing in order to ensure that funds flow when, where and how they are most needed.

**MAKING THE MOST OF INTERNATIONAL TRADE**

Many countries, especially the least developed, need extra resources to engage in, and genuinely benefit from, international trade. Our joint Aid for Trade Initiative with the World Trade Organization (WTO) helps them to articulate, communicate and mainstream their trade-related development objectives. This in turn helps donors to align with their own strategies in leveraging trade for poverty reduction. We also track aid for trade flows and share good practice so that developing countries can capitalise on global market opportunities.

**WORKING TOGETHER FOR DEVELOPMENT EFFECTIVENESS**

Making development co-operation work is a shared responsibility amongst all stakeholders. The Global Partnership for Effective Development Co-operation (GPEDC) was set up to advance efforts to achieve the SDGs among the broadest possible constituency: aid providers, partner countries, emerging donors, multilateral organisations, local authorities, parliaments, civil society organisations, foundations, trade unions and the private sector. Together with UNDP, the OECD supports them in:

- Gathering evidence of what works;
- Supporting the implementation of the internationally agreed development effectiveness principles: country ownership, a focus on results, inclusive partnerships, transparency and mutual accountability to one another; and,
- Tracking progress in the implementation of these principles in its biannual Progress Report.

The monitoring framework is currently being refined to fully reflect the 2030 Agenda and will contribute to the review of targets for SDG 5 and 17 and implementation of the financing for development agreements.
Transforming development co-operation to deliver on the 2030 agenda is a global, collective effort. To succeed, we need to support the key actors of change, and, at the same time, encourage DAC members to learn from them. In everything we do, therefore, we seek to work in partnerships.

PROMOTING CHANGE AT THE HEART OF THE GLOBAL DEVELOPMENT CO-OPERATION SYSTEM

Our programme of work supports the United Nations and its agencies in implementing the SDGs and other international commitments such as the Paris Agreement, the Addis Ababa Action Agenda or the Rio Conventions. Governments of developing countries take an active part in our policy dialogues. We constantly source the knowledge and experience of experts from DAC agencies and partner countries, academia, the private sector, and trade unions. We support the DAC Global Relations Strategy, encouraging existing and future OECD members to join the Committee, and working with partner countries to facilitate their participation in its activities at various levels, on a demand basis. We facilitate policy dialogue on various platforms, such as the Arab-DAC Dialogue on Development or the Dialogue on Development Cooperation between the DAC and Latin America and the Caribbean, engage with African countries and key non-DAC partners, and contribute to the work of the G20, the G7 and the BRICS Summit.

FOSTERING TRIANGULAR CO-OPERATION

Amongst new approaches and tools, we lay particular emphasis on those where finance providers work together with knowledge providers to respond to the specific development needs of a third party. We help to steer the Global Partnership Initiative (GPI) on Effective Triangular Co-operation. We collect data and facilitate an international dialogue to fill the information gap on the value added of those initiatives, encourage the adoption of best practices and provide tools to enable triangular co-operation.

ENGAGING CIVIL SOCIETY

We facilitate the opening up of the DAC to the scrutiny of civil society organisations (CSOs), notably through the DAC CSO Reference Group. We also document and analyse the way in which governments work with and through CSOs on the ground to achieve development results.
INNOVATION

In a fast-changing, global environment, sustainable development challenges in Africa, Asia and Latin America will be met by learning from others’ experiences, but also importantly by adopting new policy solutions. In order to facilitate those processes, providers of development co-operation themselves must change and constantly improve their policies.

ADAPTING TO MEGATRENDS
To help donors adopt a forward-thinking mind-set, we analyse the implications of structural shifts in global economic, social, technological or environmental conditions – such as the growth of inequality, urbanisation, climate change or automation. We promote the strategic use of foresight for imagining plausible futures and build preparedness in and through development co-operation work.

LEARNING FROM SUCCESS
We document innovative approaches across all sectors of development co-operation, in finance, technology, policies, partnerships, and business models but also in social dialogue and behavioural insights. We gather evidence, facilitate and encourage the sharing of good practices and experiences, and foster platforms on innovative policies, tools and practices so that providers can increase their knowledge and implement innovative programming. We help members track and evaluate the impact of innovation.

MAKING CHANGE HAPPEN
Implementation is everything. We support policy reform in the area of development co-operation, based on specific requests, to help governments respond to the challenges of Agenda 2030. We do so by drawing from our unique technical expertise on the management of development co-operation, and by tapping the knowledge of our wide policy networks.
The OECD Development Assistance Committee is a unique international forum of many of the largest providers of aid, including 30 members. The World Bank, IMF and UNDP participate as observers. The Committee became part of the OECD by Ministerial Resolution on 23 July 1961.

At its October 2017 High Level Meeting (HLM), the DAC agreed on a vision to respond to new and evolving realities of development, emphasising its core strengths:

- Being the guardian of the integrity and definition of official development assistance (ODA) and monitoring its flows as well as other official and private flows;
- Setting standards for providers’ engagement in development co-operation;
- Serving as the forum for members to hold each other to account for their development efforts; and
- Promoting the exchange of views, learning and co-ordination among members on good practices in development co-operation.

In addition, the new vision commits the DAC to “transform itself to better fulfil its mission of promoting development co-operation and other policies so as to support developing countries in their efforts to achieve the SDGs, improving the lives of their peoples – particularly those furthest behind – and fostering their economic growth in an inclusive and sustainable manner”. The DAC thus “aims to be the preferred platform for all providers to monitor, measure, share lessons, and set policies to improve the quality, results and impact of development co-operation and stimulate mobilisation of resources for implementing the 2030 Agenda.”

The OECD Development Co-operation Directorate supports the Committee in this endeavour. We supply technical expertise and help build consensus among DAC members and the wider development community to improve the impact, effectiveness and transparency of development co-operation.
RESOURCES

OECD DEVELOPMENT FINANCE STATISTICS
We collect, validate and publish data on official and private flows to developing countries. These include official development assistance (ODA), as well as data from a growing number of other provider countries (e.g. Arab donors), multilateral organisations and private philanthropies (e.g. the Bill & Melinda Gates Foundation, United Postcode Lotteries). This unique and comprehensive dataset is available on-line for free and in multiple formats, such as ready-made tables and charts, dynamic graphics and an extensive online database. Users can access data by theme, country or sector, and drill down to the information by individual aid activity (microdata).

http://oe.cd/fsd-data

More on how we measure and collect our data at www.oecd.org/dac/financing-sustainable-development/development-finance-standards

KEY PUBLICATIONS

AID FOR TRADE AT A GLANCE
GLOBAL OUTLOOK ON FINANCING FOR SUSTAINABLE DEVELOPMENT
DAC PEER REVIEWS
DEVELOPMENT CO-OPERATION REPORT
DEVELOPMENT CO-OPERATION WORKING PAPERS
DEVELOPMENT CO-OPERATION POLICY PAPERS
ILICIT FINANCIAL FLOWS
MAKING DEVELOPMENT CO-OPERATION MORE EFFECTIVE
MULTILATERAL AID REPORT
STATES OF FRAGILITY
Promoting better policies for better lives in emerging and developing economies is an integral part of the OECD’s mission. It is also an essential contribution to the prosperity and stability of its own members. Most OECD departments and special bodies therefore support policy-making in partner countries, but the Development Co-operation Directorate (DCD) is one of three that specialise in international development. The OECD Development Cluster also includes the Development Centre (DEV), where countries in Africa, Asia and Latin America participate as full members with OECD countries to discuss development policies; and the Sahel and West Africa Club (SWAC), which brings together West African regional organisations and several OECD countries to promote development and regional integration there.

THE OECD DEVELOPMENT CLUSTER

WHO DOES WHAT: THE DEVELOPMENT CO-OPERATION DIRECTORATE

OFFICE OF THE DAC CHAIR

DIRECTOR’S OFFICE

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Communication Division/Development Cluster
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Crisis & Fragility (CIFAR)
Governance & Development (GDEVNET)
Gender & Development (GENDERNET)
International Dialogue on Peacebuilding & Statebuilding (IDPS)
Effective institutions Platform (EIP)
Global Partnership for Effective Development Co-operation (GPEDC)
PIFA for Development

Financing for Sustainable Development Division (FSD)
Mai Schiffk

Digital Information Management & Statistical Services
Environment & Climate Change
Policy Analysis & Strategy
Private Finance for Sustainable Development
Statistical Collection & Dissemination
Statistical Standards & Methods

Reviews, Results, Evaluation & Development Innovation Division (RREDI)
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Peer Reviews
Evaluation
Results
Development Co-operation Reports
Development Innovation

Special entity - institutional hosting arrangement: MOPAN
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WHO DOES WHAT: THE DEVELOPMENT CO-OPERATION DIRECTORATE

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Crisis & Fragility (CIFAR)
Governance & Development (GDEVNET)
Gender & Development (GENDERNET)
International Dialogue on Peacebuilding & Statebuilding (IDPS)
Effective institutions Platform (EIP)
Global Partnership for Effective Development Co-operation (GPEDC)
PIFA for Development

Financing for Sustainable Development Division (FSD)
Mai Schiffk

Digital Information Management & Statistical Services
Environment & Climate Change
Policy Analysis & Strategy
Private Finance for Sustainable Development
Statistical Collection & Dissemination
Statistical Standards & Methods

Reviews, Results, Evaluation & Development Innovation Division (RREDI)
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