

Inaugural Forum on Financing for Development Follow-up
OECD STATEMENT – Roundtable B “Domestic and international public resources.
Part II: International development cooperation”
UNHQ - Trusteeship Council Chamber - 19 April 2016

**(Mr. Mario Pezzini, Director, Development Centre and Acting Director, Development
Co-operation Directorate, OECD)**

Chair, Distinguished Delegates, Ladies and Gentlemen,

Thank you for inviting me here today to share with you the OECD vision on financing the ambitious international agendas agreed last year. I will address three key points on the latest findings, including: i) what are the sources of financial resources?, ii) reflections on the ODA measure, and iii) the effectiveness of development co-operation.

First, domestic resource mobilisation is crucial in this context. However, there are other sources as well. Internal resources are followed in importance by FDI and remittances. These resources are not featured as prominently in the discussions, but must not be forgotten. ODA and philanthropy are also playing a role. To implement the Sustainable Development Goals (SDGs), we must evaluate the synergies between these different sources of financing and determine their trade-offs. In the forthcoming OECD Global Outlook on Financing for Development, we will unpack and analyse financing trends over the past years to highlight the implications of potential synergies. For example, ODA can be used in smarter ways that aligns to the SDGs and allow for the multiplication of other resources. We also aim to measure broader development finance through inclusive consultations on total official support for sustainable development (TOSSD) - a crucial measure to harmonise multiple data sources and to paint a clearer picture of how resources are coming together at country level. One area of focus is South-South Co-operation and an increasingly important dimension in OECD work particularly given the recent membership of China in the OECD Development Centre.

Focusing on the role of ODA today, we see that although vast progress in development has occurred, vulnerability has continued to increase. In order to tackle these issues, the need for ODA has never been greater. ODA has increased by 6.9%. Even after removing in-donor refugee costs, it has increased by 1.6%. This is a promising trend. We are committed to ensuring the integrity of ODA, including through safeguards for reporting on peace and security. It is also important that countries most in need, including Least Developed Countries (LDCs), are also being supported. Here we see that ODA to LDCs has increased by 4%, signaling the reverse of the decline. We hope this shift will continue going forward. ODA remains the yardstick of donor effort and is a crucial resource to promote economic development and welfare, particularly in countries most in need.

Robust statistics are an important input to effective policy making. However, the quality of commitments also needs to be further examined. The effectiveness of development cooperation can be strengthened, particularly in regard to South-South and Triangular Co-operation. I would like to recall the 2nd High Level Meeting of the GPEDC that will take place in Nairobi (28 November – 1 December) which will provide new evidence on the effectiveness of development co-operation. The urgency to deliver on commitments and make progress toward realising the Sustainable Development Goals (SDGs) requires that we look deeper into the composition of ODA flows. The OECD will continue to, not only analyse ODA flows, but also examine how sectoral policies leave lasting footprints in developing countries.

Thank you for your consideration and I look forward to a fruitful exchange.