Development Co-operation Report 2020

LEARNING FROM CRISES, BUILDING RESILIENCE

OECD

DEVELOPMENT CO-OPERATION REPORT 2020: LEARNING FROM CRISES, BUILDING RESILIENCE

OECD

BETTER POLICIES FOR BETTER LIVES

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Note by Turkey
The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union
The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Please cite this publication as:
OECD (2020), *Development Co-operation Report 2020: Learning from Crises, Building Resilience*, OECD Publishing, Paris, *https://doi.org/10.1787/f6d42aa5-en*.

ISBN 978-92-64-90491-0 (print)
ISBN 978-92-64-48131-2 (pdf)

Development Co-operation Report
ISSN 2074-773X (print)
ISSN 2074-7721 (online)

Revised version, January 2021
Details of revisions available at: https://www.oecd.org/about/publishing/Corrigendum_Development-Co-operation-Report-2020.pdf

Corrigenda to publications may be found on line at: *www.oecd.org/about/publishing/corrigenda.htm*.

© OECD 2020

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at *http://www.oecd.org/termsandconditions*.

Preface

WE MUST LEARN FROM THIS CRISIS TO BE MORE RESILIENT TOGETHER

2020 has taught us that, regardless of relative wealth or well-being, our fates are intertwined, and our systems interconnected.

The COVID-19 crisis is likely to be the biggest test of global solidarity we have ever faced. In addition to a health crisis that has claimed the lives of over 1.5 million people at the time of writing, the necessary measures taken to contain the virus have led to devastating social and economic impacts, particularly in low- and middle-income countries. Over 100 million additional people will be pushed into extreme poverty, and 270 million people will face starvation this year. The scale of human suffering and loss has been vast.

As a global community, we recognised the need to work together to stamp out this common threat everywhere. Major health actors created a new international mechanism – COVAX – to find and fund a vaccine for COVID-19. Now, multiple vaccine candidates look promising. However, the only way to end this pandemic is to ensure that everyone gets equal access, regardless of their ability to pay. Contributing to our shared health security by co-operating on widespread vaccination is one of the clearest examples of the mutual benefits of solidarity.

The next, and perhaps larger, test for global solidarity will be addressing the social and economic fallout in the places that have the least equipped policy and fiscal toolkits to respond. Despite the synchronised shock around the world and notwithstanding the pain and anguish suffered by populations in advanced economies, recent months have seen public support for fairness and the implementation of better governance structures to deal with global threats and global public goods. Public support gives decision makers a mandate to act with means and reforms that address underlying vulnerabilities, and tackles the inequalities that shaped the contours of this crisis.

To be more resilient together, we must ensure that countries at all stages of their development find their own paths to a strong, green and inclusive recovery. The multilateral system must also step up efforts to design a coherent international approach to mitigating today's global challenges of climate change, health threats and widening inequalities. The new and foundational approaches to development co-operation financing, programming and co-ordination presented in this volume stem from lessons and insights of the past 12 months. I hope they can inspire the development co-operation community to learn from challenges, build on successes and continue to innovate. Only then can we regain what has been lost, and push further to reach our collective goal to build back better.

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 DAC, other countries and philanthropic foundations.

This 58th edition takes stock of the impact, lessons and implications of global threats such as COVID-19 for development co-operation. Ultimately, its goal is to inform development agencies' strategies to build forward better and to be better prepared for global crises, based on new analysis and insights. In addition to showcasing and sharing lessons in development co-operation, the report identifies the main bottlenecks to success. It also offers practical recommendations that could be discussed by members and participants of the DAC and in other development co-operation fora. The OECD Development Co-operation Directorate worked throughout 2020 to produce this report as the COVID-19 crisis continued to unfold, responding to requests of members for evidence on which to base their ongoing response to this crisis and the recovery from it.

This report comprises an overview and four main sections. The overview summarises its lessons, and concludes with five key agenda items for development co-operation in 2021 and beyond to step up for resilience to global shocks. Part I traces some of the major socio-economic trends that the COVID-19 crisis accelerated, exacerbated or reversed and highlights that the impacts are differentiated and require tailored responses. Part II outlines insights and lessons learnt from the response of development co-operation providers, sheds light on the difficult choices and trade-offs providers made, and discusses the enabling factors in providers' ability to respond quickly and coherently while taking risks. Part III explores what a focus on resilience building, including through global public goods, could look like in practice for development co-operation. Part IV provides preliminary estimates of concessional financing made available for the COVID-19 response by bilateral and multilateral actors and charts the major trends and challenges in financing the response. In this final section, an infographic provides an overview of emerging trends and insights regarding official development finance and individual profiles provide key data and policy priorities of official and philanthropic providers of aid, official development assistance and development finance.

Each of the sections contains an In My View piece by an eminent figure, analytical chapters contributed by external experts and specialised OECD teams, and case studies providing insights on particular themes or geographical regions. 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-co-operation-report.

Acknowledgements

The 2020 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 Reviews, Results, Evaluation and Development Innovation Division, DCD, provided strategic guidance. Ida Mc Donnell is the team lead and managing editor of the report.

The report and at a glance profiles were managed and produced by a core team comprising: Eleanor Carey, Jonas Thyregod Wilcks, Stacey Bradbury, Sara Casadevall Belles, Claudio Cerabino, Stephanie Coic, Jessica Voorhees, Katharina Satzinger, and Autumn Lynch.

Special thanks go to all the contributing authors, who are named in the table of contents. Members of the Development Assistance Committee (DAC) and DAC Chairwoman, Susanna Moorehead, provided direction and guidance at the conceptual and later stages of the report, notably at a brainstorming session in May 2020, through collective and bilateral discussions, research interviews, and survey responses for Chapters 4 and 9. DAC members and other providers of development co-operation fact-checked the "Profiles of providers of development co-operation", which are synthesised in the *At a Glance* infographics, compiled by Sara Casadevall Belles.

The team and authors of Chapters 4 and 9 gathered rich evidence, experiences and reflections on the COVID-19 crisis from the COVID-19 Global Evaluation Coalition; the DAC Peer Learning Series *COVID-19: Preparing, Learning, Absorbing and Responding*; and informal meetings of chief economists of international development agencies, which were convened by the OECD with key partners. Senior managers in development co-operation ministries and agencies contributed from Australia, France, Ireland, Italy, New Zealand, Norway, Sweden and the United States and written inputs were received from Korea and the United Kingdom. The chapters also drew from a DAC foresight exercise and member contributions to the OECD-DAC networks and communities of practice covering development evaluation, governance, gender, environment and climate; the International Network for Conflict and Fragility; the Results Community; and the Community of Practice on Civil Society, as well as the DAC Informal Reference Group on Effective Development Co-operation. The following experts and colleagues provided inputs and reviewed these and other chapters: Aussama Bejraoui, Julia Benn, Marisa Berbegal Ibanez, Emily Bosch, Eleanor Carey, Juan Casado-Asensio, Claudio Cerabino, Marilyn Cham, Guillaume Delalande, Kerri Elgar, Cyprien Fabre, Ana Fernandez, Jenny Hedman, Tomas Hos, Megan Kennedy-Chouane, Martin Kessler, Shashwat Koirala, Rahul Malhotra, Ida Mc Donnell, Santhosh Persaud, Cécile Sangaré, Amélie Schmidt-Ott, Rold Schwartz, Rachel Scott, Henri-Bernard Solignac Lecomte, Marc de Tollenare, Jonas Thyregod Wilcks, Lisa Williams, Jacqueline Wood and Sandie Xu. Thanks also to Andrea Ordóñez, Director, Southern Voice for helping with case studies.

Susan Sachs edited the report, Jennifer Allain did the proofreading and Marilyn Smith provided editorial support. Cover design and infographics are by Stephanie Coic. The French version of the report was translated by the OECD Translation Division, under the supervision of Florence Burloux-Mader, and proofread by Sophie Alibert. Thanks to Janine Treves, Audrey Garrigoux, Florence Guérinot, Claudia Tromboni and Jonathan Dayot at the OECD Public Affairs and Communication Directorate for editorial advice and publishing. Thanks also to Erin Renner Cordell, Eric Bensel, Alexa Owens and James Purcell for editorial and communication support, and to Sylvie Walter and Virginie Buschini for administrative and management support.

Editorial

The COVID-19 crisis is global, but its consequences are unequal, hitting the poorest hardest. Calls for international support to developing countries that would match the ambition of the Marshall Plan remain unanswered. It is too early to say how history will judge the role of development co-operation in the global response. This report tells the story thus far and collates what evidence there is. We can use it to shape policy and sharpen impact during the recovery, to make the case for an ambitious response, and, to learn lessons about how to make development co-operation more effective in future crises.

Like much of the world, the pandemic took development co-operation providers by surprise. They have had to be fast and flexible to adjust their operations to respond to the crisis in partner countries. No sector remained unscathed by the pandemic. Scarce resources have had to be reallocated, stretched thinly and brought forward. The Development Assistance Committee (DAC)'s humanitarian-development-peace nexus approach has been useful, reminding us not to forget longer term development while meeting the immediate demands of the crisis, doing joint planning and programming, and building the bones of the recovery into the emergency response. Success has, of course, been mixed, but there are important lessons to learn about what works – and what doesn't – that are documented in this report. We don't yet know the full social and economic impacts of the pandemic in developing countries, but we do know that many of the gains of the last 20 years risk being lost. We know that extreme poverty is rising sharply, including in urban areas. We know that there are new hunger hotspots in middle-income countries. We know that women and girls bear the brunt of more unpaid care work, rising unemployment and a spike in domestic violence. The Sustainable Development Goals are not just off track, they are in reverse in a worrying proportion of developing countries.

Calls to "build forward better" are getting louder. Development co-operation needs to do more to help partner countries transition to low-emission, climate-resilient economies. It needs to work with the private sector to stimulate job-rich growth. It needs to tackle rising and deep inequalities. It needs to invest more in conflict prevention and in peace. It needs to spend more on supporting refugees, on health and education, on social protection, on enabling civil society. All this and more, while at the same time responding to food, health and other humanitarian crises. The list is long and resources are scarce. This report helps make the case for more resources, showing that development co-operation does work even in a crisis that has challenged every country in the world.

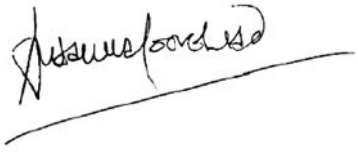
None of this will be possible unless developing countries have access to the vaccines, which must be a top priority. The Gavi COVAX Advance Market Commitment needs USD 5 billion more to provide 1 billion vaccine doses for 92 low- and middle-income countries in 2021. The pandemic will be more protracted if poor countries don't get access to the vaccines, and the global economic and development consequences even more severe. Official development

assistance is critical, but cannot do this alone. Development co-operation needs to act on several fronts: helping partner countries develop context-specific mass vaccination plans, and working with multilateral organisations and the private sector to promote communication campaigns, secure additional finance and implement policy and regulatory coherence.

Many of the diverse voices contributing to this report remind us that the next global crisis looms. It is urgent to learn from this one to build resilience to the next. Lessons from the COVAX facility can inform the design of co-ordinated platforms to promote global public goods, including those to mitigate the impact of climate change. Strong country systems were decisive in effective responses to the pandemic, highlighting yet again the need to strengthen them and associated institutions. Many development co-operation providers are supporting crisis-response capacity and resilience building, but they need to work better together to maximise effectiveness. We need to be able to track and verify the contribution of official development assistance. Initial estimates from an OECD survey indicate that DAC members mobilised USD 12 billion for COVID-19 support to developing countries, but we don't have the full picture. Development actors have said they could have been better prepared – individually and collectively – for the pandemic, and that ad hoc and fragmented evidence, data and information-sharing systems hampered a co-ordinated response.

Now is the time for development co-operation to help strengthen resilience in developing countries and improve their ability to withstand, absorb and recover from shocks. Strategies like integrating climate action into multi-sector development programmes and providing long-term support for country systems are not new. We know what works and we should scale-up effective initiatives. The private sector, philanthropy and civil society all have a role to play. All citizens, irrespective of age or gender, need to be part of the process.

History may judge 2020 to be the start of the 21st century. What we have learnt so far is that if we are to meet the challenges of this century, we need a development co-operation architecture that is fast, flexible, and has the resources and capacity to invest in resilience for the future. If we succeed, it will be a seminal chapter in the history of development co-operation.



Susanna Moorehead
Chair,
Development Assistance Committee

Jorge Moreira da Silva
Director,
Development Co-operation Directorate

Table of contents

PREFACE 3

FOREWORD 4

ACKNOWLEDGEMENTS 5

EDITORIAL 7

ABBREVIATIONS AND ACRONYMS 13

EXECUTIVE SUMMARY 15

OVERVIEW: BUILDING RESILIENCE TO GLOBAL SHOCKS 20
Ida Mc Donnell & Eleanor Carey

PART I COVID-19 EXACERBATES GLOBAL DEVELOPMENT CHALLENGES 45

TO END A GLOBAL PANDEMIC, WE NEED GLOBAL SOLUTIONS: IN MY VIEW 47
Gayle Smith

1. COVID-19 IMPACTS THROUGH THE LENS OF EXPOSURE AND RESILIENCE 50
Jan Rielaender

2. URGENCY OF INEQUALITY AND CLIMATE CHANGE RAISED BY COVID-19 65
Pedro Conceicao

3. EVIDENCE FOR POLICY MAKING IN UNCERTAIN TIMES 73
Twivwe Siwale & Nicholas Wilkinson

CRISIS IMPACTS ON RURAL LIVES AND LIVELIHOODS IN KENYA 82
Oscar Ochieng

COMMUNITY ENGAGEMENT TO COUNTER MISINFORMATION IN ROHINGYA REFUGEE CAMPS 87
Erina Mahmud

YOUTH LEADERSHIP IN CRISIS RESPONSE AND SUPPORTING RESILIENT COMMUNITIES 91
Daniel Calarco

PART II INSIGHTS AND LESSONS FOR INTERNATIONAL DEVELOPMENT 97

MOVING FROM RESPONSE TO RESILIENT RECOVERY: IN MY VIEW 98
Vera Songwe

TEAM EUROPE IS COMMITTED TO AN EQUITABLE, SUSTAINABLE AND INCLUSIVE RECOVERY PROCESS: IN MY VIEW 100
Jutta Urpilainen

4. DEVELOPMENT CO-OPERATION TESTED AND RESPONSIVE 103
Mags Gaynor & Anita King

5. PUSHING THE BOUNDARIES OF INTERNATIONAL DEVELOPMENT NOW AND IN THE FUTURE 128
Masood Ahmed & Hannah Brown

BUILDING THE EVERYDAY ECONOMY FROM THE GROUND UP: A CRISIS RESILIENCE STRATEGY 136
Sally Roever & Poonsap Tulaphan

DIGITAL DEVELOPMENT FOR AFRICA: PREPARING FOR AN E-FUTURE 140
Tunde Fafunwa

PART III BUILDING FORWARD BETTER BY STRENGTHENING RESILIENCE 145

EQUITABLE ACCESS TO COVID-19 VACCINES MUST REMAIN A PRIORITY IF WE ARE TO END THIS CRISIS: IN MY VIEW 147

Seth Berkley

6. REDESIGNING INTERNATIONAL CO-OPERATION FINANCE FOR GLOBAL RESILIENCE 149

Inge Kaul

7. RESILIENCE-BUILDING IN PRACTICE 162

Eleanor Carey, Jonathan Marley, & Harsh Desai

8. ONE HEALTH: A CROSS-SECTORAL, HOLISTIC APPROACH TO REDUCE DISEASE RISK AND BUILD RESILIENCE 175

Anna Okello

CLIMATE-RESILIENT DEVELOPMENT 183

Juan Casado-Asensio, Takayoshi Kato & Jens Sedemund

SUPPORTING INSTITUTIONAL RESILIENCE 190

Catherine Anderson & Marc De Tollenaere,

STRENGTHENING SOCIAL SYSTEMS 195

Christoph Strupat and Paul Marschall

PART IV COVID-19 FUNDING AND DEVELOPMENT CO-OPERATION AT A GLANCE 201

GLOBAL RECOVERY DEPENDS ON STRONGER AND RESPONSIVE INTERNATIONAL CO-OPERATION: IN MY VIEW 203

Adama Coulibaly

9. ESTIMATES OF OFFICIAL DEVELOPMENT ASSISTANCE FUNDING FOR COVID-19 RESPONSE IN 2020 205

Mags Gaynor, Anita King & Yasmin Ahmad

10. DEVELOPMENT CO-OPERATION PROFILES AT A GLANCE 217

Follow OECD Publications on:

http://twitter.com/OECD_Pubs

http://www.facebook.com/OECDPublications

http://www.linkedin.com/groups/OECD-Publications-4645871

http://www.youtube.com/oecdilibrary

http://www.oecd.org/oecddirect/

This book has...

StatLinks

A service that delivers Excel® files from the printed page!

Look for the *StatLinks* at the bottom of the tables or graphs in this book. To download the matching Excel® spreadsheet, just type the link into your Internet browser, starting with the *https://doi.org* prefix, or click on the link from the e-book edition.

Abbreviations and acronyms

ACIAR	Australian Centre for International Agricultural Research
ACT	Access to COVID-19 Tools
AMC	Advance market commitment
AMR	Anti-microbial resistance
ASEAN	Association of Southeast Asian Nations
BMZ	Federal Ministry of Economic Co-operation and Development (Germany) *Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung*
COVID-19	Coronavirus disease
DAC	Development Assistance Committee
DSSI	Debt Service Suspension Initiative
EC	European Commission
EU	European Union
G7	Group of Seven
GAVI	Global Alliance for Vaccines and Immunisation
GDP	Gross domestic product
GPG	Global public good
HPAI	Highly Pathogenic Avian Influenza
IDA	International Development Association
LIC	Low-income country
LMIC	Lower middle-income country
MIC	Middle-income country
NGO	Non-governmental organisation
ODA	Official development assistance
PACT	Partnership to Accelerate COVID-19 Testing
RCCE	Risk communication and community engagement
SARS	Severe Acute Respiratory Syndrome
SDG	Sustainable Development Goal
SME	Small and medium-sized enterprise
TOSSD	Total official support for sustainable development
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
USD	United States dollar
WHO	World Health Organization
WIEGO	Women in Informal Employment: Globalizing and Organizing

EXECUTIVE SUMMARY

CORONAVIRUS (COVID-19): ONE PANDEMIC, DIFFERENT REALITIES

The year 2020 will always be synonymous with COVID-19 – both the pandemic and the global health, economic and social crises it triggered. Looming large among these is that achieving the Sustainable Development Goals by 2030 is suddenly much more challenging. While progress on the global development trajectory was already too slow before the pandemic, it has now reversed. Over 100 million more people will enter into extreme poverty and 270 million people will go hungry this year. Some estimate that the crisis will erode all human development gains made in the last decade.

For many of the world's poorest and most vulnerable women, men and children, COVID-19 is not the primary threat to their lives and livelihoods. Instead, the crisis is exacerbating pre-existing inequalities between and within countries. These inequalities have shaped the distribution and severity of multidimensional impacts, creating different realities. Disparities in national capacities to finance containment and other measures to suppress the pandemic have also limited countries' abilities to soften its socio-economic effects on livelihoods and on vulnerable groups. OECD countries account for 84% of the total global stimulus funding that has been raised to respond to the pandemic and developing countries face a funding gap of at least USD 1 trillion. All of the issues that development co-operation was grappling with before 2020 – increasing inequality and marginalised populations, women's economic empowerment and gender-based violence, precarious employment, humanitarian crises, and rising numbers of displaced persons – left populations and countries exposed when this virus, though forecasted, bore down on an unprepared world.

DEVELOPMENT CO-OPERATION PUT TO THE TEST

The pandemic put development co-operation to the test in unique ways. It has shaken up working practices, partnerships and business models and put unprecedented strain on public finances. Against this backdrop, development co-operation agencies showed impressive agility in responding to the health and humanitarian aspects of the pandemic while also ensuring programme continuity. They also displayed creativity in reallocating budgeted funds and raised new resources. Initial estimates in this report suggest that Development Assistance Committee (DAC) members mobilised USD 12 billion for COVID-19

support to developing countries. Looking to the future, signs are emerging that a funding crisis may be on the horizon. Though many actors indicated they would protect official development assistance (ODA) budgets and some have even increased development co-operation budgets in this period, the global economic impacts of the crisis make it uncertain whether ODA volumes can rise or hold steady to meet growing needs.

There were also missed opportunities as the COVID-19 crisis unfolded, with implications that will become clear only with time. Many of the appeals for funding throughout 2020 did not meet their targets. The gap for the Global Humanitarian Response Plan, for example, is USD 6.1 billion. Limited sharing of evidence and data meant that decisions had to be taken in the face of extreme uncertainty. And while international co-ordination has been successful to a degree, for example in devising a mechanism such as the Access to COVID-19 Tools (ACT) Accelerator for the development, production, and equitable access to COVID-19 tests, treatments, and vaccines, the international community struggled to broker co-ordinated responses and action at a time when they were needed most.

BUILDING RESILIENCE: A TO-DO LIST FOR DEVELOPMENT CO-OPERATION IN 2021 AND BEYOND

COVID-19 confirms lessons that international development actors know, and relearn, with each new crisis. International debates on the future of development co-operation reiterate the pressing need to work together to beat the virus and emerge from the pandemic better prepared and equipped to tackle and mitigate global threats. By placing renewed emphasis on strengthening resilience – the ability to withstand, absorb and be transformed positively by shocks – in communities, institutions, and economic, social and environmental systems, international development can play a critical capacity-building role. Topping the to-do list for development co-operation are five key actions to contribute to resilience building:

- **Integrate climate action in multi-sector development strategies.** Policies must enable governments and policy makers to tackle several problems at once: beat the virus and support recovery, ease the multiple stressors that cause crises, and improve resilience to other global threats. Addressing environmental degradation and the climate emergency is a prerequisite for more resilient recovery and sustainable development. There are many examples of multi-sector strategies that could be brought to scale, such as the One Health approach centred on simultaneously keeping animal, human and environmental dimensions of health in balance.
- **Provide long-term support for country systems.** A clear lesson from COVID-19, and previous crises, is that government capacity is a key factor in shaping effective crisis responses. Reforms leading to strong and well-functioning country systems are critical to build resilience to future crises, both within countries and to avoid negative externalities more globally. There are strategic opportunities to build on emergency measures to strengthen health, social protection, and data and evidence systems.
- **Avoid a development finance crisis.** International finance has not been sufficient to close gaps in response to this crisis. Actors should continue working together towards solutions to unmanageable debt and to increase sources of new financing. Finance must be focused on the countries and people most in need and increasing the transparency on funding flows in times of crisis.
- **Step up collective action to provide and protect global public goods.** The lack of preparedness for high-impact but infrequent

events is due in part to underinvestment in global public goods. COVID-19 has pushed health security – a global public good – to the top of the international agenda. At the same time, it highlights the urgency of investing in other global public goods, such as biodiversity and adaptation or mitigation of climate change to ensure their adequate provision which will help avoid similar or worse crisis. New and inclusive multilateral initiatives established for COVID-19 treatment and access to vaccines could provide a blueprint for co-ordination and financing mechanisms for other global public goods.

- **Develop strategies and contingencies for international crisis co-ordination.** Development co-operation actors have an opportunity to learn from co-ordination shortcomings and develop strategies and contingencies for responding to global challenges, shocks and crises. Such strategies should enable actors to quickly share data, evidence, plans and intelligence to inform responses and fast-paced decision making that will meet the needs of the world's poorest people and countries most in need.

Delivering on an agenda that results in more integrated cross-sectoral programmes, builds country systems, increases development financing, steps up action on global public goods and improves co-ordination would put the development co-operation community on track to support a strong, resilient, green and inclusive recovery.

Infographic 1. Lessons for development co-operation in 2020

LEARNING FROM CRISES, BUILDING RESILIENCE

ONE PANDEMIC, DIFFERENT REALITIES

SOCIAL PROTECTION

USD **4** low-income countries

USD **695** high-income countries

PER CAPITA

SCHOOL TIME LOST

4 months low & lower middle income countries

6 weeks high-income countries

PRE-PRIMARY THROUGH SECONDARY

ACCESS TO VACCINES FOR DEVELOPING COUNTRIES

USD **2 bn** raised

USD **5 bn** needed to reach 2021 target

COVAX ADVANCE MARKET COMMITMENT

DEVELOPMENT CO-OPERATION PUT TO THE TEST

- **Rapid** health and humanitarian responses, fast-tracking medical procurement and prioritising public information campaigns
- **Flexible** use of reserve funds, reallocating budgets, repurposing existing programmes, and raising new finance
- **Creative** balancing of continuity and emergency responses, using local innovation and leveraging lessons from previous crises

- **Competing priorities** in responses to health and socio-economic shocks, gendered impacts, and ongoing conflicts and crises
- **Financing strained** to meet growing development and humanitarian needs and to provide global public goods
- **Ad-hoc and fragmented evidence,** data and information sharing systems hampered a co-ordinated response

A TO-DO LIST FOR GREATER RESILIENCE

- **Integrate climate action in multi-sector development strategies**
- **Provide long-term support for country systems**
- **Avoid a development finance crisis**
- **Step up collective action to provide and protect global public goods**
- **Enhance collective development co-operation strategies and processes for crisis co-ordination**

OVERVIEW: BUILDING RESILIENCE TO GLOBAL SHOCKS

Ida Mc Donnell & Eleanor Carey, Development Co-operation Directorate, OECD

ABSTRACT

COVID-19 shaped and tested the course of development co-operation in 2020 and set the agenda for 2021 and beyond. This overview provides a snapshot of the financial and programmatic responses of development actors. It also outlines the funding and co-ordination challenges ahead as new needs compete for stretched international support for sustainable development. The chapter suggests ways forward for bold action and systemic reform by the international development community to build resilient national and international systems capable of coping with global shocks and providing global public goods while reinforcing the fundamental building blocks for sustainable development.

Introduction

The pandemic – or a pandemic – was forecast,[1] but the world was not prepared. At the time of writing, the virus has killed over 1.5 million people (WHO, 2020[1]), overwhelmed health systems, and brought economies and societies to a standstill. Global gross domestic product (GDP) is expected to decline 4.2% in 2020 (OECD, 2020[2]). Working hours lost equate to 495 million full-time jobs (ILO, 2020[3]). An estimated additional 115 million people could be pushed into extreme poverty, living at or below USD 1.90 a day (World Bank, 2020[4]) and 270 million people will go hungry this year as a result. These devastating impacts are harsh proof of the value of prevention, in both human and financial terms. Preparedness might well cost billions per year, but the costs of COVID-19 are already in the trillions and counting. Put another way, the amount the world is losing now due to a single crisis is costing as much as 500 years' worth of investment in preparedness for global health crises (Global Preparedness Monitoring Board, 2020[5]).

International debates on the future of development co-operation reiterate the pressing need to work together to beat the virus and emerge from the pandemic better prepared and equipped to tackle and mitigate new pandemics and other global threats. By placing renewed emphasis on strengthening resilience – the ability to withstand, absorb and be transformed positively by shocks – in communities, institutions, and economic, social and environmental systems, international development actors can play a critical capacity-building role.

Achieving the Sustainable Development Goals (SDGs) by 2030 has suddenly become much more challenging (UN, 2020[6]). Financing gaps for sustainable and inclusive development have widened further and developing countries' fiscal and policy capacities are too limited to match the scale of demand and needs (OECD, 2020[7]). The international development community has a critical choice to make between pushing boundaries to meet rising demands or trying its best within the boundaries it knows.

The pandemic's silver lining might just be that people and leaders have grasped that

livelihoods and the well-being of the planet are interconnected. This awareness could translate into greater international solidarity and action to deliver the long-discussed systemic reforms that can address other high-impact crises and existential threats.[2] The international effort to ensure equitable access to a COVID-19 vaccine is a concrete case in point: only international solidarity to achieve a global purpose will protect everyone from the virus and ultimately beat it (See in My View by Berkley). Policy makers have a mandate to walk their talk on how international co-operation and solidarity benefit everyone: 81% of respondents to a 2020 survey in advanced economies think that countries should act as part of a global community (Bell et al., 2020[8]).

The myriad of problems and risks that spill across national borders are well documented. Whether impacts stem from climate change, loss of biodiversity, rising inequalities, violence and conflict, or growing divides in the global digital economy, they cause immense human suffering and physical damage. The path to recovery, as affirmed by the 2020 OECD Ministerial Council, must be strong, resilient, green and inclusive (OECD, 2020[9]).

A snapshot of the year of the pandemic

Analysis of COVID-19 impacts and responses to date points to an array of critical issues for development strategies and pathways to the SDGs – some revealed by the pandemic and others created or made worse by it. For many of the world's poorest and most vulnerable women, men and children, COVID-19 is not the primary threat to their lives and livelihoods. The crisis is exacerbating pre-existing economic and group-based inequalities between and within countries, earning it the moniker the "great revealer" (Nabarro and Atkinson, 2020[10]) (Box 1). Progress towards the SDGs had been slowing even before 2020 in the context of an increasingly complex and strained landscape for multilateral co-operation (OECD, 2019[11]). Pressure was also growing to mobilise and catalyse more public and private finance for sustainable development and introduce more stringent incentives for greater financial alignment to the SDGs and climate goals (OECD, 2020[7]; 2019[11]).

The global and multidimensional nature of the crisis raised expectations that it would trigger reforms in the development co-operation system (UNDP Seoul Policy Centre, 2020[12]; Wilton Park, 2020[13]; World Economic Forum, 2020[14]). Insights in this volume suggest that it has accelerated some reforms and clarified the importance of rigorously applying best practices and pursuing interventions that have proven effective in the past. For example, the humanitarian-development-peace nexus is making progress as an organising framework for emergency response, recovery and resilience building (See Chapter 7). Pursuing coherence between domestic and international policies, a practice long championed by the OECD,[3] has also gained attention in the effort to mitigate the health, economic and societal crises (See Chapter 4). This moment of crisis presents a chance to re-evaluate the governance and role of international institutions in mitigating and tackling global challenges and delivering lingering reforms to be more resilient, responsive and inclusive of all relevant actors and voices (See Chapters 5 and 6).

Developing country responses and international support evolved significantly over the course of 2020. Early in the pandemic, statements by the OECD Development Assistance Committee (DAC) and other bodies recognised that COVID-19 was amplifying and expanding existing levels and forms of human suffering, particularly for the most vulnerable (OECD, 2020[15]; 2020[16]). This was especially so for informal workers and women and girls on the front line of care economies, thus posing a risk of increased gender inequalities (OECD, 2020[17]); (Box 1). Containment measures affected operations of development actors worldwide, requiring them to make major management and delivery adjustments

BOX 1. IMPACTS OF COVID-19 ARE DEVASTATING FOR HUMAN DEVELOPMENT

THE CRISIS IS HAVING RAMIFICATIONS FOR EXTREME POVERTY, HUNGER, MULTIDIMENSIONAL AND INTERSECTING INEQUALITIES, AND ACCESS TO HEALTHCARE

An additional 88 million **to 115 million people will fall into extreme poverty.** Nearly 700 million people were already living in extreme poverty, measured as living on less than USD 1.90 a day, before the pandemic (OECD, 2019[11]; World Bank, 2020[4]). Now, the pandemic-caused spike will require national and international strategies to adjust to take into account the millions more people who will become poor, including the estimated 170-220 million additional people who will fall below the poverty line of USD 3.20 a day (Lakner et al., 2020[23]). Nine of the ten countries likely to see long-term impact of COVID-19 on extreme poverty by 2030 are in Africa (Kharas, 2020[24]). The geography and demographics of extreme poverty may also change, as those affected are more likely to be urban, have higher levels of education and are less likely to work in agriculture than those in extreme poverty before COVID-19 (World Bank, 2020[4]).

Hunger is expected to increase again in 2020, with COVID-19 creating new hotspots. The number of countries on the Global Hunger Index with alarming or extremely alarming levels of hunger grew from 5 in 2019 to 11 in 2020 (Global Hunger Index, 2020[25]; von Grebmer et al., 2019[26]). Natural disasters and emergencies such as desert locust infections in East Africa, droughts and floods in all developing regions from South Sudan to the Philippines and Guatemala are reducing food security. But the pandemic could drive up the number of people faced with acute food insecurity from 135 million before COVID-19 to 270 million people in 2020 (UN, 2020[27]). New hunger hotspots are emerging, particularly in middle-income countries hit hard by the pandemic and containment measures, among them Brazil, India and South Africa (Oxfam, 2020[28]).

Intersecting gender and other inequalities have exacerbated impacts. Women make up 70% of the professional healthcare workforce, and provide the majority of unpaid care, putting them at greater risk of infection than other groups (OECD, 2020[17]). They also face higher risk of income loss and increased domestic violence, with estimates of an additional 15 million cases for every 3 months of movement restrictions (OECD, 2020[17]). A survey in Bangkok found that many informal workers who worked during the crisis and received cash grants nonetheless had to sell assets, borrow or spend savings to survive, leading to an erosion of capital that limits their recovery capacity (See case study by Roever and Tulaphan). Rohingya refugees in Bangladesh were not only more susceptible to the virus due to cramped living conditions, but could not access official or trusted health advice due in part to an Internet ban that made the camps breeding grounds for misinformation about the virus (See case study by Mahmud).

Health systems are under strain, with consequences for access to primary healthcare and other life-saving treatments. The UN projects increases in maternal deaths and rates of adolescent pregnancies due to reduced access to sexual and reproductive healthcare (2020[29]). There is some evidence as well that higher death rates have resulted from difficulty accessing treatment for HIV/AIDs (WHO, 2020[30]), cholera (UNICEF, 2020[31]) and non-communicable diseases (WHO/UNDP, 2020[32]).

and to rely more on local partners and staff (See Chapter 4). Avoiding a health crisis in developing countries was an urgent priority, but it became quickly apparent that development co-operation should safeguard and ensure continuity of support for pre-existing development, basic human needs and delivering the SDGs.

Development losses were swift and severe, while other crises compounded needs

The COVID-19 socio-economic crisis caused swift, severe development losses touching all sectors and policy areas (UN, 2020[6]; Bill & Melinda Gates Foundation, 2020[18]). Human development will decline sharply and

progress could be set back by three to ten years, according to estimates based on the United Nations Development Programme's Human Development Index (See Chapter 2). Impacts have varied across regions. For example, schoolchildren in low- and lower-middle-income countries have already lost nearly four months of schooling since the start of the pandemic, compared to an average of six weeks among high-income countries (UNESCO, 2020[19]). Positive GDP growth in 2020 is expected only in the region comprising the People's Republic of China and the Association of Southeast Asian Nations, though Asia is projected to see the highest number of people falling below the poverty line in the short term (World Bank, 2020[4]); GDP is likely to decline by 3% in Africa and by 5% in Latin America and the Caribbean. Long-term regional impacts are also likely to vary. For example, it is projected that the Latin America and the Caribbean region, where the virus itself has had a comparatively bigger direct and economic impact, is unlikely to recover quickly due to pre-pandemic debt and moderate growth (See Chapter 1).

As international political attention shifted to the pandemic, crises and issues that were important before the outbreak were deprioritised (OECD, 2020[20]). Wars are still being fought in Libya, the Syrian Arab Republic, Yemen and elsewhere (OECD, 2020[20]). But with United Nations (UN) special envoys unable to travel, diplomatic work was curtailed and mediation initiatives (e.g. in the Bolivarian Republic of Venezuela) were cancelled. Global refugee resettlement was put on hold (UNHCR, 2020[21]), leaving forcibly displaced people even more vulnerable (OECD, 2020[22]). Unresolved crises in fragile and conflict-affected contexts were at risk of being forgotten or worsening in 2020.

Developing countries had limited fiscal capacity and policy options

Though the virus did not impact all developing countries as badly as initially feared,[4] where health systems were weak, the assumption that they would be overwhelmed was enough to drive stringent containment measures (OECD, 2020[16]).

Disparities in national capacities to finance containment and other measures to suppress the pandemic have limited countries' abilities to soften the blow of the pandemic's socio-economic effects on livelihoods and on vulnerable groups. The inequality carries over to economic consequences induced by the global recession. Many developing economies are primary commodity exporters impacted especially by the global slowdown in trade (Gondwe, 2020[33]), which is projected to decline by 20% from its 2019 value of USD 25 trillion (Kituyi, 2020[34]). An oil price shock is hitting developing countries that are net exporters of oil (OECD, 2020[35]). Reductions in remittances[5] as well as in tourism and domestic resource mobilisation, combined with the near collapse of international financial flows,[6] also severely curtail the amount of financing available to developing countries to put economic and social support packages in place.[7] Coupled with constraints on raising credit, the worsening economic situation increases developing countries' dependence on external support (Goldin and Muggah, 2020[36]). Freeing up fiscal space became crucial as the crisis unfolded and was partially addressed through the Group of Twenty (G20) Debt Service Suspension Initiative (DSSI) (World Bank, 2020[37]).

Though governments stepped up social protection policies in response to the crisis, they were quickly oversubscribed and failed to reach the most vulnerable. Policy measures taken by developing countries to support populations, such as cash transfers or supports to business, largely reflect their economic structures and their limited fiscal capacity (See Chapters 1 and 3). The resulting inequality in spending capacity is stark. On average, COVID-19 social protection spending per capita has been USD 4 for low-income countries, USD 28 for lower middle-income countries, USD 57 for upper middle-income

countries and USD 695 for high-income countries (Gentilini et al., 2020[38]).

Development co-operation had to balance emergency response and continuity of existing programmes

COVID-19 impacted development co-operation in different ways. It has shaken up working practices, partnerships and business models and put unprecedented strain on public finances and development co-operation budgets (See Chapter 4). Repatriation of international staff and travel restrictions in partner countries made it more difficult for development agencies to get the data and results information they needed to guide programming, manage risks and learn which responses were effective (OECD, 2020[39]). Some development co-operation actors displayed creativity in reallocating budgeted funds and using contingency budgets. To balance programme continuity for the sustainable development agenda and pandemic response, COVID-19 specific actions were integrated into ongoing programmes (See Chapter 4).

Development co-operation agencies showed impressive agility in responding to the health and humanitarian aspects of the pandemic through bilateral and multilateral channels and partnerships. Testing was ramped up using rapidly accredited local laboratories, drugs were approved, epidemiological models for various scenarios were developed, airlifts of supplies and protective equipment were organised. At the same time, humanitarian corridors were set up and humanitarian assistance programmes adapted or expanded to deliver cash, food, water, sanitation and other essential services and to protect populations, including from domestic and gender-based violence (See Chapter 4). By the second half of 2020, priorities shifted to resuming or expanding public health and education programmes, providing longer term income support, investing in information systems to monitor the wider effects of the virus, and protecting jobs and livelihoods.

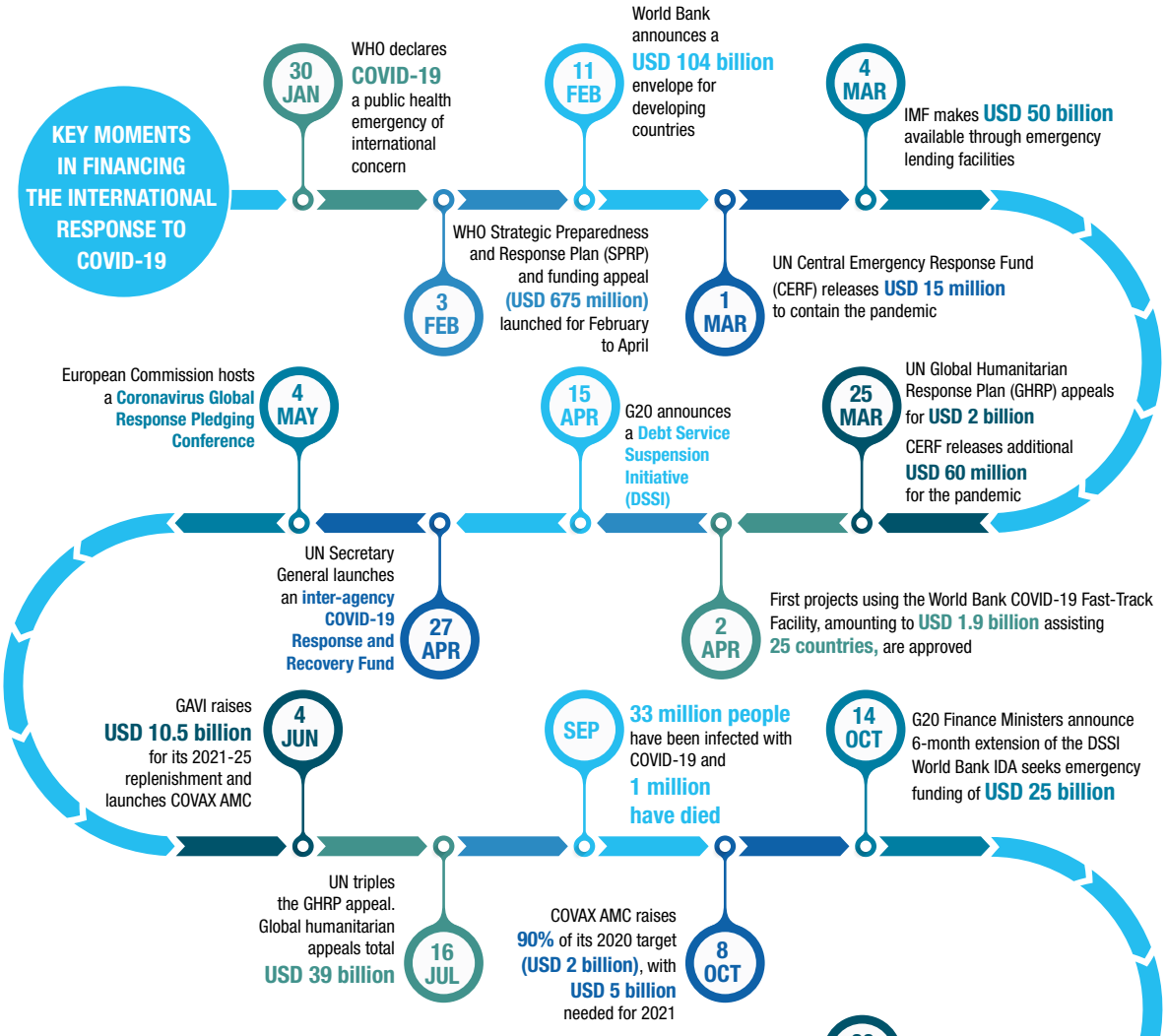
Collectively, DAC members committed to strive to protect official development assistance (ODA) levels (OECD, 2020[15]). At the November 2020 High Level Meeting of the DAC, countries reaffirmed this commitment and reiterated the importance of ODA to address the immediate health and economic crises and support longer term sustainable development (OECD, 2020[40]). However, ODA levels are insufficient and several development and humanitarian initiatives are underfunded (see Figure 1).

Looking ahead: How the crisis sets the agenda for building resilience

There are many lessons and new ways of working which could outlast the pandemic – if they are learnt and sustained. The international response to COVID-19 has so far been most effective where it built on key principles and good practices for effective development co-operation and particularly where development actors had sufficient flexibility, evidence and willingness to adapt actions to changing circumstances (See Chapter 4). There is no shortage of evidence or guidance on how international development should innovate and adapt priorities and, in so doing, avoid wasting the window for bold action that the crisis has thrown open.

Valuable insights can be drawn from the causes and impacts of the pandemic and responses to it. By analysing and learning from them, international development actors will be better equipped to design more effective strategies that support global resilience to shocks over the long term. Contributors to this report offer an array of recommendations: greening stimulus packages so that recovery activities do not aggravate climate change (See case study by Casado-Asensio, Kato and Sedemund); pursuing One Health programming which advocates crosssectoral collaboration to achieve a broad range of public health, food security and trade outcomes (See Chapter 8); and integrating developing countries better

Figure 1. Key moments in financing the international response to COVID-19



ACRONYMS

ACT-Accelerator	The Access to COVID-19 Tools (ACT) Accelerator
CERF	UN Central Emergency Response Fund
COVAX	COVID-19 Vaccines Global Access Facility
COVAX AMC	COVAX Advance Market Commitment
DSSI	Debt Service Suspension Initiative
GAVI	Gavi, the Vaccine Alliance
GHRP	UN COVID-19 Global Humanitarian Response Plan
IDA	International Development Association
IMF	International Monetary Fund
SPRP	WHO Strategic Preparedness and Response Plan
WHO	World Health Organization
UN	United Nations

Source: Authors

into supply chains to reduce dependence and diversify economies (See Chapter 5).

Closing the digital connectivity gap has become even more crucial as a means of providing and accessing public services and assistance during the crisis. Digitalisation is a particular challenge in Africa, which has just 25% broadband penetration (See Chapter 1 and case study by Fafunwa). Addressing the enabling environment, for instance through electricity access and a supportive legal and regulatory environment, will be key (Cheney, 2020[41]). Fafunwa also cites digital skills, ID and a trust framework for interoperability as important elements to close the digital divide in Africa.

Resilience has gained prominence on the international agenda due to growing recognition of the interconnections among different types of risks, such as violence and conflict, climate change, disasters, and specific risk factors such as urbanisation and ageing populations (OECD, 2013[42]). While it is not a new concept for development co-operation, the multidimensional impacts of this crisis call for enhanced commitment to build resilience in immediate responses and long-term recovery efforts (UNDP, 2020[43]). Such a commitment would mean conducting joint risk-informed analysis, pursuing cross-sector programming with long time horizons, and dedicating more financing underpinned by flexible mechanisms (See Chapter 7).

More integrated policies working across sectors

Policies must enable governments and policy makers to tackle several problems at once: beat the virus and support recovery, ease the multiple stressors which cause crises, and improve resilience to other global threats (OECD, 2020[44]). Moreover, as a zoonotic virus that transfers from animals to humans, the virus that causes COVID-19 reveals the centrality of simultaneously keeping animal, human and environmental dimensions of health in balance (See Chapters 2 and 8). Multi-sector policies informed by analysis of exposure and resilience to shock across multidimensional indicators can be instructive for determining where to focus development co-operation generally and in response to a crisis (See Chapter 1).

Good practice in working cross-sectorally means adapting resource and reporting requirements and placing co-designed research and communities at the centre of programmes. A project in Lao People's Democratic Republic, for example, demonstrates that community-led interventions that translate gender, knowledge, cultural practices and risk perception into robust disease surveillance and control programmes are instrumental to truly understanding disease drivers. Reviews of ONE Health programmes in Lao People's Democratic Republic, Fiji, the Philippines, and Viet Nam show positive results from holistic interventions that go beyond disease control, achieving broader environmental and livelihoods benefits (See Chapter 8).

Development policies and programmes that are consistent with international climate and environmental objectives will support a recovery that builds forward better and greener (OECD, 2020[40]). Addressing environmental degradation and the climate emergency is a prerequisite for more resilient recovery and sustainable development (See case study by Casado-Asensio, Kato and Sedemund). The path to net-zero emissions and away from harmful carbon subsidies is one of the most significant growth and development opportunities of 2021 and beyond. Development partnerships should focus on making sure greener options are available to all countries, sharing information with countries about alternative, sustainable options and their development benefits, and overcome a bias towards investments and technologies that risk locking countries into unsustainable infrastructure over the medium term.

The crisis also highlights the need for more deliberate strategies and investment in the everyday economy – the activities of people and households at the broad base of the

economic pyramid (See In My View by Songwe and case study by Roever and Tulaphan). The presence of large informal economies is a key determinant of a country's capacity to support populations economically during the crisis.[8] This reality makes it extremely difficult to channel support through taxation or other measures to the poorest people and to micro-, small and medium-sized enterprises (See Chapter 3). Effective investments in the informal economy will be central to inclusive recoveries (OECD, 2020[9]). Strong coalitions of informal workers, civil society and governments, for example, should be an integral part of inclusive recovery (See case study by Roever and Tulaphan).

The impacts of the pandemic are so far-reaching that strategies to meet the UN pledge to leave no one behind will need to be re-examined, with a more strategic focus on equity, reducing absolute and relative poverty and adjusting strategies to different contexts, drivers and solutions. In particular, ensuring a gender-equal recovery would generate high economic and development returns. Pre-pandemic estimates show that if women were to be able to exercise their full working potential, gains to the world economy could be as high as USD 28 trillion (Woetzel et al., 2015[45]). Recovery processes that put youth in the driving seat, as called for by EU Commissioner Jutta Urpilainen (See In My View by Urpilainen), would benefit from new approaches to leadership championed by young people and provide a more accurate picture of the realities young people are facing (See case study by Calarco).

Ways forward for international development policies

- Agree an updated strategy to reach the SDGs that is coherent with climate targets. Spain and other OECD members are advocating for a special meeting of heads of state at the 2021 High Level Political Forum to reboot the SDGs (Spanish Ministry of Foreign Affairs, European Union and Co-operation, 2020[46]).
- Recognise that sustainable solutions cannot be delivered by one sector alone, and adjust toolkits for more collaborative and transdisciplinary ways of working across multiple sectors.
- Support the everyday economy and use the right holistic strategies and community-based engagement to include voices and agency of women, youth, refugees and other marginalised communities.

Supporting country systems to build resilience

The cascading effects of the crisis underline how connected systems are and made those systems' weaknesses more obvious (OECD, 2020[44]). A clear lesson from COVID-19, and previous crises, is that government capacity is a key factor in shaping effective crisis responses (Fukuyama, 2020[47]). Therefore, reforms leading to strong and well-functioning country systems are critical to build resilience to future crises, both within countries and to avoid negative externalities more globally (See Chapter 1, case studies by Anderson and DeTollenaere, and Strupat and Marschall). For all its negative effects, the crisis also offers opportunities to build on emergency and short-term measures to expand social protection to the most vulnerable and strengthen health security against future pandemics. It also highlights the need for well-resourced data systems.

Strengthen health and social protection systems for the long term

The pandemic has shown that building strong health systems and making progress towards the goal of universal health coverage are urgent priorities (UN, 2020[48]) – not only to have surge capacity to deal with unexpected shocks like COVID-19, but to strengthen health security for the future (OECD, 2020[49]). A rising number of low-income countries face the double challenge of lasting infectious diseases and the growth of non-communicable diseases (OECD, 2020[49]).

The political and strategic importance of expanding the reach of social protection

has also increased, as demonstrated by a meeting of experts in September 2020 on the establishment of a Global Fund on Social Protection for All (Gurría, 2020[50]). Social assistance interventions such as cash programmes can fuel inclusive growth by lifting credit constraints and encouraging investments, providing greater security and certainty, and improving household resource allocation and dynamics (OECD, 2019[51]). While social protection (SDG Target 1.3) is proving to be a crucial instrument for cushioning the impacts of the crisis on livelihoods and economies, lower resources and poor coverage constrain reach in developing countries (See Chapter 1 and case study by Strupat and Marschall).

However, it remains to be seen how governments would raise the resources to pay for universal healthcare and social protection, which rely on predictable, long-term investments, and domestic spending in particular (OECD, 2020[52]). It may be more feasible to start with staged and incremental strategies that expand access to pro-poor social assistance, to create social protection floors,[9] which are thought to be affordable, and extend health service coverage incrementally as revenues grow and health systems get stronger and more efficient (Barber et al., 2020[53]).

As significant contributors to social sectors in least developed countries and other countries most in need, development co-operation actors should review their priorities and investments in country social systems. Commitments to support the expansion of social protection in low-income countries have increased from 0.7% of total bilateral ODA in the late 1990s to a peak of 1.8% in 2010 before falling and remaining relatively stable around 1% up to 2018 (OECD, 2020[52]). However, the International Labour Organization calculates that developing countries would need to invest an additional USD 1.2 trillion to close the annual financing gap in social protection in 2020 and that this financing gap has grown by approximately 30% since the onset of COVID-19 (ILO, 2020[54]). On average, OECD-DAC countries committed 2% of bilateral ODA for health systems in the period from 1996 to 2018 (OECD, 2020[52]), which is complemented by multilateral contributions to social sectors totalling approximately USD 28 billion in 2018 (OECD, 2020[55]). While ODA had shifted away from funding health systems towards battling infectious diseases, the pandemic has revealed the need for a rebalancing to

BOX 2. EMERGENCY MEASURES CAN PAVE THE WAY FOR EXPANDED SOCIAL PROTECTION

The COVID-19 crisis spurred many countries to expand, innovate and supplement their social protection systems as an emergency response. By September 2020, an estimated, 212 countries and territories either planned to or had already put in place 1 179 social protection measures, according to research by Gentilini et al. for the World Bank (Gentilini et al., 2020[38]). Cash transfers were the most popular measure. Scaled-up or new programmes in response to the pandemic targeted informal workers especially who are usually not covered by social protection schemes. Creative approaches to reaching those most in need have emerged during the crisis with digitalisation of government support and services being critical in a country's ability to deploy assistance and in the ability of its citizens to access such support.

However, the emergency social assistance policies that many countries put in place were time bound and had large coverage gaps. Weak coverage of those who are most vulnerable and invisible in data systems is a well-documented failing of social protection programmes (OECD, 2018[56]). While some countries found innovative ways to combine data sources to identify the most vulnerable, targeted efforts will still be needed to identify and reach those most in need of support. Improvement of registers is one such solution.

help make up the estimated annual shortfall of USD 200 billion to achieve SDG targets for primary health globally (OECD, 2020[52]).

Building local data capacity and systems for evidence-based decision making

The crisis reinforced the need for all actors to invest in evidence, rapid learning and timely results information that can guide decision making, support internal and cross-country learning, and strengthen accountability and communication. Assessing who is vulnerable to primary and secondary shocks is vital, as policy actions can impact groups in different and unintended ways. For example, rural populations in Kenya were less exposed than people in urban areas to the virus. Yet the crisis affected rural livelihoods and food security by reducing domestic demand for produce, disrupting supply chains to national and exports markets, and restricting travel for seasonal workers needed for harvests (See case study by Ochieng).

Data collection and evidence generation did evolve rapidly to meet the urgency of the pandemic. For example, the World Bank rolled out high-frequency surveys to monitor COVID-19 impacts and provide information on a monthly basis to policy makers on topics such as agriculture and food security, education, work and employment, and gender (World Bank, 2020[57]). Siwale and Wilkinson (Chapter 3) show that co-generation of evidence combined with an active learning approach in relation to virus containment measures in Pakistan led to more effective, context-specific approaches.

Nevertheless, national data and evidence systems and capacity remain weak and under-resourced (OECD, 2018[56]). Clear gaps in data and real-time monitoring systems have emerged in tracking the direct health impact of the virus (health records, infectious disease surveillance and death registration systems) and secondary socio-economic impacts. Limited capacity to capture and track vital statistics for the most vulnerable people, who may not have civil registration, creates blind spots for policy makers and development strategies. Investments in statistical infrastructure such as civil registration and vital statistics would reap rewards, not only during health crises, but in managing health and demographic change more generally (Lange, 2020[58]). Well-resourced data systems are also crucial to provide the statistics and indicators required to assess how systems are exposed to shocks and likely to be resilient.

Ways forward to support country systems through development co-operation

- Advance international leadership and solutions to make progress towards universal social protection and health coverage, taking an evidence-based, pro-poor approach.
- Development and humanitarian actors should:
  - Invest in financial and technical resources to prepare local response systems and build the capacities of local and national actors.
  - Commit collectively to use and optimise existing country systems, rather than replace or duplicate them.
  - Support country systems with predictable, long-term finance and capacity building.
  - Support and capitalise on local action, knowledge and innovation.

Avoiding a development finance crisis

International finance and support for the crisis, while welcomed by developing countries, have not been sufficient to close gaps. As early as March 2020, African governments called for USD 100 billion a year for the next three years in international support (Ofori-Atta, 2020[59]). Had developing countries been able to raise spending proportionally to the economic downturn as was the case for advanced economies' rescue packages, they would have mobilised between USD 800 billion and USD 1 trillion (OECD, 2020[7]). By November 2020, the UN Global Humanitarian Response Plan had

received approximately USD 3.4 billion; its total requirement is USD 9.5 billion (Chapter 7). A global financing crisis may be on the horizon in 2021 and beyond due to a convergence of factors, which include growing debt distress in developing countries, and lagging reforms to the international finance system which could help ease fiscal pressures. Private investment like foreign direct investment may also be slow to recover (OECD, 2020[7]). Moreover, with many suspended programmes resuming towards the end of 2020, it is not clear how future budgets will accommodate both pandemic responses and longer term investments.

G20 and OECD leaders have made clear political statements about the need to step up international co-operation for a global recovery. The question is how to fill the funding gaps and mitigate a financial crisis. Advanced economies have been criticised for double standards. They have maximised flexibility, capacity and regional co-operation to bypass fiscal rulebooks to mobilise unprecedented support packages at home but less so for the international response.[10] Multilateral institutions, which have provided the majority of crisis financing, have been criticised for failing to maximise every option to make more financing available for client countries and disbursing funds too slowly to meet even their own targets (Duggan et al., 2020[60]). According to Ghanaian Finance Minister Ken Ofori-Atta, the international financial architecture as it is right now is not fit to respond to crises like this (See Chapter 5).

Debt service suspension became an instrument to free up fiscal space for developing countries in response to the crisis. However, while the Debt Service Suspension Initiative (DSSI) negotiated by the G20 was a step towards solidarity, the savings from it are projected to be lower than expected, and not all stakeholders fully engaged (Malpass, 2020[61]; Ramaphosa, 2020[62]). Additionally, only 46 of the 73 countries eligible for the DSSI are taking up the initiative (G20, 2020[63]) due, among other factors, to the risk of downgrading (Shastry and Mark, 2020[64]) (See Songwe in Chapter 5). The DSSI is limited in its coverage and it does not cover most middle-income countries. These factors all point to the need for different instruments to meet divergent needs and avoid a debt crisis or defaults.

At the G20 Summit in November 2020 leaders agreed on the Common Framework for Debt Treatments beyond DSSI (G20, 2020[65]), which will allow eligible countries whose debt is determined as unsustainable to restructure it in a similar manner to classical Paris-club resolutions, including by imposing similar terms to private sector creditors. Despite this progress, the International Monetary Fund (IMF) has called for urgent reform of the international debt architecture to strengthen contractual provisions and increase debt transparency (IMF, 2020[66]). Other long-standing issues to be addressed include better anti-money laundering mechanisms, agreeing on global tax rules and the capacity to extend new credits, for example through the reallocation or increase of Special Drawing Rights at the IMF (See In My View by Coulibaly; (ONE, 2020[67]; Davies, 2020[68]; Gallagher, Ocampo and Volz, 2020[69]; OECD, 2020[9]).

Increasing and safeguarding concessional finance and ODA for countries and people most in need

ODA plays an essential and unique role in supporting developing countries to face and cope with challenges, focusing on peoples' welfare, going where other (private) finance does not, and has been a relatively stable and predictable resource in times of crisis (OECD, 2020[52]). Countries responded to the COVID-19 crisis through bilateral and multilateral channels. As the largest financing partners to the multilateral system, DAC members should help ensure that the multilateral development system receives funding in sufficient quantity and quality to fully contribute to the 2030 Agenda and the COVID-19 recovery (OECD, 2020[55]).

However, getting a clear picture of development finance for COVID-19 has been difficult: data are incomplete, there are risks of double counting in tracking mechanisms, and the lack of transparency around crisis funding, from both bilateral and multilateral sources, raises accountability questions. The OECD, which is mandated to collect official development finance statistics, conducted two *ad hoc* surveys on COVID-19 funding, but does not conduct real-time tracking of finance commitments and allocations. While financing trackers like the International Aid Transparency Initiative and an interactive portal set up by Devex (See Chapter 9) provide some real-time data on funding, these are not comprehensive.

From the estimates available, DAC members seem to be meeting commitments to safeguard ODA levels in 2020 while also mobilising resources for COVID-19 expenditures and responses. Initial estimates suggest that DAC members mobilised USD 12 billion for COVID-19 support to developing countries. Of this USD 12 billion, USD 7 billion was reported as extra-budgetary funds, i.e. new funding that was not previously available. The remainder was raised from contingency budgets or by redirecting resources from development programmes, some of which were delayed or stalled due to the crisis. Multilateral development banks and financial institutions were in a position to allocate at greater scale. The World Bank has mobilised USD 43 billion, and other multilateral organisations (not including the IMF) USD 37 billion (See Chapter 9). Providers seem to be focusing on countries most affected or at risk, low-income countries and fragile regions, and their priority countries, guarding against the risk of funding going to actors and institutions with the greatest capacity to apply for it.

Even if the official detailed statistics on COVID-19 spending will enable *ex post* analysis and accountability, they are too late to inform strategic collective responses. More comprehensive, real-time tracking of forward spending plans,[11] pledges, disbursements and allocations would increase funding transparency and help identify where ODA could best fill gaps in a crisis and in normal times.

Ways forward to safeguard financing for development

- G20 and other actors should continue working together to come up with solutions to the debt crisis and restructuring and to increase the capacity of international financial institutions to extend new credits.
- Development co-operation actors must maximise synergies in the allocation of bilateral and multilateral finance to focus on countries and people most in need in the ongoing response to and recovery from this crisis.
- All stakeholders should work to increase transparency of crisis funding in real time to match overall funds with global needs, inform programming decisions and track collective allocations across sectors and countries.

Collective action to provide global public goods

There are short lists of threats that could spill over into global crises without much warning (World Economic Forum, 2020[70]; Global Challenges Foundation, 2020[71]). Some threats are existential, like climate change and nuclear war. Others have the potential to do great damage, as shown by COVID-19. It is also clear in light of COVID-19 that in a hyper-connected, globalised world, systems of organising are complex, interwoven and thus vulnerable to cascading impacts and unpredictable crises (OECD, 2020[44]). Pursuing systemic preparedness and resilience internationally would seem prudent insurance policies, both to lower the risk of crises occurring in the first place and to mitigate their impacts and enable effective response if they do. The lack of preparedness for high-impact but infrequent events is due

in part to underinvestment in global public goods (GPGs), according to Ahmed and Brown and Kaul (Chapters 5 and 6). Funding for pandemic preparation, adaptation or mitigation of climate change, biodiversity, and other GPGs has too often been edged out by what are deemed more immediate concerns.

To date, there has been political support for incremental adjustments in global governance architecture and mechanisms to be more fit for purpose, but this crisis has revealed the need for better global preparedness and risk management.[12] Now, world leaders are being called on to reform, even redesign, the multilateral system to ensure adequate provision of GPGs (See Chapters 5 and 6) and close the gap between increasingly complex systems and methods of managing their risks (Goldin, 2020[72]). While COVID-19 has pushed health security[13] – a global public good – to the top of the international agenda, it also highlights the urgency of investing in others to avoid a similar or worse crisis due to their under provision. New mechanisms of global governance could better incentivise state and non-state actors to support and protect global public goods (See Chapter 6). However, several contributors to this report flag long-standing issues and geopolitical sensitivities related to responsibilities, budgets and ways of measuring finance for global public goods (Box 3).

Efforts to ensure equitable access to COVID-19 vaccines could be the vanguard of more holistic approaches to global challenges

International co-operation to strengthen global health security in response to COVID-19 could be a blueprint for revamping governance and financing mechanisms for other global challenges that depend on global solutions. The Access to COVID-19 Tools (ACT) Accelerator brings together governments,

BOX 3. GLOBAL PUBLIC GOODS: ISSUES BEING DEBATED

International debates about the governance and provision of global public goods converge under three main themes.

- **Inclusive governance:** Governance questions relate, in particular, to the inclusion and role of emerging and developing economies, notably as policy setters rather than conventional policy takers. The extent to which multilateral institutions are empowered by shareholders to tackle global issues is another challenge (Goldin, 2020[72]).
- **Redesigning institutional architecture**: International structures are lagging the changing realities of global policy challenges, which is a constraint to effective multilateralism (See Chapter 6 and Goldin (2020[72])). Kaul and others propose designing a new platform of platforms, or holistic co-ordination mechanisms backed with appropriate global financing to incentivise global public goods-focused investments (See Chapter 6 (Kenny, 2020[73]).
- **Using common measurement and accountability mechanisms:** Total official support for sustainable development (TOSSD) can help fill critical data gaps on investments in international public goods, thus supporting a more informed discussion on the allocation of global resources for sustainable development and a more coherent and integrated implementation of the Sustainable Development Goals. International research, global disease surveillance, development of treatments and vaccines, and their production and deployment represent a significant part of the global response to COVID-19. These initiatives and expenditures would be tracked in TOSSD.

Note: In TOSSD, international public goods include global public goods whose benefits are nearly universal (e.g. stable climate); regional public goods whose benefits extend to countries in the same region (e.g. transboundary water management); and other international public goods whose benefits are neither global nor regional (e.g. bilateral trade agreements).

Source: OECD (2020[74]), *Total Official Support for Sustainable Development* (TOSSD), webpage, www.oecd.org/dac/tossd.

global health organisations, manufacturers, scientists, the private sector, civil society and philanthropy to accelerate development, production and equitable access to COVID-19 tests, treatments and vaccines (WHO, 2020[75]). The COVAX pillar focused on vaccines is the biggest multilateral effort since the Paris Agreement, representing about 90% of the world's population. The COVAX facility uses the collective buying power of high-income countries to bring vaccines to the market quicker and at a lower price than would otherwise be the case (See Chapter 4). It then works through its second arm, the COVAX Advance Market Commitment (AMC), to support developing countries that cannot afford to self-finance their access to vaccines. Of the 189 economies involved in COVAX (92 are middle- and lower income countries engaged in the AMC, which is funded mainly by ODA (See In My View by Berkley).

At their November 2020 meeting, G20 leaders committed to ensure that COVID-19 diagnostics, therapeutics and vaccines were affordable and equally accessible for all people, and to address the remaining global financing needs of the ACT-Accelerator, recognising widespread immunisation against COVID-19 as a global public good (G20, 2020[63]). While the initial USD 2 billion required to start the COVAX AMC has been received, another USD 5 billion is needed to reach 2021 vaccination targets (See In My View by Berkley). As the virus is the primary driver of the global economic and social crisis, such an investment is likely to represent good value for money.

COVAX may also have strategic importance beyond the delivery of vaccines. Working to satisfy the needs of relevant stakeholders and devising a fair allocation mechanism to secure equitable access for all, COVAX is a new form of partnership for innovation, procurement and global solidarity, at the vanguard of more holistic approaches to global challenges.

Ways forward for global public goods

- The international community needs more robust mechanisms for co-ordinating policies and financing for global public goods, clarifying the role and contribution of public finance in general. TOSSD will provide crucial information to track resources for global public goods.
- Learn lessons from the ACT-Accelerator and COVAX initiatives to design strategic and holistic mechanisms for other global public goods such as climate change mitigation and crisis response mechanisms.

More deliberate crisis preparedness and co-ordination for development co-operation

The escalating needs, differential impacts and limited resources available for development actors to respond to the COVID-19 pandemic made it essential to have effective co-ordination underpinned by comparable, comprehensive evidence and open data.

For development actors, including DAC members, the COVID-19 pandemic has brought into sharp relief several co-ordination challenges. While the international community struggled to broker co-ordinated responses and action at a time when they were needed most (See Chapter 5), *ad hoc* initiatives were established to meet specific immediate needs.

Team Europe has demonstrated the potential of the EU to pool efforts and resources and advocate collectively for a shared agenda and enhanced co-ordination within the European Commission. Going forward, it remains to be seen if Team Europe will be institutionalised and how it might co-ordinate all EU development finance, including members' bilateral ODA, and other policy positions for global crises (See Chapter 4). Another co-ordination example is the informal Development Ministers Contact Group on COVID-19, convened by Canada and the United Kingdom with membership comprising Australia, the EU, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden and the United States.

The DAC, a critical consensus builder in defining and protecting the role of ODA and holding members to account for their commitments, has also acted with agility in the crisis, developing methods to clarify eligibility rules for vaccine-related expenditure for COVID-19 and launching discussions of these and other initiatives for the benefit of developing countries.

Nevertheless, the need for better co-ordination and more sharing of real-time information among development actors was flagged at global and regional levels, in partner countries, and across individual OECD government systems. There were missed opportunities for the synergies and coherence of more collective efforts. As Chapter 4 shows, initially, bilateral resources were allocated without a clear overview of priority needs, channels for support, or other actors' responses. Development co-operation actors applied lessons from health and other humanitarian crises such as Ebola, HIV/AIDs and the Asian tsunami. DAC members also shared sector-specific information and plans through *ad hoc* seminars and peer learning in meetings of networks on gender, governance and the environment, among others. But those lessons, particularly from evaluations,[14] could have contributed in advance to preparedness strategies, even if lessons did re-emerge over the course of 2020.

There is an opportunity to improve preparedness by learning from shortcomings and developing more deliberate processes for responding to crises.[15] With clearer and systematic procedures and the right information and advice in real time, the DAC could serve as a platform to convene and advise members during crises with global impacts - clarifying and upholding DAC standards and effectiveness principles while also facilitating greater collaboration across bilateral portfolios and mutual learning in a context of fast-paced decision making and uncertainty.

Ways forward for crisis preparedness and co-ordination

- Maximise the combined development, diplomatic and political power of OECD governments to best complement multilateral efforts to mobilise resources, co-ordinate efforts and encourage reforms at country and global levels.
- The development co-operation system, championed by the OECD DAC, should develop its strategy and contingencies for responding collectively to global challenges, shocks and crises.
- A development co-operation crisis strategy should enable members of the DAC to quickly share data, evidence, plans and intelligence to inform responses and fast-paced decision making to meet the needs of the world's poorest people and countries most in need.

Building on lessons from the pandemic for greater resilience

"The pandemic has laid bare the stark inequalities that still, in 2020, dictate who lives and who dies, who thrives and who suffers, and which countries and communities rebound from multiple shocks or collapse under their weight" (See In My View by Smith). COVID-19 confirms lessons that international development actors know, and relearn, with each new crisis. The crisis also throws an unforgiving spotlight on disparities in national capacity that have decisive consequences for resilience. This is why all actors, from the local to the global level, should build on the pandemic's lessons for greater preparedness and resilience.

An effective international response to the COVID-19 crisis is one that builds greater sustainability, resilience and preparedness for an uncertain future. A (re)commitment to global solidarity is the starting point. As shown in this chapter, and in this *Development Co-operation Report* as a whole, the pandemic has indelibly shaped the development co-operation agenda for 2021 and beyond.

Delivering on an agenda that results in more integrated cross-sectoral programmes, builds country systems, increases development financing, steps up action on global public goods and improves co-ordination would put the development co-operation community on track to support a strong, resilient, green and inclusive recovery.

In sum, a new and greater ambition to build resilience to global shocks calls for specific actions by development co-operation actors that:

- Integrate climate action in multi-sector development strategies
- Provide long-term support for country systems
- Avoid a development finance crisis
- Step up collective action to provide and protect global public goods
- Develop strategies and contingencies for international crises co-ordination.

REFERENCES

Barber, S. et al. (2020), "Other considerations than: How much will universal health coverage cost?", *Bulletin of the World Health Organization*, Vol. 98/2, pp. 95-99, http://dx.doi.org/10.2471/BLT.19.238915. [53]

Bell, J. et al. (2020), *International Co-operation Welcomed Across 14 Advanced Economies*, Pew Research Center, Washington, DC, https://www.pewresearch.org/global/2020/09/21/international-co-operation-welcomed-across-14-advanced-economies (accessed on 20 November 2020). [8]

Berkley, S. (2020), *COVAX Explained*, Gavi, the Vaccine Alliance, https://www.gavi.org/vaccineswork/covax-explained (accessed on 25 November 2020). [77]

Bill & Melinda Gates Foundation (2020), *2020 Goalkeepers Report – COVID-19: A Global Perspective*, Bill & Melinda Gates Foundation, https://www.gatesfoundation.org/goalkeepers/report/2020-report/#GlobalPerspective. [18]

CERF (2020), *About CERF: Invest in Humanity*, webpage, United Nations Central Emergency Response Fund, New York, https://cerf.un.org/sites/default/files/resources/AboutCERF_2020_EN_20200205%20%28004%29.pdf (accessed on 25 November 2020). [91]

Cheney, C. (2020), "World Bank has role to play in inclusive digital connectivity, Google says", *Devex*, https://www.devex.com/news/world-bank-has-role-to-play-in-inclusive-digital-connectivity-google-says-98349 (accessed on 12 November 2020). [41]

Davies, G. (2020), "Opinion – The SDR is an idea whose time has come", *The Financial Times*, https://www.ft.com/content/7b7830e8-690c-11ea-800d-da70cff6e4d3 (accessed on 20 November 2020). [68]

Duggan, J. et al. (2020), "New data show the World Bank's COVID response is too small and too slow", *Center for Global Development blog*, https://www.cgdev.org/blog/new-data-show-world-banks-covid-response-is-too-small-too-slow (accessed on 12 November 2020). [60]

European Council (2020), *The Council's Response to Crises (IPCR)*, webpage, European Council, https://www.consilium.europa.eu/en/policies/ipcr-response-to-crises (accessed on 20 November 2020). [89]

Fukuyama, F. (2020), "The thing that determines a country's resistance to the coronavirus", *The Atlantic*, https://www.theatlantic.com/ideas/archive/2020/03/thing-determines-how-well-countries-respond-coronavirus/609025 (accessed on 12 November 2020). [47]

G20 (2020), *Leaders' Declaration (Riyadh Summit)*, G20, https://www.consilium.europa.eu/media/46883/g20-riyadh-summit-leaders-declaration_en.pdf (accessed on 25 November 2020). [63]

G20 (2020), *Statement: Extraordinary G20 Finance Ministers and Central Bank Governors' Meeting*, G20, https://www.imf.org/-/media/Files/News/news-articles/english-extraordinary-g20-fmcbg-statement-november-13.ashx. [65]

Gallagher, K., J. Ocampo and U. Volz (2020), "Special drawing rights: International monetary support for developing countries in times of the COVID-19 crisis", *The Economists' Voice*, Vol. 17/1, https://doi.org/10.1515/ev-2020-0012. [69]

Gates, B. (2015), *TED2015: The Next Outbreak? We're Not Ready*, TED.com, https://www.ted.com/talks/bill_gates_the_next_outbreak_we_re_not_ready?language=en#t-441 (accessed on 24 November 2020). [90]

Gentilini, U. et al. (2020), *Social Protection and Jobs Responses to COVID-19: A Real-time Review of Country Measures*, World Bank, Washington, DC, https://openknowledge.worldbank.org/handle/10986/33635 (accessed on 17 November 2020). [38]

Global Challenges Foundation (2020), *Global Catastrophic Risks 2020*, Global Challenges Foundation, Stockholm, https://globalchallenges.org/wp-content/uploads/Global-Catastrophic-Risks-2020-Annual-Report.pdf (accessed on 20 November 2020). [71]

Global Hunger Index (2020), *2020 Global Hunger Index (webpage)*, https://www.globalhungerindex.org/results.html (accessed on 7 December 2020). [25]

Global Preparedness Monitoring Board (2020), *A World in Disorder: Global Preparedness Monitoring Board Annual Report 2020*, World Health Organization, Geneva, https://apps.who.int/gpmb/assets/annual_report/GPMB_AR_2020_EN.pdf (accessed on 20 November 2020). [5]

Global Preparedness Monitoring Board (2019), *A World at Risk: Annual Report on Global Preparedness for Health Emergencies*, World Health Organization, Geneva, https://apps.who.int/gpmb/assets/annual_report/GPMB_annualreport_2019.pdf (accessed on 24 November 2020). [83]

Goldin, I. (2020), "Rethinking global resilience: The pandemic is straining economic and social fault lines: The only remedy is international co-operation", *Finance & Development*, pp. 5-9, September, https://www.imf.org/external/pubs/ft/fandd/2020/09/pdf/rethinking-global-resilience-ian-goldin.pdf (accessed on 12 October 2020). [72]

Goldin, I. and R. Muggah (2020), "COVID-19 is increasing multiple kinds of inequality. Here's what we can do about it", *World Economic Forum – Global Agenda blog*, https://www.weforum.org/agenda/2020/10/covid-19-is-increasing-multiple-kinds-of-inequality-here-s-what-we-can-do-about-it (accessed on 12 November 2020). [36]

Gondwe, G. (2020), *Assessing the Impact of COVID-19 on Africa's Economic Development*, United Nations Conference on Trade and Development, Geneva, https://unctad.org/system/files/official-document/aldcmisc2020d3_en.pdf (accessed on 20 November 2020). [33]

Gurría, A. (2020), "Transcript of the video-message by Angel Gurría (Meeting of Experts on the Establishment of a Global Fund "Social Protection for All")", OECD, Paris, https://www.oecd.org/about/secretary-general/meeting-of-experts-on-establishment-of-global-fund-social-protection-for-all-september-2020.htm (accessed on 25 November 2020). [50]

Haroutunian, S., S. Hauptmeier and N. Leiner-Killinger (2020), "The COVID-19 crisis and its implications for fiscal policies", *ECB Economic Bulletin* 4, https://www.ecb.europa.eu/pub/economic-bulletin/focus/2020/html/ecb.ebbox202004_07~145cc90654.en.html (accessed on 20 November 2020). [82]

ILO (2020), *COVID-19 Crisis and the Informal Economy: Immediate Responses and Policy Challenges*, International Labour Organization, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/briefingnote/wcms_743623.pdf (accessed on 25 November 2020). [85]

ILO (2020), "Financing gaps in social protection: Global estimates and strategies for developing countries in light of the COVID-19 crisis and beyond", in *Social Protection Spotlight ILO Brief*, International Labour Organization, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_755475.pdf (accessed on 3 December 2020). [54]

ILO (2020), *ILO Monitor: COVID-19 and the World of Work – Sixth Edition*, International Labour Organization, Geneva, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_755910.pdf (accessed on 24 November 2020). [3]

ILO (2018), *Women and Men in the Economy: A Statistical Picture*, International Labour Office, Geneva, https://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm (accessed on 20 November 2020). [86]

IMF (2020), "The international architecture for resolving sovereign debt involving private-sector creditors - Recent developments, challenges, and reform options", No. 2020/043, policy paper, International Monetary Fund, Washington, DC, https://www.imf.org/en/Publications/Policy-Papers/Issues/2020/09/30/The-International-Architecture-for-Resolving-Sovereign-Debt-Involving-Private-Sector-49796 (accessed on 25 November 2020). [66]

Kenny, C. (2020), "Official Development Assistance, Global Public Goods, and implications for climate finance", in *CGD Policy Paper*, Center for Global Development, Washington, D.C., https://www.cgdev.org/sites/default/files/PP188-Kenny-ODA-GPGs-Full.pdf (accessed on 20 November 2020). [73]

Kharas, H. (2020), "The impact of COVID-19 on global extreme poverty", *Brookings Future Development blog*, https://www.brookings.edu/blog/future-development/2020/10/21/the-impact-of-covid-19-on-global-extreme-poverty (accessed on 12 November 2020). [24]

Kituyi, M. (2020), "A new take on trade", United Nations Conference on Trade and Development, Geneva, https://unctad.org/news/new-take-trade (accessed on 20 November 2020). [34]

Lakner, C. et al. (2020), "Updated estimates of the impact of COVID-19 on global poverty: The effect of new data", *World Bank Data blog*, https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-effect-new-data (accessed on 12 November 2020). [23]

Lange, S. (2020), "Key trends in development co-operation for national data and statistical systems", *OECD Development Policy Papers*, No. 31, OECD Publishing, Paris, https://doi.org/10.1787/1ce044d2-en. [58]

Malpass, D. (2020), *Remarks by World Bank Group President David Malpass at the G20 Finance Ministers and Central Bank Governors Meeting*, World Bank, Washington, DC, https://www.worldbank.org/en/news/speech/2020/10/14/remarks-by-world-bank-group-president-david-malpass-at-the-g20-finance-ministers-and-central-bank-governors-meeting (accessed on 16 November 2020). [61]

Maoujoud, O. and S. Ahid (2020), "The coronavirus disease 2019 (COVID-19) pandemic in Africa: What can we expect?", *Value in Health Regional Issues*, Vol. 22, p. 35, http://dx.doi.org/10.1016/j.vhri.2020.05.001. [76]

Morse, S. et al. (2012), "Prediction and prevention of the next pandemic zoonosis", *The Lancet*, Vol. 380/9857, pp. 1956-1965, http://dx.doi.org/10.1016/S0140-6736(12)61684-5. [78]

Nabarro, D. and J. Atkinson (2020), "The great revealer: Emergence of the 'Covid-ready' world", OECD Forum Network, OECD, Paris, https://www.oecd-forum.org/posts/the-great-revealer-emergence-of-the-covid-ready-world (accessed on 20 November 2020). [10]

OECD (2020), *2020 Ministerial Council Statement: A Strong, Resilient, Inclusive and Sustainable Recovery from COVID-19*, OECD, Paris, http://www.oecd.org/mcm/C-MIN-2020-7-FINAL.en.pdf (accessed on 20 November 2020). [9]

OECD (2020), "A systemic resilience approach to dealing with Covid-19 and future shocks", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/a-systemic-resilience-approach-to-dealing-with-covid-19-and-future-shocks-36a5bdfb (accessed on 6 November 2020). [44]

OECD (2020), "COVID-19 Global Pandemic: Joint Statement by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)", OECD, Paris, https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf. [15]

OECD (2020), "COVID-19, crises and fragility", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, https://www.oecd.org/coronavirus/policy-responses/covid-19-crises-and-fragility-2f17a262. [20]

OECD (2020), *DAC High Level Meeting Communiqué 2020*, OECD, Paris, http://www.oecd.org/dac/development-assistance-committee/DAC-HLM-Communique-2020.pdf (accessed on 20 November 2020).[40]

OECD (2020), "Developing countries and development co-operation: What is at stake?", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/developing-countries-and-development-co-operation-what-is-at-stake-50e97915 (accessed on 12 November 2020). [16]

OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://dx.doi.org/10.1787/e3c30a9a-en. [7]

OECD (2020), "Managing for sustainable results in development co-operation in uncertain times", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://read.oecd-ilibrary.org/view/?ref=134_134485-56ol8i2i0a&title=Managing-for-sustainable-results-in-development-co-operation-in-uncertain-times (accessed on 5 November 2020). [39]

OECD (2020), *Multilateral Development Finance 2020*, OECD Publishing, Paris, https://doi.org/10.1787/e61fdf00-en. [55]

OECD (2020), *OECD Economic Outlook, Volume 2020 Issue 2: Preliminary version*, OECD Publishing, Paris, https://dx.doi.org/10.1787/39a88ab1-en. [2]

OECD (2020), "Response, recovery and prevention in the coronavirus (COVID-19) pandemic in developing countries: Women and girls on the frontlines", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/response-recovery-and-prevention-in-the-coronavirus-covid-19-pandemic-in-developing-countries-women-and-girls-on-the-frontlines-23d645da. [17]

OECD (2020), "Six decades of ODA: Insights and outlook in the COVID-19 crisis", in *Development Co-operation Profiles*, OECD Publishing, Paris, https://doi.org/10.1787/5e331623-en (accessed on 3 November 2020). [52]

OECD (2020), "Strengthening health systems during a pandemic: The role of development finance", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/strengthening-health-systems-during-a-pandemic-the-role-of-development-finance-f762bf1c (accessed on 12 November 2020). [49]

OECD (2020), "The impact of coronavirus (COVID-19) and the global oil price shock on the fiscal position of oil-exporting developing countries", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, https://www.oecd.org/coronavirus/policy-responses/the-impact-of-coronavirus-covid-19-and-the-global-oil-price-shock-on-the-fiscal-position-of-oil-exporting-developing-countries-8bafbd95 (accessed on 25 November 2020). [35]

OECD (2020), "The impact of coronavirus (COVID-19) on forcibly displaced persons in developing countries", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/the-impact-of-coronavirus-covid-19-on-forcibly-displaced-persons-in-developing-countries-88ad26de. [22]

OECD (2020), "The impact of the coronavirus (COVID-19) crisis on development finance", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, https://read.oecd-ilibrary.org/view/?ref=134_134569-xn1go1i113&title=The-impact-of-the-coronavirus-(COVID-19)-crisis-on-development-finance (accessed on 12 October 2020). [88]

OECD (2020), *Total Official Support for Sustainable Development (TOSSD)*, webpage, OECD, Paris, http://webpage, www.oecd.org/dac/tossd. [74]

OECD (2019), *Can Social Protection Be an Engine for Inclusive Growth?*, Development Centre Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/9d95b5d0-en. [51]

OECD (2019), *Development Co-operation Report 2019: A Fairer, Greener, Safer Tomorrow*, OECD Publishing, Paris, https://doi.org/10.1787/9a58c83f-en. [11]

OECD (2018), *Development Co-operation Report 2018: Joining Forces to Leave No One Behind*, OECD Publishing, Paris, https://dx.doi.org/10.1787/dcr-2018-en. [56]

OECD (2013), "What does 'resilience' mean for donors?", OECD, Paris, http://www.oecd.org/dac/conflict-fragility-resilience/docs/May%2010%202013%20FINAL%20resilience%20PDF.pdf (accessed on 6 November 2020). [42]

Ofori-Atta, K. (2020), "Ghanaian finance minister: Africa deserves more Covid help", *The Financial Times*, https://www.ft.com/content/fff9c354-dde5-4a4c-ab48-f11f289c2da9 (accessed on 3 November 2020). [59]

ONE (2020), "World's poorest countries fighting COVID-19 with both hands tied behind their backs", ONE, https://www.one.org/international/press/worlds-poorest-countries-fighting-covid-19-with-both-hands-tied-behind-their-backs (accessed on 20 November 2020). [67]

Ortiz, I. et al. (2017), "Universal social protection floors: Costing estimates and affordability in 57 lower income countries", *ESS Working Paper*, No. 58, International Labour Office, Geneva, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_614407.pdf (accessed on 20 November 2020). [79]

Oxfam (2020), *The Hunger Virus: How COVID-19 is Fuelling Hunger in a Hungry World*, Oxfam, Oxford, UK, https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621023/mb-the-hunger-virus-090720-en.pdf (accessed on 25 November 2020). [28]

Quammen, D. (2012), *Spillover: Animal Infections and the Next Human Pandemic*, W.W. Norton & Company, New York. [84]

Ramaphosa, C. (2020), "Global response is needed to prevent a debt crisis in Africa", *The Financial Times*, https://www.ft.com/content/5f428a4d-bd29-44e6-a307-c97b3f325d7b. [62]

Sandefur, J. et al. (2020), "Predicting COVID-19 infection fatality rates around the world", *CGD blog*, https://www.cgdev.org/blog/predicting-covid-19-infection-fatality-rates-around-world (accessed on 16 November 2020). [80]

Shastry, V. and J. Mark (2020), "Let them eat debt: The G20's disappointing response to the pandemic in developing countries", *New Atlanticist blog*, https://www.atlanticcouncil.org/blogs/new-atlanticist/let-them-eat-debt-the-g20s-disappointing-response-to-the-pandemic-in-developing-countries (accessed on 12 November 2020). [64]

Spanish Ministry of Foreign Affairs, European Union and Co-operation (2020), "Spain defends the key role of official development assistance to tackle the COVID-19 crisis to the OECD", Spanish Ministry of Foreign Affairs, European Union and Co-operation, Madrid, https://www.lamoncloa.gob.es/lang/en/gobierno/news/Paginas/2020/20201110aod-covid.aspx (accessed on 24 November 2020). [46]

UN (2020), *COVID-19 and Universal Health Coverage*, United Nations, New York, https://www.un.org/sites/un2.un.org/files/sg_policy_brief_on_universal_health_coverage.pdf (accessed on 20 November 2020). [48]

UN (2020), "New wave of famine could sweep the globe, overwhelming nations already weakened by years of conflict, warn UN officials", *UN News*, https://news.un.org/en/story/2020/09/1072712 (accessed on 25 November 2020). [27]

UN (2020), "Progress towards the Sustainable Development Goals: Report of the Secretary-General", United Nations, New York, https://sustainabledevelopment.un.org/content/documents/26158Final_SG_SDG_Progress_Report_14052020.pdf (accessed on 12 November 2020). [6]

UN (2020), *The Impact of COVID-19 on Women*, United Nations, New York, https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf (accessed on 12 November 2020). [29]

UNDP (2020), "Fragility and COVID-19: Risks and opportunities for fragile contexts", unpublished. [43]

UNDP Seoul Policy Centre (2020), *Post-COVID-19: Implications for International (Development) Co-operation*, United Nations Development Programme, https://www.undp.org/content/seoul_policy_center/en/home/presscenter/articles/2019/post-covid-19--implications-for-international--development--coop0.html (accessed on 20 November 2020). [12]

UNESCO (2020), *What have we learnt? Overview of findings from a survey of ministries of education on national responses to COVID-19*, United Nations Educational, Scientific and Cultural Organization, Paris, https://data.unicef.org/resources/national-education-responses-to-covid19/. [19]

UNHCR (2020), "IOM, UNHCR announce temporary suspension of resettlement travel for refugees", United Nations High Commissioner for Refugees, Geneva, https://www.unhcr.org/news/press/2020/3/5e7103034/iom-unhcr-announce-temporary-suspension-resettlement-travel-refugees.html. [21]

UNICEF (2020), "Over 5 million children face threat of cholera and acute water diarrhea in the midst of COVID-19 as Yemen gets heavy rains", United Nations Children's Fund, New York, https://www.unicef.org/press-releases/over-5-million-children-face-threat-cholera-and-acute-water-diarrhea-midst-covid-19 (accessed on 20 November 2020). [31]

von Grebmer, K. et al. (2019), *2019 Global Hunger Index: The Challenge of Hunger and Climate Change*, Welthungerhilfe/Concern Worldwide, Bonn/Dublin, https://reliefweb.int/sites/reliefweb.int/files/resources/2019%20Global%20Hunger%20Index.pdf (accessed on 20 November 2020). [26]

Walker, P. et al. (2020), *The Global Impact of COVID-19 and Strategies for Mitigation and Suppression*, Imperial College London, London, http://dx.doi.org/10.25561/77735. [81]

WHO (2020), *The Access to COVID-19 Tools (ACT) Accelerator*, webpage, World Health Organization, Geneva, https://www.who.int/initiatives/act-accelerator (accessed on 25 November 2020). [75]

WHO (2020), "The cost of inaction: COVID-19-related service disruptions could cause hundreds of thousands of extra deaths from HIV", World Health Organization, Geneva, https://www.who.int/news/item/11-05-2020-the-cost-of-inaction-covid-19-related-service-disruptions-could-cause-hundreds-of-thousands-of-extra-deaths-from-hiv (accessed on 20 November 2020). [30]

WHO (2020), *WHO Coronavirus Disease (COVID-19) Dashboard (database)*, World Health Organization, Geneva, https://covid19.who.int/?gclid=CjwKCAiAnvj9BRA4EiwAuUMDf8Q4pgcaGvJHiDzRaw8TdFz1PO-2YqL50FUjbCsLYw9XTQyVftBHJxoClh8QAvD_BwE (accessed on 25 November 2020). [1]

WHO/UNDP (2020), *Responding to Noncommunicable Diseases During and Beyond the COVID-19 Pandemic: A Rapid Review*, World Health Organization/United Nations Development Programme, Geneva/New York, https://www.who.int/publications/i/item/WHO-2019-nCoV-Non-communicable_diseases-Evidence-2020.1 (accessed on 20 November 2020). [32]

Wilton Park (2020), *The Future of Aid: Crisis and Opportunity – How the COVID-19 Moment will Catalyse Change in the Aid Sector*, Foreign, Commonwealth & Development Office, London, https://www.wiltonpark.org.uk/wp-content/uploads/2019/12/WP1766V2-Future-of-Aid-dialogue-two-report.pdf (accessed on 20 November 2020). [13]

Woetzel, J. et al. (2015), *How Advancing Women's Equality Can Add $12 Trillion to Global Growth*, McKinsey & Co., Washington, DC, https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth# (accessed on 20 November 2020). [45]

World Bank (2020), *COVID-19: Debt Service Suspension Initiative*, webpage, World Bank Washington, DC, https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative (accessed on 5 October 2020). [37]

World Bank (2020), *Poverty and Shared Prosperity 2020: Reversals of Fortune*, World Bank, Washington, DC, https://openknowledge.worldbank.org/handle/10986/34496. [4]

World Bank (2020), *What We Do – LSMS-supported High-frequency Phone Surveys on COVID-19*, webpage, World Bank, Washington, DC, https://www.worldbank.org/en/programs/lsms/brief/lsms-launches-high-frequency-phone-surveys-on-covid-19 (accessed on 20 November 2020). [57]

World Bank Group (2019), *Pandemic Preparedness Financing: Status Update*, World Bank, Washington, DC, https://apps.who.int/gpmb/assets/thematic_papers/tr-4.pdf (accessed on 20 November 2020). [87]

World Economic Forum (2020), *The Global Risks Report 2020*, World Economic Forum, Geneva, http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf (accessed on 12 October 2020). [70]

World Economic Forum (2020), *The Great Reset*, webpage, World Economic Forum, Geneva, https://www.weforum.org/great-reset (accessed on 20 November 2020). [14]

NOTES

1. For example, the Global Preparedness Monitoring Board, an independent monitoring and advocacy body calling for political action on preparedness and mitigation of global health emergencies, warned in 2019 that "there is a very real threat of a rapidly moving, highly lethal pandemic of a respiratory pathogen killing 50 to 80 million people and wiping out nearly 5% of the world's economy" (2019[83]). Prior warnings had come from notable figures such as Bill Gates, whose TED talk in 2015 on how to apply lessons from the Ebola outbreak in West Africa to pandemic preparedness in the rest of the world has been viewed more than 38 million times (See Gates (2015[90]). Warnings to the wider public about the likelihood of pandemics also came from science writers, including the New York Times bestselling book by Quammen (2012[84]), *Spillover: Animal Infections and the Next Human Pandemic*. Also, in 2012, The Lancet published a series of articles on "prediction and prevention of the next pandemic zoonosis". See Morse et al. (2012[78]).
2. Ahmed and Brown, and Kaul (Chapters 5 and 6) assert that the international system's failings and need for reform are not new to the international agenda; they have just been postponed for too long.
3. See for example, the *OECD Recommendation on Policy Coherence for Sustainable Development* at www.oecd.org/gov/pcsd/oecd-recommendation-on-policy-coherence-for-sustainable-development.htm.
4. See for example, Walker et al. (2020[81]); Sandefur et al. (2020[80]); and Maoujoud and Ahid (2020[76]).
5. See for example http://www.oecd.org/coronavirus/policy-responses/developing-countries-and-development-co-operation-what-is-at-stake-50e97915.
6. See for example http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/.
7. See for example https://dx.doi.org/10.1787/e3c30a9a-en.
8. As noted by the International Labour Organization, informal jobs are often unregistered and generally lack basic social or legal protection and employment benefits. See ILO (2020[85]). The informal economy globally accounts for, 61% of global employment (See case study by Roever and Tulaphan), and for many developing countries, the informal sector accounts for the majority of jobs. See ILO (2018[86]).
9. In 2017, research conducted for the International Labour Office compared the GDP levels of various countries when they introduced social protection floors to the GDP levels of low-income countries in 2017,

concluding that low-income countries could afford to put social protection floors in place. See Ortiz et al. (2017[79]).

10. The euro area countries, for example, are expected to exceed the usual allowed budget deficit ceiling of 3% of GDP and reach 8.5% in 2020 (Haroutunian, Hauptmeier and Leiner-Killinger, 2020[82]).
11. OECD international development statistics unit has been collecting donors' forward spending plans since 2011 to improve predictability in line with the effectiveness agenda. More information is available at: https://www.oecd-ilibrary.org/development/data/oecd-international-development-statistics/donors-forward-spending-plans_g2g558bd-en.
12. Such as adjustments to monitor goals and targets in international treaties and the creation of specific trust funds, such as GAVI, the Vaccine Alliance.
13. In 2019, a Joint External Evaluation of pandemic preparedness financing, prepared for the Global Preparedness Monitoring Board, concluded that investment in pandemic preparedness should be recognised as a global public good and called on the UN, its specialised agencies like the World Health Organization and international financing institutions to develop a preparedness mechanism (World Bank Group, 2019[87]).
14. The COVID-19 Global Evaluation Coalition – a partnership of over 42 bilateral and multilateral organisations with the OECD serving as secretariat – supports collective learning with both rapid evidence summaries and evaluations, see http://www.covid19-evaluation-coalition.org/. To meet its key objective to provide credible evidence to inform international development co-operation, the coalition supports and communicates individual members' evaluations and joint analysis of the effectiveness and results of COVID-19-related response and recovery efforts.
15. International and regional crisis mechanisms that could inform reflections include the UN Central Emergency Response Fund, which pools resources and matches them to needs (CERF, 2020[91]), or the EU's Integrated Political Crisis Response mechanism, which has protocols activated at different levels (monitoring, information sharing and full activation), and provides a platform to share information, work together easily and co-ordinate crisis response (European Council, 2020[89]).

Part I
COVID-19 exacerbates global development challenges

TO END A GLOBAL PANDEMIC, WE NEED GLOBAL SOLUTIONS: IN MY VIEW

Gayle Smith, President and CEO, ONE Campaign

The year 2020 wasn't supposed to be like this

Predicted by many but prepared for by few, the global pandemic that is still ravaging the planet has upended public health and killed over 1 million people. But its aftershocks are at least as daunting: stunning losses to the global economy, the disruption of worldwide commerce, growing food insecurity, education interrupted, massive job losses, and a global spike in domestic violence.

The pandemic has also laid bare the stark inequalities that still, in 2020, dictate who lives and who dies, who thrives and who suffers, which countries and communities rebound from these multiple shocks and which countries will collapse under their weight. And with the World Bank already reporting that the pandemic will push an additional 88-115 million into extreme poverty in 2020 alone, it is increasingly clear that the pandemic is having a disproportionate impact on the world's most vulnerable people. If nothing else, it has revealed that poverty and inequality are inextricably linked and fuelled a desire for fundamental fairness and growing anger that such fairness remains elusive.

That the pandemic hit at a time of unprecedented global disunity has only increased the potency of the virus. At the time of writing, the world's leaders have yet to come together to forge a common plan to defeat a transnational threat that is beyond the control of any individual country or region. Citizens are, in the main, doing their part – following the measures prescribed by experts and officials, wearing masks, working from home, social distancing, and providing the healthcare so urgently needed by so many. Theirs is a reasonable demand: leaders need to lead.

We know what's needed and what it takes

The tragic irony of this moment, and perhaps our way out, is that we know what must be done, at least to control and ultimately end the pandemic and blunt the economic and social destruction it is unleashing. This is a virus – and that means that our tools are science, data and facts. We can plan and implement on the basis of knowledge rather than instinct; we can measure success and failure and adapt; we can outsmart the virus by leaving it little and then no room in which to spread.

First, a properly financed global strategy. We must and can plan and finance a global strategy for the production and global deployment of vaccines and therapeutics. The truth is that the pandemic doesn't end when we find the vaccines and therapeutics. It ends when everyone gets them.

This is the right thing to do, but it's also the smart thing to do if we want to end the pandemic as quickly as possible. The epidemiology tells us that there is a systematic way to proceed if we want to not just make these available where they are affordable, but to shorten the lifespan of the pandemic.

A coalition of the willing is already moving in this direction under the Access to COVID-19 Tools (ACT) Accelerator and COVAX, an advanced market commitment mechanism. But we need all countries to be on board and the financing to ensure that low-income countries are covered if we want to deny the virus its theatre of operations and halt its cyclical reimportation to countries that have defeated it.

Second, focus on the full picture. We must also and at the same time deal with the aftershocks. We are already witnessing the first increase in extreme poverty in 20 years. We know that when communities or countries are subjected to external shocks – a drought, a hurricane, a drop in commodity prices, a war or a pandemic – poor people and poor countries are hit the hardest for the simple reason that they have fewer coping mechanisms to fall back on.

But right now, we have one pandemic and two standards when it comes to stabilising economies. The world's wealthiest countries have taken extreme measures, and rightly so, to stem the bleeding caused by the virus, lockdowns and economic disruptions. Low-income and many middle-income countries don't have these same options, and absent prompt and equally extreme measures, we will soon witness multiple defaults, insolvency, and the human pain and suffering that collapsing economies inflict. The evidence is stark. Among G20 countries, stimulus funding averages about 22% of gross domestic product (GDP). Among sub-Saharan African countries, that average is just 3%. The world simply can't afford these double standards.

Again, there is an answer at hand, and one that will prove less expensive than would our collective failure to prevent economic collapse. Creditors need to go further and faster to reduce the pressure on the world's poorest countries. An extended debt moratorium, the allocation of special drawing rights from the International Monetary Fund and debt restructuring can, combined, prevent defaults, generate urgently needed liquidity and protect the development progress made over the last 25 years.

Third, prepare for the next threat. We must seize the opportunity now to reduce the risk that the world will be unprepared for the next viral threat – and we know that more are on the horizon.

The world has an unfortunate habit of moving on once a crisis recedes and failing to take on board the lessons and actions that could prevent the next one. It is time to break that habit and make the investments now to

The world has an unfortunate habit of moving on once a crisis recedes and failing to take on board the lessons and actions that could prevent the next one. It is time to break that habit and make the investments now to shore up our common defences for the next round.

shore up our common defences for the next round.

The resistance to these measures thrives on the belief that this is a time to focus on ourselves, on our communities and our countries. Surely, we must. But a strategy of every man for himself cannot defeat an unchecked virus. And yet that is exactly what some countries seem to be doing – attempting to hide behind borders the virus doesn't recognise, buying up as many prospective vaccine doses as possible for domestic use and ignoring calls for greater international co-operation.

The beauty of a global response to a global pandemic is that it is far cheaper than the alternative because it can shorten the lifespan of the pandemic. And that is in the national self-interest of every country in the world. A global response is also the right thing to do, and at a time when people are losing faith in governments, there is a considerable pay-off in signalling that perhaps, in fact, the fairness that is so eagerly sought is not as elusive as it seems.

01 COVID-19 IMPACTS THROUGH THE LENS OF EXPOSURE AND RESILIENCE

Jan Rielaender, OECD Development Centre

ABSTRACT

COVID-19 has rapidly exposed countries to multiple high-impact socioeconomic risks relating to health, employment, economic structure and international linkages. While several factors determine the severity of these impacts, it is clear that building resilience through strategic policy efforts could help mitigate impacts in the event of future global crises. Applying exposure and resilience lenses to shocks could reshape future development co-operation to leverage higher returns for individual countries, across regions and globally.

Resilience matters to reduce the severity of impacts

- Across COVID-19 responses, resilience has emerged as a key factor in reducing the severity of impacts and supporting more rapid recovery, suggesting that resilience-building should be a greater priority in future development co-operation.
- The socio-economic impacts of COVID-19 have exacerbated existing differences and vulnerabilities between countries and regions. They have hit some societal groups particularly hard, such as informal workers who lack social protection and children whose access to education has been affected.
- Exposure and resilience are key concepts to understand the potential impact of shocks on a given country or region and to forecast the potential speed of recovery. They can be measured by applying a framework of indicators. The nature of the shock determines the most appropriate indicators.
- Strategic sequencing of public spending is key to response, recovery and resilience-building

The socio-economic evolution of COVID-19 impacts: First lessons from responses

In the event of a pandemic on the scale and scope of COVID-19, immediate health impacts and containment measures quickly trigger broad socio-economic impacts, amplifying risks to well-being and livelihoods across all sectors of society and indeed for all citizens. While the most pressing question might be how well prepared a government is to contain the pandemic, in reality that is only one part of the equation in managing recovery and a return to stability.

While it is much too early to draw conclusive lessons from the handling of COVID-19, important insights and lessons can

While it is much too early to draw conclusive lessons from the handling of COVID-19, important insights and lessons can be drawn through analysis of the channels of exposure that put a given country at risk in certain areas and the drivers of resilience.

be drawn through analysis of the channels of exposure that put a given country at risk in certain areas and the drivers of resilience. Applying the lens of "exposure and resilience" to responses to date in Asia, Latin America and Africa highlights key differences and vulnerabilities, in turn demonstrating the need for customised development co-operation strategies to build resilience such that future risks will have lower impacts.

COVID-19 has exacerbated existing differences and vulnerabilities

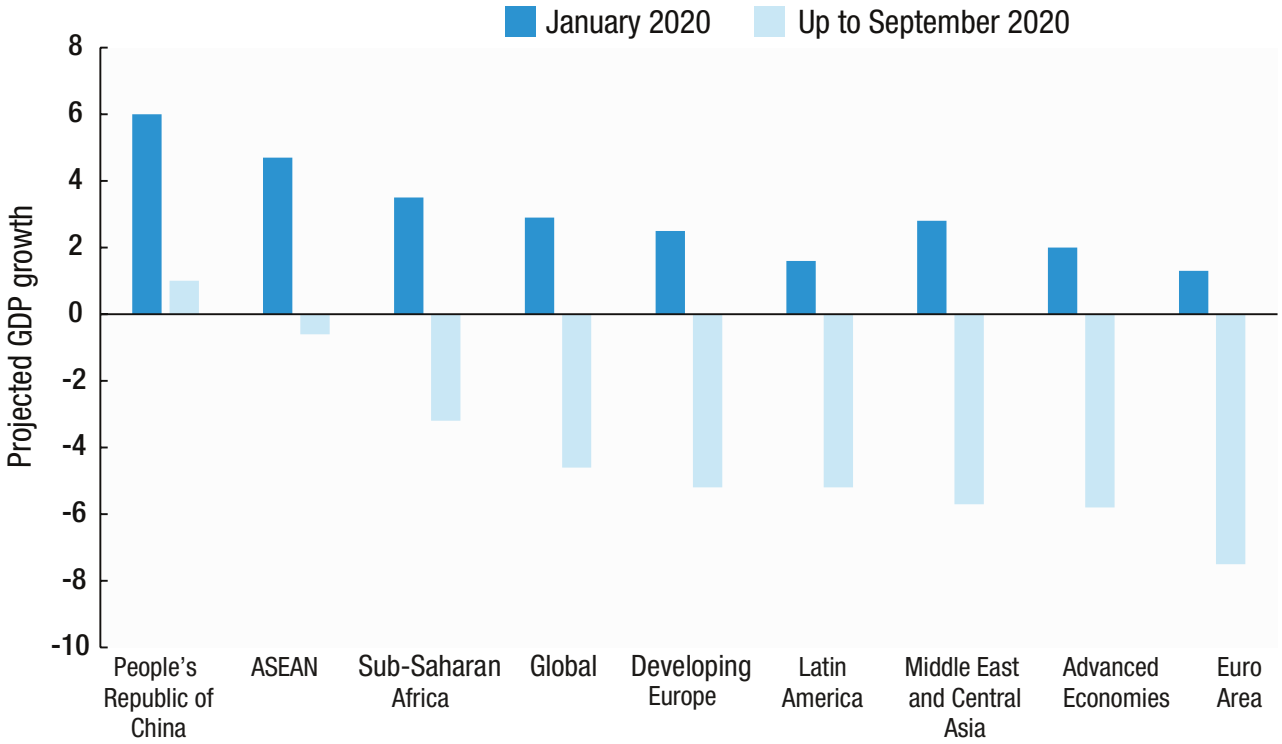
The COVID-19 pandemic has hit the world unexpectedly and hard. As of mid-October 2020, deaths from the virus account for roughly 2% of 46 million total global deaths from all causes so far this year (Worldometer, 2020[1]). The epicentre of the pandemic has shifted several times. Following the outbreak in the People's Republic of China (hereafter "China") in late 2019 and early 2020, it moved to Western Europe with a first peak in the spring of 2020. The virus then spread across the Americas, which have experienced the highest incidence and death rates, with the United States (247 000 deaths on 12 November 2020) and Brazil (163 000 deaths) being the epicentres of the two hemispheres. Beyond Latin America, most of the developing world has been less affected in terms of the actual health impact. Africa counts a total of 46 000 confirmed deaths. At the time of writing, a second wave has taken hold in Western Europe.

Measures taken to respond to COVID-19 have shattered what was largely a positive outlook for the global economy at the start of 2020 (Figure 1.1). Experts now project that global gross domestic product (GDP) will contract by 4.5% in 2020 (OECD, 2020[2]). China and the ASEAN (Association of Southeast Asian Nations) region have (relatively) the best outlook, reflecting effective, early containment. Africa is likely to suffer a recession in the order of -3% of GDP while Latin America will see a 5% decline. A diverse range of countries and regions, including developing Europe, the Middle East, Central Asia and the advanced economies, are all expected to suffer GDP contractions of around 6%, while the euro area will decline by 8% (Figure 1.1). These regional averages mask drastic outliers, such as -11% for both Argentina and South Africa, and -10% for India, Italy, Mexico and the United Kingdom (OECD, 2020[2]).

As could be expected, the impact of this pandemic exacerbates existing differences and vulnerabilities. In relation to poverty, it is expected that between 88 million and 115 million people who were just "getting by" will be pushed into extreme poverty (i.e. living on USD 1.90/day) (World Bank, 2020[5]). The number of people surviving on less than USD 3.20/day is expected to rise by between 170 million and 220 million (Mahler et al., 2020[6]). Additionally, millions of people who have lost employment have no access to income support: 55% of the global population has no or only partial social protection (OECD, 2020[7]). While advanced economies have quickly rolled out income support and furlough schemes, the impact – particularly the health impact – has often been hardest on the most vulnerable (See for example, Grooms, Ortega and Rubalcaba (2020[8]).

Workers in the informal economy have been hit particularly hard, confronting governments with the challenge of finding ways to deliver support to previously self-sufficient but unregistered households during lockdowns or the enforcement of distancing measures (Box 1.1). In all low-income countries, and even in many upper middle-income countries, the informal economy is the main source of employment and livelihood (ILO, 2018[9]). An absorber of labour force and even a source of some economic dynamism during economically good times (see, for example, AfDB et al. (2012[10]), most workers in this sector have no health insurance or social protection, no access to income support schemes, and only a small amount of savings to cushion loss of income.

Figure 1.1. Forecasts of GDP growth by region, 2020



Sources: Author's elaboration based on IMF (2020[3]), *World Economic Outlook, October 2020: A Long and Difficult Ascent*, https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020; IMF (2020[4]), *Regional Economic Outlook Reports (REO)*, http://datahelp.imf.org/knowledgebase/articles/500086-regional-economic-outlook-reports-reo.

Children everywhere will suffer long-term consequences from reduced skill development linked to COVID-19. For an advanced economy context, it has been estimated that losing a half-year in schooling, reduces lifetime consumption by 0.65% (Fuchs-Schündeln et al., 2020[11]). Children from poor family backgrounds, particularly in developing countries, will suffer even more (Engzell, Frey and Verhagen, 2020[12]). This is especially true for those with no access to online learning. In Latin America, for example, less than 14% of poor students (those in households earning less than USD 5.50/day, PPP 2011) in primary education have a computer connected to the Internet at home (Basto-Aguirre, Cerutti and Nieto-Parra, 2020[13]).

Past experience has underpinned effective responses

Two overarching lessons quickly emerge from early analysis of the COVID-19 response to date.

First, learning from previous epidemics has underpinned the most effective government responses. East and Southeast Asian countries, many of which built strong response protocols after dealing with severe acute respiratory syndrome (SARS/2003) and Middle East respiratory syndrome (MERS/2015), have been most effective in containing COVID-19. The experiences of Korea, Chinese Taipei and Viet Nam highlight the importance of effective test-trace protocols and communication campaigns

(Tworek, 2020[14]). Similarly, African countries that have lived through Ebola outbreaks (201416) quickly deployed locally adapted responses and have fared comparatively well with COVID-19. To prevent the spread of infections beyond local hotspots, for example, Côte d'Ivoire quickly restricted movement in and out of its large cities. This proved effective while adapting to the reality that many citizens earn their daily living in the informal economy. In contrast, India's early decision to impose a full lockdown of New Delhi forced hundreds of thousands of poor migrant workers, now deprived of their daily livelihood, to leave the city, possibly spreading the virus as they trekked back to their home regions (Biswas, 2020[15]). Many richer countries were less prepared and still struggle with implementing lessons from the past experience of others.

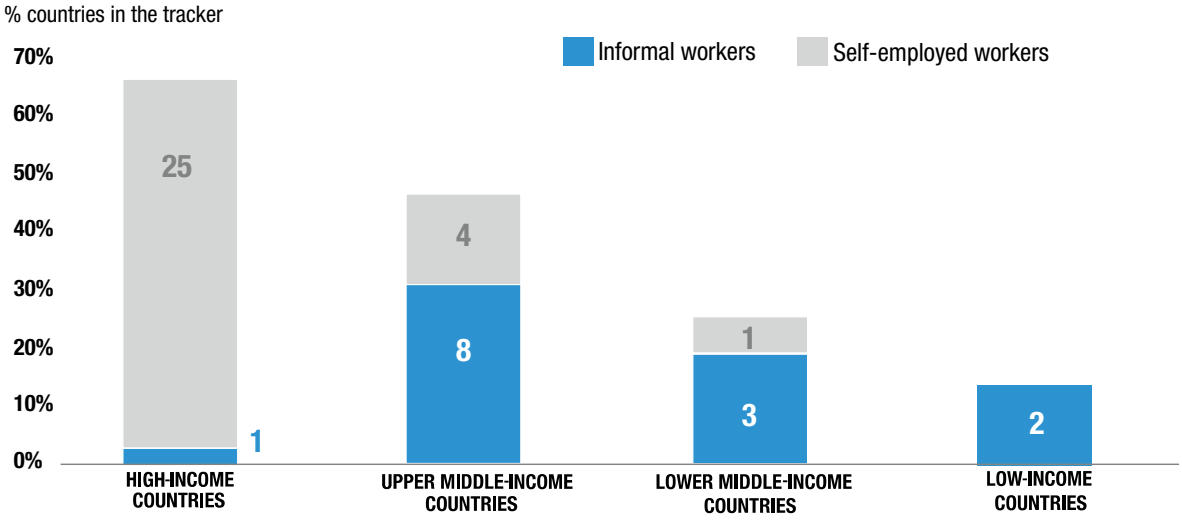
Second, the capacity of governments to respond with income support measures changes with income level. A stocktaking from June 2020 showed that while high-income countries focused support programmes on the self-employed, middle- and lower income countries sought to expand and adjust social assistance programmes to support informal economy workers (Figure 2). Often, support programmes targeting informal workers provide time-limited, targeted cash transfers to groups whose incomes were directly affected by compulsory confinement but who were (or still are) outside of existing welfare programmes (e.g. Colombia, Morocco, the Philippines). In some cases, cash transfers were complemented by temporary public work programmes (OECD, 2020[7]). Yet capacity constraints are evident. While 70% of high-income countries covered by the OECD Country Policy Tracker deployed support programmes for selfemployed or informal workers, only two low-income countries in the sample had mounted support programmes for informal workers by June 2020 (Figure 2.2).

As of September 2020, a report from the World Bank shows that 212 countries have planned or put in place social protection measures in response to COVID-19. However, the divergence in response capacity remains clear: per capita, average spending on the COVID-19 social protection response has been USD 4 for low-income countries, USD 28 for lower middle-income countries, USD 57 for upper middle-income countries and USD 695 for high-income countries (Gentilini et al., 2020[16]).

Support to businesses during the pandemic shows a similar pattern. Almost all high-income economies applied credit guarantees to help firms survive during lockdowns and in the face of heavy losses. Among lower income countries, only a few mounted such schemes (OECD, 2020[18]). This reflects that formal credit plays a much smaller role for largely informal economies with limited access to banking. Where actors have launched such measures, subsidised credit lines and guarantees, tax deferrals, and utility relief have supported the most affected businesses. To prevent bankruptcies and facilitate salary payment, most government measures have focused on small- and medium-sized enterprises and the tourism, aviation and public events sectors. Despite these efforts, in Latin America and the Caribbean, some 2.7 million firms – mostly microenterprises but making up 19% of the total – are likely to close (OECD et al., 2020[19]). Asia shows a similar pattern, with 68 million jobs at risk (OECD, 2020[20]; ADB, 2020[21]). The African Union estimates that approximately 20 million jobs could be lost (AU, 2020[22]).

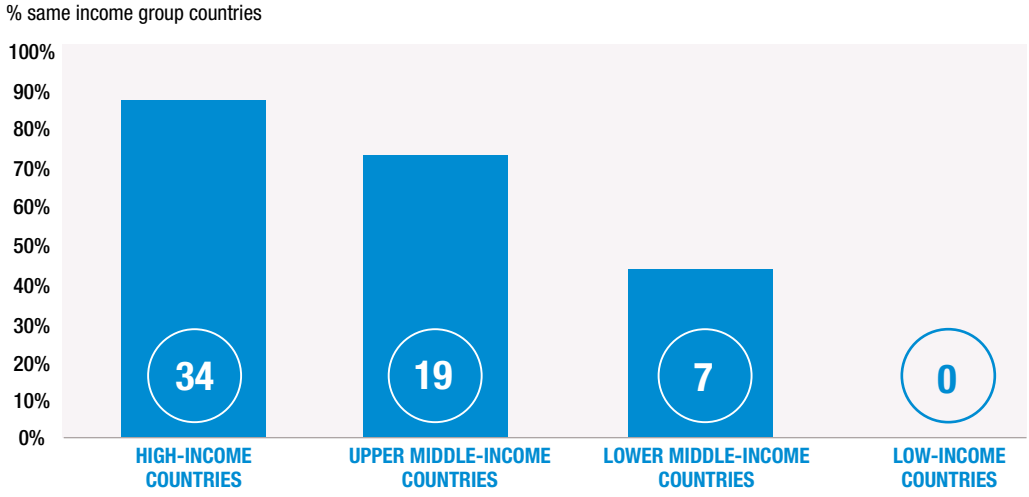
As noted, a key element of successful responses was the ability to quickly identify who needed help – whether individuals or businesses – and then disburse assistance in a timely manner. The countries that have digital systems in place (e.g. mobile money systems) clearly fared better, prompting the Mutual Learning Group of the OECD Development Centre to make this a priority area (Box 1.1).

Figure 1.2. COVID-19-related support to informal and self-employed workers across income groups



Note: For each income group, the chart provides the exact number of countries that adopted the policy, as per data compiled in June 2020.
Source: Authors' work based on OECD (2020[17]), *OECD Country Policy Tracker*, https://www.oecd.org/coronavirus/country-policy-tracker.

Figure 1.3. COVID-19-related credit guarantee schemes across income groups



Note: For each income group, the chart provides the exact number of countries that adopted the policy as per data compiled in June 2020.
Source: Authors' work based on OECD (2020[17]), *OECD Country Policy Tracker*, https://www.oecd.org/coronavirus/country-policy-tracker.

BOX 1.1. MUTUAL LEARNING REVEALS CHALLENGES AND INNOVATIONS IN COVID-19 RESPONSE

The Mutual Learning Group is a subsidiary body of the OECD Development Centre; its membership of 56 countries has representatives from all income levels. The group is dedicated to evidence-based learning on sustainable development, with members discussing policy experiences, successes and challenges. The Development Centre's Multi-dimensional Country Reviews (OECD, n.d.[23]) provide the basis for mutual learning sessions. In June 2020, the Mutual Learning Group convened for a special meeting dedicated to the response to COVID-19 (OECD, 2020[24]). Targeting and reaching those in need, as well as digital solutions, emerged as challenges and areas of innovation.

Targeting and reaching those in need: Members emphasised the importance of creatively using all databases, registries and cadastres (legal documents describing the dimensions and location of land parcels) to reach out to many people living in vulnerable conditions, who did not qualify for support before the crisis, but do now. This involves creating new links among databases and agencies. Boosting financial inclusion is an additional objective in some contexts. In Costa Rica, the government deposited subsidies in bank accounts and made it possible for those who did not have an account to make an online request to open one. Switzerland has set up a simple online form through which private companies apply for public loans through their bank; the form can be completed in only 15 minutes and funds are provided within 48 hours. This facilitated broad access to effective help for many firms while avoiding administrative burden.

Digital solutions: Digital technologies have softened negative impacts on many economies. The government of Viet Nam is increasingly focusing on a digital transformation and has seen the rate of online transactions in public services double (from 12% to 24%) during the lockdown. Kazakhstan has used digital platforms to provide emergency support to people, including those who lost jobs, entrepreneurs and many others. Morocco has adopted a digital tracking tool for COVID-19 cases and is using digital tools to target income support to vulnerable households and workers, particularly in rural areas.

Applying exposure and resilience lenses to COVID-19

Exposure and resilience are key concepts to understand the potential impact of shocks on a given country or region and to forecast the potential speed of recovery. Each can be measured by applying a framework of indicators. The nature of the shock determines what indicators are most appropriate for measuring these characteristics. Pandemics such as COVID-19 require health and demographic indicators. Natural hazards would require indicators more related to weather, climate and infrastructure. The determination of which economic indicators to include depends partly on the nature of the shock and partly on its global extent. The strength of a country's banking system, for example, is relevant in both the case of a local financial crisis and the current situation of a global pandemic. In a global pandemic, a massive economic fallout transmits through trade and financial channels, ultimately affecting all countries, even those not severely touched by the pandemic itself.

The indicator frameworks for exposure and resilience presented here have been calibrated to COVID-19. To fully grasp compound risks, experts should undertake a more comprehensive analysis of channels of exposure and drivers of resilience for each region and country.

Exposure to shock within a given country or region depends on the channels through which this shock can reach the country and exert its impact. In the case of COVID-19, three channels are relevant to shock exposure: health

and demography; household income and employment; economic structure and international economic linkages. The first, health and demography, includes basic factors of susceptibility to and morbidity from COVID-19, such as the median age, and comorbidity factors including (among others) obesity and smoking (WHO, 2020[25]; CDC[26]). Household income and employment measures vulnerability at the household level. High poverty rates and high levels of unemployment suggest that vulnerability to a shock is high while also indicating that the government's ability to support all those in need may be limited. Economic structure and international economic linkages measure the main transmission channels through which a global economic shock affects national economies. Most of the vectors considered – such as remittances, foreign direct investment and trade (particularly commodity exports) – transmit economic shocks suffered by partner countries that provide investments, generate demand for a country's products and serve as host economies for the diaspora.

Resilience can be defined as the ability of a system (a country, for example) to overcome a shock, including the potential for transformation through the shock itself. The main drivers of resilience with regards to the COVID-19 pandemic are: the state of public finances, which determines capacity for countercyclical spending; the state of the financial system; and the level of capabilities in health, social protection and government more broadly. In the case of COVID-19, readiness for digitalisation has emerged as the major accelerator of transformation induced by the pandemic in both business and the public sector (Kharas, 2020[27]).

The expected speed of economic recovery is an additional element of resilience. Here it is measured simply as the average growth rate of the five years preceding the crisis. This can help to assess the probable longer term impact of the crisis on an economy. Taking poverty as an example, current data suggest that India has the largest cohort – 85 million – of people who will fall into extreme poverty due to recessions triggered by COVID-19 in 2020 (Kharas, 2020[27]). However, given the strength of India's prepandemic growth rate – and the speed with which it is expected to return to that growth rate – by 2030, it will most likely not even feature among the top 10 countries in terms of additional poverty induced by COVID-19. The Democratic Republic of Congo will likely show the highest long-term impact, followed by Nigeria, Mali and the Bolivarian Republic of Venezuela (Kharas, 2020[27]).

A closer look at exposure and resilience in Asia, Latin America and Africa

Applying the concepts of exposure and resilience to ASEAN (Association of Southeast Asian Nations), Latin America and Africa highlights different vulnerabilities and strengths.

ASEAN - Association of Southeast Asian Nations

- **Exposure:** The ASEAN region has fared comparatively well in terms of exposure and direct health impact of the pandemic. Although its median age is the highest among the regions compared in this section, the fact that comorbidities (such as obesity) are rarer than in Latin America might explain the lower level of exposure. In addition, having experienced previous infectious disease outbreaks, many ASEAN countries put in place effective response plans: as noted above, prior experience that triggered enhanced planning has been a key determinant of effective response to COVID-19. The region's main exposure is economic, concentrated in the trade and investment channels.
- **Resilience:** The ASEAN region boasts strong pre-pandemic growth and moderate debt levels – key factors of economic resilience. Overall, the region's health systems have limited capacities. As social protection

coverage is also limited, sizeable informal sectors are likely to be at risk should the pandemic's economic impacts persist over a long period.

Latin America and the Caribbean

Exposure: Latin America's higher exposure to the direct health impact of COVID-19 is likely linked to higher than average obesity rates, which also points to a prevalence of non-communicable diseases and comorbidities with COVID-19. In terms of economic impact, the region is vulnerable across all potential channels, particularly through dependence on tourism, remittances, commodity exports and foreign direct investment, all of which declined significantly due to COVID-19.

Resilience: Latin America has stronger resilience scores in terms of social protection, medical capacity and general government performance. While Latin American and Caribbean health systems seem more advanced than in other developing regions, they are struggling with the load of the pandemic. Mounting debt and moderate growth before the pandemic suggest that, in terms of economic resilience, the region will struggle to recover quickly.

Africa

- **Exposure:** Africa has proven to be less vulnerable to the health impact of COVID-19 as the median age is very young and relevant comorbidities less prevalent. With trade and tourism playing a somewhat less important role than in other regions, Africa appears to be less exposed to the transmission of economic recessions compared to the ASEAN region and Latin America and the Caribbean. Poverty and undernourishment are, however, a major channel of exposure for Africa and the number of people in poverty is rising. This regional perspective must be adjusted at the country level, however, particularly for those countries highly dependent on commodity exports. Oil exporters will suffer substantial economic damage linked to the global glut arising from sharply lower demand (OECD, 2020[28]). Differences in

Figure 1.4. The COVID-19 exposure and resilience lenses applied to the ASEAN region

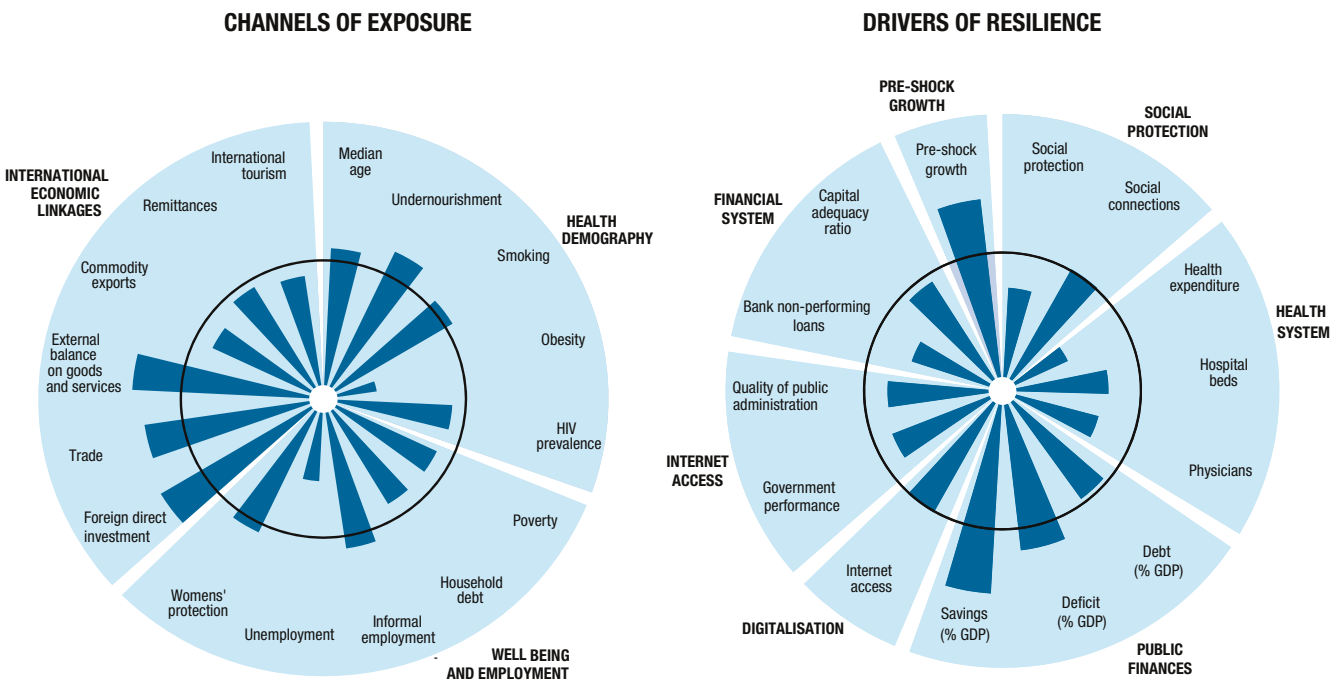
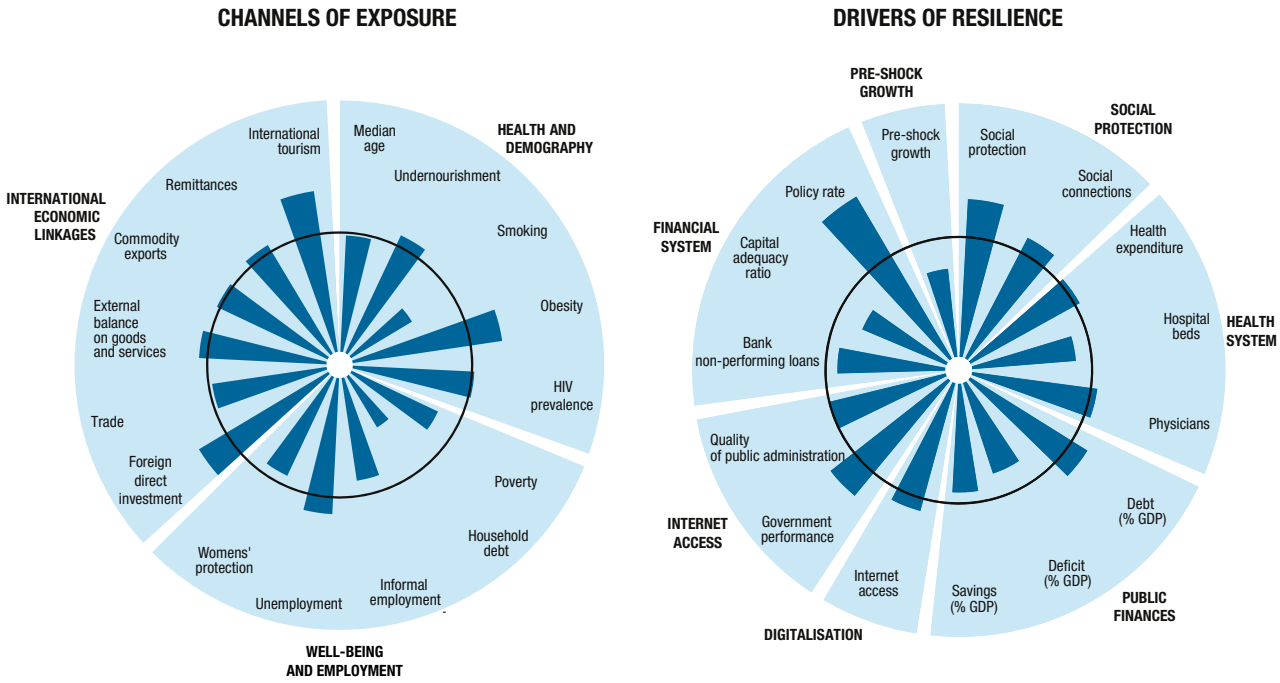


Figure 1.5. The COVID-19 exposure and resilience lenses applied to Latin America



demographic and health profiles are also evident, with richer countries tending to have greater exposure. Of the 46 000 confirmed deaths on the continent, almost half are in South Africa (20 500) and approximately another 25% in Egypt (6 500) and Morocco (5 400) – all middle-income countries (Worldometer, 2020[1]).

- **Resilience:** Africa has low scores on resilience. Given lower GDP than in other regions, fiscal space is limited and debt levels are high; this limits the ability to engage in effective spending on economic life support and recovery. For some, the financial situation is dire: Zambia is the first country to suffer a COVID-19-related default (Stubbington and Fletcher, 2020[28]). Readiness for digitalisation stands out as a particular deficiency in Africa (See Case Study by Fafunwa).

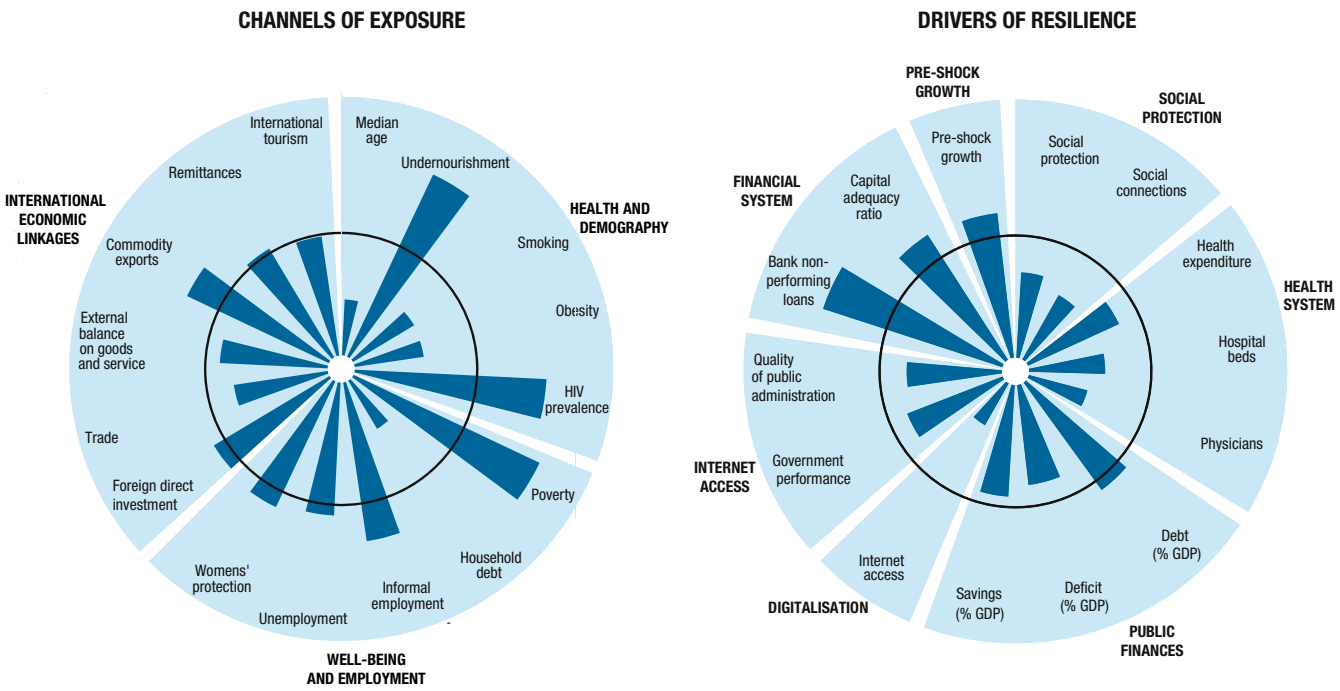
Strategic sequencing of response actions is key to reduce risk exposure, stimulate recovery and strengthen resilience

Applying an exposure-resilience lens to the COVID-19 pandemic can be instructive for determining where to focus development co-operation for a phased approach to response and recovery. The first phase should focus on reducing high exposure. This phase should be followed by a stimulation of recovery while the final phase should be the long term project of strengthening resilience. Such a thorough assessment of channels of exposure and resilience drivers tailored to various threats could help to establish the most effective sequencing of response actions ahead of time in light of both the context and the potential crisis.

Reduce high exposure

In countries and regions with high exposure to the direct impact of COVID-19, the focus of response must be on the health crisis and economic life support. Health systems need support for both test-trace programmes and for treating COVID-19 patients. Beyond the direct COVID-19 burden, health systems in highly exposed developing countries are likely to be overloaded and in dire need of support to bolster capacity. In terms of economic life support, as lockdowns and the spread of

Figure 1.6. The COVID-19 exposure and resilience lenses applied to Africa



the disease constrain economic transactions to a minimum, citizens and companies need financial assistance. Development co-operation support should be directed to efforts that help to identify the firms and households that are most exposed and hardest hit, with the aim of delivering support in a fast, effective manner.

Stimulate recovery

Once a lockdown is lifted, the situation becomes a more "traditional" economic crisis in which public support should be dedicated to recovery. Getting the sequencing right is particularly critical in this phase: if recovery-type spending is deployed too early, it risks being without effect and may deplete resources that would be needed at a later point. If life support to firms extends beyond automatic stabilisers (policies or programmes that are enacted automatically, without intervention by policy makers) or continues for too long, it risks keeping failing firms alive, preventing future productivity growth through reallocation of resources.

In countries and regions with low direct exposure to the COVID-19 health impact, i.e. much of Africa and Southeast Asia, the response focus should be on recovery-type investments. Assuming that government measures are adapted to the level of exposure, and that restrictions to economic and social activity remain limited, actors should direct their efforts toward strategic recovery spending, combining relatively fast disbursement with investments in strategic priorities. Disbursement and spending will be somewhat less urgent than in the life support case, leaving more time for thoughtful design. The focus should be on creating support programmes that build on data to reach those in need and can detect and include those made vulnerable by shocks, rather than ad hoc disbursements. It should be noted, however, that capitalintensive investments (such as infrastructure projects) often cannot be initiated fast enough to respond to economic downturns or stopped easily once the economy fully recovers (Weeks, 2009[29]), (OECD, 2020[18]).[1]

Strengthen resilience over the long term

Once the worst of a crisis has passed, development co-operation and investment should aim to strengthen resilience across five areas. As each country has a different profile, it is important to target available resources to strengthen the most important and the weakest drivers and aspects of resilience.

Health systems need strengthening everywhere. In terms of hospital beds and physicians, Africa and developing Asia have the greatest need, but large parts of Latin America are also lacking capacity. Actors can learn a great deal from humanitarian assistance in terms of strengthening capacities to create emergency response mechanisms that can be deployed quickly in a pandemic. COVID-19 has also highlighted the importance of detecting and testing for infections, and of launching effective communication programmes to build broad collaboration across society in fighting the pandemic (See Case Study by Mahmud).

Protection of the vulnerable will require the creation of support systems that will ultimately serve as automatic stabilisers. To be effective, support for households and firms must have the potential to cover all those in need and to be mobilised automatically when this need arises. This requires advanced data management that combines different types of data and collects information frequently. Merging existing databases for taxes, utilities, social protection, etc. is an important first step, which should be followed up with the inclusion of high frequency and big data. However, it should be noted that existing databases may not capture many of the most vulnerable groups; additional effort may be required to ensure inclusion. Many countries are now able to transfer support via mobile money: these systems could be extended to deliver mobile loans and to support data collection. Financial sustainability and alignment with existing systems are key considerations.

- **Digitalisation** has been a defining feature of COVID-19 response and indeed a tool for transforming business and the delivery of public services. Development co-operation can further support this transformation – or launch it where digitalisation is low or lacking – including by building up the infrastructure for connectivity. To avoid co-ordination failures between public and private infrastructure investments, donors could propose awards for cost reductions and broadband connections of underserved areas. Africa is advanced in terms of mobile money and payments, but much behind on broadband connectivity (See Case Study by Fafunwa). Many countries in all regions need support to avoid the emergence of a digital gap.
- **Creating economic potential** will help accelerate the speed of recovery. The resilience analysis presented here shows the stark differences in pre-pandemic economic growth among regions, which serves as a baseline for what type of economic dynamic to expect once the pandemic is over. Much of the ASEAN region shows little reason to worry, whereas the outlooks for Latin America and to some extent Africa are much more subdued. The need for recovery spending provides a unique opportunity to direct available resources to the most strategic priorities. Beyond digitalisation, the reconfiguration of international supply chains and green recovery are two key trends of global opportunity:
  - The reconfiguration of international supply chains – away from an increasingly divided situation of "one supply chain for China, one for everywhere else" – holds particular opportunity for Latin America (with its proximity to the US market) and for much of Southeast Asia (Hille, 2020[30]).
  - Support for a green recovery can also help create economic potential. Renewable electricity generation, for example, can help eliminate electricity constraints for all businesses. Opening up the energy generation and transmission market

beyond monopolies can create new business opportunities. Recent evidence suggests that, per dollar spent, well-designed green projects can generate more employment and deliver higher short-term returns compared with conventional fiscal stimulus (Hepburn et al., 2020[31]).

- **Financial resilience** underpins everything else. International debt restructuring and forgiveness, along the lines of the G20's Debt Service Suspension Initiative, play important roles in making countries more resilient. The domestic savings rate, tax collection and domestic resource mobilisation, as well as prudent fiscal and public expenditure management, are other important determinants of resilient public finances. A solid yet nimble financial sector that can help firms absorb shocks and transmit government support to the economy is also vital. Finally, insurance mechanisms, at both household and national level, are important and, in many cases, need to be further developed.

Conclusions

To date, three key findings for development co-operation have emerged from the pandemic. First, the initial impact of COVID-19 on a country depended on its level of exposure to various health and economic channels and its ability to respond quickly. Second, preparedness and prior experience were decisive factors in terms of ability to respond. Third, even for countries with low preparedness, resilience – i.e. the set of factors that enabled government and society to respond effectively – made an important difference.

Building on these lessons, incorporating the lens of exposure and resilience into the design of development co-operation more broadly shows potential for enabling a more effective response to the next global crisis. With pandemics, as with other global crises, each effective response by one country carries positive externalities for all other countries; indeed, ineffective responses transmit negative externalities. A global commitment to resilience could help build the foundation for stronger responses and more rapid containment of similar crises in the future.

Creating resilience compacts, for example, could give this commitment a concrete form. Based on strong diagnostics and a commitment to strategic action and investment, such compacts can frame collaborations among development partners and recipient countries. Using exposure-resilience analysis as the basis for such a compact could help specify commitments, future objectives and instruments of co-operation.

REFERENCES

ADB (2020), "An updated assessment of the economic impact of COVID-19", *ADB Briefs*, Asian Development Bank, Manila, http://dx.doi.org/10.22617/BRF200144-2. [21]

AfDB et al. (2012), *African Economic Outlook 2012: Promoting Youth Employment*, OECD Publishing, Paris, https://dx.doi.org/10.1787/aeo-2012-en. [10]

AU (2020), *Impact of the Coronavirus (COVID-19) on the African Economy*, African Union, Addis Ababa, https://au.int/sites/default/files/documents/38326-doc-covid-19_impact_on_african_economy.pdf (accessed on 18 November 2020). [22]

Basto-Aguirre, N., P. Cerutti and S. Nieto-Parra (2020), "Is COVID-19 widening educational gaps in Latin America? Three lessons for urgent policy action", *OECD Development Matters blog*, https://oecd-development-matters.org/2020/06/04/is-covid-19-widening-educational-gaps-in-latin-america-three-lessons-for-urgent-policy-action/#more-12453 (accessed on 20 November 2020). [13]

Biswas, S. (2020), "Coronavirus: India's pandemic lockdown turns into a human tragedy", *BBC News*, https://www.bbc.com/news/world-asia-india-52086274 (accessed on 20 November 2020). [15]

CDC (2020), *COVID-19 Provisional Counts – Weekly Updates by Select Demographic and Geographic Characteristics: Comorbidities*, Centers for Disease Control and Prevention, Washington, DC, https://www.cdc.gov/nchs/nvss/vsrr/covid_weekly/index.htm#Comorbidities (accessed on 17 November 2020). [26]

EIB (2018), *Evaluation of the European Fund for Strategic Investment*, European Investment Bank, Luxembourg, https://www.eib.org/attachments/ev/ev_report_evaluation_of_efsi_en.pdf. [32]

Engzell, P., A. Frey and M. Verhagen (2020), "The collateral damage to children's education during lockdown", *VOX, CEPR Policy Portal*, https://voxeu.org/article/collateral-damage-children-s-education-during-lockdown (accessed on 17 November 2020). [12]

Fuchs-Schündeln, N. et al. (2020), "The long-term distributional and welfare effects of Covid-19 school closures", *NBER Working Papers*, Vol. 27773, http://www.nber.org/papers/w27773 (accessed on 17 November 2020). [11]

Gentilini, U. et al. (2020), *Social Protection and Jobs Responses to COVID-19: A Real-time Review of Country Measures (September 18 Update)*, World Bank, Washington, DC, https://openknowledge.worldbank.org/handle/10986/33635 (accessed on 17 November 2020). [16]

Grooms, J., A. Ortega and J. Rubalcaba (2020), "The COVID-19 public health and economic crises leave vulnerable populations exposed", *Brookings Institution blog*, https://www.brookings.edu/blog/up-front/2020/08/13/the-covid-19-public-health-and-economic-crises-leave-vulnerable-populations-exposed (accessed on 17 November 2020). [8]

Hepburn, C. et al. (2020), "Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?", *Oxford Review of Economic Policy*, Vol. 36/Supplement 1, pp. S359-S381, http://dx.doi.org/10.1093/oxrep/graa015. [31]

Hille, K. (2020), "The great uncoupling: One supply chain for China, one for everywhere else", *Financial Times*, https://www.ft.com/content/40ebd786-a576-4dc2-ad38-b97f796b72a0 (accessed on 17 November 2020). [30]

ILO (2018), *Women and Men in the Informal Economy: A Statistical Picture. Third Edition*, International Labour Organization, Geneva, http://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm (accessed on 17 November 2020). [9]

IMF (2020), *Regional Economic Outlook Reports (REO)*, International Monetary Fund, Washington, DC, http://datahelp.imf.org/knowledgebase/articles/500086-regional-economic-outlook-reports-reo (accessed on 20 November 2020). [4]

IMF (2020), *World Economic Outlook, October 2020: A Long and Difficult Ascent*, International Monetary Fund, Washington, DC, https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020 (accessed on 20 November 2020). [3]

Kharas, H. (2020), "The impact of COVID-19 on global extreme poverty", *Brookings Future Development blog*, https://www.brookings.edu/blog/future-development/2020/10/21/the-impact-of-covid-19-on-global-extreme-poverty (accessed on 12 November 2020). [27]

Mahler, D. et al. (2020), "Updated estimates of the impact of COVID-19 on global poverty", *World Bank Data blog*, https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty (accessed on 17 November 2020). [6]

OECD (2020), "COVID-19 and Africa: Socio-economic implications and policy responses", in *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, http://www.oecd.org/coronavirus/policy-responses/COVID-19-and-africa-socio-economic-implications-and-policy-responses-96e1b282/#abstract-d1e33 (accessed on 17 November 2020). [20]

OECD (2020), *Covid-19, Resilience and Multi-dimensional Reviews - Strategic considerations and early evidence from the OECD Country Tracker (not publicly available)*, OECD, Paris. [18]

OECD (2020), *Mutual Learning Group for Multi-dimensional Country Reviews – Summary Record of the Meeting: Special Meeting on Covid-19 and Policy Resilience (not publicly available)*, OECD, Paris. [24]

OECD (2020), *OECD Country Policy Tracker*, OECD, Paris, https://www.oecd.org/coronavirus/country-policy-tracker (accessed on 20 November 2020). [17]

OECD (2020), *OECD Economic Outlook, Interim Report September 2020*, OECD Publishing, Paris, https://dx.doi.org/10.1787/34ffc900-en. [2]

OECD (2020), "Taking stock of the COVID crisis in developing countries", background document for the High Level Meeting of the Governing Board, OECD, Paris, http://www.oecd.org/dev/HLM-background-paper-by-secretariat-2020%20.pdf. [7]

OECD (n.d.), *OECD Development Pathways - Multi-dimensional Country Reviews*, OECD Publishing, Paris, https://www.oecd.org/development/mdcr (accessed on 17 November 2020). [23]

OECD et al. (2020), *Latin American Economic Outlook 2020: Digital Transformation for Building Back Better*, OECD Publishing, Paris, https://dx.doi.org/10.1787/e6e864fb-en. [19]

Stubbington, T. and L. Fletcher (2020), "Zambia on brink of default after lenders reject debt relief request", *Financial Times*, https://www.ft.com/content/fc82cf3f-be77-4380-9e44-401ca3bf4ed5 (accessed on 18 November 2020). [28]

Tworek, H. (2020), "Lessons learned from Taiwan and South Korea's tech-enabled COVID-19 communications", *Brookings Institution Tech Stream*, https://www.brookings.edu/techstream/lessons-learned-from-taiwan-and-south-koreas-tech-enabled-covid-19-communications (accessed on 17 November 2020). [14]

Weeks, J. (2009), "The global financial crisis and countercyclical fiscal policy", *CDPR Discussion Paper*, Vol. 26/09, https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.525.4911&rep=rep1&type=pdf. [29]

WHO (2020), "Smoking and COVID-19", *Scientific Brief*, World Health Organization, Geneva, https://www.who.int/news-room/commentaries/detail/smoking-and-covid-19 (accessed on 17 November 2020). [25]

World Bank (2020), *Poverty and Shared Prosperity 2020: Reversals of Fortune*, World Bank Group, Washington, DC, https://openknowledge.worldbank.org/bitstream/handle/10986/34496/9781464816024.pdf (accessed on 17 November 2020). [5]

Worldometer (2020), "COVID-19 coronavirus pandemic", webpage, https://www.worldometers.info/coronavirus (accessed on 17 November 2020). [1]

NOTE

1. An example is the European Fund for Strategic Investments (EFSI), launched in November 2014 by the European Commission as a policy response to support investment to counter the consequences of the 2008 economic and financial crisis and the 2011-12 sovereign debt crisis. By the time the EFSI was finally set up, investment in several EU member states was already back at pre-crisis levels. In the end, the design and delivery of projects supported by the EFSI was too slow to serve as a countercyclical fiscal stimulus for European economies. Nevertheless, supported projects did address important structural constraints (EIB, 2018[32]).

URGENCY OF INEQUALITY AND CLIMATE CHANGE RAISED BY COVID-19

02

Pedro Conceicao, United Nations Development Programme

ABSTRACT

This chapter explores the implications of the COVID-19 crisis for human development. Drawing on themes from the 2019 and the forthcoming 2020 Human Development Reports, it argues that the digital divide and other inequalities condition how people cope with the pandemic and warns that failure to avoid dangerous planetary change would increase the risks of shocks such as COVID-19 and exacerbate inequalities. It concludes with a call for bold collective action with new approaches to account for these risks, including through climate-sensitive financing and closing data gaps in our understanding of the natural world and the myriad forms of inequality between groups in societies.

Human activities created this crisis, we must ease the pressure on our planet

- The fallout of the COVID-19 crisis derails three of the fundamental building blocks of human development: health, income and education.
- Inequalities in non-social sectors, such as broadband access, are also crucial to human development in the 21st century, and worsen the impacts of COVID-19 for disadvantaged groups.
- Activities that harm the planet do not just exacerbate climate change, they also create conditions for new pandemics, underscoring the need for development strategies to take the health of the planet into account.
- The global community needs to come together to use the COVID-19 response as a springboard to tackle inequality and dangerous planetary change, starting with new approaches to financing.
- Better and more data are needed to improve our understanding of various forms of inequality and how they might determine the impact of shocks such as climate change and pandemics on different groups in society.

COVID-19 – in both its origins and impacts – is emblematic of much that is wrong with humanity's current development trajectory. While it has affected livelihoods, health and education across the world, the pandemic has also highlighted how growing inequalitiesdetermine the degree to which people can cope with a crisis. To understand why COVID-19 has had such an impact, the policy and development co-operation worlds need to broaden their understanding of what inequality looks like in the 21st century. This was the theme of the 2019 *Human Development Report*, and one of its key messages now seems particularly prescient. Governments everywhere, the report urged, must pay attention to an emerging, next generation of inequalities in areas that might once have been seen as luxuries, like broadband access, but are now rapidly becoming necessities.

While it is important to tackle inequalities to soften the impacts of the next crisis, it is equally important to look at what led to this pandemic and how to prevent another. COVID-19 is just an opening act for the long, slow burn of other impacts on our planet, including climate change. The human activities that harm the planet and exacerbate

COVID-19 is just an opening act for the long, slow burn of other impacts on our planet, including climate change.

climate change created the conditions for this pandemic, and increase the risk of new disease outbreaks and new pandemics. The forthcoming 2020 *Human Development Report* will address the need for urgent action and look at how human development can progress while easing the pressures on our planet.

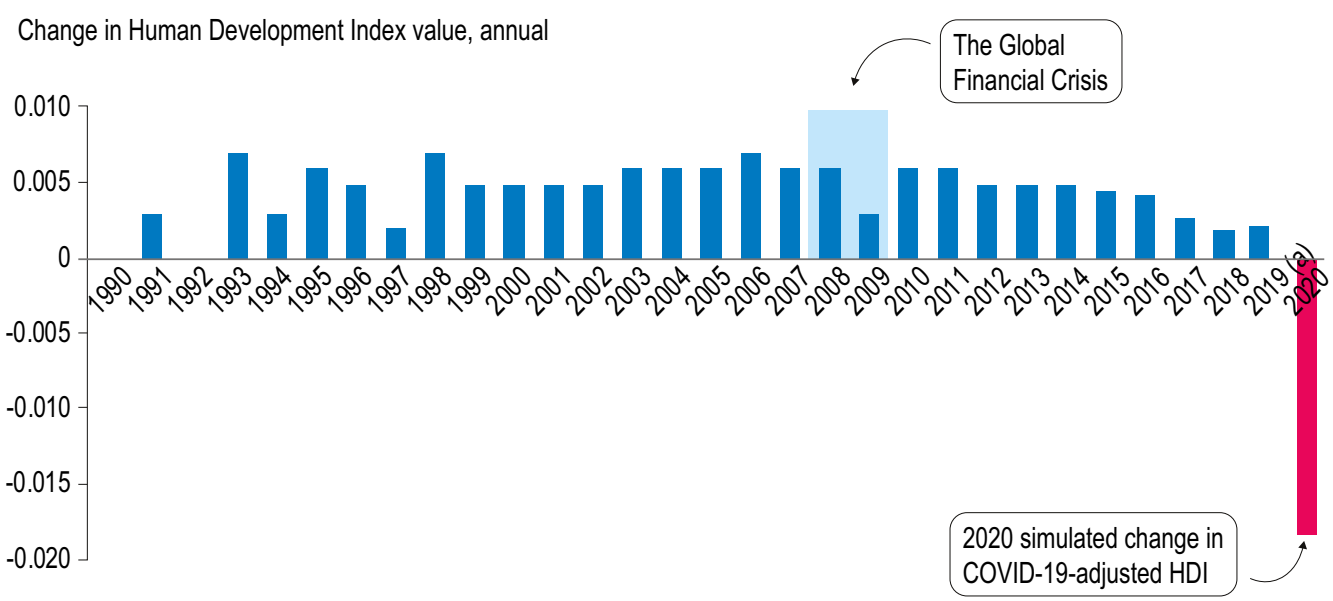
The scale of the global response to COVID-19 should embolden the development co-operation community. There is a need for enhanced collective action, within and across countries, to address inequalities; ensure that recovery financing supports transitions to sustainable production and consumption; and address the massive data gaps in our understanding of the natural world.

The COVID-19 crisis is causing a reversal in human development

For years, scientists have been warning that a new pandemic was on the horizon. There is nothing new about diseases springing from animals. Plague, influenza and tuberculosis started that way. While new diseases such as these are still rare, they have become more frequent and are now spreading more quickly. We know the reason: more pressure on the world's remaining wildlife and more people coming in contact with animals, and viruses, they have never encountered before. This has created a time bomb.

The world has seen many crises over the past 30 years, among them health crises such as HIV/AIDS and Ebola and economic crises such as the 2007-09 global financial crisis. Each has hit human development, devastating the lives of millions. But the world, overall, has still made development gains year on year. What distinguishes COVID-19 is the triple hit to health, income and education, fundamental building blocks of human development. And as a result, simulations accounting for the impact of lockdown measures in the first half of 2020 indicated that the global Human Development Index would suffer a sharp decline (Figure 2.1).

Figure 2.1. COVID-19 impacts may drive the biggest Human Development Index decline since 1990



Note: The 2019 value is a provisional estimate.
Source: UNDP (2020[7]), *COVID-19 and Human Development: Assessing the Crisis, Envisioning the Recovery*, http://hdr.undp.org/sites/default/files/covid-19_and_human_development_0.pdf.

The pandemic is not affecting everyone equally

The human and economic cost of the pandemic is mind-boggling. By early October, the World Health Organization was saying that as much as one-tenth of humanity might have already been infected (Tuemmler, Fox and Woodyatt, 2020[1]). But the fallout is not affecting all groups equally. Rather, it has highlighted the fault lines in society, showing all too clearly that some income groups are disadvantaged and suffer disproportionally. The virus – in some countries at least – has been more deadly among more disadvantaged groups. In the United States, for example, age-adjusted death rates from COVID-19 have been 2.5 times higher among black people compared to white (Wrigley-Field, 2020[2]). In the United Kingdom, the death rates among the most deprived decile of areas were more than double the rates among the least-deprived decile (Blundell et al., 2020[3]). And in South Africa, infection rates have been starkly higher in the townships than in wealthier areas (Reuters, 2020[4]). Moreover, the broader social and economic impacts of national shutdowns have also often hit the poor particularly hard, as in India, where 10 million migrant labourers had to return to their home villages – half a million on foot or by bicycle – when the lockdown began (Kugler and Sinha, 2020[5]). Preliminary analysis suggests progress against a broad swathe of deprivations could be set back by three to ten years in many developing countries (UNDP and Oxford Poverty and Human Development Initiative, 2020[6]).

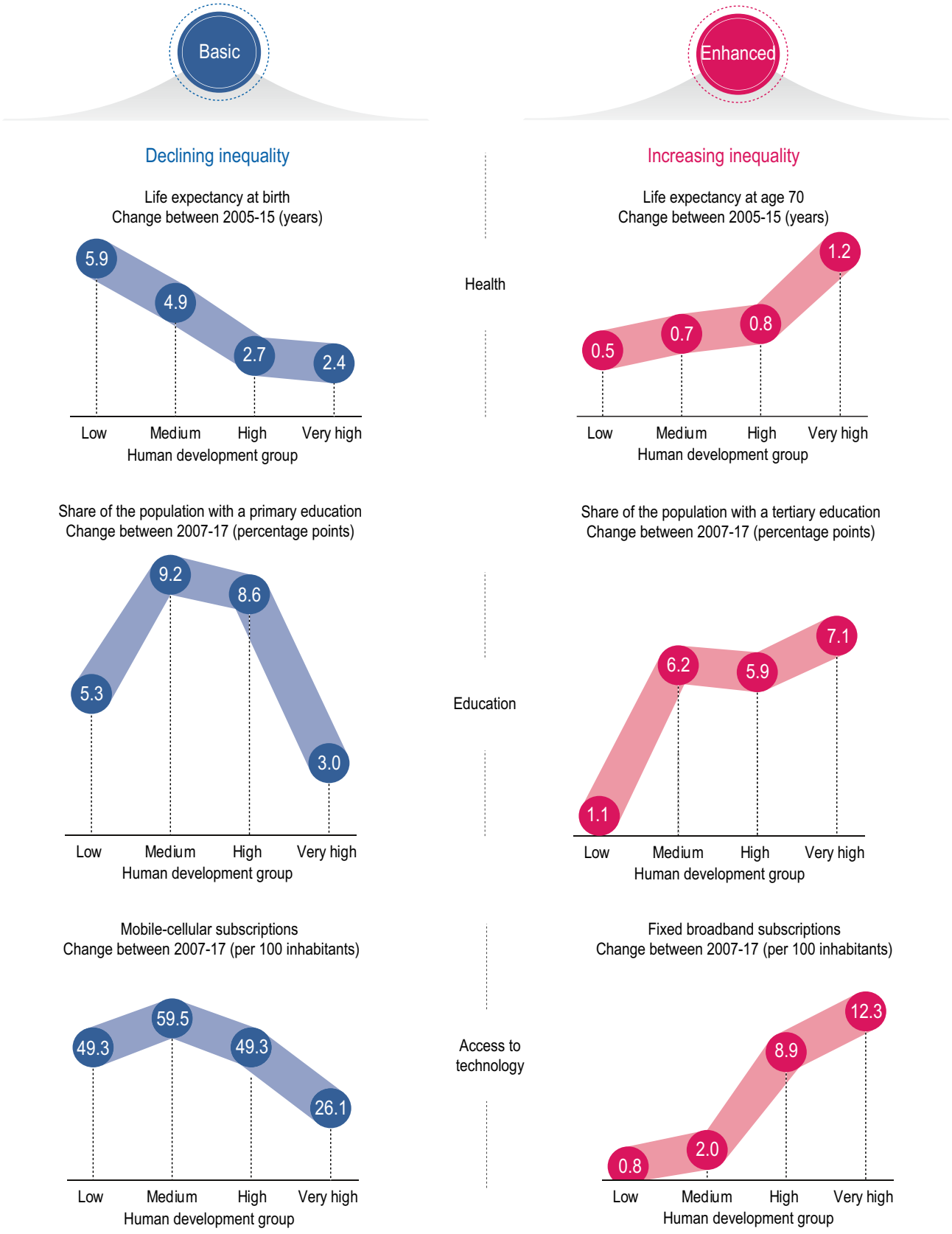
Inequalities in areas crucial to human development worsen the impacts of the pandemic

Before the COVID-19 crisis, levels of inequality in basic capabilities were closing (Figure 2.2). In life expectancy at birth, in access to primary education and in access to mobile phones, countries with lower human development are catching up with more developed nations. While much still needs to be done and the gaps are still wide, the indicators show narrowing inequalities. The picture is different in terms of enhanced capabilities, where inequalities are widening. Countries with higher human development have longer life expectancy at older ages, higher tertiary education enrolment and more access to broadband – and they are increasing their lead.

COVID-19 has exposed the significance of many of these inequalities in enhanced capabilities. In particular, access to broadband Internet is determining whether people can continue to work and access healthcare remotely. Consider, too, education. The COVID-19 crisis resulted in millions of children around the world being sent home from school during the first half of 2020 (Human Development Report Office, 2020[8]), but not all pupils were affected equally. The United Nations Development Programme estimated in May 2020 that 86% of children in primary education were not getting an education in low human development countries, compared to just 20% in countries with very high human development. Until it was safe for schools to reopen, children out of school were not learning unless they could access classes remotely, for example over the radio, television or the Internet (Basto-Aguirre, Cerutti and Nieto-Parra, 2020[9]). This will almost certainly lead to widening gaps in education between children in rich and poor countries. We risk scarring an entire generation of children who will be left at a permanent disadvantage (Human Development Report Office, 2020[8]). This is what drives the decline in the simulated Human Development Index presented in Figure 2.1.

Thus, COVID-19 has reaffirmed one of the key messages of the 2019 *Human Development Report*: we must continue to close gaps in basic capabilities while working to reverse the trend of growing inequalities in enhanced capabilities to ensure the world is

Figure 2.2. Levels of inequality in basic capabilities



less vulnerable to shocks such as the current pandemic.

The trajectory of development must be in balance with the planet and benefit all

The ways in which we put pressure on our planet and the impacts of that pressure interact with inequalities. Many who have wealth and power are preserving the status quo, while the negative consequences of their actions or inactions fall more heavily on those least able to cope, exacerbating inequalities. That is why, as crucial as it is to focus on dealing with the impacts of COVID-19, it is equally important to ask how it could have been prevented in the first place.

There is no doubt that pandemics are becoming more common. In 2012, Morse and his co-authors argued that the frequency with which new pathogens emerge is increasing, even accounting for increased surveillance (Morse et al., 2012[10]). Why? The broad consensus appears to be that the human pressures on the planet, especially in biodiverse regions where wildlife diversity and microbial diversity go hand in hand, increase the chances of new diseases emerging and then spreading (Johnson et al., 2020[11]; Berger, 2020[12]; Morse et al., 2012[10]).

More humans and more activity increase the risk of a pandemic because, all things being equal, an increase in either puts more pressure on Earth's systems. And while social distancing, testing and one day, hopefully, a vaccine will overcome COVID-19, the only cure for climate change is prevention and adaptation. As the 2020 *Human Development Report* will argue, the urgent challenge is to ensure that the trajectory of development is in balance with our planet and benefits all.

More planetary pressures, more risk

In 1951, the global population was around 2.5 billion people. It reached 5 billion in 1987 and now stands at almost 8 billion. By 2050, it is predicted to reach 10 billion (UN, 2020[13]). Diseases like COVID-19 leap from animals to people. All other things being equal, the sheer increase in population and the high density in many parts of the world increase human-animal interactions and therefore the risk of a virus mutating across the species boundary. Moreover, once a virus has made the leap from animal to human, there are now more people it can infect, more people living in densely populated environments and more who are moving around the world. Perfect conditions for a virus to spread.

Increases in activities such as forest clearing along with the wildlife trade have increased the chances of pandemics. Analysis by Loh et al. (2015[14]) found that the leading driver in zoonoses emergence is land-use change. This is in line with other findings that land-use change (mainly for agriculture, grazing and plantations) is the single greatest pressure on the planet's terrestrial ecosystems more generally (Convention on Biological Diversity, 2010[15]).

There is no doubt the planet's climate is changing and that human activity is responsible. A warming atmosphere is already driving dangerous planetary change and without urgent action, things will get worse. Extreme heatwaves and rising sea levels will leave areas uninhabitable. Widespread crop failures will leave millions at risk of food insecurity. Whole ecosystems may eventually collapse. And new diseases may spread as malaria- and dengue-carrying mosquitoes expand their range. Without urgent action, it is not a matter of *if* all this will happen, but *when*.

The COVID-19 response can be a springboard for global action on inequality and climate change

The impact of COVID-19 on human development is huge. But with concerted effort, much of that damage can be turned around. There should be two questions at the front of our minds as we consider a postCOVID-19 world. First, what can we do to soften the impacts of the next crisis? And second, how can we reduce the risks of a similar pandemic from occurring in the first place?

The scale of the COVID-19 response should embolden the development co-operation community to tackle old and new inequalities and to prevent the worst impacts of climate change. Some areas for action are as follows:

Recovery will require a change in global co-operation that promotes more co-ordination among countries and collective action in multiple dimensions of development. Countries can learn from each other and work together on an equal footing to fight inequalities in areas ranging from access to quality healthcare to access to broadband Internet.

Better accounting methods are needed to make visible both the social costs of inflicting damage on nature and the financial risks associated with climate change and other planetary pressures. This has the potential to dramatically shift incentives that drive where people, firms and governments invest. Already, fiscal packages allocated to support the COVID-19 recovery are being used to support transformations towards more sustainable production and consumption. Financial intermediaries also are responding to investor pressure to avoid investing in unsustainable assets, with some pension funds, for instance, divesting from fossil fuels. This is also smart investment, as some of these assets could become stranded in the future. The development co-operation community should engage with this fundamental shift in thinking about financing, ensuring that allocations of official development assistance can protect both people and the planet.

There are massive data gaps in our understanding of the natural world. We know far too little about the pace of deterioration of many ecosystems, for example. We also urgently need better data (beyond averages) on the myriad forms of inequality between groups of people, and how these inequalities are likely to determine the impact of shocks and crises, such as climate change, on particular groups.

The global response to COVID-19 demonstrates just how much can be done and how quickly in the face of a crisis. Mere months ago, at the start of 2020, it would have been unthinkable to suggest tackling global challenges with measures like those now being taken to defeat COVID-19. And yet, mitigating and adapting to climate change presents far greater challenges to humanity. They call for the same, or greater, magnitude of response – because no matter how much we want to believe that our species and the technology we invent give us mastery over the natural world, the laws of biology, chemistry and physics know differently. As James Lovelock (2009[16]), the environmentalist and author most famous for his Gaia Theory, reminded us, “it is hubris to think that we know how to save the Earth: our planet looks after itself. All we can do is try to save ourselves.”

REFERENCES

Basto-Aguirre, N., P. Cerutti and S. Nieto-Parra (2020), "Is COVID-19 widening educational gaps in Latin America? Three lessons for urgent policy action", *OECD Development Matters blog*, OECD, Paris, https://oecd-development-matters.org/2020/06/04/is-covid-19-widening-educational-gaps-in-latin-america-three-lessons-for-urgent-policy-action/ (accessed on 22 October 2020). [9]

Berger, K. (2020), "The man who saw the pandemic coming", *Nautilus*, Vol. 83/Chapter 2, http://nautil.us/issue/83/intelligence/the-man-who-saw-the-pandemic-coming (accessed on 9 November 2020). [12]

Blundell, R. et al. (2020), *COVID-19 and Inequalities*, Institute for Fiscal Studies, London, https://www.ifs.org.uk/uploads/Covid-19-and-inequalities-IFS.pdf (accessed on 22 October 2020). [3]

Convention on Biological Diversity (2010), *Global Biodiversity Outlook 3: Biodiversity in 2010*, Secretariat of the Convention on Biological Diversity, Montreal, https://www.cbd.int/gbo3/?pub=6667&section=6711 (accessed on 22 October 2020). [15]

Duffin, E. (2020), "Impact of the coronavirus pandemic on the global economy: Statistics & facts", Statista, https://www.statista.com/topics/6139/covid-19-impact-on-the-global-economy/ (accessed on 22 October 2020). [17]

Human Development Report Office (2020), "COVID-19: Human development on course to decline this year for the first time since 1990", United Nations Development Programme, New York, http://hdr.undp.org/en/content/covid-19-human-development-course-decline-year-first-time-1990 (accessed on 22 October 2020). [8]

Johnson, C. et al. (2020), "Global shifts in mammalian population trends reveal key predictors of virus spillover risk", *Proceedings of the Royal Society B: Biological Sciences*, Vol. 287/1924, http://dx.doi.org/10.1098/rspb.2019.2736. [11]

Kugler, M. and S. Sinha (2020), "The impact of COVID-19 and the policy response in India", *Brookings Future Development blog*, https://www.brookings.edu/blog/future-development/2020/07/13/the-impact-of-covid-19-and-the-policy-response-in-india (accessed on 22 October 2020). [5]

Loh, E. et al. (2015), "Targeting transmission pathways for emerging zoonotic disease surveillance and control", *Vector-Borne and Zoonotic Diseases*, Vol. 15/7, pp. 432-437, http://dx.doi.org/10.1089/vbz.2013.1563. [14]

Lovelock, J. (2009), *The Vanishing Face of Gaia: A Final Warning*, Penguin Books. [16]

Morse, S. et al. (2012), "Prediction and prevention of the next pandemic zoonosis", *The Lancet*, Vol. 380/9857, pp. 1956-1965, http://dx.doi.org/10.1016/S0140-6736(12)61684-5. [10]

Reuters (2020), "Coronavirus pandemic exposes South Africa's 'brutal inequality'", *Al Jazeera*, https://www.aljazeera.com/news/2020/06/12/coronavirus-pandemic-exposes-south-africas-brutal-inequality (accessed on 22 October 2020). [4]

Tuemmler, S., M. Fox and A. Woodyatt (2020), "10% of the world may have been infected by Covid-19, WHO official says", *CNN.com*, https://edition.cnn.com/2020/10/06/health/who-coronavirus-world-population-intl/index.html (accessed on 22 October 2020). [1]

UN (2020), *Global Issues – Population (webpage)*, United Nations, New York, https://www.un.org/en/sections/issues-depth/population/index.html (accessed on 22 October 2020). [13]

UNDP (2020), *COVID-19 and Human Development: Assessing the Crisis, Envisioning the Recovery*, United Nations Development Programme, New York, http://hdr.undp.org/sites/default/files/covid-19_and_human_development_0.pdf (accessed on 22 October 2020). [7]

UNDP and Oxford Poverty and Human Development Initiative (2020), *Charting Pathways Out of Multidimensional Poverty: Achieving the SDGs*, United Nations Development Programme, New York, http://hdr.undp.org/en/content/2020-global-multidimensional-poverty-index-mpi (accessed on 22 October 2020). [6]

Wrigley-Field, E. (2020), "US racial inequality may be as deadly as COVID-19", *Proceedings of the National Academy of Sciences of the United States of America*, Vol. 117/36, pp. 21854-21856, http://dx.doi.org/10.1073/pnas.2014750117. [2]

EVIDENCE FOR POLICY MAKING IN UNCERTAIN TIMES

03

Twivwe Siwale & Nicholas Wilkinson, International Growth Centre

ABSTRACT

This chapter explores the ways in which real-time data, evidence gathering and rigorous experimental research help in the design of smart policies to meet the exceptional economic and health challenges of the COVID-19 crisis. It argues that development co-operation partners can support data-driven and active learning decision making in developing countries to help policy makers craft context-specific economic support and virus containment measures that protect lives and preserve livelihoods, as shown in Pakistan.

Data and evidence drive better decisions in times of uncertainty

- Developing countries have adopted economic support policies that reflect their limited fiscal capacity and their experience with social cash transfers.
- Evidence is a priceless commodity and the lack of information available to policy makers and development co-operation partners means they struggle to fully understand how the pandemic, and strategies to contain it, impact livelihoods.
- Development co-operation that supports the co-generation of research and data generation in real time, or as close to real time as possible, while also building local data capacity and systems can help developing countries take decisions based on data-responsive active learning.

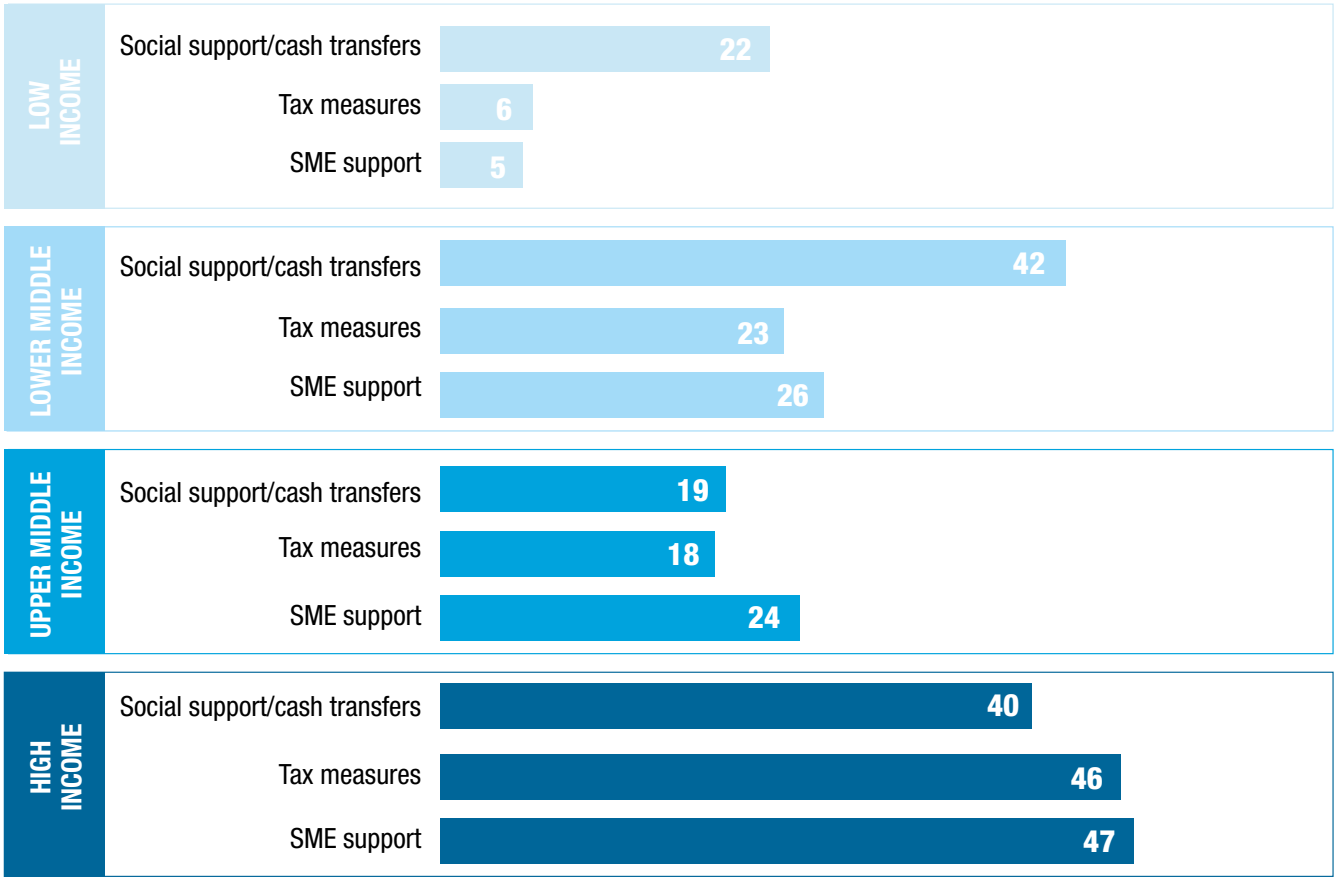
The COVID-19 pandemic is an unprecedented crisis that will continue to impact the world for years to come. Many developing countries are enduring a triple economic shock: a decline in demand from trading partners; a decline in output due to containment measures; and the collapse of commodity prices. Policy makers face exceptional challenges due to the tremendous uncertainty over how best to mitigate its impact. Developing countries have varied in their policy response, both in terms of strategies to contain the virus and subsequent economic support packages to protect people.

At the International Growth Centre (IGC), our focus has been on improving rapid, real-time data collection to provide better evidence to policy makers in developing countries during these uncertain times. This is in line with our overall aim of working closely with policy makers and academics to co-generate research to support improved decision making. Part of the IGC's COVID-19 response has been the development of an economic support policy tracker, which details the different levels and modes of fiscal support implemented by national governments to mitigate the economic downturn. Below we share the evidence from the tracker; propose a framework for how best to formulate containment strategies that incorporate active learning into the standard framework of decision making; and present a case study of active learning in Punjab, Pakistan, that demonstrates the promise of such an approach.

Social cash transfers are the most popular economic support policy in developing countries

From the IGC economic support policy tracker, we find that most low- and lower middle-income countries have introduced or expanded some form of social support or cash transfers (Figure 3.1). This appears to be an attempt to mitigate against the sudden, sharp drop in incomes that puts millions of individuals at risk of falling into extreme poverty. The International Monetary Fund forecasts that GDP in sub-Saharan Africa

Figure 3.1. Most countries, regardless of income level, put in place some level of social support and cash transfers to mitigate the economic impact of COVID-19



Note: The sample includes 29 low-income countries, 48 lower middle-income countries, 36 upper middle-income countries and 62 high-income countries.
Source: IGC (2020[9]), *COVID-19 Policy Response Dashboard*, https://www.theigc.org/covid-19/tracker.

will contract by 3.2% in 2020 (IMF, 2020[1]). This loss in economic activity will most likely translate into an increase in poverty rates. IGC research in Uganda, for instance, estimates that containment measures in Uganda may lead to an 8 percentage point increase in poverty (Younger et al., 2020[2]). The focus on cash transfers follows a pattern in recent years of developing countries centring social protection strategies on such regular, small amounts of income to help poor households smooth consumption and mitigate poverty (DFID, 2011[3]). A large body of evidence suggests consumption-based income support measures can support increases in consumption, food security and assets (Vaziralli, 2020[4]). However, analysis of social protection programmes in developing countries finds many are limited in coverage and often exclude the poorest due to poor data quality and the large presence of informality (Parekh and Bandiera, 2020[5]).

Policy makers may find it unfeasible to respond to the COVID-19 crisis with cash transfers alone, however, given their tight fiscal constraints, the vast scale of the pandemic and the transfer programmes' lack of coverage of the most vulnerable. But there are lower cost policies that can complement the economic support response in developing countries, such as increasing capacity at customs outposts, facilitating mobile money payments or providing personal protective equipment to market vendors. At the

same time, policy makers should minimise supply-side disruptions created by public health measures, such as having stronger international co-ordination of border-related policies, and ensuring curfews do not create wastage of perishable goods (Bouët and Laborde, 2020[6]).

The ICG tracker also shows limited use of tax relief measures and support to small and medium-sized enterprises in response to the pandemic in low-income countries. This is probably a reflection of two realities. The first is that low-income countries have less fiscal capacity than developed countries and so are unable to roll out similar support packages. The impact of COVID-19 has caused their fiscal space to shrink further. The government of Ghana estimates it will have a revenue shortfall of 2.1% of GDP while the Zambian government is estimating a 12% revenue shortfall for budgeted revenue in 2020 (Dzansi, 2020[7]; Ng'andu, 2020[8]). Projected budget deficits add to the pressure on the expenditure side, where countries needed to increase public health spending. The second reality is that countries of different income classifications have different economic structures. Most people in low-income countries work outside of the formal tax system, making it difficult to channel relief measures through the tax registry.

In sum, the policy measures taken by developing countries largely reflect their economic structures, their limited fiscal capacity and prior experience with social cash transfer programmes. The presence of large informal sectors makes it extremely difficult to channel support through taxation or otherwise, to both the poorest and to small and medium-sized enterprises.

Smart containment with active learning

Initially, policy makers in both developing and developed countries had very limited information about the most appropriate strategy for containing the spread of the virus in their local contexts. Consequently, the response has varied across developing countries. At one extreme are developing countries that implemented measures similar to those in developed countries and imposed full national lockdowns relatively early in the pandemic, such as Rwanda and Uganda. At the other extreme are countries such as the United Republic of Tanzania, where containment measures were limited and public health messaging was conflicting (Resnick, Spencer and Siwale, 2020[10]).

IGC researchers recommend an approach of active learning when responding to uncertain crises, with the objective of achieving graded and data-responsive smart containment (Haas, Khan and Khwaja, 2020[11]). This approach involves building on an existing framework of decision making during times of uncertainty and also highlights a role for active learning.

The standard framework of decision making in the face of uncertainty comprises four components (Haas, Khan and Khwaja, 2020[11]):

- decisions that will be the same regardless of the information obtained should be quickly taken
- decisions that require additional information that is relatively costless should only be taken after this information has been collected
- in all cases, all available information should be used
- all decisions will have consequences that can and should be measured so they can generate new information.

Active learning involves the development of graded plans that are data-responsive. Figure 3.2 as outlined by Haas, Khan and Khwaja (2020[11]), demonstrates this approach.

The key features of an operational action plan for a COVID-19 containment strategy include:

- a critical role for data, both existing data as well as data collected throughout the process
- clear policies that are still flexible and modular enough to be data-responsive
- containment strategies where the intensity of measures is based on local conditions

Figure 3.2. Active learning through data-responsive graded plans

CUMULATIVE →

	LEVEL 1- PREPARE No infections identified	LEVEL 2 - DISTANCING Infection detected and moderate projections Population is low impact and/or low health risk	LEVEL 3 - LOCKDOWN Infection detected and severe projections; underlying vulnerability is high Population is high impact and/or high health risk	LEVEL 4 - RESTORE Widespread disease
SMART TESTING AND DATA	Testing for high-risk high impact individuals e.g. healthcare workers, including questionnaire to understand symptomatic presentation (syndromic surveillance) Dedicated surveillance through a targeted network of reporting sites (sentinel surveillance)	Contact tracing and testing Surveillance robocalls to monitor symptoms across specified populations Follow-up phone surveys of potentially infected persons Surveys to assess other impacts (including socioeconomic) Monitoring compliance (e.g. through social mobility data) Full logs of all mortality with basic information on cause of death	Extension of testing and contact tracing of high risk workers in areas adjacent to breakout areas (including surveillance robocalls) Surveys of recovered cases Following the lockdown, ongoing prevalence surveys and phone surveys to garner more information about symptoms that could indicate a re-outbreak Important to collect socioeconomic indicators to effectively respond to vulnerability	Testing primarily for therapeutic purposes and to understand the presentation of the infection Begin antibody testing to indicate the degree of infection as well as subsequent herd immunity (need to have a sufficient sample size) Collect additional data on morbidity and health sector capacity
PHYSICAL DISTANCING	Standard health practices (hand washing, wearing masks etc) Emphasising basic physical distancing measures Protective organisational and management practices	Stronger physical distancing measures and stricter enforcement Isolation of confirmed cases and quarantine of their contacts NOT full lockdown	Full restriction on the movement of people within a specific area for a 2-3 week period or until there are only a very low number of infections ensuring that people have the necessary essentials (food, water, health items) for the duration of the period Potential quarantine of adjacent areas, where there is high risk of transmission	Full lockdown within specific area and level three measures in adjacent areas until there are only a very low number of infections (or based on antibody testing) A higher level of complementary welfare and health support may be needed Additional preventive and protective measures for vulnerable populations (e.g elderly and healthcare workers) ring infected
COMMUNITY MESSAGING	Particularly around individual preventative measures, e.g. hand washing and consistent with physical distancing	Specific information on a regular basis about how many cases in each area, how people are being cared for and how many recoveries Messaging on support opportunities with a focus on destigmatisation to ensure that people seek health care and are treated with dignity and compassion	Regular messaging to maintain trust in authorities and ensure voluntary compliance Ensure messaging is in adjacent areas as well	Regular messaging to emphasize the severity but also to reassure people of the government's preparedness to respond and support measures in place Expedited communication (e.g. helpline) in level four areas
ACTIONABLE DECISIONS	Monitor and determine alert level Prepare contingency plans as well as build capacity to implement them	Launch and assess effectiveness of implementation plan; monitor and use data to refine response, assess adverse impacts and target support Depending on infection rate, redetermine alert level	Prepare for level 4 and expand necessary capacity accordingly Expansion of plan to areas adjacent to lockdown as well as to ensure targeted support for both health and economic measures where required Draw on dedicated internal and external human resources e.g. volunteers	Implementation of expanded medical, food and other social security measures

Source: Authors

- community messaging and compassionate enforcement to ensure voluntary compliance
- policies that consider both immediate considerations and longer term needs
- testing, management and enforcement that can and should be managed by local authorities
- openness to allow for partnerships with local entities to leverage existing capacity.

Punjab, Pakistan case study: Active learning for COVID-19 containment

As responses to COVID-19 were sweeping across the world, concerns started to arise that developing country governments were too quick to mimic the response in developed countries, without the necessary budgetary resources to mitigate the economic fallout. This was no different in Pakistan, where a strict lockdown was introduced in late March 2020 that lasted several months. The IGC commissioned research in Pakistan to pilot a smart testing strategy in Punjab province that was designed by a multidisciplinary research team including IGC researchers and implemented with several departments in the government of Punjab. The aim was to examine how the government of Pakistan could deliver an evidence-driven, rapid policy response to maximise lives saved and minimise economic costs.

The testing strategy involved first splitting cities and districts into very small geographical units (of approximately 200 households). This geo-information was applied when sampling and testing through a combination of contact tracing and testing of frontline workers (e.g. medical staff, government officials, etc.), as well as pooled testing in the geographical units prioritised by the known prevalence of COVID-19. In all instances and given the scarcity of tests, emphasis was placed on administering tests in order of the magnitude of risk of exposure to COVID-19. Where tests were unavailable, phone surveys were conducted to try to identify the presence of symptoms. The information gathered from the strategy would allow COVID-19 response measures (e.g. quarantine, lockdown) to be implemented in more specific geographical areas. Throughout May 2020, the team implemented the smart sampling methodology in different stages and across various geographical units. As of early August, 645 geographical units in Lahore had been covered and 12 251 unique samples collected. The strategy itself did not extend past May.

The smart sampling strategy combined with pooled testing showed that a data-driven approach is feasible and cost-effective and could be carried out regularly and at scale. It enabled the effectiveness of various lockdown policies to be evaluated and, on top of the smart sampling, allowed researchers to conduct rapid and real-time data collection. If desired, this strategy could be modified to add data on health outcomes not related to COVID-19 as well as economic indicators. Such an approach would be beneficial not only for managing the disease – the immediate priority – but also the later process of economic recovery. A smart containment approach was subsequently adopted in Pakistan, though it was not necessarily tied to the researchers' methodology. Nonetheless, the research helped build significant capacity in the government of Punjab's health departments.

A critical role for experimental research in times of uncertainty

As part of the IGC's COVID-19 response, we also commissioned a special call for research. We thought it was crucial to generate data and start experimentation in order to support decision making, both during the early uncertain stages of the pandemic as well as in preparation for the post-pandemic recovery period. One research strategy for bringing stronger evidence to policy making is the use of randomised control trials. Many of the studies commissioned as part of our special call were randomised control trials built on

existing research in the field and therefore had baseline surveys and appropriate sampling frames. One of these is a study in Ghana that repurposed a cash transfer study to test the effects of cash transfers on compliance with social distancing and welfare. Another is a study in Uganda that is evaluating the resilience of relationships in informal contracts between different firms, as well as their employees. These types of rigorous studies will help policy makers and development co-operation partners understand the impacts of specific policies both in the short and medium term.

Experimentation is most useful if it results in active learning. In this respect, data and evidence gathering play a critical role during times of uncertainty. The fluidity of the COVID-19 pandemic has required policy makers to be aware of developments in as close to real time as possible, something that is often missing in developing countries. To support this, the IGC has implemented several high-frequency surveys to monitor the economic impact of COVID-19 across our country network, examples of which are presented in Box 3.1. To maximise the impact of these surveys, the data are made publicly available and will be presented with data visualisation techniques to better communicate them to policy makers and other stakeholders.

Data and evidence gathering play a critical role during times of uncertainty. The fluidity of the COVID-19 pandemic has required policy makers to be aware of developments in as close to real time as possible, something that is often missing in developing countries.

Key lessons for international development co-operation

Developing country policy makers were dealing with significant challenges before COVID-19, wrestling with enduring problems such as inequality and economic growth that has not been inclusive. The crisis has amplified these challenges and added further uncertainty into policy making. International solidarity and resources are needed more than ever. To this end, and starting early in the crisis, the IGC has co-chaired an advisory

BOX 3.1. USING HIGH-FREQUENCY SURVEYS TO MONITOR THE ECONOMIC IMPACT OF COVID-19

- A phone survey in Sierra Leone measures indicators such as market prices, food security, hours worked and business closures and poses questions related to COVID-19 awareness and prevention. The data are provided in regular bulletins to policy makers, and many of the indicators are used directly in monitoring and evaluation frameworks within the Ministry of Finance's Quick Action Economic Response Programme and the Ministry of Health and Sanitation's Risk Communication and Social Mobilization group.
- The IGC worked alongside Innovations for Poverty Action to collect data on the economic impact of the pandemic in developing countries through the COVID-19 Economic Impact Surveys joint initiative.
- A survey of traders in Lagos, Nigeria found that domestic travel restrictions had a large impact on their ability to source inputs domestically, highlighting the need for policy makers to minimise supply-side bottlenecks (Bishi, Grossman and Startz, 2020[12]).

group with the United Kingdom's Foreign, Commonwealth and Development Office that discusses emerging policy issues in developing countries and feeds evidence into its response. Extremely limited early in the pandemic but beginning to quickly emerge, evidence has become an immensely useful commodity at a time when so much is unknown and crucial for a smart policy response. There are two key important lessons for development co-operation so far:

1. Support developing countries in designing smarter policies based on a framework of active learning: Developing countries' reliance on cash transfers and impromptu containment strategies have produced mixed results. Given the magnitude of the crisis, the unprecedented levels of uncertainty and the limited resources at policy makers' disposal, policy and programming need to be smarter. Designing smarter policy should rely on data and evidence generation alongside a framework of active learning. International development partners are well placed to support this approach by acting as a conduit for the sharing of expertise and evidence and assisting policy makers with policy design.
2. Focus on co-generating data and evidence alongside policy makers and researchers from developing countries: The pandemic underscores the importance of evidence and data in crafting an effective response to crises. The lack of information available to policy makers means they still struggle to fully understand the impacts of COVID-19 on livelihoods and how best to mitigate them. International development support to research organisations and policy makers to co-generate research and data can ensure high-quality results. Such research will have greater potential for application by bringing together global and local researchers and aligning with policy makers' priorities.

Acting on these two lessons will not only support the COVID-19 response, but also bring benefits for the future. First, it will enhance our understanding and resilience against future crises, including pandemics. Allocating scarce fiscal resources in an efficient and effective manner requires making tough choices, and this is better done with more information. Second, co-generating research with local researchers has the potential to develop local capacity for the future. Last, building this infrastructure for data collection and use – with better capacity and relationships between policy makers and researchers – can potentially support other areas of policy making outside of crisis management, thus improving prospects for economic development and inclusive growth.

REFERENCES

Bouët, A. and D. Laborde (2020), "COVID-19 border policies create problems for African trade and economic pain for communities", *International Food Policy Research Institute blog*, https://www.ifpri.org/blog/covid-19-border-policies-create-problems-african-trade-and-economic-pain-communities (accessed on 27 October 2020). [6]

DFID (2011), *Cash Transfers Evidence Paper*, United Kingdom Department for International Development, London, https://webarchive.nationalarchives.gov.uk/+/http:/www.dfid.gov.uk/Documents/publications1/cash-transfers-evidence-paper.pdf (accessed on 9 October 2020). [3]

Dzansi, J. (2020), "Ghana lifts the lockdown: Has the government reneged on its commitment to contain COVID-19 at all costs?", *International Growth Centre blog*, https://www.theigc.org/blog/ghana-lifts-the-lockdown-has-the-government-reneged-on-its-commitment-to-contain-covid-19-at-all-costs (accessed on 9 October 2020). [7]

Haas, A., A. Khan and A. Khwaja (2020), "Policymaking in uncertain times: Smart containment with active learning", *Policy Brief*, Center for International Development, Cambridge, MA and International Growth Centre, London, https://www.theigc.org/wp-content/uploads/2020/05/Haas-et-al-2020-brief_final.pdf (accessed on 9 October 2020). [11]

IGC (2020), *COVID-19 Policy Response Dashboard*, International Growth Centre, London, https://www.theigc.org/covid-19/tracker. [9]

IMF (2020), *World Economic Outlook Update: A Crisis Like No Other, An Uncertain Recovery*, International Monetary Fund, Washington, DC, https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020 (accessed on 9 October 2020). [1]

Ng'andu, B. (2020), *2021 Budget Address by the Honourable Dr. Bwalya K.E. Ng'andu, MP, Minister of Finance*, Zambia National Assembly, Lusaka, http://www.parliament.gov.zm/sites/default/files/documents/articles/OFFICIAL-2021-BUDGET-SPEECH.pdf (accessed on 9 October 2020). [8]

Parekh, N. and O. Bandiera (2020), "Do social assistance programmes reach the poor? Micro-evidence from 123 countries", *Growth Brief*, International Growth Centre, London, https://www.theigc.org/wp-content/uploads/2020/06/Parekh-and-Bandiera-2020-Growth-Brief.pdf (accessed on 9 October 2020). [5]

Resnick, D., E. Spencer and T. Siwale (2020), "Informal traders and COVID-19 in Africa: An opportunity to strengthen the social contract", *Policy Brief*, International Food Policy Research Institute, Washington, DC and International Growth Centre, London, https://www.theigc.org/wp-content/uploads/2020/08/Resnick-et-al-2020-Policy-Brief.pdf (accessed on 9 October 2020). [10]

Vaziralli, S. (2020), "A social protection response to COVID-19 in developing countries", *Policy Brief*, International Growth Centre, London, https://www.theigc.org/wp-content/uploads/2020/04/Vazirelli-2020-policy-brief.pdf (accessed on 9 October 2020). [4]

Younger, S. et al. (2020), "Estimating income losses and consequences of the COVID-19 crisis in Uganda", paper presented at the 1st Session of the Monthly Virtual Peer-to-Peer Research Seminar Series, International Monetary Fund, Washington, DC. [2]

CRISIS IMPACTS ON RURAL LIVES AND LIVELIHOODS IN KENYA

Oscar Ochieng, Institute of Economic Affairs Kenya & Southern Voice

ABSTRACT

The economic impacts of the COVID-19 crisis threaten livelihoods in rural areas as containment measures may reduce domestic demand for agricultural produce, narrow export opportunities and disrupt supply chains. This case study explores the implications in Kenya, where the majority of the country's poor live in rural areas, and there is a need for longer term strategies to cushion the most vulnerable from shocks.

- While the Kenyan government put in place short-term economic support programmes, the COVID-19 crisis shows the structural vulnerability of supply chains for agricultural and food products and the need for longer term strategies to build in resilience against future shocks.
- Rural livelihoods and food security have been weakened in Kenya due to the unintended consequences of shutdown policies, including reduced domestic demand for produce, disruption of supply chains and exports, and the absence of seasonal workers for harvesting.
- Public services in rural areas, including medical facilities, could be overwhelmed as a result of lockdowns and job losses, especially if returning migrants from cities bring the virus with them.

While the health impact of COVID-19 in most parts of the world was primarily in urban areas due to dense population, its adverse economic impacts have spread to rural areas. In Kenya, where most poor people live in rural areas, the pandemic and containment measures in cities resulted in a slump in demand for agricultural products and narrowed export opportunities. The global reduction in remittances is also expected to hit rural households hard, while the return of migrants from the city could overwhelm rural public services. The Kenyan government has instituted short-term livelihood support programmes, but long-term investments, such as in well-equipped and well-stocked health facilities, are needed to ensure rural areas are less vulnerable to shocks. Social cash transfers in response to the crisis have played a significant role in reducing the risk of food insecurity and malnutrition in rural households. In addition, structural vulnerabilities revealed in the agriculture and food supply chain must be addressed.

Compounding pressures on incomes are threatening rural livelihoods

According to the 2019 Kenya Population and Housing Census, there are about 19.5 million poor people in Kenya. The majority – 14 million people – live in rural areas (UNDP, 2020[1]), making people in these areas highly vulnerable to economic shocks. Since the outbreak of the COVID-19 pandemic, rural livelihoods have been trying to cope with three compounding pressures:

1. A slump in domestic demand: The agricultural sector contributes 26% of Kenya's GDP, and 70% of rural Kenyans rely on agriculture for their livelihoods (UNDP, 2020[1]). Agriculture is a crucial sector for employment, income generation and food security – any negative shock is potentially detrimental. The most significant impact on agricultural livelihoods stems from decline in demand when urban restaurants and food markets closed. Perishable products were wasted and rural producers lost income.

2. Export opportunities narrow: Kenya's flower exports have recorded more than a 50% drop, production is at less than 10% of pre-pandemic levels, and exporters are shipping only 25-30% of their normal capacity of fruits and vegetables (Deloitte, 2020[2]). Restrictions on travel and the movement of goods and people mean less capacity to export produce, while increased vigilance at borders hinders agricultural trade (Wiggins et al., 2020[3]). For example, the closure of the Kenya-Tanzania border had economic ramifications for the border county of Taita-Taveta, as traders complained of a shortage of farm products and a rise in food (Mnyamwezi, 2020[4]).
3. Loss of remittances: In rural areas, seasonal migration and remittances are a key element of income diversification, and globally, over 40% of remittances are sent to rural areas (FAO, 2020[5]). These income streams are at risk due to massive pandemic-related layoffs in host countries (FAO, 2020[5]). Remittance flows to sub-Saharan Africa are projected to decline by 23%, representing a loss of a crucial financing lifeline for many poor rural households (World Bank, 2020[6]).

Worries mounting over food security, agricultural labour and overburdened essential services in rural areas

In addition to falling incomes, the pandemic has further weakened food security in Kenya. Drought in 2019 resulted in reduced maize production and combined with the ongoing plague of desert locusts in East Africa, food stocks are declining. Since the pandemic hit, stocks are dropping further and prices are likely to increase (UNDP, 2020[1]). With 65% of rural household expenditure going to food items (Kenya National Bureau of Statistics, 2018[7]), food security is also highly vulnerable to income shocks. A report on a survey by GeoPoll indicates that 86% of Kenyans are worried about not having enough resources to be able to eat (2020[8]). The absence of seasonal workers for harvesting (FAO, 2020[5]) and reluctance to travel to purchase farming inputs (Nation, 2020[9]) may further impact harvests and could have longer term consequences for yields.

While COVID-19 itself may impact health in urban areas more harshly, an investigation by Kenya CitizenTV found that returning migrants from urban areas may facilitate the transmission of the virus (2020[10]). Access to essential services is more challenging in rural areas, with lower service capacity and without a critical mass of key workers. Vital services are especially vulnerable and at risk of becoming overwhelmed should returnees fall ill and spread the virus (Miriri, 2020[11]). Some rural counties such as Turkana and Samburu have no intensive care unit beds for a COVID-19 outbreak (Kenya Healthcare Foundation, 2020[12]). In addition, in the rural counties of Kisumu, Homa Bay and Siaya, patients including pregnant women have missed out on essential drugs and supplies, including anti-retroviral and anti-malaria medicine and mosquito nets (Mbenywe, 2020[13]).

Rural communities need immediate support and long-term recovery strategies

The government has put in place several short-term support programmes to mitigate livelihood vulnerability in response to the crisis (Were, 2020[14]), and among them are:

- the COVID-19 Emergency Response Fund of KES 2 billion (USD 18.5 million) to support the most vulnerable groups in these uncertain times
- an additional KES 10 billion (USD 93 million) for cash transfers to support the elderly, orphans and other vulnerable groups.

Cash transfers in particular have been shown in previous studies to be beneficial in enabling households to meet their immediate needs while also enhancing livelihoods (FAO, 2017[15]). Over the longer term, however, policy makers must address the underlying issues that make rural communities more vulnerable to economic shocks and the unintended consequences of policies to

contain health pandemics (e.g. lockdowns) on rural incomes, food security and public services. The impacts of COVID-19 are a reflection of the absence of policies that would cushion poor and smallholder farmers whose livelihoods depend on agriculture; for example, more deliberate linkages could be made to ensure rural farmers' access to urban markets. Limited transportation and restriction of movement have resulted in less trade of and accessibility to food, which is sending prices higher at the same time that populations find themselves less able to engage in economic activities. Indeed, the pandemic has exposed the structural vulnerability of the agriculture and food supply chain. Post COVID-19, the agriculture sector should support a transition from a labour-intensive supply chain to a more resilient and efficient agriculture system, including smart agriculture and mechanisation.

REFERENCES

Deloitte (2020), *Economic Impact of the COVID-19 Pandemic on East African Economies*, Deloitte, https://www2.deloitte.com/content/dam/Deloitte/tz/Documents/finance/Economic_Impact_Covid-19_Pandemic_on_EastAfrican_Economies.pdf (accessed on 5 October 2020). [2]

FAO (2020), *COVID-19 and Rural Poverty: Supporting and Protecting the Rural Poor in Times of Pandemic*, Food and Agriculture Organization of the United Nations, Rome, http://www.fao.org/3/ca8824en/CA8824EN.pdf (accessed on 5 October 2020). [5]

FAO (2017), *Cash+*, Food and Agriculture Organization of the United Nations, Rome, http://www.fao.org/3/a-i7864e.pdf (accessed on 27 October 2020). [15]

GeoPoll (2020), *Coronavirus in Sub-Saharan Africa: How Africans in 12 Nations are Responding to the COVID-19 Outbreak*, GeoPoll, https://www.thecompassforsbc.org/sbcc-tools/coronavirus-sub-saharan-africa-how-africans-12-nations-are-responding-covid-19-outbreak%C2%A0%C2%A0 (accessed on 5 October 2020). [8]

Kenya CitizenTV (2020), "Virus safaris: How passengers are beating the restriction of movement out of Nairobi", Kenya CitizenTV, https://www.youtube.com/watch?v=ynPPU7577xI (accessed on 5 October 2020). [10]

Kenya Healthcare Foundation (2020), *COVID-19 Treatment Centers (webpage)*, http://khf.co.ke/covid-19-treatment-centers/ (accessed on 5 October 2020). [12]

Kenya National Bureau of Statistics (2018), *Basic Report: Based on 2015/16 Kenya Integrated Household Budget Survey*, Kenya National Bureau of Statistics, Nairobi, https://sun-connect-news.org/fileadmin/DATEIEN/Dateien/New/KNBS_-_Basic_Report.pdf (accessed on 5 October 2020). [7]

Mbenywe, M. (2020), "Pregnant women miss vital malaria medicine", *The Standard Health*, https://www.standardmedia.co.ke/health/article/2001383448/pregnant-women-miss-vital-malaria-medicine. [13]

Miriri, D. (2020), "Most Kenyan regions ill-prepared to tackle COVID-19 pandemic, senate warns", *Reuters*, Reuters, https://www.reuters.com/article/us-health-coronavirus-kenya/most-kenyan-regions-ill-prepared-to-tackle-covid-19-pandemic-senate-warns-idUSKBN22B25Y (accessed on 5 October 2020). [11]

Mnyamwezi, R. (2020), "Traders count loses as border remains shut over COVID-19", *The Standard*, https://www.standardmedia.co.ke/business/article/2001372023/traders-count-loses-as-border-remains-shut-over-covid-19 (accessed on 5 October 2020). [4]

Nation (2020), "Covid-19 fears cast shadow over food safety", Nation, Nairobi, https://nation.africa/kenya/news/covid-19-fears-cast-shadow-over-food-safety-281784 (accessed on 5 October 2020). [9]

UNDP (2020), "Articulating the pathways of the socio-economic impact of the coronavirus (COVID-19) pandemic on the Kenyan economy", *Policy Brief*, No. 4/2020, Strategic Policy Advisory Unit, United Nations Development Programme, Nairobi, https://www.undp.org/content/dam/rba/docs/COVID-19-CO-Response/Socio-Economic-Impact-COVID-19-Kenya-Policy-Brief-UNDP-Kenya-April-2020.pdf (accessed on 5 October 2020). [1]

Were, M. (2020), "COVID-19 and socioeconomic impact in Africa: The case of Kenya", *Wider Background Note*, No. 3/2020, United Nations University World Institute for Development, Helsinki, http://dx.doi.org/10.35188/UNU-WIDER/WBN/2020-3. [14]

Wiggins, S. et al. (2020), *Dealing with Covid-19 in Rural Africa: Lessons from Previous Crises*, Overseas Development Institute, London, https://www.odi.org/sites/odi.org.uk/files/resource-documents/200616_rural_africa_covid_2.pdf (accessed on 5 October 2020). [3]

World Bank (2020), "World Bank predicts sharpest decline of remittances in recent history", World Bank, Washington, DC, https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history (accessed on 5 October 2020). [6]

COMMUNITY ENGAGEMENT TO COUNTER MISINFORMATION IN ROHINGYA REFUGEE CAMPS

Erina Mahmud, BRAC Institute of Governance and Development & Southern Voice

ABSTRACT

For a vulnerable population such as Rohingya refugees, the case study shows that accessing reliable information and rapidly debunking rumours can save lives. In response to an alarming spread of misinformation in crowded Rohingya refugee camps, humanitarian organisations and the Bangladesh government implemented a communication strategy that relies heavily on the ground-up engagement of the Rohingya community.

- Misinformation about the coronavirus (COVID-19) delegitimises credible advice and impedes measures to contain the spread.
- A risk communication strategy starts with identifying how and where people get their information and form their perceptions, then targets these sources.
- Community engagement is key to effectively communicating credible information and responding rapidly to rumours.

When COVID-19 hit Bangladesh, it brought a surge of misinformation and rumour along with it. Rumours during a pandemic can be deadly, and the risk of their spread is disproportionately high for Rohingyas. About 860 000 refugees living in 34 camps in Cox's Bazar makes the population density 40 times greater than the average density in the rest of Bangladesh (Hoque, 2020[1]). An Internet ban imposed exclusively on the camps and lifted only in August 2020 (Kamruzzaman, 2020[2]), coupled with a complete lockdown and an 80% shortage of humanitarian staff due to a government directive, left Rohingyas especially vulnerable (RFI, 2020[3]). Additionally, about 19% of the population suffers from acute respiratory infections, and their dependence on communal distribution for food and water makes their situation in a pandemic all the more complicated (Hossain et al., 2019[4]). The conditions are such that researchers had projected that the first positive case of COVID-19 in the camps would result in anywhere from 119 to 504 additional cases within 30 days (Smith, 2020[5]). As of the end of August, however, only 101 cases and 6 deaths were officially confirmed in the camps (WHO, 2020[6]).

Rumours and misinformation

Within the crowded confines of the camps, a myriad of rumours spread rapidly through the community about the connections between COVID-19 and everything from diet to religious and social beliefs. As reported by BBC Media Action and Translators Without Borders (2020[7]), many people associated the consumption of certain meat and meat derivatives with the virus, and some thought an infected person could spread the disease by biting and scratching others. Rohingyas refrained from seeking medical help, thinking security forces would shoot and kill them if they were infected and many found solace in believing that COVID-19 came as a divine punishment for how the world tortured the Rohingyas, according to the researchers (BBC Media Action and Translators without Borders, 2020[8]).

The problem with such diverse rumours is twofold: not only are they essentially inaccurate, but their pervasive nature also delegitimises credible information about how to deal with the virus.

Rumours during a pandemic can be deadly, and the risk of their spread is disproportionately high for Rohingyas.

Identifying and targeting the sources of misinformation

Protecting and preparing such a disadvantaged population requires a

contextualised risk communication and community engagement (RCCE) response, one that tracks and counters misinformation; informs people about preventive measures, symptoms, testing, disease management and healthcare facilities; and shares real-time updates on infection and fatality rates in the camps (WHO/UNICEF/IFRC, 2020[9]). However, the Rohingya refugee camps did not see a full-fledged implementation of RCCE response immediately in the pandemic, and it was implemented only after rumours had already spread.

To facilitate effective communication, the Inter Sector Co-ordination Group, the joint platform of the government of Bangladesh and humanitarian agencies working on the Rohingya crisis, adopted a two-way communications approach (Inter Sector Co-ordination Group, 2020[10]). Partnering organisations collected information on community perceptions through interviews and focus group discussions with the refugees and then disseminated information tailored to refugees' needs (Inter Sector Co-ordination Group, 2020[10]).

Through these interactions, the Inter Sector Co-ordination Group learnt that Rohingyas primarily get their information from social media and messaging services, mosques and religious leaders, block leaders, diaspora networks, and Rohingya-led initiatives (BBC Media Action and Translators without Borders, 2020[11]). The joint response platform then targeted these channels and disseminated audio and video messages about COVID-19 through mosques, food distribution and information points at the camps, and motorised vehicles and in the Bangla, Burmese and Rohingya local languages.

Community engagement drives public awareness campaigns

To strengthen the community-led approach and as one method of implementing RCCE, national and international organisations are now prioritising communication with communities (CwC) activities through community leaders. Small group sessions are being held at distribution points, community centres, and religious and radio listening groups to facilitate awareness messages and long-term behaviour changes. Trained volunteers are also establishing household-based communication to include women and children. To ensure these activities can continue and be scaled up, additional funding is needed. The 2020 Joint Response Plan for the Rohingya Humanitarian Crisis estimates USD 10 million is needed for CwC activities alone (Inter Sector Co-ordination Group, 2019[12]), an estimate that was produced before the COVID-19 crisis.

Contextualising the top-down approaches in risk communication to capture and reflect the community's voice is imperative to ensure effective interaction. The community-led approach has proven particularly effective. Not only does it engage people on the ground who know what rumours are circulating and which demographic to target, the linguistic similarities and shared group belonging also make the messaging much more effective than mass and mechanical messaging. The enhanced efficacy in interaction has led agencies to scale up CwC activities.

Lessons

When crises strike, action must be taken quickly. This is possible only when bureaucratic complexities are minimised and funding gaps are addressed. Targeted risk communication coupled with community engagement is an effective way to counter misinformation and would be powerful if deployed early in crises, before misinformation spreads. There is also a clear lesson for governments: disconnecting an already marginalised community from the digital space during a crisis can be deadly.

REFERENCES

BBC Media Action and Translators without Borders (2020), "Covid-19: Perception of host and Rohingya community", in *What Matters? Humanitarian Feedback Bulletin on Rohingya Response*, United Nations Office for the Co-ordination of Humanitarian Affairs, Geneva. [7]

BBC Media Action and Translators without Borders (2020), "Covid-19: Rumours in the camps", *What Matters? Humanitarian Feedback Bulletin on Rohingya Response*, No. 35, BBC Media Action and Translators without Borders, https://app.box.com/s/2gfphrsyvxret1qnm949ku73quxopwqv (accessed on 2 October 2020). [8]

BBC Media Action and Translators without Borders (2020), "Covid-19: Older Rohingya community", *What Matters? Humanitarian Feedback Bulletin on Rohingya Response*, No. 34, United Nations Office for the Co-ordination of Humanitarian Affairs, Geneva, https://app.box.com/s/539lre83v137blggbt88b5w8l8l484m0 (accessed on 2 October 2020). [11]

Hoque, S. (2020), "'If COVID-19 arrives in the camp, it will be devastating'", UNHCR Philippines, Makati City, https://www.unhcr.org/ph/18851-covid19-rohingya.html (accessed on 2 October 2020). [1]

Hossain, A. et al. (2019), "Health risks of Rohingya children in Bangladesh: 2 years on", *The Lancet*, Vol. 394/10207, pp. 1413-1414, http://dx.doi.org/10.1016/S0140-6736(19)31395-9. [4]

Inter Sector Co-ordination Group (2020), *2020 COVID-19 Response Plan: Addendum to the Joint Response Plan 2020 – Rohingya Humanitarian Crisis*, United Nations, New York, https://reliefweb.int/sites/reliefweb.int/files/resources/covid-19_addendum_rohingya_refugee_response_020720_0.pdf (accessed on 2 October 2020). [10]

Inter Sector Co-ordination Group (2019), *2020 Joint Response Plan for Rohingya Humanitarian Crisis: Snapshot*, United Nations, New York, https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/jrp_2020_summary_2-pager_280220.pdf (accessed on 2 October 2020). [12]

Kamruzzaman, M. (2020), *Bangladesh to Restore Phone, Internet at Rohingya Camps*, Anadolu Agency, Ankara, https://www.aa.com.tr/en/asia-pacific/bangladesh-to-restore-phone-internet-at-rohingya-camps/1952124 (accessed on 2 October 2020). [2]

RFI (2020), *Rohingya Camps in Bangladesh Under Complete Virus Lockdown*, Radio France Internationale, https://www.rfi.fr/en/international/20200409-rohingya-camps-in-bangladesh-in-complete-coronavirus-lockdown-risk-spread-covid-19 (accessed on 2 October 2020). [3]

Smith, N. (2020), "Thousands of Rohingya refugees likely to die from coronavirus, new report warns", *The Telegraph*, https://www.telegraph.co.uk/news/2020/04/06/thousands-rohingya-refugees-likely-die-coronavirus-new-report (accessed on 2 October 2020). [5]

WHO (2020), *Rohingya Crisis Situation Report #21*, World Health Organization, Bangladesh, https://reliefweb.int/sites/reliefweb.int/files/resources/who-cxb-sitrep-21.pdf (accessed on 2 October 2020). [6]

WHO/UNICEF/IFRC (2020), *RCCE Action Plan Guidance: COVID-19 Preparedness and Response*, World Health Organization, Geneva, https://www.who.int/publications/i/item/risk-communication-and-community-engagement-(rcce)-action-plan-guidance (accessed on 2 October 2020). [9]

YOUTH LEADERSHIP IN CRISIS RESPONSE AND SUPPORTING RESILIENT COMMUNITIES

Daniel Calarco, Restless Development

ABSTRACT

Young people have stepped up to lead COVID-19 response in Brazil's favelas, where critics say many people living in these informal settlements had difficulty accessing government assistance. This case study provides a snapshot of recent Resilient Realities research on the pandemic's impacts on Brazil's youth organisations, giving voice to some of those who organised COVID-19 fundraising and relief work. It argues that to build resilient communities and take the realities of their experiences into account, youth organisations must be involved in decisions on economic and social recovery.

- Young people have stepped up to lead the COVID-19 response effort in many favelas, where the majority of the community faced a decline in income and had difficulty accessing government assistance.
- To support resilience building in communities, development co-operation actors and governments must engage with youth organisations and the new approaches to leadership demonstrated by young people during the pandemic.
- Involving youth and their communities in decision making for Brazil's COVID-19 recovery and other policies will enhance the public debate and provide an accurate picture of their day-to-day realities and challenges.

As of October 2020, Brazil had reported more than 5 million coronavirus cases and more than 150 000 deaths from COVID-19 (Brazil Ministry of Health, 2020[1]). In terms of absolute numbers, Brazil has the highest number of infections and deaths in Latin America, and yet measures adopted by the government to contain the pandemic have been consistently shown to be ineffective (Ribeiro, 2020[2]). Many people who live in informal settlements are being left behind. Not only did federal emergency aid take months to be released, but bureaucracy and digital exclusion became real challenges to its implementation for marginalised populations.[1]

For people in the favelas of Rio de Janeiro, the fight to contain the spread of COVID-19 quickly became a fight for survival. Against this backdrop, young people have stepped up to play crucial roles in helping their communities survive. Research by the Resilient Realities project has found that in some communities, the only COVID-19 response and support efforts have been led by youth.[2] This leadership should be harnessed in the recovery and beyond to build a more inclusive society.

Young people led COVID-19 relief and response in Rio's favelas

According to Data Favela, 80% of families living in favelas claim to have suffered the loss of much or all of their income during the pandemic, impacting their capacity to meet their basic needs (2020[3]). Their numbers are significant: for instance, a single favela in Rio, one of 1 413 across the state, is home to more than 2 million people (Mello, 2014[4]). When lockdown orders were issued, there was little consideration of the fact that most people in Rio's favelas depend on informal work for their livelihoods (Phillips, 2020[5]). They cannot work remotely and have little or no access to government support, unionisation or labour protection. Quarantine was a privilege for the few, not a choice that many residents of favela communities were in a position to make.

Young people from different backgrounds stepped up to fill some of the gaps in the pandemic response, getting together in collaborative and self-organised spaces in their communities called crisis cabinets. In Jacarézinho Favela, youth networks raised more than 120 000 reals (about USD 24 000) to buy food supplies for more than 2 000

families. In Santa Cruz, young people supported more than 3 000 families with food and other essential items. In the Cidade de Deus Favela, widely known as the City of God, a youth-led group organised more than 10 000 food basket donations for their community.

The pandemic revealed how intersecting dynamics of race, age, gender, socio-economic status and territory determined the experience and outcome for different groups of young people. Prior to the pandemic, a young black man was three times more likely to be killed than a white man, and young people accounted for more than 50% of victims of violent gun killings despite making up only 26% of the population (UNESCO, 2017[6]). This trend escalated during the pandemic. In April 2020, there were 27.9% more police operations and 57.9% more killings by the police compared to the same period in 2019 (Conectas, 2020[7]). In June, the Supreme Court granted an injunction banning police operations in favelas during the COVID-19 pandemic (Conectas, 2020[7]). Research co-ordinated by the National Youth Council of Brazil has also revealed that many young Brazilians are very afraid of losing family and friends, and being infected or infecting someone in their family (Brazil National Youth Council, 2020[8]). The mental health impacts of this pandemic on youth are becoming apparent and young people have been struggling to retain their emotional and mental well-being while at the same time leading response efforts (Allen et al., 2020[9]).

Build up and bring in youth leadership to create inclusive, resilient communities

There can be no new realities in Rio's favelas without the supported leadership of youth organisations that are in a position to build resilience in their communities. Building resilience requires funding, collaboration and engaging the communities in decision-making processes as well as a clear vision of both the current realities and social transformation. Young people have an important role beyond developing actions to mitigate COVID-19. They are also key to creating a more sustainable future focused on promoting human rights, equality, economic inclusion and a change in the definition of leadership itself.

> "As a black young woman, it is really unusual to be perceived as a leader. It is not a place that we occupy very often. I am trying to redefine what it means to be a leader from a community perspective, in which all roles are important. Being a leader is a role of active listening and effective response to collective demands."
>
> **Mariana Galdino, LabJac**

These young people and their communities leading grassroots response and recovery activities must be included in decision-making processes, as they add to the public debate and provide an accurate picture of their day-to-day realities and challenges. Economic recovery policies related to jobs, training and education, and policies on digital inclusion are some examples of matters that need youth perspectives. Only with their participation will the state be able to create inclusive and effective policies that enable us to truly build back a better, more sustainable and equal country.

Development co-operation actors need to engage with these new approaches to leadership, as modelled by young people, as

a pathway to rebuilding and renewing our societies. Resilient Realities demonstrates that for young people, real leadership means the ability to listen to people, understand problems and create collaborative solutions with communities. Power is measured by the ability to mobilise peoples and resources. It is not about titles or an ability to exert brutal force. Brazilian youth want new realities where human relationships and solidarity will be valued more than relationships built from fear, dependence or exclusion.

REFERENCES

Allen, K. et al. (2020), *Resilient Realities: How Youth Civil Society is Experiencing and Responding to the COVID-19 Pandemic*, Restless Development, Recrear and the Development Alternative, https://youthcollective.restlessdevelopment.org/wp-content/uploads/2020/10/ResilentRealities-GlobalOverview.pdf (accessed on 19 October 2020). [9]

Andreoni, M. (2020), "Coronavirus in Brazil: What you need to know", *New York Times*, https://www.nytimes.com/article/brazil-coronavirus-cases.html?auth=login-email&login=email (accessed on 19 October 2020). [10]

Brazil Ministry of Health (2020), *Painel Coronaviru [Coronavirus Cases]*, webpage, Brazil Ministry of Health, https://covid.saude.gov.br (accessed on 19 October 2020). [1]

Brazil National Youth Council (2020), *Juventudes e a pandemia do coronavírus [Youth and the Coronavirus Pandemic]*, Brazil National Youth Council, https://4fa1d1bc-0675-4684-8ee9-031db9be0aab.filesusr.com/ugd/f0d618_41b201dbab994b44b00aabca41f971bb.pdf (accessed on 19 October 2020). [8]

Conectas (2020), "Why the Supreme Court suspend police operations in favelas of Rio de Janeiro", Conectas, https://www.conectas.org/en/news/understand-what-led-the-supreme-court-to-suspend-police-operations-in-rio-de-janeiros-favelas (accessed on 19 October 2020). [7]

Data Favela (2020), *Pandemia na favela: A realidade de 14 milhoes de favelado no combate ao novo coronavírus*, Data Favela, Rio de Janeiro, https://0ca2d2b9-e33b-402b-b217-591d514593c7.filesusr.com/ugd/eaab21_9837d312494442ceae8c11a751e2a06a.pdf. [3]

Mello, K. (2014), "Com 2 milhões de moradores, favelas do Rio seriam 7ª maior cidade do país [With 2 million inhabitants, Rio would be the country's 7th biggest city]", *Globo.com*, http://g1.globo.com/rio-de-janeiro/noticia/2014/09/com-2-milhoes-de-moradores-favelas-do-rio-seriam-7-maior-cidade-do-pais.html (accessed on 19 October 2020). [4]

Phillips, D. (2020), "'We're abandoned to our own fate': Coronavirus menaces Brazil's favelas", *The Guardian*, https://www.theguardian.com/global-development/2020/apr/14/were-abandoned-to-our-own-luck-coronavirus-menaces-brazils-favelas (accessed on 19 October 2020). [5]

Ribeiro, G. (2020), "Coronavirus: Brazil tops mark of 150,000 Covid-19 deaths", *The Brazilian Report*, https://brazilian.report/coronavirus-brazil-live-blog/2020/10/11/update-brazil-tops-mark-of-150000-covid-19-deaths (accessed on 19 October 2020). [2]

UNESCO (2017), "Youth Violence Vulnerability Index will guide public policies on violence", United Nations Educational, Scientific and Cultural Organization, Brasilia, http://www.unesco.org/new/en/social-and-human-sciences/themes/sv/news/youth_violence_vulnerability_index_will_guide_public_polici (accessed on 19 October 2020). [6]

NOTES

1. Brazil offered monthly payments of the equivalent of USD 120-240 to people who had lost their income as a result of the pandemic. The programme has been marred by widespread allegations of fraud and reports that many eligible people had difficulty getting the money. For a description, see Andreoni (2020[10]).
2. A Restless Development global research project, called Resilient Realities, explores how young people between the ages of 18 and 30 are organising during the COVID-19 pandemic and specifically how youth civil society is responding to the crisis. This case study is drawn from that wider body of research. More information on the project is available at: https://restlessdevelopment.org/projects/resilient-realities.

UNITED NATIONS
NATIONS UNIES

Part II
Insights and lessons for international development

MOVING FROM RESPONSE TO RESILIENT RECOVERY: IN MY VIEW

Vera Songwe, Executive Secretary, United Nations Economic Commission for Africa

At times, a crisis brings out the best in us, and COVID-19 is no different. Many African countries responded to COVID-19 proactively, instituting lockdowns and restrictions early in the transmission cycle. Early actions saved lives and "bought time" for governments to acquire personal protective equipment and ventilators and prepare medical facilities. The sheer scope and urgency of the COVID-19 pandemic have also spurred some groundbreaking public-private partnership responses from the continent. An example of an innovative public-private partnership is the African Medical Supply Platform. The platform is a collaboration between the African Union, the Africa Centres for Disease Control and Prevention, the Economic Commission for Africa, and a range of private sector companies including bioMérieux, Novartis, Royal Philips and others. The platform alleviates supply and logistical constraints by ensuring efficient and rapid access to a group of pandemic medicines. This online marketplace enables the supply of critical COVID-19-related medical equipment. Another example of an innovative public-private partnership is the African Communication and Information Platform. The service can reach up to 600 million mobile users across the continent with health information and short surveys for economic and health action. With government approvals, Airtel, MTN, Orange and Vodafone are providing the service at no charge to mobile users. But there is no denying the overall effects of the pandemic and economic crisis are deep.

The pandemic's worst impacts are felt within the informal sector, which accounts for more than 60% of the workforce and includes some of the most vulnerable in society.

With almost 2 million cases and more than 47 000 deaths from COVID-19 in Africa (as of 14 November 2020), the effects of the pandemic have been devastating. Lower vaccination rates, suspension of health programmes, loss of livelihood and food insecurity resulting from the knock-on effects will be felt for years to come. The pandemic's worst impacts are felt within the informal sector, which accounts for more than 60% of the workforce and includes some of the most vulnerable in society. As lockdowns, restrictions on goods and services, and the worst recession in a quarter of a century unfold, those without savings,

extended family resources or social support – disproportionately women and children – are struck the hardest. The broader effects of the pandemic affect the most vulnerable and therefore, much of the impact is hidden from view and hard to measure. Achieving the Sustainable Development Goals (SDGs) by 2030 has suddenly become much more challenging, as has achieving Agenda 2063: The Africa We Want.

There have been some clear wins. And yet, the overwhelming nature of the pandemic coupled with an impact that, though catastrophic, is not obvious (e.g. overflowing hospitals) paradoxically result in a hesitancy to take action. Here are three things that must be done now to arrest the backsliding from the SDGs and Agenda 2063.

First, it is necessary to bridge the deep infrastructure gap and facilitate the development of a thriving industrial sector. Prior to COVID-19, it was estimated that USD 93 billion a year was needed. This number has undoubtedly gone up. For critical foundational areas such as health, education, agriculture and commerce, domestic resource mobilisation in combination with external financing are required. However, given the new realities of physical distancing and the need for efficiencies, the situation highlights the urgency of applying the benefits of digital technologies, designed and customised for the local environment and ecosystem. Also, financing on a regional and multilateral basis must consider the different fiscal situations that countries are in. Second, a broad range of public-private partnerships can be directed towards outcomes that address real needs. African countries need to implement policies and robust institutional frameworks to stimulate the full use of private capital in infrastructure development. One example of this is the Model Law for Transboundary Infrastructure in Africa. Finally, with small and medium-sized enterprises (SMEs) providing the productive backbone and up to 80% of formal jobs in Africa, we must look beyond the single mega-projects and provide broad capital and ecosystem support to local microenterprises and SMEs. The full development of the eCommerce protocol of the African Continental Free Trade Area will be a crucial mechanism for accomplishing this. The Decade of Action to deliver the SDGs states, “The spirit of human endeavor has demonstrated our shared ability to deliver the extraordinary.” Together, we can build back better.

TEAM EUROPE IS COMMITTED TO AN EQUITABLE, SUSTAINABLE AND INCLUSIVE RECOVERY PROCESS: IN MY VIEW

Jutta Urpilainen, European Commissioner for International Partnerships

The social and economic impacts of the pandemic have been devastating. The complex interplay between human health and safety, sustainable growth, and the environment represents the toughest challenge for governments and policy makers for many decades to come. Moreover, as is sadly the norm in crises, it is the poorest and most vulnerable who have been hit the hardest.

The pandemic has underlined the continuing importance and legitimacy of the overarching framework set by the 2030 Agenda and its Sustainable Development Goals (SDGs) as well as the Paris Agreement. At the same time, the pandemic has reversed decades of progress and has highlighted how far off track we are to achieve them. How is the European Union (EU) responding?

The EU acted very quickly to address the immediate impacts of the pandemic. As the scale of the emergency became clear, we put in place a strong and co-ordinated response to COVID-19 in partner countries as "Team Europe". By mid-July, this joint effort had mobilised more than EUR 36 billion. Working together with our member states and European financial institutions, Team Europe allows us to have a greater impact at country level, reducing the burden on overstretched developing country administrations as well as forging a higher profile for the EU as a force for peace, sustainable development and climate action.

The Team Europe package combines funding from the EU budget, EU member states (including their financing and implementing institutions), the European Investment Bank, and the European Bank for Reconstruction and Development. It focuses on countries most in need, including least developed and fragile countries, and pays particular attention to the most vulnerable population groups. This rapid response has supported partner countries' efforts to fight the COVID-19 pandemic in three critical areas by responding to the immediate health impacts of the crisis; further strengthening health systems to respond in a resilient way to future crises; and mitigating the socio-economic consequences of the pandemic. As

We can only tackle this crisis successfully in a spirit of global solidarity and collaboration.

the crisis is far from over, these responses will remain valid for many months to come.

Our combined support to partners at country, regional and global level demonstrates the EU's solidarity, responsibility and leadership and our support for multilateralism. We can only tackle this crisis successfully in a spirit of global solidarity and collaboration. Consequently, the EU has also been very actively engaged in the multilateral response to the pandemic.

We are working in close partnership with international organisations such as the United Nations, the OECD and international financial institutions, as well as the G7 and the G20. The Coronavirus Global Response pledging marathon, co-convened by the European Commission, raised EUR 15.9 billion to ensure the collaborative development and universal deployment of diagnostics, treatments and vaccines against COVID-19. In addition, during the 28 May High-Level Event on Financing for Development in the Era of COVID-19 and Beyond, President von der Leyen made a call for a Global Recovery Initiative, linking debt relief to investment and to achieving the SDGs. On debt suspension and restructuring, we also value the work of the Paris Club and the OECD Development Assistance Committee. The president's aim is a green, digital, just and resilient recovery, bringing countries closer to meeting the SDGs and the Paris Agreement commitments.

In our discussions with multilateral and bilateral partners, we have called for a variety of measures to ensure a sustainable recovery. These include full alignment of public and private investment with the SDGs and the Paris Agreement, robust non-financial corporate reporting, and comprehensive carbon pricing. We have called for countries to update and upgrade their national plans, including their nationally determined contributions, based on upgraded national financing strategies, with enhanced investment in key areas including climate action, education, health, and digital and social protection. Furthermore, we have urged international development institutions, including public development banks, to direct their activities towards supporting these recovery efforts.

For the future, the EU is committed to aligning our support with partner countries' recovery plans while promoting equitable, sustainable and inclusive recovery processes that put youth in the driving seat. For example, the Commission's proposal for a new Neighbourhood, Development and International Co-operation Instrument for the period 2021-27 will facilitate recovery from the crisis. It will address, among others, inequalities and human development, gender, and migration. It includes an ambitious spending target to step up efforts on climate change. It will also contain an investment framework to raise additional financial resources for sustainable development from the private sector. The External Action Guarantee will help to support microenterprises and small and medium-sized enterprises; promote decent job creation, strengthen public and private infrastructure, support the digital economy, and continue to address the health and socio-economic consequences of the COVID-19 crisis. Together with the private sector, this may mobilise more than half a trillion euros in investments for the 2021-27 period. Many of these actions will be done jointly with our member states, as Team Europe initiatives.

The pandemic could hardly have been clearer in showing the scale of the challenge to reduce inequalities. The EU is determined, through international solidarity and co-operation, to support a lasting recovery that leaves no one behind.

DEVELOPMENT CO-OPERATION TESTED AND RESPONSIVE

04

Mags Gaynor & Anita King, Development Co-operation Directorate, OECD

ABSTRACT

COVID-19 is an unprecedented test of the development co-operation community and system's ability to react quickly, change gears when priorities shift, move and mobilise resources, and build and sustain a coordinated global response. While a post-mortem may not be possible until the pandemic ends, this chapter examines how bilateral and multilateral actors have adapted so far. It showcases early evidence of innovative, flexible and effective policy and delivery responses and identifies bottlenecks to preparedness, as well as systemic strengths and weaknesses, notably systems for information sharing, planning and co-ordination.

- The international development response to COVID-19 has been most effective where it built on existing good practice, local knowledge and leadership, and where flexibility to adapt to changing circumstances was already built into systems and partnerships.
- Investments in risk management, crisis preparedness and addressing the interface of humanitarian, development and peacebuilding work have paid off, but development actors could have been more prepared - individually and collectively - for a global health shock.
- Many development agencies leveraged existing networks, and domestic and partner country structures to co-ordinate their efforts. However, co-ordinating a joined-up, coherent and transparent international response proved difficult.
- The critical role of strong national systems and leadership in crisis response came to the fore. Some systemic weaknesses revealed the need to step-up investments in country systems and capacity building.
- Local actors', particularly civil society's, contribution to sustainable development was reinforced during this crisis. Development agencies placed more trust in them and engaged politically in support of their work. However, local organisations on the front lines of the crisis struggle to access sufficient development finance.
- In the urgency to respond, other emergencies and crises risked being forgotten with efforts scaled back and appeals underfunded, leaving already vulnerable groups even more at risk.
- The pandemic provided an opportunity for repressive regimes to assume emergency powers with implications for governance and civic space. International development actors and DAC members' ability

and willingness to flex their combined diplomatic muscle in support of development objectives and human rights is crucial in such situations.

- The disproportionate impact of the socio-economic crisis on displaced and vulnerable groups, and on women and girls, is widely recognised. Translating this awareness into systematic actions to address their specific needs proved difficult. Women and girls should be placed at the centre of response plans to walk the talk on gender equality.
- A high share of official development assistance (ODA) for pandemic response was repurposed from existing programmes, posing challenges to long-term predictability and continuity in programming. Urgent questions emerged on the evidence base for effective allocations of existing ODA and on good practices for financing responses to global threats and challenges efficiently, equitably and inclusively.
- The pandemic and its secondary effects reveal the importance and challenge of applying lessons, evidence and evaluations during crises. Development agencies should be better prepared to conduct rapid learning, to access and share evidence to guide decision making, to support internal and cross-country learning, and to stay focused on development results for accountability and communication.

This chapter takes stock of how COVID-19 has challenged, tested and also brought out the best in development co-operation. It does so in four parts. First, it briefly identifies how the COVID-19 pandemic spilled over from a rapidly evolving health crisis into a crisis for development. Second, it reflects on how individual governments and the development co-operation system as a whole co-ordinated their efforts. Third, it takes stock of how development actors have so far adapted and adjusted to new and heightened demands. A fourth section captures changes to development co-operation systems and approaches that are likely to outlast this pandemic, and considers what it might take to future-proof development co-operation. Chapter 9 analyses preliminary estimates of international finance for the response and reflects on some of the difficult choices and trade-offs that governments had to make.

The COVID-19 pandemic defined development co-operation in 2020

The COVID-19 crisis has been unique in many ways – including in the uncertainties it created. First and foremost, very little was known about the virus itself and evidence

on transmission shifted several times (Jones et al., 2020[1]; AUDA-NEPAD, 2020[2]). Additionally, it rapidly touched every nation in very concrete, yet different ways. Most OECD governments were faced with containing the virus at home before it hit developing countries. Indeed, Italy recalled the support it had received from other countries when it became the epicentre of COVID-19, to engage its citizens around a message of global solidarity when the time came to support developing countries in managing the impacts of the virus (AICS, 2020[3]).

As set out in the Overview and Part I, developing countries responded differently to COVID-19. Quickly spilling over from a health crisis, the COVID-19 pandemic put all economies and societies under severe strain. For low-income countries, it created the perfect storm. High levels of public debt and the need to massively increase public expenditure was coupled with an abrupt and unexpected loss of domestic revenue, further exacerbated by dramatic drops in remittances, private finance and foreign currency (Gurara, Fabrizio and Wiegand, 2020[4]; OECD, 2020[5]).

COVID-19 also impacted development co-operation in different ways. The pandemic has shaken up working practices, partnerships and business models and put unprecedented strain on public finances. It has also prompted debates about the need to renew international governance and systems for providing global public goods as well as for global financial settlements, for example, International Monetary Fund (IMF) special drawing rights. Repatriation of international staff and travel restrictions in partner countries made it more difficult for development agencies to get the data and results information they needed to guide programming, manage risks and learn which responses were effective (OECD, 2020[6]). All of these challenges, combined with the critical need to invest in the fundamental enablers of resilience, provide new opportunities and ideas for strengthening the contribution

There are many lessons and new ways of working which could outlast the pandemic – if they are learnt and sustained.

of development co-operation to future preparedness for shocks. There are many lessons and new ways of working which could outlast the pandemic – if they are learnt and sustained.

As underlined in the joint statement of the OECD Development Assistance Committee (DAC) in April, fighting the pandemic and addressing its impacts "demands a strong, co-ordinated, inclusive and coherent global response" (OECD, 2020[7]). At time of writing (November 2020) and against a backdrop of continuing uncertainty, it is too early to provide an in-depth assessment of how international development actors responded to COVID-19. While DAC members mobilised resources with some success to respond robustly and collaboratively when the pandemic arrived, feedback from interviews and consultations with DAC members for this chapter and other evidence suggests that they could have been better prepared, individually and collectively, for a global health pandemic and crisis.

Official development assistance (ODA) continues to play an essential and unique role in supporting developing countries to face and cope with challenges: as concessional public finance focused on peoples' welfare in developing countries, it goes where other (private) finance dares not, it has proven to be relatively stable and predictable (OECD, 2020[8]), it serves as a lever for policy reforms and policy coherence for development, and adds value when it builds systems and human capacity for sustainable development. Ultimately, the COVID-19 pandemic revealed a stark disparity between countries in terms of availability of finance, tools, institutional

capacity and political will to mobilise support packages (Kharas and Dooley, 2020[9]). Faced with the same global shock, developing countries had drastically different capacities to respond and invest in recovery than advanced economies. Many depend on international private and public investment, including ODA, for an inclusive recovery. Yet that financing is falling very short (OECD, 2020[10]), and a funding crisis may be brewing on several fronts.

A rapidly evolving crisis

Early in the pandemic, statements by the DAC (OECD, 2020[7]) and other bodies recognised that COVID-19 would have a distinct and devastating impact on vulnerable countries and populations, and on women and girls in particular. Avoiding a health crisis in these countries was urgent, but it was quickly apparent that the COVID-19 pandemic had not changed developmental and basic human needs. Rather, it was amplifying and expanding existing levels and forms of human suffering and vulnerability.

Priorities quickly evolved and needs escalated as containment measures took a toll

Initially, the international response to COVID-19 focused on health concerns, seeking to minimise transmission and enhance capacity to provide care for infected people while protecting front-line workers. Public health and health sector initiatives quickly received wide-ranging support from development agencies: testing was ramped up using rapidly accredited local laboratories, drugs were approved, epidemiological models for various scenarios were developed. In light of stiff global competition from wealthier countries, OECD governments and multilateral organisations supported developing countries to procure protective equipment and other essential supplies. Public health information was an immediate priority to target misinformation and to encourage behaviours known to contain transmission (wearing masks, social distancing, minimising travel and large gatherings, etc.). Many of these public information campaigns built upon community-based approaches developed during the 201416 Ebola outbreak. Humanitarian corridors were set up and humanitarian assistance programmes adapted or expanded to deliver essential services such as cash, food, water and sanitation and to protect populations, including from domestic and gender-based violence. The United Nations (UN) Global Humanitarian Response Plan, which aggregated appeals from seven UN agencies, expanded its funding call from USD 2 million in April to USD 9.5 million by September (See Figure 1 in Overview).

By the second half of the year, it was clear that measures to contain the virus were particularly impacting the most vulnerable people with risks of increased gender inequalities (OECD, 2020[11]) (OECD, 2020[12]). In tandem with containment efforts and humanitarian assistance, the focus of development agencies shifted to resuming or expanding public health and education programmes, providing longer term income support, investing in systems to monitor the wider effects of the virus, and protecting jobs and livelihoods. In spite of national and international efforts, by October, the World Bank estimated that 2020 would be the first year since 1990 that extreme poverty has increased (World Bank, 2020[13]).

Virus containment measures had troubling domino effects

In October, Freedom House estimated that governance had declined in 80 countries since the start of the pandemic (Repucci and Slipowitz, 2020[14]). A situation report compiled by the DAC Governance Network based on information from over 100 countries shows clearly the pandemic's diverse impacts on governance practices, such as the increased concentration of power in central governments and the disruption of

election cycles. The report also highlights that state capacity and public trust in leadership are critical in responding effectively to the pandemic.

Civil society actors have been playing essential roles in the COVID-19 response (CIVICUS, 2020[15]). In some settings, however, restrictions on individual freedoms and civic space resulting from surveillance measures, lockdowns, physical distancing measures, and new legislation and controls put in place to contain the pandemic have severely hampered the ability of civil society organisations (CSOs) to operate (CIVICUS, 2020[16]; ICNL, 2020[17]). On top of these new challenges, COVID-19 hit in a context that was already characterised by increasing global fragility and growing inequality (OECD, 2020[18]). Systemic risks, like climate change and biodiversity loss, economic instability, and political unrest in many areas are heightening uncertainty about the future. For many people in situations of conflict, violence, displacement or abject poverty, COVID-19 has simply amplified existing needs.

In several cases, existing crises were forgotten in the immediacy and urgency of COVID-19. As international political leadership shifted attention to the pandemic, they deprioritised crises and issues that were important before the outbreak (OECD, 2020[19]). Wars are still being fought in Libya, the Syrian Arab Republic, Yemen and elsewhere; indeed, COVID-19 makes it all the more urgent to address these challenges and situations (OECD, 2020[19]).

Yet the pandemic is limiting the international community's capacity to support peace efforts and some actors note that international responses to COVID-19 have not been sensitive to conflict situations. The combination of risk of infection and the banning of flights had the effect of scaling down some essential activities. For example, several peacekeeping missions entered into a force protection mode, limiting operational activities (OECD, 2020[19]; Security Council Report, 2020[20]). With UN special envoys unable to travel, diplomatic work was curtailed and mediation initiatives (e.g. in the Bolivarian Republic of Venezuela) were cancelled. Efforts in global refugee settlements were put on hold (UNHCR, 2020[21]), leaving forcibly displaced people particularly vulnerable (OECD, 2020[22]).

Mixed co-ordination story

Identifying and tracking needs required new tools

In the pandemic's early months, it was extremely difficult to identify and quantify needs. Knowledge about the virus was changing fast; testing was unreliable and not widely available.

A number of co-ordinated plans and appeals emerged from the multilateral system. In February, the World Health Organization (WHO) rapidly outlined the public health measures that the international community could support in its Strategic Preparedness and Response Plan. In March came the Global Humanitarian Response Plan, followed a month later by the UN socio-economic framework, which provided a wider lens on the impact of COVID-19 and a stronger, coherent narrative for the UN's COVID-19 response. By June, the UN INFORM Epidemic Risk Index had been adapted to help prioritise "countries at risk from health and humanitarian impacts of COVID-19 that could overwhelm current national response capacity" (UN, 2020[23]). An initial overview of lessons from the UN socio-economic response noted that different UN agencies use different approaches and tools to identify the most vulnerable, and that this may have hampered efforts to prioritise and target interventions (UNDP, 2020[24]). The rapid transition to virtual networks meant that Internet access increasingly determined who could be consulted, impacting organisations' ability to access and gather information. Over time, global monitoring and reporting systems have improved. However, different monitoring systems continue to be used by

BOX 4.1. USAID: IDENTIFYING PRIORITIES AND RESPONDING TO NEEDS AS THE PANDEMIC EVOLVED

On 7 February 2020, USAID made available USD 100 million from its Emergency Reserve Fund to support the health sector response of countries most in need. By July, the United States had pledged USD 1.5 billion for international support. Timelines to commit these funds were often as short as two weeks, requiring USAID's COVID-19 Task Force and staff to rapidly assess needs and ensure funding was reaching the right places as the situation quickly evolved.

Initially, a modelling tool was used to identify the most affected or at-risk countries, using a set of qualitative and quantitative factors, such as current case numbers, the strength of health systems and levels of urbanisation. Where there was little official data, the model used proxy measures. USAID mission colleagues were ultimately responsible for defining how funding would be used in their respective countries. As the pandemic rapidly evolved, all missions were involved in defining priorities. Decisions were informed by evidence. For example, over the first few months of the pandemic, USAID-funded humanitarian assistance focused primarily on health and water, sanitation, and hygiene initiatives. By June, partners were reporting dramatic increases in hunger and USAID pivoted to focus on food assistance in rural and urban areas.

As the scale and complexity of the crisis became clear, it became more challenging to get an overview of other countries' efforts and to identify where USAID could add value. A funding tracker was maintained in USAID to keep abreast of pledges and programmes announced by other development actors. A number of complementary tools assessed the broader impacts of the pandemic, such as economies, democracy and gender-based violence.

From June to October 2020, USAID started looking to the future. An Over the Horizon Strategic Review was initiated to prepare the agency to meet the challenges and opportunities of a world altered by COVID-19. The review team was charged with assessing the current global landscape and potential future scenarios, and developing actionable recommendations to adapt USAID policies, programmes and operations accordingly. The review engaged approximately 20 USAID missions, spanning every region, and approximately 75 technical experts. Partner roundtables were held with stakeholders from around 75 different organisations including implementers, think tanks and academia. Through the exercise, USAID established three strategic objectives to focus assistance on addressing pressing challenges exacerbated by COVID-19, by: building more stable and resilient systems; responding to rising poverty, food insecurity and lost educational opportunities; and strengthening strained public and private health systems and health security. It also identified a set of focus countries in which to pursue these objectives and developed 32 specific recommendations for implementation.

Source: Interviews with senior members of the USAID COVID-19 Task Force; USAID (2020[26]), *Over the Horizon Snapshot*, https://www.usaid.gov/sites/default/files/documents/USAID_Over_the_Horizon_Snapshot.pdf.

UN agencies, and there is scope to build a more holistic picture of what is needed, what is being funded and what is being achieved.

OECD governments also developed tools to assess and track needs and to identify what others were doing. Initially, many of these tools were internal and specific to individual organisations. As described in Box 4.1, USAID developed analytical and qualitative tools to guide decision making as the crisis rapidly evolved. Sweden also relied on information from its embassies and complemented its Multidimensional Poverty Analysis tool with additional guidance in May 2020 to help staff to identify the medium- and longer term consequences of COVID-19. In March, the OECD States of Fragility Platform started tracking over 20 key indicators pertaining to the impact of, or response to, COVID-19 in fragile contexts for public use. Several newly developed tools capture elements of the international response, among them the WHO COVID-19 Partners Platform, a UN joint data portal, the COVID-19 Global Gender

Response Tracker coordinated jointly by the UNDP and UN Women, and the Global Innovation Exchange (Australian Department of Foreign Affairs and Trade, 2020[25]).[1] Feedback from DAC members indicated that many of the challenges with pulling together programme and funding information in this context reflect data gaps in development co-operation that predate COVID-19.

Joint statements indicated a sense of global and regional solidarity

The early months of the pandemic prompted many expressions of global and regional solidarity. In April, DAC members jointly committed to strive to protect ODA levels (OECD, 2020[7]); at the November High Level Meeting, members reaffirmed this commitment and reiterated the importance of ODA to address the immediate health and economic crises and support longer term sustainable development. In May, heads of the Arab Co-ordination Group institutions[2] issued a joint communiqué announcing a co-ordinated initiative to mitigate, contain and recover from the negative impacts of the COVID-19 pandemic (Islamic Development Bank, 2020[27]) (See Chapter 9). Leaders of 58 countries issued a joint statement on the importance of protecting sexual and reproductive health and rights and promoting gender responsiveness in the COVID-19 crisis (French Ministry for Europe and Foreign Affairs, 2020[28]). While these examples of co-ordination reflect the potential of the development system to come together in recognition of shared needs and goals, joint statements have not proven sufficient for delivering prioritised and co-ordinated action in a joined-up way.

More deliberate and systematic processes for crisis response could increase co-ordination

The escalating needs, differential impacts and limited resources available to respond to the COVID-19 pandemic made it essential to have effective co-ordination underpinned by comparable, comprehensive evidence and open data. The need for better co-ordination and more real-time information sharing between development actors was flagged at global and regional levels, in partner countries, and across individual OECD government systems. Several new *ad hoc* co-ordination efforts provided opportunities to do so. These include the Development Ministers Contact Group on COVID-19 convened by Canada and the United Kingdom with membership comprising Australia, the EU, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden and the United States, and exchanges between chief economists convened by Sweden, the United Kingdom, the OECD and the World Bank.

Nevertheless, deliberate and systematic co-ordination of development co-operation priorities, responses and synergies, notably among members of the DAC, did not emerge. A number of DAC members reported during interviews conducted for this chapter that they initially allocated their bilateral resources without a clear overview of priority needs and channels for support, or of other actors' responses. As a result, resources were often allocated based on the presence of existing

Resources were often allocated based on the presence of existing partners and where countries had the capacity to apply for them, rather than based on a division of labour between providers to avoid duplication and better matching of resources to needs.

BOX 4.2. TEAM EUROPE: FROM EMERGENCY RESPONSE TO DRIVER OF EU DEVELOPMENT EFFECTIVENESS

By Niels Keijzer, German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE)

The European Commission moved swiftly to mobilise a new "Team Europe" response to the reverberating impacts of the COVID-19 pandemic. It was announced on 8 April as "the Global EU response to COVID-19"; soon after lockdowns were imposed across Europe and on the same day that European Union (EU) development ministers convened their first virtual meeting.

This initial EU response focused on a mutually beneficial, quick reaction to meet developing countries' immediate needs. In part because the EU was nearing the end of its seven-year budget cycle, much of the Team Europe proposal and accompanying press releases focused on reallocating development co-operation funds over the remaining months of 2020. These were complemented by bilateral contributions from member states, the European Investment Bank, and European Bank for Reconstruction and Development.

A follow-up EU ministerial meeting held on 8 June adopted a political statement that signalled an ambition for Team Europe to expand beyond a response to direct needs and economic consequences caused by the pandemic. It suggested Team Europe should also inform the EU's medium- and longterm development co-operation planning. Through a series of highly visible joint projects, the Team Europe concept is driving debates on what "working better together" could mean in practice, including co-operation within international fora and action on debt relief. Team Europe may provide a welcome new dynamic to the EU's collective effectiveness in the field of development policy and promote new understandings of the complementarity between the EU and its member states.

partners and where countries had the capacity to apply for them, rather than based on a division of labour between providers to avoid duplication and better matching of resources to needs. This raises a question as to whether a more deliberate strategy for crisis co-ordination would help international development actors to focus limited resources between and within countries when dealing with crises that have such a global impact.

Efforts to co-ordinate were evident by regional actors and institutions

Several important co-ordination initiatives for the overall COVID-19 response built on existing regional structures. The Team Europe approach was facilitated by more regular inter-ministerial meetings and enhanced internal European Commission (EC) co-ordination, as outlined by Commissioner Urpilainen in her "In My View" piece. Team Europe has demonstrated the potential of the EU to pool efforts and resources and advocate collectively for a shared agenda (Box 4.2). In Southeast Asia, members of the Association of Southeast Asian Nations (ASEAN) held video conferences with their Chinese, Japanese and Korean counterparts to exchange information and identify needs for technical support and medical supplies (Kalinina, 2020[29]). In the Pacific, Australia and New Zealand worked with the Pacific Islands Forum to deliver essential humanitarian support and services (Box 4.3).

A range of whole-of-government, nationally focused co-ordinated efforts

Efforts to strengthen communication and co-ordination of development co-operation nationally also emerged. In particular, OECD governments became more aware of the impacts of their domestic policies such as health and migration on developing countries. The COVID-19 crisis accelerated a rethinking of health services in New Zealand that had initially been prompted by a 2019 measles outbreak, with health services in the Pacific now seen in a regional

BOX 4.3. REGIONAL CO-ORDINATION IN THE PACIFIC: THE PACIFIC HUMANITARIAN PATHWAY ON COVID-19

Remote geographies, limited resources, vulnerable health systems, and reliance on international trade and transport make Pacific Island countries particularly vulnerable to the COVID-19 pandemic. By April, when most Pacific governments had declared a state of emergency, the Pacific Islands Forum invoked the Biketawa Declaration, a framework agreed in 2000 for co-ordinating responses to regional crises. Out of this came the Pacific Humanitarian Pathway on COVID-19, a co-ordination platform to facilitate the movement of essential medical and humanitarian assistance across the region with clear backing at the political level.

Australia and New Zealand prioritise the Pacific in their international development co-operation programmes. In their responses to the pandemic in the Pacific, both countries actively supported regional ownership by using and strengthening existing co-ordination structures. Australia complemented the Pathway by maintaining an essential services and humanitarian corridor, mobilising its defence and customs agencies and official development assistance (ODA) resources to deliver personnel and critical infrastructure, including the delivery of GenEx testing kits. By July, Australia had committed more than AUD 205 million (Australian dollars) (USD 147 million) to COVID-19 response in the Pacific and has since allocated additional funding to ensure Pacific countries achieve full COVID-19 immunisation coverage once vaccines are available. New Zealand supported Pacific partners with an initial NZD 50 million (New Zealand dollar) (USD 33 million) package to help prepare health systems and address wider health, economic, governance and social challenges. Where it was not possible to get advisors on the ground, New Zealand stepped up general budget support.

While the Pathway focused on responding to the immediate health and humanitarian needs, Pacific Island countries are likely facing long-lasting challenges as remittances and tourism have declined drastically and international trade continues to be disrupted. Nevertheless, the Pathway is a strong test case for regional leadership and ownership and a success to build on – not least when it comes to ensuring equitable distribution of vaccines and treatments when these are available.

Source: Information provided by the Australian Department of Foreign Affairs and Trade and New Zealand Ministry of Foreign Affairs and Trade.

context rather than as either a domestic or international issue. Australia extended the validity of migrant worker visas recognising that these workers are important both for the remittances they send home to Pacific Island countries and for Australia's agricultural sector. In Sweden, building on existing structures for cross-ministerial collaboration and decision making, more frequent exchanges across ministries provided an opportunity to sensitise health officials to the effects of COVID-19 in developing countries. Increased awareness across EU governments of developing countries' concerns also helped promote an EU position that stresses global and fair access to vaccines.

Within OECD countries, there were efforts to co-ordinate across society, particularly with civil society partners to jointly identify priorities and build coherent and co-ordinated responses to COVID-19. Examples include virtual town halls in Canada featuring the Minister for International Development (Ontario Council for International Co-operation, 2020[30]); a dialogue convened with a consortium of French CSOs working abroad to inform the strategy and priorities for the French government; and in Italy, an inter-institutional and multi-stakeholder task force comprising representatives of line ministries, CSOs, and private sector and other stakeholders to inform the Italian government's strategy. These dialogues should help to draw a range of evidence, perspectives and considerations into decision-making processes.

In developing countries, country leadership has been key to effective co-ordination, as

BOX 4.4. MOZAMBIQUE: EFFECTIVE CO-ORDINATION UNDER STRONG NATIONAL LEADERSHIP

For Mozambique, one of the world's poorest countries, COVID-19 constituted an economic and public health emergency requiring urgent support and action. In response, and to protect investments in developing Mozambique's health service over many years, an International Community COVID-19 Task Force worked with the government to build a national COVID-19 response. The response was led by the Mozambican Prime Minister. Working with the European Union and the private sector, the task force co-ordinated efforts by key stakeholders in Maputo and all main funders of Mozambique's health system, including: the African Development Bank; the International Monetary Fund (IMF); the United Nations; the World Bank; the EU Delegation; and the embassies of Canada, Ireland, Korea, the Netherlands, South Africa, the United Kingdom and the United States. As a result, USD 13 million in international funds were repurposed and made available to the Ministry of Health on the day it launched Mozambique's initial COVID-19 plan. The group, chaired by Ireland, also helped frame the government's national response plan, ensuring appropriate actions were prioritised and funds directed to where they were most critically needed and most impactful.

By August 2020, key achievements included increasing capacity for COVID-19 testing and modelling on different epidemiological scenarios; mobilising faster procurement and delivery of personal protective equipment and other essential equipment; the roll-out of an innovative social cash transfer programme to the poorest communities involving mobile money; development of a COVID-19 resource tracking tool to enable real-time information flows, decisions, funding and prioritised actions; and on line support to develop safe operating procedures for COVID-19 patient care and health workers. The collaboration contributed to reducing the negative impacts of COVID-19 in Mozambique and has maximised opportunities for recovery.

Source: Irish Department of Foreign Affairs and Trade.

seen in Mozambique (Box 4.4) as well as Ghana, where USAID helped the presidential co-ordinator to develop Ghana's approach. In many cases, existing mechanisms such as UN country teams or humanitarian response platforms became national partnership platforms or command centres by expanding to include government authorities, international finance institutions, and private sector and bilateral donors. In sharp contrast, where national leadership was weak or absent, or national responses infringed on individual rights, development co-operation actors found it very challenging to act outside of existing sector co-ordination groups, thus limiting opportunities for a more coherent response.

Investments in preparedness proved important but insufficient

Over the past 20 years, shocks and complex crises have prompted incremental improvements in development co-operation systems and humanitarian assistance. The establishment and operation of refugee camps in Rwanda in the 1990s led to a strong focus on protection issues and introduced the concept of minimum quality standards, which helped professionalise humanitarian assistance. The Indian Ocean tsunami (2004) triggered a humanitarian reform and co-ordination agenda. Earthquakes in Pakistan (2004) and Haiti (2010) and Typhoon Haiyan in the Philippines (2013) highlighted the power of local response and the importance of working with national governments (Alexander, 2020[31]). The interlinked financial and food crises of 2008-09 placed new emphasis on demonstrating results from development co-operation and using ODA to leverage other forms of support for developing countries. In the public health sphere, previous outbreaks of zoonotic diseases[3] demonstrated the need for effective international co-ordination, multi-

sectoral responses, global health surveillance systems, and building community trust and engagement.

Specific to health sector preparedness, several OECD governments had made long-term investments to help low-income and lower middle-income countries prepare for preventing, detecting and responding to health threats, for instance through programmes that strengthen health security and preparedness such as the United Kingdom's Tackling Deadly Diseases in Africa Programme, which began in 2017, and investments in strengthening health systems. The global health system was nonetheless unprepared for a pandemic despite the fact that scientists have been sounding warnings of a coronavirus pandemic for almost 20 years (The Lancet COVID-19 Commission, 2020[32]).

As for the preparedness of development actors, DAC members recognise that they could have been better prepared for a crisis of the magnitude and scale created by COVID-19. Their ability to respond quickly and coherently while taking risks in a rapidly changing context was largely built on existing structures, showing the value of discussions over the past decade on disaster risk reduction and how systems can integrate humanitarian and development efforts. But while many members had a combination of risk registers, business continuity plans, crisis response plans, contingency budgets and rapid funding instruments in place, none had run through probable crisis scenarios to test their systems. Only a few countries – the United Kingdom in particular – mentioned having surge capacity to mobilise additional staff to support countries to manage crisis situations. Very few had tested their capacity to manage several crises at once. Exercises such as USAID's Over the Horizon review (see Box 4.1) and foresight processes such as those led by the OECD (OECD, forthcoming[33]) may prove helpful in systematically considering what preparedness means for the international development system and individual organisations under different scenarios (See also Box 7.4 in Chapter 7).

Taking stock of the response so far

The pandemic's impacts are still evolving, as are the responses from the development community. While it is impossible to give a comprehensive assessment of efforts to date, development co-operation actors themselves have adapted and adjusted to new demands, often working in newly flexible and innovative ways. As time goes on, it will be important to assess how different approaches have fared in terms of enabling co-ordination, helping to align limited resources to needs, and providing timely resources to local, front-line organisations. Six specific insights can be identified from the research conducted for this chapter.

1. Multilateral institutions were in a position to act quickly and at scale

Multilateral institutions played a critical role. In the current strained context for multilateralism, the significance of this should not be overlooked, with continued tensions between some of the world's leading trade and economic powers (OECD, 2020[34]; 2020[35]). These, along with policies that undermine norm-setting institutions and other isolationist and arbitrary actions (e.g. calls to defund the WHO and blocking of new special drawing rights), represent very real threats to the effective functioning of the multilateral system. Nevertheless, the manner in which multilateral institutions, backed by member states, facilitated the global and regional response – demonstrating agility and reach – provides some reassurance. Global leadership and collective efforts, such as collaboration around equity of access to vaccines and treatments, may strengthen the system as a whole and boost its capacity and preparedness for future crises (Box 4.5).

The crisis magnified the unique capacity of multilateral development banks and financial institutions to allocate funding at scale (OECD, 2020[36]). The International Finance

BOX 4.5. THE CRITICAL NEXT CHALLENGE: ENSURING EQUITABLE ACCESS TO VACCINES AND TREATMENTS

Given the scale and immediacy of need, ensuring the equitable distribution of vaccines and treatments for COVID-19 to all countries is an urgent, global challenge. Achieving this objective requires global solidarity and international co-operation by all relevant actors to raise resources and sustain investment over several years.

Distribution and access to vaccines are not new to the development agenda

Development co-operation actors are well placed to support the vaccine effort. The Coalition for Epidemic Preparedness Innovations and Gavi, the Vaccine Alliance, established two decades ago, have been working with pharmaceutical companies to lower prices and ensure that the poorest countries have access to vaccines and treatments. OECD governments, including those of Norway and the United Kingdom, showed leadership and support for this work well before the current pandemic. Some have scaled-up their efforts in light of COVID-19. The European Commission, France, Germany and Norway are pushing actively for universal access to COVID-19 vaccines and treatments as part of their response.

Developing economies also play a role in the research and manufacture of effective treatments and vaccines. A consortium launched in July by the African Union Commission aims to bring together global vaccine developers, funders and African organisations to conduct clinical trials. With the production of generic drugs already happening in developing economies, they have called for provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights, or TRIPS, to be applied to COVID-19-related intellectual property so that they can produce COVID-19 pharmaceuticals to ensure access for all countries (WTO, 2020[40]). The transfer of knowledge and know-how will be an important complement to these provisions.

COVAX is a completely new form of partnership for innovation, procurement and global solidarity

The Access to COVID-19 Tools (ACT) Accelerator, which was launched in April 2020, and the ACTAcceleration Facilitation Council co-chaired by the President of South Africa and the Prime Minister of Norway are galvanising international support for equitable access to COVID-19 tests, treatments and vaccines. The Coalition for Epidemic Preparedness Innovations, Gavi and the World Health Organization coordinate COVAX – the vaccines pillar of the ACT-Accelerator – which should expedite vaccine development and manufacture and ensure fair and equitable access to vaccines (See also In My View by Berkley). COVAX uses the collective buying power of high-income countries to bring a vaccine to the market quicker and at a lower price than would otherwise be the case. Over 180 countries and economies have joined COVAX, including 92 low- and middle-income economies that are eligible for support. The Advanced Market Commitment, the needs-based instrument of COVAX financed largely through official development assistance (ODA), works to support developing countries that cannot afford to self-finance their access to vaccines. As of September 2020, nine candidate vaccines were part of the COVAX initiative, with a further nine under evaluation, giving COVAX the largest and most diverse COVID-19 vaccine portfolio in the world (Berkley, 2020[41]).

Putting ACT-A on a sustainable financing path remains a significant challenge. As of November 2020, USD 4.6 billion was urgently needed by the ACT-Accelerator, with a further USD 23.9 billion needed to finance activities through 2021 (WHO, 2020[42]). ODA clearly has an important role to play in ensuring equitable distribution and access to vaccines in developing countries (OECD, 2020[43]).

Corporation and other lenders have, for example, supported countries and private companies to preserve jobs, often bringing a strong focus on women's empowerment. The analysis, access and networks of multilateral institutions – coupled with their ability to work with and through partner governments – supported quick responses within existing governance structures and across many programmes and sectors. While the shock of COVID-19 has placed pressure on the IMF and other institutions' resources, and tested their ability to provide a global social safety net for the poorest countries in the case of

a simultaneous global shock, their role has so far proven essential in the crisis. There is nonetheless room for improvement. As time goes on, there is increasing criticism of the speed at which multilateral organisations are disbursing funds to developing countries and the extent to which they are focusing on poverty and vulnerability outside of humanitarian action (Duggan et al., 2020[37]; Igoe, 2020[38]). A planned analytical study of the multilateral system's response to COVID-19 to be conducted by the Multilateral Organisation Performance Network (MOPAN) in 2021 will allow a fuller assessment of the multilateral response to COVID-19.

Multilateral institutions also continued to deliver on their core mandates and activities, such as global surveillance, peace-keeping efforts and humanitarian assistance, and provided airlifts for the delivery of critical supplies and personnel in the absence of commercial airline flights. Similarly, multilateral actors and institutions are critical to ongoing efforts to develop and distribute vaccines and treatments, with the World Health Organization playing a key convening role and setting standards at the international level.

While multilateral institutions responded to the pandemic in line with their own goals, many also collaborated in new, and potentially more effective, ways. Where lending was not possible – for example in the Islamic Republic of Iran and Yemen – the UN and World Bank worked in innovative partnerships to provide grants delivered via multi-donor trust funds.[4] The pandemic has also advanced UN reform: UN resident co-ordinators report that co-ordination improved among UN agencies in countries including Moldova, Myanmar and Zambia. UN country teams in Nigeria and Togo have also set up COVID-19 multi-donor trust funds to encourage joint agency action (UNDP, 2020[24]; UN, 2020[39]).

2. OECD governments play an essential complementary role

Bilateral engagement by OECD governments, particularly when backed by a strong and stable presence in countries, plays an important diplomatic role supporting political dialogue, particularly on issues of public financial management, governance, and civil society space and human rights, while also delivering programmes that are responsive to local contexts and needs. Local knowledge and insights on COVID-19 also helped OECD governments to pivot and adapt their own programmes and to inform and

BOX 4.6. TAKING COLLABORATION DIGITAL: HOW KOREA SHARES EXPERTISE AND KNOWLEDGE

Knowledge sharing is central to Korea's vision of development co-operation. After the pandemic hit Korea in February, the government took a deliberate policy decision to share its experience, knowledge and resources with developing countries. A structured, cross-government approach to knowledge sharing included nine webinars on how Korea managed COVID-19; online and mobile information campaigns; a helpdesk function; and remote training. These actions reinforced Korea's previous work on pandemic preparedness and global health surveillance.

Several factors enabled timely, relevant knowledge sharing and technical assistance: Korea had solid relationships with health officials and policy makers in developing countries; existing partnerships with hospitals, laboratories, research centres and community health workers; technical assistance programmes that could be ramped up and adapted; and good technology and experience with working on line.

Source: Information provided by the Korean Delegation to the OECD. For webinar recordings in English, see Korean Ministry of Foreign Affairs (2020[44]).

shape multilateral responses through the executive boards.

Reflections from previous crises in Haiti, Liberia, Pakistan, the Philippines, Sierra Leone and Timor Leste have repeatedly highlighted that the most relevant and sustainable programmes come from local responders and support for local solutions. In recognition of this, embassies and country offices channelled significant resources to local non-governmental organisations (NGOs) in developing countries. Belgium, Ireland and Sweden encouraged their existing local partners and networks to identify and address niche areas where they had capacities and expertise, while USAID drew on its vast local network (Box 4.1). Australia and Denmark focused on helping local businesses, particularly those run by women.

In supporting local and national responses in developing countries, several OECD governments including Korea (Box 4.6) drew on their own experience with the pandemic by offering online training by their own health specialists for local pharmacists, lab scientists, doctors, nurses and community health workers.

3. Flexibility to adapt programmes and work within the new reality has been key

Feedback from Sweden and Ireland's country offices in Bangladesh, Ethiopia, Mozambique, Sierra Leone and Tanzania confirms that COVID-19 did not create fundamentally new problems; rather it highlighted and exacerbated existing risks, imbalances and needs. Thus, it was critical to continue and adapt existing programmes where possible and only reallocate funds if certain criteria were met.

Governments and partners have been flexible and creative in finding ways to continue existing programmes. Partners have adapted and innovated to allow for physical distancing or to reach communities and households that could no longer access essential services. Technical assistance and training were provided to developing country governments and partners through video messaging, online helpdesks and by phone. Programmes also followed people as they moved, or adapted to needs. Rural food security programmes, for instance, adapted as food insecurity intensified in urban areas. However, significant challenges remain to sustain activities in the most fragile contexts, many of which are affected by violence, armed conflict, floods, typhoons and other scourges, and among communities with poor digital access (OECD, 2020[18]).

Many OECD governments also adapted existing partnerships. Funding was either disbursed earlier than planned, or with more flexible rules on salary and overhead costs. Some governments began using a more flexible and trust-based approach to working with CSOs and facilitating the reorientation of their programmes to COVID-19 work, while also maintaining long-term development programming where feasible. Norway, for example, has eased its administrative procedures for CSO partners through a set of COVID-19 temporary exemptions (Norad, 2020[45]).

4. Innovative partnerships led to new initiatives

On the whole, development co-operation actors relied more heavily on their known and trusted partners, in part as due diligence and monitoring needed to be conducted remotely, and there was less scope to enter into innovative new partnerships. Nevertheless, new initiatives have emerged. For example, an expanded United Kingdom-Unilever partnership (Unilever, 2020[46]) is bringing together NGOs, UN agencies, and the London School of Hygiene & Tropical Medicine to promote hand-washing and disinfection in over 30 countries in Africa, Asia, the Middle East and South America. Another public-private partnership involving the Institut Pasteur de Dakar is developing a COVID-19 testing kit based on an existing kit for dengue fever that costs no more than USD 1 (OECD, forthcoming[47]). The Bill & Melinda Gates

BOX 4.7. THE COVID-19 GLOBAL EVALUATION COALITION: LEARNING AND SHARING LESSONS FOR MORE EFFECTIVE RESPONSE AND RECOVERY

As development partners adapt and respond to the COVID-19 pandemic, there is growing interest in understanding what is and is not working to support response and recovery efforts. The COVID-19 Global Evaluation Coalition – a partnership of over 42 bilateral and multilateral organisations with the OECD serving as secretariat launched in June 2020 – supports collective learning with both rapid evidence summaries and evaluations. To meet its key objective to provide credible evidence to inform international development co-operation, the coalition supports and communicates individual members' evaluations and joint analysis of the effectiveness and results of COVID-19-related response and recovery efforts.

Beyond answering questions about the effectiveness and impacts of individual efforts, this collaborative approach will help show how well partners co-ordinated their efforts to avoid duplication, how well they responded to country priorities, and to what degree COVID-19 actions were coherent with other international commitments such as those on climate and refugees. The coalition aims to maximise collaboration and learning while reducing duplication of effort in evaluating different elements of the COVID-19 pandemic response.

To the extent possible, the coalition provides real-time evaluation evidence on the pandemic response. A series entitled *Lessons from Evaluation* provides timely summaries of evaluation evidence, drawing on the collective evidence base of coalition members to inform the response to the COVID-19 pandemic. In addition, *ex post* evaluations look at longer term effects and will provide a critical resource for the international community as the world emerges from the pandemic.

Source: OECD (2020[49]), *COVID-9 Global Evaluation Coalition*, webpage, www.covid19-evaluation-coalition.org.

Foundation, the Wellcome Trust, and the MasterCard Impact Fund established the COVID-19 Therapeutic Accelerator initiative in March 2020, part of the therapeutics pillar of the ACT-Accelerator (see Box 4.5) (Therapeutics Accelerator, 2020[48]). Development actors can go further in harnessing innovation that goes beyond technological solutions by tapping into local innovation, and investing in radically new approaches to development challenges (OECD, forthcoming[47]).

Innovative partnerships also emerged to support oversight, monitoring and learning, responding to an increased demand from ministers and senior managers for rapid feedback and reflection to shape decisions. As attention shifts to more real-time data collection, reflection and analysis in response to a crisis, it will be important to retain a focus on longer term change and to evaluate the response (Box 4.7).

Other innovative examples include the EU-funded Global Monitor of COVID-19's Impact on Democracy and Human Rights, a one-stop platform with information, data, analysis and policy guidance on the implications of measures adopted by governments in 162 countries in the context of the pandemic (International IDEA, 2020[50]). The INCLUDE knowledge platform, funded by the Netherlands, enables research groups led by African researchers from 12 focus countries to investigate equity in COVID-19 mitigation and policy responses over the period from July 2020 to April 2021 (Altaf, 2020[51]). And a new poverty tracker, developed by the Chronic Poverty Advisory Network (2020[52]) and recently expanded from two to six countries, is working to shed light on COVID-19 impacts on vulnerable groups and to help identify the most effective responses for poor and marginalised people.

5. Agencies' internal systems were stress-tested

The pandemic significantly impacted ways of working. As international staff left

developing countries and lockdowns took hold, partnership, policy and advocacy interactions moved on line. Staff in development agencies were required to think on the go and adjust internal approaches and procedures, and a digital divide emerged within and between organisations depending on the degree to which organisations and individuals were well-equipped and connected. Institutional centres of gravity also shifted. Some countries with strong country offices and decentralised structures found that tough and complex decisions needed to be taken in headquarters, with ministers closely involved. In light of regular DAC peer review findings that decentralised systems support programmes that respond to context and are better co-ordinated with other partners, it will be important to return decision making to country offices or embassies as soon as feasible. Others found it more effective for country managers, even if not physically in country, to take decisions appropriate to each context in the midst of the pandemic.

Funding oversight became more challenging. The principle of zero tolerance for corruption remained in place. Yet, most providers identified greater risk for corruption and fraud due to a combination of travel bans hampering on-site monitoring and due diligence and new, lighter procedures introduced to disburse funding quickly or to make funding more flexible. Reports of COVID-19 response funds being diverted for personal gain are already turning from a trickle to a flow (Ramaphosa, 2020[53]). It will remain both challenging and essential to strike the balance between ensuring that funds go where intended and remaining nimble and adaptive.

6. COVID-19 could lead to changes in development co-operation business models

Travel schedules, among other aspects of pre-pandemic development co-operation work, may not return to their previously frantic pace for some time and it will be important to consider the medium- to longer term impacts this has on partnerships and institutional structures. What would an effective and accountable delivery model look like when DAC members have fewer international staff in the field? If more funding is being channelled through multilateral organisations, should time and attention shift to influencing their work and strengthening the oversight function of multilateral boards?

At the time of writing this chapter, ten months into the pandemic, country programme managers in many cases have been able to do their jobs from headquarters, engaging with partners and governments remotely. But this was possible thanks to established relationships and networks. While projects and programmes could be monitored by drones, satellites, photos and mobile reports, it will not be possible to carry out virtual audits and due diligence processes. So, while some new ways of working adopted during the pandemic can be sustained, more fundamental changes to business processes may also be required.

Organisations need to find ways to adapt and deliver sustainable results that respond to short-term challenges of a complex global crisis while also continuing to pursue achievement of the 2030 Agenda. While international development agencies or ministries are still adapting and finding ways to recover their organisational effectiveness, this crisis also offers a unique opportunity for development co-operation managers to refine internal processes and practices, deepen ongoing reforms, promote adaptive approaches, realign priorities and incentives, and invest in improving capacities and systems, including in digitalisation. Development co-operation actors can build on some of the exceptions and innovations introduced during this crisis to make more diverse, flexible and sustainable resources available to civil society (particularly local CSOs), as both implementing partners and development actors in their own right.

The next section explores some of the potential legacies of the pandemic and offers avenues for action by DAC members.

Future-proofing development co-operation

The pandemic has revealed both strengths and weaknesses in the development co-operation system. Stronger international co-ordination is needed to deliver a more strategic response that effectively matches resources to actual need. This will require the bridging of tensions and gaps in international leadership and building coalitions across sectors and governments. The crisis also raises fundamental questions about future business models of development co-operation and the international development system. Finding better ways to tap into and leverage local capacities and expertise remains critical.

COVID-19 triggered positive change

One welcome legacy of COVID-19 is likely to be a quiet revolution in internal systems and procedures. Most development ministries and agencies reduced red tape, raised their risk tolerance, and improved their information technology and communications equipment. These changes were largely driven by need: travel bans, remote working and staff reassignments affected operations as international flight routes closed. In the initial months, assisting stranded citizens was a priority for many foreign ministries which lead also on international development. Over time, local staff found themselves with new roles and responsibilities. In some cases, helpful precedents have been set for empowering and delegating more authority to national staff. The crisis may have proved cathartic for delivering on long-held aspirations for greater localisation and trust in local partners, particularly CSOs. COVID-19 inevitably obliged development actors to accept greater risk and to invest in rapid learning to inform decision making and to change course as more evidence came to light. These changes point to the potential for development actors to design partnerships and programmes that, from the outset, are meant to adapt to change.

Another positive legacy is the way in which the interlinkages between policies, and across development goals, became more explicit and real. Working across government brought increased sensitivity to policy coherence for global health and development. There is scope, now, to build on this experience to adopt systems thinking in the future, making good use of the Sustainable Development Goals (SDGs) to do so. The SDG framework is a way to visualise how the economic, environmental and social dimensions of development are interconnected, helping development actors and partner countries to prepare holistic responses to complex crises, such as that triggered by COVID-19.

Ongoing challenges call for more focused programmes and stronger global governance

COVID-19 has also shone a light on some systemic and co-ordination weaknesses.

For example, country-level responses largely failed to consider gender issues, despite awareness and understanding of the vital role of women in response to crisis situations, commitments and increased capacity for addressing gender inequalities, and the fact that women are faring worse than men in the COVID-19 crisis. Analysis using the UNDP/UN Women's Gender Response Tracker shows that only 40% of 2 517 COVID-19 measures in 206 countries and territories were gender-sensitive (UNDP/UN Women, 2020[54]). In addition, senior managers and leaders within international development organisations have been quoted as saying things like, "gender can come later", "we can't afford gender now" or "everyone is affected, not just women". This failing comes after high investment in raising awareness and commitments to gender equality and women's empowerment. OECD governments can do more.[5] They should engage ministries of finance and economy, as

well as chief economists, in designing gender-responsive financial recovery plans. These plans should prioritise women's economic and political empowerment and leadership and ensure that they support local women's rights organisations and women's groups and movements (OECD, 2020[12]).

The crisis has accentuated inequalities. While there are examples of effective humanitarian responses targeting vulnerable groups, evidence is lacking on the extent to which responses by development co-operation providers are pro-poor, tackle inequities, or include vulnerable and marginalised groups in key decision-making processes. According to DAC peer reviews, the track record of DAC members targeting poverty and groups most in need was mixed at best, even before COVID-19. There is also some concern that ODA commitments and disbursements related to COVID-19 will not focus on countries with high poverty rates (Dodd, Breed and Coppard, 2020[55]).

Looking ahead

As noted elsewhere in this report, a co-ordinated effort is needed to address structural issues that affect developing countries and ODA will have an important role to play in achieving this.

OECD governments have shown a capacity and willingness to adapt and flex their development co-operation systems and partnerships through this crisis at a speed and scale that took many by surprise. The OECD DAC can play a key role in collectively sustaining the positive precedents identified in this chapter, while learning from and addressing the challenges and shortcomings. In keeping with its renewed commitment to build better partnerships, including with the private sector, triangular and South-South co-operation partners, civil society, foundations, local governments and multilateral partners (OECD, 2020[56]), the DAC could further equip members with the evidence and information they need to design effective policy and financing responses in times of crisis while supporting mutual accountability for results. Through its norms and standards and learning among peers, the DAC could seek to gather evidence and information that would help its members, and other development actors outside of the DAC, to co-ordinate and future-proof their work.

REFERENCES

AICS (2020), *Italian Agency for Development Co-operation*, website, https://www.aics.gov.it/oltremare/articoli/pace/la-cooperazione-circolare-un-investimento-per-il-sistema-italia (accessed on 12 November 2020). [3]

Alexander, J. (2020), "Covid-19 changed the world. Can it change aid, too?", *The New Humanitarian*, https://www.thenewhumanitarian.org/special-report/2020/07/16/Rethinking-humanitarianism-will-coronavirus-change-aid. [31]

Altaf, A. (2020), *Equity in COVID-19 Mitigation and Policy Responses*, INCLUDE, Leiden, Netherlands, https://includeplatform.net/news/equity-in-covid-19-mitigation-and-policy-responses (accessed on 14 November 2020). [51]

AUDA-NEPAD (2020), *COVID-19 & Other Epidemics: Short- & Medium-term Response*, African Union Development Agency, Midrand, South Africa, https://nepad.org/publication/auda-nepad-response-covid-19-other-epidemics. [2]

Australian Department of Foreign Affairs and Trade (2020), *Global Innovation Exchange*, webpage, Australian Department of Foreign Affairs and Trade, Canberra, https://ixc.dfat.gov.au/projects/global-innovation-exchange. [25]

Berkley, S. (2020), *COVAX Explained*, webpage, Gavi, The Vaccine Alliance, https://www.gavi.org/vaccineswork/covax-explained. [41]

Chronic Poverty Advisory Network (2020), *Covid-19 Poverty Monitor*, webpage, Chronic Poverty Advisory Network, http://www.chronicpovertynetwork.org/covid-19. [52]

CIVICUS (2020), *Solidarity in the Time of COVID-19: Civil Society Responses to the Pandemic*, CIVICUS, Johannesburg, https://www.civicus.org/documents/reports-and-publications/SOCS/2020/solidarity-in-the-time-of-covid-19_en.pdf. [15]

CIVICUS (2020), *We Are In This Together, Don't Violate Human Rights While Responding to COVID-19*, CIVICUS, Johannesburg, https://www.civicus.org/index.php/media-resources/news/4379-civil-society-s-call-to-states-we-are-in-this-together-don-t-violate-human-rights-while-responding-to-covid-19. [16]

Dodd, A., D. Breed and D. Coppard (2020), *How is Aid Changing in the Covid-19 Pandemic?*, Development Initiatives, https://devinit.org/resources/how-aid-changing-covid-19-pandemic (accessed on 14 November 2020). [55]

Duggan, J. et al. (2020), "New data show the World Bank's COVID response is too small and too slow", *Center for Global Development blog*, Center for Global Development, https://www.cgdev.org/blog/new-data-show-world-banks-covid-response-is-too-small-too-slow (accessed on 14 November 2020). [37]

French Ministry for Europe and Foreign Affairs (2020), "Joint statement on protecting sexual and reproductive health and rights and promoting gender-responsiveness in the COVID-19 crisis", French Ministry for Europe and Foreign Affairs, Paris, https://www.diplomatie.gouv.fr/en/coming-to-france/coronavirus-advice-for-foreign-nationals-in-france/coronavirus-statements/article/joint-statement-on-protecting-sexual-and-reproductive-health-and-rights-and (accessed on 5 November 2020). [28]

Global Partnership for Sustainable Development Data (2020), *COVID-19 Data Resources*, webpage, Global Partnership for Sustainable Development Data, https://www.data4sdgs.org/resources/COVID-19-data-resources. [57]

Gurara, D., S. Fabrizio and J. Wiegand (2020), "COVID-19: Without help, low-income developing countries risk a lost decade", *IMF Blog*, https://blogs.imf.org/2020/08/27/covid-19-without-help-low-income-developing-countries-risk-a-lost-decade. [4]

ICNL (2020), *COVID-19 Civic Freedom Tracker*, International Center for Not-for-Profit Law, https://icnl.org/covid19tracker. [17]

Igoe, M. (2020), "Is World Bank fast-track COVID-19 funding reaching the most vulnerable?", *Devex*, https://www.devex.com/news/is-world-bank-fast-track-covid-19-funding-reaching-the-most-vulnerable-98292 (accessed on 19 October 2020). [38]

International IDEA (2020), *Global Monitor of COVID-19´s impact on Democracy and Human Rights – Global State of Democracy Indices*, International Institute for Democracy and Electoral Assistance, Stockholm, https://www.idea.int/gsod-indices/#/indices/world-map?covid19=1 (accessed on 14 November 2020). [50]

Islamic Development Bank (2020), "US$10 billion to help its MCs: Final communiqué Heads of Arab Co-ordination Group Institutions", Islamic Development Bank, https://www.isdb.org/news/us10-billion-to-help-its-mcs-final-communique-heads-of-arab-co-ordination-group-institutions. [27]

Jones, R. et al. (2020), "Two metres or one: What is the evidence for physical distancing in COVID-19?", *BMJ*, Vol. 370/m3223, https://doi.org/10.1136/bmj.m3223. [1]

Kalinina, A. (2020), *What the World Can Learn from Regional Responses to COVID-19*, World Economic Forum, Geneva, https://www.weforum.org/agenda/2020/05/covid-19-what-the-world-can-learn-from-regional-responses. [29]

Kharas, H. and M. Dooley (2020), "Sustainable development finance proposals for the global COVID-19 response", *Global Working Paper*, No. 141, Brookings Institution, Washington, DC, https://www.brookings.edu/wp-content/uploads/2020/08/Development-Financing-Options_Final.pdf. [9]

Korean Ministry of Foreign Affairs (2020), *Korea's Response to COVID-19 - Special Webinar*, webpage, Korean Ministry of Foreign Affairs, http://www.mofa.go.kr/eng/brd/m_22741/list.do. [44]

Norad (2020), *Covid-19: Temporary Exemptions for Partners with an Agreement in Accordance with the Template for Non-governmental Organisations (NGOs)*, Norwegian Agency for Development Co-operation, Oslo, https://norad.no/contentassets/bf06b71db8d940138ea2f30c6100fc55/covid-19-temporary-exemptions-for-partners-with-an-agreement-in-accordance-with-the-template-for-non-governmental-organisations.pdf. [45]

OECD (2020), *COVID-19 Global Evaluation Coalition*, webpage, OECD, Paris, http://www.covid19-evaluation-coalition.org. [49]

OECD (2020), "COVID-19 global pandemic: Joint Statement by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)", OECD, Paris, https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf. [7]

OECD (2020), "Covid-19, crises and fragility", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://www.oecd.org/coronavirus/policy-responses/covid-19-crises-and-fragility-2f17a262. [19]

OECD (2020), *DAC High Level Meeting Communiqué 2020*, OECD, Paris, http://www.oecd.org/dac/development-assistance-committee/dac-high-level-meeting-communique-2020.htm (accessed on 19 November 2020). [56]

OECD (2020), "Developing countries and development co-operation: What is at stake?", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/developing-countries-and-development-co-operation-what-is-at-stake-50e97915. [11]

OECD (2020), *Frequently Asked Questions on the ODA Eligibility of COVID-19 Related Activities*, OECD, Paris, https://www.oecd.org/dac/financing-sustainable-development/ODA-eligibility_%20of_COVID-19_related_activities_final.pdf. [43]

OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://doi.org/10.1787/e3c30a9a-en. [10]

OECD (2020), "Managing for sustainable results in development co-operation in uncertain times", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, https://read.oecd-ilibrary.org/view/?ref=134_134485-56ol8i2i0a&title=Managing-for-sustainable-results-in-development-co-operation-in-uncertain-times (accessed on 5 November 2020). [6]

OECD (2020), *Multilateral Development Finance 2020*, OECD Publishing, Paris, https://doi.org/10.1787/e61fdf00-en. [36]

OECD (2020), *OECD Economic Outlook, Volume 2020 Issue 1*, OECD Publishing, Paris, https://dx.doi.org/10.1787/0d1d1e2e-en. [34]

OECD (2020), "Release of the June 2020 Economic Outlook: Revamping the international policy architecture to emerge from the pandemic stronger together", OECD, Paris, https://www.oecd.org/about/secretary-general/release-of-the-june-2020-economic-outlook.htm. [35]

OECD (2020), "Response, recovery and prevention in the coronavirus (COVID-19) pandemic in developing countries: Women and girls on the frontlines", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/response-recovery-and-prevention-in-the-coronavirus-covid-19-pandemic-in-developing-countries-women-and-girls-on-the-frontlines-23d645da. [12]

OECD (2020), "Six decades of ODA: Insights and outlook in the COVID-19 crisis", in *Development Co-operation Profiles 2020*, OECD Publishing, Paris, https://doi.org/10.1787/5e331623-en. [8]

OECD (2020), *States of Fragility 2020*, OECD Publishing, Paris, https://doi.org/10.1787/ba7c22e7-en. [18]

OECD (2020), "The impact of coronavirus (COVID-19) on forcibly displaced persons in developing countries", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, http://www.oecd.org/coronavirus/policy-responses/the-impact-of-coronavirus-covid-19-on-forcibly-displaced-persons-in-developing-countries-88ad26de/. [22]

OECD (2020), "The impact of the coronavirus (COVID-19) on development finance", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/ (accessed on 5 November 2020). [5]

OECD (forthcoming), "Development co-operation in 2025: What could change with the current global health and socioeconomic crises?", OECD, Paris, forthcoming. [33]

OECD (forthcoming), *Innovation for Development and COVID-19: Challenges, Opportunities and the Way Forward*, OECD Publishing, Paris, forthcoming. [47]

Ontario Council for International Co-operation (2020), "Virtual town hall with the Minister for International Development", https://www.ocic.on.ca/virtual-town-hall-with-the-minister-for-international-development (accessed on 5 November 2020). [30]

Ramaphosa, C. (2020), *South Africa: From the Desk of the President*, webpage, Presidency of the Republic of South Africa, https://mailchi.mp/presidency.gov.za/from-the-desk-of-the-president-monday-03-august-2020 (accessed on 19 November 2020). [53]

Repucci, S. and A. Slipowitz (2020), *Democracy Under Lockdown: The Impact of COVID-19 on the Global Struggle for Freedom*, Freedom House, Washington, DC, https://freedomhouse.org/sites/default/files/2020-10/COVID-19_Special_Report_Final_.pdf (accessed on 18 October 2020). [14]

Security Council Report (2020), *International Peace and Security, and Pandemics: Security Council Precedents and Options*, What's In Blue, Security Council Report, New York, https://www.whatsinblue.org/2020/04/international-peace-and-security-and-the-covid-19-pandemic-security-council-precedents-and-options.php#. [20]

The Lancet COVID-19 Commission (2020), "Lancet COVID-19 Commission Statement on the occasion of the 75th session of the UN General Assembly", *The Lancet*, Vol. 396/10257, pp. 1102-1124, https://doi.org/10.1016/S0140-6736(20)31927-9. [32]

Therapeutics Accelerator (2020), *Therapeutics Accelerator Website*, https://www.therapeuticsaccelerator.org. [48]

UN (2020), *INFORM COVID-19 Risk Index Version 0.1.4 (database)*, United Nations Office for the Co-ordination of Humanitarian Affairs, New York, https://data.humdata.org/dataset/inform-covid-19-risk-index-version-0-1-4. [23]

UN (2020), *The Secretary-General's UN COVID-19 Response and Recovery Fund*, United Nations, New York, https://www.un.org/sites/un2.un.org/files/sg_response_and_recovery_fund_fact_sheet.pdf. [39]

UNDP (2020), *COVID-19: UNDP Working Together with the UN System - (Initial) Lessons Learned*, United Nations Development Programme, New York, https://www.undp.org/content/dam/undp/library/corporate/Executive Board/2020/Annual-session/UNDP Working Together with the UN System on COVID-19_Lessons Learned.pdf (accessed on 18 October 2020). [24]

UNDP/UN Women (2020), *Gender Response Tracker*, United Nations Development Programme, New York, https://data.undp.org/gendertracker (accessed on 14 November 2020). [54]

UNHCR (2020), *IOM, UNHCR Announce Temporary Suspension of Resettlement Travel for Refugees*, webpage, United Nations High Commissioner for Refugees, Geneva, https://www.unhcr.org/news/press/2020/3/5e7103034/iom-unhcr-announce-temporary-suspension-resettlement-travel-refugees.html. [21]

Unilever (2020), *Hygiene & Behaviour Change Coalition*, webpage, Unilever, https://www.unilever.com/news/covid-response/hygiene-and-behaviour-change-coalition.html (accessed on 2 November 2020). [46]

USAID (2020), *Over the Horizon Snapshot*, United States Agency for International Development, Washington, DC, https://www.usaid.gov/sites/default/files/documents/USAID_Over_the_Horizon_Snapshot.pdf (accessed on 24 November 2020). [26]

WHO (2020), *Urgent Priorities & Financing Requirements at 10 November 2020*, World Health Organization, Geneva, https://www.who.int/publications/m/item/urgent-priorities-financing-requirements-at-10-november-2020. [42]

World Bank (2020), *Poverty and Shared Prosperity 2020: Reversals of Fortune*, World Bank, Washington, DC, https://www.worldbank.org/en/research/brief/poverty-and-shared-prosperity-2020-reversals-of-fortune-frequently-asked-questions. [13]

World Bank (2020), *The Islamic Republic of Iran: Overview*, webpage, World Bank, Washington, DC, https://www.worldbank.org/en/country/iran/overview#2. [58]

World Bank (2020), *The World Bank in Yemen: Overview*, webpage, World Bank, Washington, DC, https://www.worldbank.org/en/country/yemen/overview#2. [59]

WTO (2020), *WTO Members Stress Role of IP System in Fighting COVID-19*, webpage, World Trade Organization, Geneva, https://www.wto.org/english/news_e/news20_e/trip_30jul20_e.htm. [40]

NOTES

1. For information on other tools and resources, see Global Partnership for Sustainable Development Data (2020[57]).
2. This institution provides a platform for key Arab development funds and development banks to co-ordinate their development financing.
3. These include the 2002-04 outbreak of severe acute respiratory syndrome, or SARS, in Asia, Europe, and North and South America; the 2012 outbreak of Middle East respiratory syndrome, or MERS; the 201416 Ebola outbreak in West Africa; and larger outbreaks of Zika virus from 2015.
4. For more information, see World Bank (2020[59]) and (2020[58]).
5. In order to promote better, evidence-based policies, practices and strategic investments, many countries are developing new strategies to promote gender equality. The OECD DAC is developing guidance on gender equality and women's empowerment in development co-operation and humanitarian assistance through the DAC Network on Gender Equality, which will address a range of challenges for women and girls who are disproportionately affected by the current crisis.

05 PUSHING THE BOUNDARIES OF INTERNATIONAL DEVELOPMENT NOW AND IN THE FUTURE

Masood Ahmed & Hannah Brown, Center for Global Development

ABSTRACT

This chapter presents key takeaways from a series of conversations with global leaders about COVID-19 and development hosted by the Center for Global Development. It begins by noting that global support has fallen short of early commitments to help developing countries manage and recover from the impacts of the pandemic, raising concern about overall development progress to address converging crises of climate change, instability, global health, debt and more. By turns alarmed and hopeful, some policy makers point to the urgent need to rethink international development strategies and architecture to make it more resilient, responsive and inclusive.

Financial response to the COVID-19 crisis is not sufficient and the international architecture must change to become more resilient, responsive, and inclusive

- The global response to support developing countries, despite promising early commitments for debt relief and emergency financing, is largely inadequate.
- Without a significant scale-up of finance, pre-pandemic gaps in financing for sustainable development, stabilisation of fragile economies and humanitarian response, among other needs, will only continue to widen.
- Investments in resilience mechanisms and global public goods, too long postponed, must be integrated into development planning and funding.
- Development co-operation itself, and the international architecture of development and finance, must change to become more resilient, responsive and inclusive of other actors and other voices.

The shadow of COVID-19 will be long and dark, impacting both developing countries and their partners for many years to come. That is one of the conclusions that can be drawn from a series of conversations with policy makers and leaders, hosted by the Center for Global Development (CGD) from April to September 2020, about the implications of the pandemic on their development work. Looking beyond the immediate crisis, the discussions made clear that successful international development post-COVID-19 will need to address a broader range of challenges but with fewer resources. This will make development policy choices more difficult and will require enhanced focus on the effective use of limited resources by both developing country policy makers and their international development partners. At the same time, many policy makers see

Developing countries will spend years recovering lost ground rather than advancing towards the Sustainable Development Goals. Achieving them by 2030, a challenging prospect for many countries before the pandemic, is even more of a challenge

opportunities to make progress, collaborate further and even rethink development, offering some hope that out of the shadow of the pandemic, the world could emerge better prepared to meet and overcome challenges over the coming years.

This "apocalyptic" moment calls for a bolder and faster response to support developing countries

The extent of the setback for most developing countries is now becoming clear. At least 70 million more people will be pushed into extreme poverty (World Data Lab, 2020[1]). Many more are already struggling just above that threshold. Institutional capital built up over years has been wiped out as small and medium-sized enterprises close down for lack of customers or government support. Fiscal and debt positions have been stretched by the triple shock of extra health costs, falling tax revenues and shrinking export earnings as well as by efforts to shore up safety nets and support economic activity. Developing countries will spend years recovering lost ground rather than advancing towards the Sustainable Development Goals. Achieving them by 2030, a challenging prospect for many countries before the pandemic, is even more of a challenge. In the meantime, the traditional challenges for development action – poverty, the health and learning crises, conflict and fragility, economic growth – will be no less pressing if not worsened by school closures (Azevedo et al., 2020[2]) and decreased immunisations (Hogan et al., 2020[3]).

The problems have been exacerbated by an inadequate global response to support the developing world. Initial statements at the start of the pandemic were promising, with the World Bank (2020[4]) committing USD 160 billion, the International Monetary Fund (IMF) committing USD 100 billion (IMF, 2020[5]) in emergency financing and the Group of Twenty (G20) agreeing to suspend 2020 bilateral debt service for the poorest countries through the Debt Service Suspension Initiative (DSSI) (World Bank, 2020[6]); in October 2020, the DSSI was extended for six months through to the middle of 2021 (G20, 2020[7]). The delivery of this financing and the estimated savings from the DSSI have been disappointing so far. Just USD 5.3 billion of bilateral debt payments are due to be suspended this year, less than half the USD 11.5 billion originally hoped for (Wheatley and Fleming, 2020[8]). The private sector has been reluctant to participate in a debt standstill for a variety of commercial, legal and fiduciary reasons. And disbursement of new money from the international financial institutions after the initial commitments has been slow. Given that the IMF expected developing countries to need a USD 2.5 trillion response package and that the stimulus needed for Africa alone was estimated to be USD 100 billion (Reuters, 2020[9]), the response so far has largely been inadequate.

This lack of financing coincides with increased pressure for development assistance to fill the gaps in health financing, management of the global commons, peacekeeping and stabilisation of fragile states, climate finance, and humanitarian response and preparedness. As Ghanaian Finance Minister Ken Ofori-Atta said, "It's just

The pandemic has shown the need to invest in global public goods and resilience mechanisms such as global health, disaster response, and climate change adaptation and mitigation systems, given that future pandemics will only be exacerbated by climate change.

an apocalyptic moment, and I don't think we seem to be taking it as seriously as we should [...] We have to change the financial architecture as it is right now." This powerful sentiment was echoed in conversations with Vera Songwe, United Nations Under Secretary-General and Executive Secretary of the Economic Commission for Africa, and with Lawrence Summers, former United States Treasury Secretary and Chair of the CGD Board. Scaling-up of finances must occur or years of progress will be set back even further, with devastating consequences.

Investing in resilience, including digitalisation and integration of developing countries into global supply chains, can wait no longer

The pandemic has also brought into sharp focus the consequences of years of underinvestment in public goods and protection against high-impact but tail risk events, of which COVID-19 is but one. At the global level and, for many countries, at the national level, funding for pandemic preparation, adaptation or mitigation of climate change, biodiversity, and other public goods has too often been edged out by what are deemed more immediate concerns. Additionally, it has been easier for international financial institutions to lend for bankable projects with outcomes that are more certain. But, as we have learnt so painfully, lack of preparedness for high-impact, tail risk events can lead to devastating outcomes.

While our traditional model of development may have neglected these challenges in the past, we must find a better way to integrate them into strategic planning and funding moving forward. The pandemic has shown the need to invest in global public goods and resilience mechanisms such as global health, disaster response, and climate change adaptation and mitigation systems, given that future pandemics will only be exacerbated by climate change. As the Canadian Minister of International Development Karina Gould pointed out in our conversation, "We have our immediate responders who are addressing the issue, but we also need to be thinking and planning for how we build a more inclusive, more sustainable, more resilient planet."

Many policy makers see the COVID-19 pandemic as an accelerant of trends that were already underway. One of these trends that will have an impact on developing countries is the move to reduce dependence on concentrated sources of production of essential items (Espitia, Rocha and Ruta, 2020[10]), such as medical equipment and pharmaceuticals. Numerous countries are starting to rethink international supply chains. This redistribution could take the form of nationalising supply chains and moving production back home, and some of that is likely to happen. However, what would perhaps be more beneficial for the global community would be to diversify supply chains, which would reduce dependence on a few countries but still bring the benefits from specialisation and trade, with concomitant gains for low-income and emerging market countries.

For this shift to be realised, however, developing countries must be equipped to better integrate into global supply chains and development practitioners need to rethink the kind of assistance that will help achieve this. Some of this will be accomplished by persisting with economic reforms that were always important – a sound and stable macroeconomic environment, a business environment that is conducive to greater investment, and improvements in infrastructure and human capital, to name just a few. However, some factors have become more important in the post-COVID-19 world, among them, a heightened focus on digital connectivity.

Digital connectivity will be key – not only in the shifting of production, but also in learning, health and communication. Based on the experience of collaborating with telecommunication companies in the COVID-19 crisis to provide cash transfers

all over Africa with success, Songwe argued that by keeping small business open and encouraging innovation, "COVID has now shown the importance and the dire criticality of Internet connectivity, accessibility and affordability for the continent because we can do so much more." Ofori-Atta agreed that "maybe the most important plan we can do for Africa is to digitise this continent" in order to better manage information, collect taxes and facilitate cash transfers. While Africa has made progress in connectivity until now, there is still plenty of room for growth on the continent (Fukui, Arderne and Kelly, 2019[11]) as well as for developing countries in South Asia (GSM Association, 2019[12]).

Achim Steiner, the United Nations Development Programme Administrator, looked at the broader picture during our discussion. "There is also the whole digital universe, including artificial intelligence," he noted. "That area will allow us to transact very differently. The linear progression agrarian society, industrialisation, digital economy. That kind of linearity, I think, is increasingly going out of the window. I think we're going to enter into an era of far greater experimentation." Indeed, developing countries need to be on the right side of the digital divide, and then we will see innovation and progress on a scale not yet even imagined now.

Development co-operation itself must become more resilient, responsive, collaborative and inclusive

The conversations also highlighted how the business of development co-operation itself will need to change. Just as building resiliency into national economies has assumed greater importance in the wake of the pandemic, so must development agencies also take stock of how to make their own programmes and engagement more resilient in the future. The lack of resilience in this crisis has been evident from the rapid spread of COVID-19, the inadequate response, and the prolonged and damaging crisis.

Agencies will need to be nimble and responsive. Those caught unawares by the changing landscape or too rigid to adapt will likely face problems. COVID-19 has shown us that the future is becoming less known and that predictive capability is falling. Thus, greater use of foresight approaches will be critical for development agencies as they try to build resilience. More resilience mechanisms in the global architecture can prevent the significant damage seen in this crisis and its predecessors. For example, resiliency can take shape through altering supply chains and preparing international financial institutions and multilateral development banks for tail risk and, inevitably, for supply and demand shocks of all scales.

Another dimension of how development co-operation must evolve is to accommodate new actors. In recent years, the People's Republic of China (hereafter "China") has become one of the largest development financiers: its total stock of lending is estimated to exceed USD 400 billion and its annual lending could be as high as USD 40 billion (Mitchell and Ritchie, 2020[13]). Other new players have gained considerable ground, among them Brazil, South Africa and Turkey. The OECD's *Development Co-operation Report 2019: A Fairer, Greener, Safer Tomorrow* (OECD, 2019[14]) analysed the complexity of these new players and supported the need to accommodate them. At the CGD, our recently revamped Commitment to Development Index (CDI), which includes these new players, evaluated the strengths and weaknesses in 40 different countries involved in development co-operation (CGD, 2020[15]). As the 2020 CDI shows, there are great opportunities for mutual learning between newer development players and more established ones. For example, Germany, an OECD-DAC member, showed strong performance in trade openness but weaker performance in contributing to the technology component of global public goods. South Africa, a non-DAC country, shows the opposite. China

performed relatively well in technology, but shows considerable room for growth in terms of quality, quantity and transparency of development finance (CGD, 2020[16]).

While these opportunities for learning and co-operation exist and will inform our new approaches to development, all actors will need to find common approaches on a wide variety of issues, including debt and climate change. We will also have to find common ground on international, non-aid related issues such as international property rights relating to vaccines, international tax havens and fair taxation. Co-operation will be key, and this must involve new players and collaborators with whom we may disagree on some issues. We will have to set new parameters and norms in collaboration with these new players rather than for them, find the right forum to facilitate these conversations, and ensure these new norms reflect the evolved perspectives and context of the new players as well as the ways the issues themselves have evolved.

Is the international development and finance architecture fit for a post-pandemic reality of fewer resources for converging challenges?

As we create new rules, we also have a chance to re-evaluate our international institutions and structures so they can adapt to achieve our new objectives. We have opportunities to build more holistic systems; connect specific interventions such as in nutrition, food security and immunisations; and take more wholeof-government approaches to problems. Gould even highlighted opportunities to revisit multilateral systems, saying, "There's this opportunity to think about how our institutions need to continue to evolve to meet these new challenges that are facing humanity. Whether it is a pandemic or the existential crisis that is climate change, we will not be able to solve either of these if we don't solve them globally."

Susanna Moorehead, Chair of the OECD DAC, also discussed the chance to rethink the international financial architecture: "One of the things that I wonder about with all the architecture – whether it's around environment or development – is that, is it just too complicated? I do wonder whether something would help the resources we have go further, make them easier to access. Could this be some sort of rationalisation of all the pots of money and institutions?" After the COVID-19 crisis, there exist many opportunities to streamline, rethink and improve the architecture. But this would require commitment, focus, prioritisation and more trade-offs.

In this changing environment, solutions to new and existing problems must work for vulnerable groups, especially given constraints and more difficult trade-offs in resource allocation. As Mark Lowcock, UN Under Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, pointed out in our conversation, "People are going to need to be far-sighted in terms of their own interests, never mind coming from the perspective of generosity and empathy. It's going to be sensible to invest a little bit of your total effort in more difficult places and that needs to include the places with huge humanitarian challenges."

Making sure all voices are heard in the coming years, especially of those who are often left out in these conversations or feel they have been left behind in the process of globalisation, is critically important for successful development. Development co-operation is not just a business of official agencies. It must involve all actors: the private sector, philanthropies and civil society. As Moorehead emphasised in our conversation, "If we're really going to rethink development co-operation and we're going to be serious about building back better, we need to get rid of some of these assumptions that we make about how countries develop and ask people. Ask younger people, ask governments, ask civil society, ask women – who very rarely get asked these questions even though they have good

ideas." As development becomes a broader agenda, all these voices and perspectives are necessary for shaping its future.

As a result, approaches to development moving forward must be even better informed by evidence and focused on impact. It is imperative that we take advantage of these opportunities and make the necessary trade-offs given our constrained resources, but that we also do not let our own rules and lack of will to co-operate constrain the progress we must achieve. As we look back in a decade at our response to this crisis, it will be far more significant to be able to say, "Look at all we have been able to do because we pushed our own boundaries," rather than to recall, "We did the best we could considering our limitations."

REFERENCES

Azevedo, J. et al. (2020), *Simulating the Potential Impacts of COVID-19 School Closures on Schooling and Learning Outcomes: A Set of Global Estimates*, World Bank, Washington, DC, http://pubdocs.worldbank.org/en/798061592482682799/covid-and-education-June17-r6.pdf (accessed on 5 October 2020). [2]

CGD (2020), *The Commitment to Development Index 2020*, Center for Global Development, https://www.cgdev.org/cdi# (accessed on 5 October 2020). [15]

CGD (2020), *The Commitment to Development Index: China*, Center for Global Development, https://www.cgdev.org/cdi#/country-report/china (accessed on 5 October 2020). [16]

Espitia, A., N. Rocha and M. Ruta (2020), "Trade in critical COVID-19 products", *Trade and COVID-19 Guidance Note*, World Bank Group, Washington, DC, http://documents1.worldbank.org/curated/en/764011585606299529/pdf/Trade-and-COVID-19-Guidance-Note-Trade-in-Critical-COVID-19-Products.pdf (accessed on 5 October 2020). [10]

Fukui, R., C. Arderne and T. Kelly (2019), "Africa's connectivity gap: Can a map tell the story?", *World Bank Blogs*, https://blogs.worldbank.org/digital-development/africas-connectivity-gap-can-map-tell-story. [11]

G20 (2020), "G20 finance ministers & central bank governors meeting communiqué", https://g20.org/en/media/Documents/FMCBG%20Communiqu%C3%A9_English_14October2020_700pm.pdf (accessed on 29 October 2020). [7]

GSM Association (2019), *Mobile Internet Connectivity 2019: South Asia Factsheet*, GSM Association, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/09/Mobile-Internet-Connectivity-SouthAsia-Fact-Sheet.pdf (accessed on 5 October 2020). [12]

Hogan, A. et al. (2020), "Potential impact of the COVID-19 pandemic on HIV, tuberculosis, and malaria in low-income and middle-income countries: A modelling study", *The Lancet Global Health*, Vol. 8/9, pp. e1132-e1141, http://dx.doi.org/10.1016/S2214-109X(20)30288-6. [3]

IMF (2020), *The IMF's Response to COVID-19*, International Monetary Fund, Washington, DC, https://www.imf.org/en/About/FAQ/imf-response-to-covid-19#q1.1 (accessed on 5 October 2020). [5]

Mitchell, I. and E. Ritchie (2020), "CDI 2020: China's commitment to development", *Center For Global Development blog*, https://www.cgdev.org/blog/chinas-commitment-development (accessed on 5 October 2020). [13]

OECD (2019), *Development Co-operation Report 2019: A Fairer, Greener, Safer Tomorrow*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9a58c83f-en. [14]

Reuters (2020), "African finance ministers call for $100 billion stimulus, debt holiday", Reuters, https://www.reuters.com/article/us-health-coronavirus-africa/african-finance-ministers-call-for-100-billion-stimulus-debt-holiday-idUSKBN21A2GK (accessed on 5 October 2020). [9]

Wheatley, J. and S. Fleming (2020), "G20 falls short on debt relief for poorer countries", *Financial Times*, https://www.ft.com/content/e0673a53-7fee-4ef7-baaf-66cc97ee3296 (accessed on 5 October 2020). [8]

World Bank (2020), *COVID-19: Debt Service Suspension Initiative*, webpage, https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative (accessed on 5 October 2020). [6]

World Bank (2020), *Fact Sheet: Pandemic Emergency Financing Facility*, World Bank, Washington, DC, https://www.worldbank.org/en/topic/pandemics/brief/fact-sheet-pandemic-emergency-financing-facility (accessed on 5 October 2020). [4]

World Data Lab (2020), *World Poverty Clock (database)*, https://worldpoverty.io/headline (accessed on 5 October 2020). [1]

BUILDING THE EVERYDAY ECONOMY FROM THE GROUND UP: A CRISIS RESILIENCE STRATEGY

Sally Roever, WIEGO & Poonsap Tulaphan, Foundation for Labour and Employment Promotion/HomeNet Thailand

ABSTRACT

Emergency food assistance and cash grants are blunting some of the devastating impacts of COVID-19 on informal workers. But ensuring that the informal economy will provide sustainable livelihoods requires investment and innovation. This case study highlights how grassroots workers' organisations are building partnerships with authorities in Thailand to rebuild economic linkages to make informal work more resilient to crises.

- While most continued working during the pandemic, informal workers in Thailand worked fewer days, earned much less and were selling assets, borrowing and spending savings, with women in informal employment faring far worse than men.
- Recovery requires investment, from governments and development co-operation providers, in the micro- and nano-level activities of people and households at the broad base of the economic pyramid.
- The experience of Thailand shows that informal workers' organisations can play a key role in public-private partnerships to support sustainable livelihoods and rebuild economic links between low-income providers and consumers.

The international community's commitment to reduce poverty and inequality is severely complicated by COVID-19's mass disruption to livelihoods in the informal economy, which accounts for 61% of global employment (ILO, 2018[1]). Yet, by focusing renewed attention on the provision of essential goods and services – how to get food to people, for example – the pandemic has created an opportunity to better understand the systems underlying this provision and the people who make it happen every day.

In middle-income countries like Thailand, where 55.8% of total employment is informal (Poonsab, Vanek and Carré, 2019[2]), both formal and informal workers are involved in the provision of essential goods and services. With the pandemic's disproportionate impact on informal workers (Gerdin and Kolev, 2020[3]), most of whom lack labour and social protections, governments are faced with the challenge of how to design employment support policies that are both effective and sustainable.

Initial evidence from Thailand and elsewhere shows that even where many informal workers have continued to work and received early government support in the form of cash grants and/or food assistance, human development gains are being reversed. With broken economic linkages at the grassroots level and an associated reduction in working hours and earnings, informal economy workers are borrowing money, drawing down savings and selling off assets. To avoid further damage, governments and their development co-operation partners need to rethink the

With broken economic linkages at the grassroots level and an associated reduction in working hours and earnings, informal economy workers are borrowing money, drawing down savings and selling off assets.

informal economy component of essential goods and services provision.

Informal workers are selling assets, borrowing and spending savings to survive the crisis

To assess the early impact of the pandemic on informal economy workers, Women in Informal Employment: Globalizing and Organizing (WIEGO) and partners in 12 cities conducted a mixed-method study between June and September 2020 (Reed and Ogando, 2020[4]). The sample of 302 respondents in the Bangkok study, which HomeNet Thailand co-ordinated locally with members of the Federation of Informal Workers, includes domestic workers, home-based workers, street vendors, waste pickers, motorcycle taxi drivers and masseuses.

The study found that, in contrast to many other cities where work disappeared with lockdowns, 52% of workers interviewed kept working during Thailand's initial lockdown and 88% were working as of July. Additionally, 80% or more of respondents among all groups except domestic workers received government cash grants, and over half of home-based workers, waste pickers and motorcycle taxi drivers received food assistance.

Nevertheless, the findings point to a longer term problem. All groups except waste pickers reported working fewer days in July 2020 than in December 2019, and average daily earnings in July were far lower than they were in December for both women and men. Among those who were not working in July, three-quarters said the reason was market or supply chain disruptions. Nearly half (47.4%) of all respondents reported that they had drawn down savings, over one-third said they had borrowed money and nearly a fifth said they had pawned assets for cash in the past month. These coping strategies reflect a worrisome trend towards asset erosion. According to HomeNet Thailand, they reflect pandemic-related supply and demand disruptions at the grassroots level – such as closed markets, transport and raw material shortages, and new public space restrictions – that will be slow to recover without government intervention.

The trend is especially concerning for women in informal employment. Not only were women's average daily earnings far lower than men's, both before and after the lockdown, but women also described having a cascade of bills due and needs unmet.

Coalitions, partnerships and building from the grassroots: Applying lessons learnt from the 2008 crisis

HomeNet Thailand's experience in the 2008 global financial crisis led it to form alliances with government authorities at local and national levels that are being leveraged today to rebuild supply and demand linkages in markets accessible to low-income workers. Three examples, each with a distinct entry point, illustrate this approach. Each of these examples features three key attributes that build on learning from previous crises:

- coalitions between informal workers' organisations, civil society partners and government authorities that formed over time through ongoing, structured dialogue
- a rethinking of the concept of public-private partnerships centred on informal workers' organisations
- the development of models for recovery and innovation that build from the grassroots level up.

Public space: Public space is a critical economic asset for informal economy workers. To help rebuild linkages at the grassroots level, HomeNet Thailand is working with the Bangkok Metropolitan Authority, the National Health Commission Office and local universities to identify pilot sites where street vendors, residential associations and pedestrians can co-design public space as a livelihood asset where street vendors, transport workers and others have been displaced as a result of the crisis.

Food delivery systems: There is still demand for delivery drivers in Bangkok, but large companies with e-platforms and government support dominate the market, leaving behind low-income drivers and consumers. Bangkok's motorcycle taxi drivers' association has developed new models linking its members to street food vendors via a low-tech, WhatsApp-style interface that low-income providers and consumers can use and that targets a handful of neighbourhoods to pilot the approach. Government partnerships could help scale these models to reach a wider population.

Local garment production: Home-based workers in Thailand's garment sector have been affected by the loss of international tourism and orders from global brands. Without digital marketing skills or other livelihood alternatives, these workers require both technical and policy support at the national level to generate demand for their products. Here the approach is to formulate a policy that has government officials wearing traditional garments two days per week and sourcing 30% of these garments from local, home-based producer groups. The aim is to provide an economic bridge while these workers are trained in Internet marketing and/or reskilled into jobs that do not depend on tourism.

Development co-operation can help rebuild and fortify economic linkages for more crisis-resilient, sustainable livelihoods

Neither temporary relief measures at the policy level nor selling off assets at the household level is a sustainable solution. In addition to long-term social and labour protections, respondents indicated that they need economic linkages to be rebuilt from the ground up so that their livelihoods can sustain them. If recovery is to reach the everyday economy, development co-operation will need to be redirected towards social spending and investments in the micro- and nano-level activities of people and households at the broad base of the economic pyramid.

REFERENCES

Gerdin, A. and A. Kolev (2020), "Why protecting informal economy workers is so critical in time of COVID-19", *OECD Development Matters blog*, OECD, Paris, https://oecd-development-matters.org/2020/04/17/why-protecting-informal-economy-workers-is-so-critical-in-time-of-covid-19 (accessed on 7 October 2020). [3]

ILO (2018), *Women and Men in the Informal Economy: A Statistical Picture*, International Labour Office, Geneva, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf (accessed on 7 October 2020). [1]

Poonsab, W., J. Vanek and F. Carré (2019), "Informal workers in urban Thailand: A statistical snapshot", *WIEGO Statistical Brief*, No. 20, Women in Informal Employment: Globalizing and Organizing, Manchester, UK, https://www.wiego.org/sites/default/files/publications/file/Informal%20Workers%20in%20Urban%20Thailand%20WIEGO%20SB%2020_1.pdf (accessed on 7 October 2020). [2]

Reed, S. and A. Ogando (2020), "We need to listen to the workers: WIEGO partners conduct COVID-19 Global Impact Study", *WIEGO blog*, https://www.wiego.org/blog/we-need-listen-workers-wiego-partners-conduct-covid-19-global-impact-study. [4]

DIGITAL DEVELOPMENT FOR AFRICA: PREPARING FOR AN E-FUTURE

Tunde Fafunwa, United Nations Economic Commission for Africa

ABSTRACT

The COVID-19 pandemic underscores the urgent need for a digital transformation in Africa. This case study provides an overview of the digital landscape today and the policies needed to foster investment and innovation. It highlights the widespread lack of access to broadband and Internet services and points to the potential for growth, as shown by the enthusiastic public response to new e-health and e-learning services in countries with developed digital infrastructure. It argues that closing the digital gaps is essential – not only as a pandemic response, but also to weather future crises and expand digital opportunities for all.

- The COVID-19 pandemic highlights the need for an exponential expansion in digital services and infrastructure in Africa to increase broadband penetration, develop e-services in health, education, agriculture and other sectors, and build capacity to respond to future shocks and crises.
- The recent success of e-health and e-learning services in some African countries shows there is enormous potential, but governments' limited adoption of e-government services is dampening digital demand and innovation.
- Addressing even some of these digital gaps will have knock-on benefits that will continue to deliver after the pandemic, such as innovation, digital skills development, digital governance, data protection and cybersecurity.

Collaboration between development co-operation agencies and African stakeholders can help foster the policies, governance, systems and innovation needed to achieve the African Union's 2020-2030 Digital Transformation Strategy.

While digital infrastructure and services have developed significantly across the African continent in the past decade, broadband penetration and Internet services remain limited for much of the population. Only one in ten students had a computer or Internet at home to study remotely when schools closed in 2020 in response to the COVID-19 pandemic. Governments, the biggest purchasers and employers, have been slow to adopt e-government services, which limits digital demand and innovation beyond the scope of financial technology.

The success of e-health and e-learning services in some African countries suggests there is enormous potential. Expanding digital infrastructure and digital services in Africa will generate wide-ranging benefits, including the skills and capacity to respond quickly and robustly to future shocks and crises. Development co-operation has an important role to play in supporting governance and policy making that will attract investment and spur innovation to achieve the African Union's 2020-2030 Digital Transformation Strategy and the global goals.

COVID-19 shows the urgency of speeding up digital development to broaden access

A successful response to COVID-19 requires a significant portion of society to reduce or eliminate face-to-face activity and engage in work, business, education, health, entertainment, religion and social activities remotely (UNECA, 2020[1]). This means that the entire digital infrastructure and digitally enabled services are not only necessary for improved productivity, but have become critical to essential basic services (Bogdan-Martin, 2020[2]; World Bank et al., 2020[3]).

To effect a digital change of this magnitude, a significant effort must be made to shift the

approach to and use of digital technologies. Across Africa, access to broadband and online services is limited and, in many instances, available primarily in business locations, government offices and educational institutions. Prior to the pandemic, there was limited use of e-learning, e-health, e-agriculture and digital enablers in other sectors. The pandemic has exposed the lack of infrastructure and development in these areas. In many parts of Africa, almost 90% of students do not have access to a computer or Internet at home to continue their education remotely (UN, 2020[4]). Education and other critical areas need an exponential expansion of digital services to compensate for the restrictions on movement and physical distancing requirements and to enable remote work and service delivery.

The race is now on to create new services or ramp up existing ones. In West Africa, a new mobile and offline e-learning service, uLesson (Kazeem, 2020[5]), attracted several hundred thousand users in the first few months of 2020. In health, Babyl, which has provided digital health service in Rwanda since 2018, reports that it now has more than 2 million registered users and has performed over 1.2 million health consultations (Pathways for Prosperity Commission, 2019[6]; Babyl[7]). The potential to expand this successful approach is enormous, particularly where there is already a well-developed digital infrastructure, such as in Rwanda.

Digital infrastructure and services have developed significantly across the African continent in the past ten years. Most notable is the coverage and accessibility of mobile services, mobile-based payments and, to a lesser extent, broadband. For example, 3G or better mobile coverage is available in over 80% of the continent's geographic area (ITU, 2019[8]). However, broadband penetration (whether wireless or fixed) is just 25% (Gandhi, 2020[9]). In addition to broadband and digital entrepreneurship, the Digital Transformation Strategy adopted by the African Union at the 2020 summit identified digital skills, an enabling policy environment, digital ID, applications and platforms as pillars and cross-cutting areas. While point solutions can be developed, they cannot be successfully deployed or adopted at scale without these fundamental components.

More than 640 hubs across the continent host entrepreneurs and attract investment in digital services. Venture capital investment in African start-ups has been estimated at USD 1.3 billion in 2019 (Shapshak, 2019[10]; 2020[11]). However, this activity in digital services is concentrated around financial technology (FinTech) and payments, which accounts for more than 51% of the activity (Shapshak, 2020[11]). Crippling gaps remain across digital ID, broadband, and a trust framework for digital transactions and e-trade. The barriers to date include a lack of sufficient policies and regulation to attract the critical investment in these foundational pillars for digital transformation (African Union, 2020[12]). Several factors along with policy and investment constrain the ability to foster innovation outside of FinTech, including government itself. As governments are among the biggest employers and biggest buyers of goods and services, the limited adoption of e-government casts a pall across the digital landscape, dampening demand and innovation.

The digital gap between those who have access to technology and the means to use it and those who do not will translate into whether or not a person can earn a living and access government services and benefits

Expanding digital infrastructure will enable e-services and prepare for future shocks

The digital gap between those who have access to technology and the means to use it and those who do not will translate into whether or not a person can earn a living and access government services and benefits, which will increasingly be delivered in a digital-only form. If everyone cannot access them, many development gains could be reversed or lost in the future. Failure to build back better, especially in light of the pandemic, will have dire consequences. Achieving the Sustainable Development Goals by 2030, already a stretch in many cases, becomes unattainable.

Expanding digital infrastructure and services in health, agriculture, education and commerce and closing the digital gap, will benefit people – not just in the immediate response to the pandemic, but afterward as well, as people and society adjust to a post-COVID-19 world. Addressing even some of these digital gaps will have fantastic knock-on benefits. Innovation, skills development, digital governance, data protection and cybersecurity will continue to deliver post-pandemic.

A build back better approach that furnishes leapfrog technology could provide lasting infrastructure and improved services, which in turn will respond more quickly and robustly to future shocks. One example of this is the Partnership to Accelerate COVID-19 Testing (PACT) in Africa, launched by the Africa Centres for Disease Control and Prevention. PACT, along with a mobile-based health status report, provides a method to scale up COVID-19 testing to 10 million over 4 months and engage 1 million community health workers (Songok, 2020[13]; Jerving, 2020[14]). The combination of innovative, low-cost, sample collection and a digital vaccination certificate can also be applied to other diseases.

Development co-operation can support policy making and digital governance to launch the digital transformation

There are several areas of opportunity for the development community to collaborate with African stakeholders to support digital development. Overall, what is essential is to generate policies and governance that will attract investment and spur innovation to deliver platforms and systems in the critical areas identified by the African Digital Transformation Strategy – namely broadband, digital skills, digital ID and a digital trust framework for interoperability. Policy and investment success in these pillars would be revolutionary (African Union, 2020[12]).

Broadband usage, for instance, could be doubled through a few specific actions. One such action would be putting in place policies to streamline the multiple overlapping operator fees, permits and licenses at the national, state and local levels; a second would be improving the use of fees, including the universal service fund, to target infrastructure development where it is needed most. Creating policies that promote knowledge building and learning among sector professionals and organisations, and specifically governments, would promote digital skills. The key to success may be implementing innovation at the levels of industry practitioners and government. Development co-operation agencies can also support the Peer Exchange and Learning efforts for policy makers and practitioners pursued by several African institutions. Another area of potential collaboration is examining OECD trade and non-trade barriers for opportunities to apply digital innovation to support African trade and industry exports; this could include promoting platform co-operativisim, an approach where stakeholders build and share the benefits of innovation and improved productivity (Schneider, 2018[15]).

REFERENCES

African Union (2020), *The Digital Transformation Strategy for Africa (2020-2030)*, African Union, Addis Ababa, https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf (accessed on 9 November 2020). [12]

Babyl (n.d.), *Babyl – Rwanda's Digital Healthcare Provider*, http://www.babyl.rw (accessed on 9 November 2020). [7]

Bogdan-Martin, D. (2020), "Accelerating digital connectivity in the wake of COVID-19: Building back better with broadband requires all stakeholders to work together", International Telecommunications Union, Geneva, https://www.itu.int/en/myitu/News/2020/09/16/19/22/UN75-Partnership-Dialogue-for-Connectivity-Doreen-Bogdan-Martin (accessed on 13 October 2020). [2]

Gandhi, D. (2020), "Figure of the week: Gap in universal mobile phone and internet access in Africa", *Brookings Africa in Focus blog*, https://www.brookings.edu/blog/africa-in-focus/2019/04/12/figure-of-the-week-gap-in-universal-mobile-phone-and-internet-access-in-africa/ (accessed on 13 October 2020). [9]

ITU (2019), *Measuring Digital Development: Facts and Figures 2019*, International Telecommunications Union, Geneva, https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2019.pdf (accessed on 14 October 2020). [8]

Jerving, S. (2020), "Africa CDC rolls out strategy to ramp up coronavirus testing", *Devex*, https://www.devex.com/news/africa-cdc-rolls-out-strategy-to-ramp-up-coronavirus-testing-97408 (accessed on 13 October 2020). [14]

Kazeem, Y. (2020), "Digital innovators are trying to plug gaps in Nigeria's broken education system", *Quartz Africa*, https://qz.com/africa/1800778/kongas-sim-shagaya-launches-nigeria-edtech-startup-ulesson (accessed on 13 October 2020). [5]

Pathways for Prosperity Commission (2019), *Positive Disruption: Health and Education in a Digital Age*, Oxford University, Oxford, United Kingdom, https://pathwayscommission.bsg.ox.ac.uk/sites/default/files/2019-11/positive-disruption-report.pdf (accessed on 13 October 2020). [6]

Schneider, N. (2018), *Everything for Everyone: The Radical Tradition that is Shaping the Next Economy*, Nation Books, New York, https://nathanschneider.info/books/everything-for-everyone (accessed on 13 October 2020). [15]

Shapshak, T. (2020), "African startups raised $1.34 billion in 2019", *Forbes*, https://www.forbes.com/sites/tobyshapshak/2020/01/07/african-startups-raised-134bn-in-2019/?sh=563b96315685 (accessed on 9 November 2020). [11]

Shapshak, T. (2019), "Africa now has 643 tech hubs which play 'pivotal' role for business", *Forbes*, https://www.forbes.com/sites/tobyshapshak/2019/10/30/africa-now-has-643-tech-hubs-which-play-pivotal-role-for-business/#6a6264c24e15 (accessed on 13 October 2020). [10]

Songok, E. (2020), "A locally sustainable approach to COVID-19 testing in Africa", *The Lancet Microbe*, Vol. 1/5, p. e197, http://dx.doi.org/10.1016/s2666-5247(20)30118-x. [13]

UN (2020), "Startling disparities in digital learning emerge as COVID-19 spreads: UN education agency", UN News, United Nations, New York, https://news.un.org/en/story/2020/04/1062232 (accessed on 13 October 2020). [4]

UNECA (2020), *COVID-19 Lockdown Exit Strategies for Africa*, United Nations Economic Commission for Africa, Addis Adaba, https://www.uneca.org/sites/default/files/PublicationFiles/ecarprt_covidexitstrategis_eng_9may.pdf (accessed on 13 October 2020). [1]

World Bank et al. (2020), *COVID-19 Crisis Response: Digital Development Joint Action Plan and Call for Action*, World Bank, Washington, DC, http://pubdocs.worldbank.org/en/788991588006445890/Speedboat-Partners-COVID-19-Digital-Development-Joint-Action-Plan.pdf (accessed on 13 October 2020). [3]

Part III
Building forward better by strengthening resilience

EQUITABLE ACCESS TO COVID-19 VACCINES MUST REMAIN A PRIORITY IF WE ARE TO END THIS CRISIS: IN MY VIEW

Seth Berkley, CEO of Gavi, The Vaccine Alliance

As the first promising results for COVID-19 candidate vaccines begin to emerge, the end of this global crisis is starting to look like it's tantalisingly within our grasp. Tantalising because even though we are now at a turning point and have a global solution that could bring the acute phase of this pandemic to an end, we are not quite there yet. Evidence that immunisation can provide protection against the virus is likely to be a game-changer, but it will also place COVID-19 vaccines in even greater demand. This is why it is so important to ensure that equitable access remains the global priority. Because unless people in all nations are protected, the virus will continue to circulate and the opportunity to resume normal life, business, trade and travel and hopes of rebooting the global economy will continue to evade us all.

COVAX is the only way to avoid this. Co-ordinated by my organisation, Gavi, the Vaccine Alliance, along with the Coalition for Epidemic Preparedness Innovations and the World Health Organization, it is the only truly global solution to make access to COVID-19 vaccines rapid, fair and equitable. In addition, by ensuring that all the necessary infrastructure is in place – the supply chains, cold storage facilities, trained healthcare workers and data systems – to carry out what will effectively be the largest and most rapid global deployment of vaccines ever, COVAX will also help the world build back better and improve our resilience to future pandemics, particularly for the poorest economies. But now that the global community has rallied, thanks to donor governments stepping up despite the current economic conditions, and we have COVAX, its success will hinge upon all stakeholders reminding themselves of why we need it and then playing their part to ensure the alternative does not prevail.

With more than 189 economies involved, representing around 90% of the global population, COVAX is the biggest multilateral effort since the Paris Agreement. At a time when so many governments are facing such an immediate and existential threat, to come together and work towards a common solution that benefits everyone is simply unprecedented and a remarkable show of solidarity. But in truth, such support only exists because COVAX works to everyone's best interest. For the 35 or so wealthy

governments and economies that can afford to negotiate bilateral deals with manufacturers to secure vaccine doses for their citizens, it is an insurance policy increasing their chances of getting efficacious COVID-19 vaccines, even if those deals should fail. But for the rest of the world, it is a lifeline, providing doses to people in countries, rich or poor, who would otherwise have little or no access to these vaccines.

However, even though COVAX was designed to benefit everyone, we must remember that it was created with the world's poorest people in mind. While the COVAX Facility provides all participating countries with access to the world's largest and most diverse portfolio of COVID-19 vaccines and ensures that manufacturers are ready to produce doses at scale the moment vaccines are ready, the Gavi COVAX Advance Market Commitment (AMC) is there for low- and middle-income countries. Without it, the governments of these countries may go without or be forced to take desperate measures, taking out commercial loans to procure less effective or less than appropriate vaccines that are more expensive for their citizens. Such acts could allow the virus to continue to spread while pushing these already struggling countries further into debt.

That is why we need the AMC to succeed. Thanks to a massive show of multilateralism, we have already secured the USD 2 billion needed to jump-start the deals. But if COVAX is to achieve its initial goal of making 2 billion doses of COVID-19 vaccines available by the end of 2021 – with nearly a billion of these doses going to the 92 poorest low- and middle-income countries – then we need to secure the at least USD 5 billion needed to finish the job. That means ensuring that the AMC is an official development assistance (ODA) priority.

COVAX is the biggest multilateral effort since the Paris Agreement. At a time when so many governments are facing such an immediate and existential threat, to come together and work towards a common solution that benefits everyone is simply unprecedented and a remarkable show of solidarity.

Given the devastating impact COVID-19 has already had on low- and middle-income countries, demand for ODA has arguably never been greater. But then, all the more reason to target it at areas where it will have the largest and most enduring impact, such as the Gavi COVAX AMC, because the response to this crisis is already costing low- and middle-income countries USD 52 billion every four weeks. That is not sustainable until we stop the virus in its tracks through simultaneous investments that will ensure that people in all countries have access to safe and effective vaccines. This will not only help bring the acute phase of the current pandemic to the swiftest possible end, but will also build resilience against the next one. Because there will be a next one. That is an evolutionary certainty.

REDESIGNING INTERNATIONAL CO-OPERATION FINANCE FOR GLOBAL RESILIENCE

06

Inge Kaul, The Hertie School

ABSTRACT

Policy makers risk wasting the opportunity presented by the COVID-19 crisis to make the system of international co-operation fit to meet today's and tomorrow's global challenges. This chapter proposes a new architecture for this system comprising existing institutional arrangements for country-focused development assistance, a new pillar focused on the provision of global public goods, and a third pillar designed for global crisis response and stabilisation. It discusses global public goods and their distinguishing features in detail and concludes with concrete suggestions to advance the proposed reforms.

- Many global challenges including communicable disease control and climate change mitigation are global public goods that have special governance and international co-operation requirements and should be recognised as such.
- The present system of international co-operation finance is not fit for today's global challenges. It is a key obstacle to dealing more effectively with the COVID-19 crisis.
- A modernised architecture of international co-operation finance should be tripod-shaped and with three distinct but mutually reinforcing pillars: development assistance, provision of global public goods, and creating and maintaining global crisis response and stabilisation capacity. These pillars are currently lumped together and are dependent on development assistance budgets that are mandated to support developing countries.
- The United Nations Secretary-General could help break the current political and policy stalemate over reforming international co-operation finance by encouraging reform pilots in select global challenge areas. These could contribute to the ongoing global debate on reinvigorating multilateralism.

Many analysts of the COVID-19 pandemic and its wide-ranging economic, social, environmental and potential political ramifications stress, as does Wolf (2020[1]), that the virus "has exposed society's dysfunctions". Others, therefore, plead that the pandemic, in the words of Lopes (2020[2]), "is too good a crisis to be allowed to go to waste" and should be turned into an opportunity "to propel changes that have often been postponed".

Considering COVID-19's global reach, effective international co-operation is clearly essential for ending the pandemic and rebooting global sustainable growth and development. Thus, it is critically important to explore whether any required changes have been postponed, thus impeding the current functioning of international co-operation finance (ICF), defined here as the ensemble of financial and regulatory measures needed to ensure that the goals and objectives of international co-operation are achieved in an efficient and effective manner. If such postponed changes exist, two questions arise. First, are corrective actions perhaps

beginning to emerge now, under pressure from the COVID-19 crisis? And second, how could needed change be scaled up and accelerated if required to end the present pandemic as fast as possible and build an altogether better international co-operation finance system?

The following analysis explores these questions and shows that policy makers are at risk of wasting the COVID-19 crisis. Despite all present calls for more solidarity and strengthened international co-operation, there are no signs that overdue reforms are now being considered for implementation. These reforms, if pursued, should aim to create a new architecture for financing international co-operation comprised of three main pillars. The first pillar would be the existing institutional arrangements for country- or region-focused development assistance. It would be complemented by a new, additional pillar focused on the provision of global public goods (GPGs) such as communicable disease control and climate change mitigation. Supporting the first and second pillars, would be a third pillar designed to ensure prompt, well co-ordinated and decisive support to both countries and GPGs in crisis. The creation of such a tripod-shaped architecture with these three pillars would be an act of policy making that catches up with reality and creates a system fit to meet the different types of global challenges confronting us today.

Importantly, as the analysis here shows, the window of opportunity for change has not yet closed. Accordingly, this paper suggests three concrete reform steps for immediate implementation together with a proposal as to who could contribute – and how – to getting the ball of change rolling.

Postponed changes to the system of international co-operation finance

The COVID-19 pandemic could present an opportunity to broaden the international co-operation system so that, conceptually and operationally, it reflects the realities of today's global challenges and is fit to address them. Certainly, the system of finance for international co-operation has undergone continuous reform. However, adjustments have generally been isolated, incremental and embedded in the conventional model of country-focused international development co-operation. More structural or system types of reforms have so far rarely made it onto international and national policy agendas. This has been the case for the issue of how to deal with GPG-type challenges such as the control of communicable diseases, global climate change, ocean health, international financial stability, and peace and security.[1] For the most part, international development co-operation still approaches these challenges as aid issues rather than as more universal issues that concern many, and frequently even all, countries and perhaps even all people, rich and poor. Yet studies have repeatedly demonstrated that many of these global public good challenges possess governance properties that clearly and radically distinguish them from other types of policy challenges including foreign affairs, development assistance for poorer countries, and more pure domestic policy goals and objectives.[2]

Of course, a lag in institutional adjustment in response to changing policy-making realities is nothing new. It has happened

The COVID-19 pandemic could present an opportunity to broaden the international co-operation system so that, conceptually and operationally, it reflects the realities of today's global challenges and is fit to address them.

throughout history, as North (1997[3]), among many others, has shown. Among the most frequent reasons are institutional lock-in and path dependency as well as behavioural factors such as change aversion (Kahneman and Tversky, 2000[4]). An additional factor that may also play a role is lack of a clear vision of the required change and change leadership.[3]

What sort of systemic institutional changes, then, might one reasonably expect to see already in the domain of international co-operation finance, at least proposed rhetorically and perhaps even introduced at the level of policy practice? Three closely related phenomena appear to fit the bill: the lagging recognition of GPGs and of their special governance requirements; the need for strengthened global crisis response and support capacity; and the creation of a new architecture for international co-operation financing, encompassing official development assistance (ODA), global public good provision, and crisis response and stabilisation activities.

Recognising global public goods and their special governance requirements

GPGs' key distinguishing features (Box 6.1) help explain why they do not fit easily – or at least not fully – into any of the existing policy fields. Moreover, developing countries are increasingly demanding more justice, voice and representation in international co-operation. Their demands tend to be more explicitly focused on financing for national development than on GPG provision, although these two different but complementary objectives are confounded at present. GPG provision occurs to the extent that the individual interests of state and non-state actors happen to overlap with global interests. But that overlap is frequently only partial. Consequently, the sum of all individual contributions, more often than not, falls short of what is required to actually resolve the challenges in question, leading to global provision gaps and multiplying global sustainability problems.[4] For these reasons, the adequate provision of global public goods

BOX 6.1. DISTINGUISHING FEATURES OF GLOBAL PUBLIC GOODS

GPGs have transnational reach and are global public in consumption. In many cases, their effects span countries and areas beyond national jurisdictions, respecting neither national nor other human-made borders; penetrating national and other spaces unimpeded; and impacting, for better or worse, most people, whether rich or poor or living in the North or South. As economists say, these challenges are global public in consumption.

International co-operation beyond and within national borders is essential to providing GPGs. In many cases, GPG-type policy challenges are also global public in provision, meaning that no one actor, however powerful, will be able to self-provide a GPG such as climate change mitigation or the control of illicit trade. Rather, for anyone to enjoy the good, all – or at least many – countries and people need to be willing to co-operate and contribute to its adequate provision. This often entails concerted action at national and regional levels that is complemented by collective, international-level action. Current examples of such action are pooled financing mechanisms such as Gavi, the Vaccine Alliance; the Green Climate Fund; or United Nations (UN) peacekeeping operations. In other words, GPGs require taking the global into account when making national, regional, private or personal policy choices.

The provision and protection of GPGs may clash with the principle of sovereignty. In a world of wide disparities, actors' preferences for dealing with certain GPGs may vary significantly. Considering this fact alongside the two aforementioned GPG properties, it becomes clear that in some circumstances, GPGs may be viewed as running counter to the notion of sovereignty, the overarching principle of the present world order. Thus, the effective functioning of international co-operation is likely to depend on it being sovereignty-compatible – that is, perceived by all concerned parties as mutually beneficial and helping to secure their policy-making sovereignty.

requires a new, additional policy field type or a new organisational criterion, which should be introduced into existing governance systems at national (including local) and international levels.

Upgrading capacity for global crisis support and stabilisation

The existence of international-level capacity to offer prompt, well-co-ordinated and decisive support in crisis situations – those that threaten to overwhelm countries' national resilience capacities and/or jeopardise and possibly reverse the availability of critically important GPGs – can itself be viewed as a GPG. While numerous international-level crisis-response facilities exist, many aim to support the strengthening of local and national crisis response and coping capacities.[5] Such support is critically important, and it, too, needs to be upgraded to promote further progress towards building more resilient communities and societies. However, complementary capacity for global crisis support and stabilisation is needed.

Having such a complementary mechanism is increasingly important due to greater global openness and interdependence; the expanding human footprint on nature; increased inequality; the lack of diversification in production patterns and supply chains; and, last but not least, the still-unfinished agenda for development aid, to mention just a few of the factors contributing to increased global vulnerability today. Goldin (2020[5]) and the World Economic Forum (2020[6]), among others, discuss these factors.

Global crisis response and stabilisation support capacity has important GPG properties. Nevertheless, it is useful to approach this capacity as a policy stream. One reason is that it constitutes an impure GPG. The established capacity is likely to be limited in scope and, in the case of pandemics or other worldwide crises, it could become rivalrous in consumption and therefore be insufficient to meet all needs. Additional reasons are its dual focus on countries and the global level and its special role of delivering highly diverse and time-bound interventions.

Thus, crisis response and stabilisation support capacity is a hybrid type of global challenge and should, therefore, form an international co-operation finance stream in and of itself. The change required in this policy field resembles the change required for GPG provision – ensuring an integrated management approach.

Building a tripod-shaped international co-operation finance architecture

Certainly, all conventional national and international public policy streams remain useful and are even indispensable for addressing GPG-type challenges and the hybrid challenge of crisis response and support. However, in terms of international co-operation finance, these types of challenges cannot be adequately dealt with if they are approached as and expected to comply with current ODA accounting rules. The business model of ODA is primarily country focused. In the case of international co-operation for GPG provision, the GPGs that are to be provided must be at the centre of policy making. The same holds for crisis response and stabilisation support. As noted, these different streams or components of international co-operation should not be confused and lumped together but treated as distinct policy streams. Of course, there are many linkages and synergies between these streams, but they are currently managed as if they all qualified as ODA, as currently defined, a practice that works to the detriment of all three (Kaul, 2017[7]).

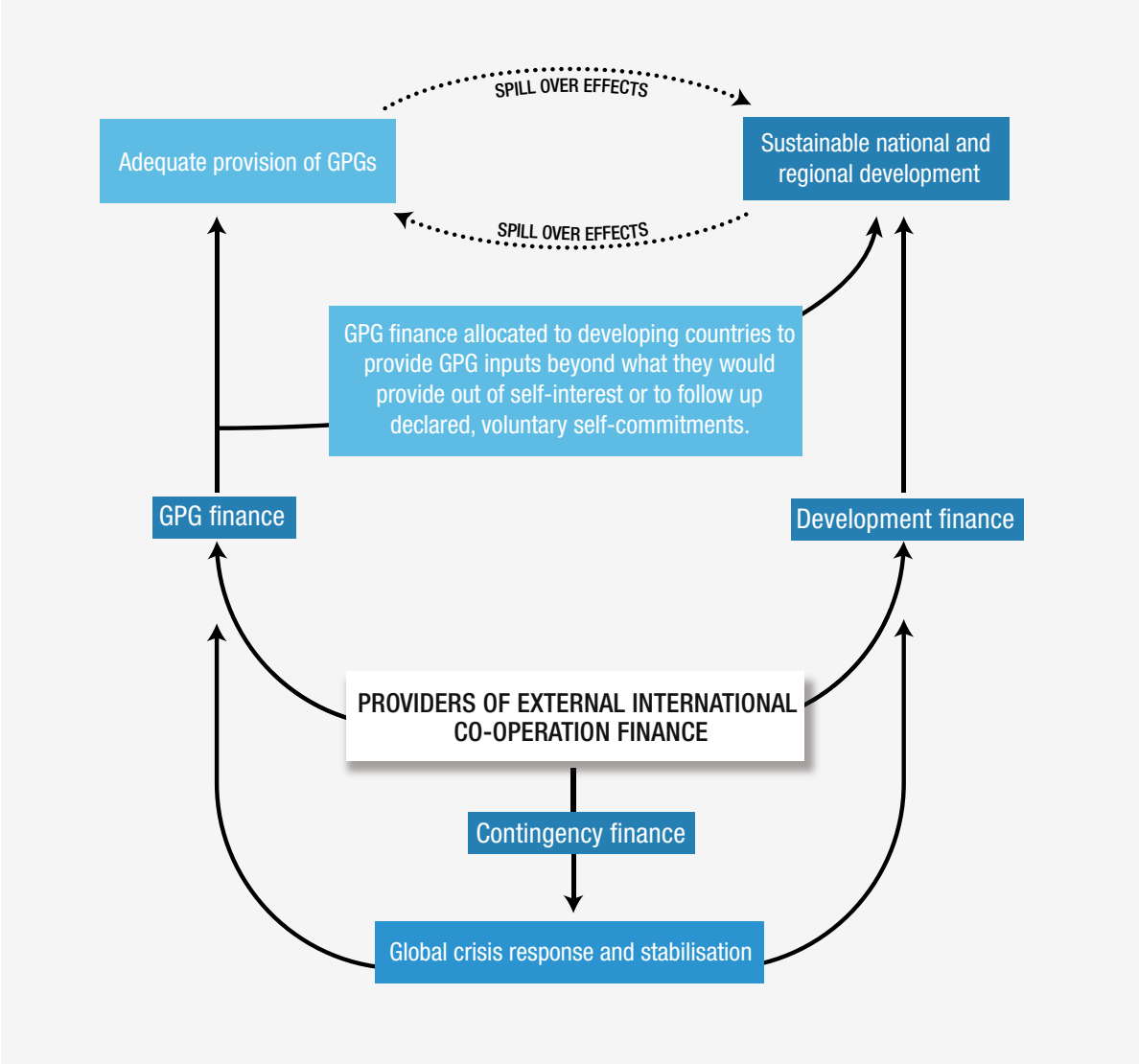
Thus, a further postponed reform of the international system concerns the construction of a new architecture that disentangles the properties, methods and sources of financing of these three pillars of international co-operation (Figure 6.1). The establishment of a tripod-shaped architecture could address the current confusion around the specificities and objectives of the three

policy streams. This confusion is one of the main obstacles to dealing more effectively with global challenges such as climate change mitigation and addressing, more generally, the urgent need to accelerate and scale up progress towards global sustainable growth and development.

COVID-19 highlights our interconnectedness and the need for solidarity among countries to fight a global pandemic. The problem, though, is that solidarity is lacking (and is more words than deeds), especially among countries.

As Ocampo (2020[8]) shows, there is a sharp discrepancy between developed countries' relatively lukewarm international responses to the pandemic and their bold, huge domestic and nationally oriented crisis response measures. The latter include countries' investments to secure requisite vaccine supplies for themselves. These interventions have prompted several analysts to talk and warn about excessive "vaccine nationalism" (Bollyky and Bown, 2020[9]; Mancini and Peel, 2020[10]).

Figure 6.1. A tripod-shaped finance architecture for international co-operation



COVID-19 has not yet inspired needed systemic reforms

A further sign of weak global solidarity is the significant undersupply and underfunding of several of the new and supplemental international co-operation initiatives launched in response to the COVID-19 crisis.[6] Even initiatives that are directly health-related are experiencing funding shortfalls.[7] There were shortfalls in public funding for international co-operation before the pandemic as well.[8] Nevertheless, in sharp contrast to all statements of solidarity, further cuts were recently introduced (Foresti, 2020[11]). Moreover, reports indicate that existing allocations are being shifted to activities related to COVID-19[9] and there is a risk of double counting available public finance support.[10] Consequently, underfunding may actually be worse than it appears at first glance.

Much of the current discussion around the vaccine issue reflects superficial global solidarity. Several commentators argue that a COVID-19 vaccine or vaccines, once available, should be regarded and dealt with as a GPG. However, a vaccine is a private good and as such, it is rivalrous in consumption and can easily be made excludable. A vaccine dose that is injected into one person is no longer available for other people. Moreover, the knowledge and technologies that are the basis of vaccine production are likely to be patented and thus, taken out of the global public domain. Therefore, unless a global political choice is made to make a vaccine available for all people and all countries (either for free or at an affordable price), only those able to afford the vaccine – and those living in countries that have already reserved needed supplies for themselves – will be able to be vaccinated.

A co-ordinating entity, the Access to COVID-19 Tools (ACT) Accelerator, brings together state and non-state actors to develop and deliver vaccines, diagnostics, and therapeutics for COVID-19 (WHO, 2020[12]). To achieve the aim of making a vaccine available to and for all, several things would need to happen. Someone would have to pay for all the doses required so that they are available to everyone, including those unable to afford them. Or there would need to be specific international recognition of the COVID-19 pandemic as a health emergency, which would clear the way to apply the practice of compulsory licensing envisaged in the Agreement on Trade-Related Aspects of Intellectual Property Rights, or TRIPS, to the COVID-19 pandemic.[11] This could help make the vaccine more affordable. Either option would require additional investments to strengthen developing countries' health systems; upgrade the capacity of selected developing countries to manufacture the vaccine(s); and build adequate vaccine delivery chains to ensure safe injections. Some 150 eminent persons have called for this in an open letter in support of "a people's vaccine" (UNAIDS, 2020[13]). While there have been advancements through the ACT Accelerator, it still remains to be seen whether a vaccine can truly be made available to all through this or any other mechanism.

Unless a global political choice is made to make a vaccine available for all people and all countries (either for free or at an affordable price), only those able to afford the vaccine – and those living in countries that have already reserved needed supplies for themselves – will be able to be vaccinated.

Of course, all those who insist that the challenge of climate change mitigation, and other pressing challenges, should not be

forgotten because of COVID-19 also make a valid point. But, again, this raises questions. Who calculates all the public funds that would be needed? How can more money shifting be avoided? And who tracks available resources and rings the alarm bell when such shifting happens and serious shortfalls in critical health fields arise?

There is no coherent system for managing global issues. We have seen this with COVID-19. The World Health Organization provides some level of global co-ordination to fight the spread of the virus.[12] But this is a multidimensional crisis, and achieving global sustainable growth and development is equally important. The world needs a mechanism to co-ordinate health measures along with economic and social measures.

The current overall landscape of policy responses to COVID-19 thus resembles that of other GPGs, including fostering green growth and development. Many actors are taking countless actions, but in ways that often seem to lack coherence and be underfinanced. Poor countries and poorer people are suffering more than other countries and other population segments because of a lack of resources needed for self-protection against the underprovision of GPGs and related spillover effects that, in many cases, reach far beyond the immediate policy space of the underprovided GPGs.

How to ensure the COVID-19 opportunity for reform does not go to waste

An urgent task confronts policy makers and their constituencies. They must strive to modernise the conventional international co-operation finance system along the lines of the tripod-shaped architecture discussed here, with the aim of correcting its current and most basic dysfunctions.

Given the complexity of this task, it is important to proceed strategically and begin with changes that can be accomplished relatively quickly. These changes can help lay the foundation for a new financing system. At the same time, immediate reforms can contribute to ending the COVID-19 pandemic as quickly as possible; help keep to the approaching 1.5-2 °C critical threshold for global warming; and prevent a global crisis from reversing national and international efforts for global sustainable growth and development.

The first path breaking steps of such a phased change strategy could include the following:

- Include COVID-19, climate change mitigation (CCM), and crisis response and stabilisation (CRS) in the list of the UN Secretary-General's global, top-level priorities. Doing so would imply that these three global policy challenges will receive the Secretary-General's personal attention to ensure that related political negotiations and operational activities proceed at the necessary scale and speed to address them efficiently and effectively.
- To support the UN Secretary-General's lead role in these three policy fields, it would be desirable to establish three new entities – UNCOVID-19, UNCCM and UNCRS – as global co-ordinating platforms. In the case of COVID-19, this would mean bringing together actors and entities dealing with the health aspects of the crisis and those dealing with issues of rebooting growth and development.
- Include reform of international co-operation financing in the global debate on reinvigorating multilateralism. In their Declaration on the Commemoration of the Seventy-Fifth Anniversary of the United Nations, the heads of state or governments of UN member states asked the UN Secretary-General to submit recommendations on the topic of reinvigorating multilateralism (UN, 2020[14]). As the topics of reinvigorated multilateralism and international co-operation finance reform are closely interrelated, these recommendations could include establishing a panel of independent, high-level experts to examine how ICF reforms of the type suggested here might contribute to

fostering a reinvigorated multilateralism. Carefully monitoring and assessing outputs and effects in the three priority areas of COVID-19, climate change mitigation, and crisis response and stabilisation could help test and develop the new tripod-shaped international co-operation finance architecture.

Seize the moment to make international co-operation finance fit for the times

Who can start the process of transforming the system so it is fit for modern-day global challenges, and how can it be done?

First, a two-pronged approach is perhaps the best way forward. As noted, the UN Secretary-General is in the best position to initiate the reform process, taking into account both the 75th anniversary declaration and the UN75 People's Declaration and Plan for Global Action (UN2020, 2020[15]). Second, some of the foremost donor representatives of the conventional international co-operation finance system such as the OECD DAC and the World Bank Group could proactively step forward and assure the global public and the UN Secretary-General that they, too, recognise it is time to change. Representatives of the so-called recipient countries –the African Union, for instance – could do the same. Of course, all other interested and concerned state and non-state parties might also wish to signal their support and thereby foster a fully inclusive, multi-level and multi-actor change process from the start.

As a matter of fact, many reform and change ideas have already been formulated and several isolated pilot initiatives are underway. What is urgently needed now is for these to come together in a coherent vision of a new architecture and leadership that can effect change.

Clearly, reaching consensus on the needed reforms will take time. All the more reason, therefore, to include COVID-19, climate change mitigation, and crisis response and stabilisation – now – among the UN Secretary-General's global, top-level priorities and to treat them as international co-operation finance reform test cases. The main aim would be to end the COVID-19 pandemic as soon as possible and not exceed the global warming threshold. Accomplishing both feats would lead to more realism about how to resolve today's global challenges and advance towards the goal of global sustainable growth and development.

REFERENCES

Barrett, S. (2007), *Why Co-operate?: The Incentive to Supply Global Public Goods*, Oxford University Press, Oxford, UK, http://dx.doi.org/10.1093/acprof:oso/9780199211890.001.0001. [37]

Bollyky, T. and C. Bown (2020), "The tragedy of vaccine nationalism", *Foreign Affairs*, https://www.foreignaffairs.com/articles/united-states/2020-07-27/vaccine-nationalism-pandemic (accessed on 12 October 2020). [9]

Correa, C. (2020), *Lessons from COVID-19: Pharmaceutical Production as a Strategic Goal*, South Centre, Geneva, https://www.southcentre.int/wp-content/uploads/2020/07/SouthViews-Correa.pdf (accessed on 12 October 2020). [35]

DCAF (2020), *Disaster Risk Reduction, Preparedness and Relief & the Security Sector*, Geneva Centre for Security Sector Governance, Geneva, https://issat.dcaf.ch/Learn/SSR-in-Practice/Thematics-in-Practice/Disaster-Risk-Response-and-SSR (accessed on 13 November 2020). [20]

European Commission (2020), "Q&A: Global EU response to the coronavirus pandemic", https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_606/. [17]

Foresti, M. (2020), "What the EU recovery fund means for Europe and international development", *ODI blog*, https://www.odi.org/blogs/17197-what-eu-recovery-fund-means-europe-and-international-development (accessed on 12 October 2020). [11]

Georgieva, K. (2020), "Opening remarks at a press briefing", International Monetary Fund, Washington, DC, https://www.imf.org/en/News/Articles/2020/03/27/sp032720-opening-remarks-at-press-briefing-following-imfc-conference-call/ (accessed on 12 October 2020). [23]

Global Facility for Disaster Reduction and Recovery (2020), *Who we are (webpage)*, https://www.gfdrr.org/en/global-facility-disaster-reduction-and-recovery (accessed on 13 November 2020). [19]

Gneiting, U., N. Lusiani and I. Tamir (2020), *Power, Profits and the Pandemic: From Corporate Extraction for the Few to an Economy that Works for All*, Oxfam International, Oxford, UK, https://www.oxfam.org/en/research/power-profits-and-pandemic (accessed on 12 October 2020). [18]

Goldin, I. (2020), "Rethinking global resilience: The pandemic is straining economic and social fault lines - The only remedy is international co-operation", *Finance & Development*, pp. 5-9, https://www.imf.org/external/pubs/ft/fandd/2020/09/pdf/rethinking-global-resilience-ian-goldin.pdf (accessed on 12 October 2020). [5]

Hamzah, F. et al. (2020), "CoronaTracker: World-wide COVID-19 outbreak data analysis and prediction", *Bulletin of the World Health Organization*, https://www.who.int/bulletin/online_first/20-255695.pdf. [30]

Kahneman, D. and A. Tversky (2000), "Choices, values, and frames", in Kahneman, D. and A. Tversky (eds.), *Choices, Values, and Frames*, Cambridge University Press, Cambridge, UK, https://doi.org/10.1017/CBO9780511803475.002. [4]

Kaul, I. (2020), "Multilateralism 2.0: It is here – are we ready for it?", *Global Perspectives*, https://doi.org/10.1525/gp.2020.17639. [24]

Kaul, I. (2017), *Providing Global Public Goods: What Role for the Multilateral Development Banks?*, Overseas Development Institute, London, https://www.odi.org/sites/odi.org.uk/files/resource-documents/11724.pdf (accessed on 12 October 2020). [7]

Kaul, I., D. Blondin and N. Nahtigal (2016), "Understanding global public goods: Where we are and where to next", in Kaul, I. (ed.), *Global Public Goods*, Edward Elgar Publishing, Cheltenham, UK, https://www.e-elgar.com/shop/gbp/global-public-goods-9781783472994.html (accessed on 12 October 2020). [25]

Kharas, H. and M. Dooley (2020), "Sustainable development finance proposals for the global COVID-19 response", *Global Working Paper*, No. 141, Brookings Institution, Washington, DC, https://www.brookings.edu/wp-content/uploads/2020/08/Development-Financing-Options_Final.pdf (accessed on 12 October 2020). [26]

Lopes, C. (2020), "Can a virus accelerate change in Africa?", *Pandemic Discourses*, https://www.indiachinainstitute.org/2020/05/18/can-a-virus-accelerate-change-in-africa/ (accessed on 12 October 2020). [2]

Mancini, D. and M. Peel (2020), "'Vaccine nationalism' delays WHO's struggling Covax scheme", *Financial Times*, https://www.ft.com/content/502df709-25ac-48f6-aee1-aec7ac03c759 (accessed on 12 October 2020). [10]

North, D. (1997), *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, Cambridge, UK, https://doi.org/10.1017/CBO9780511808678. [3]

Ocampo, J. (2020), *Weak International Economic Co-operation in Response to the COVID-19 Crisis*, Foundation for European Progressive Studies, Brussels, https://www.feps-europe.eu/attachments/publications/economic%20co-operation%20covid%20-%20web.pdf (accessed on 12 October 2020). [8]

OECD (2020), "The impact of the coronavirus (COVID-19) crisis on development finance", *OECD Policy Responses to Coronavirus (COVID-19)*, http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/ (accessed on 12 October 2020). [36]

OECD DAC (2020), *COVID-19 Global Pandemic: Joint Statement by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development*, OECD Publishing, Paris, https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf (accessed on 12 October 2020). [33]

Reddy, S. and A. Acharya (2020), "The economic case for a people's vaccine", *Boston Review*, http://bostonreview.net/science-nature/sanjay-g-reddy-arnab-acharya-economic-case-peoples-vaccine/ (accessed on 12 October 2020). [32]

Sandler, T. (2004), *Global Collective Action*, Cambridge University Press, Cambridge, http://dx.doi.org/10.1017/CBO9780511617119. [38]

Stiglitz, J., A. Jayadev and A. Prabhala (2020), "Patents vs. the pandemic", *Project Syndicate*, https://www2.project-syndicate.org/commentary/covid19-drugs-and-vaccine-demand-patent-reform-by-joseph-e-stiglitz-et-al-2020-04?barrier=accesspaylog (accessed on 12 October 2020). [34]

UN (2020), "Declaration on the Commemoration of the Seventy-fifth Anniversary of the United Nations", United Nations, New York, https://www.un.org/pga/74/wp-content/uploads/sites/99/2020/07/UN75-FINAL-DRAFT-DECLARATION.pdf. [14]

UN (2020), *United Nations Comprehensive Response to COVID-19*, United Nations, New York, https://unsdg.un.org/sites/default/files/2020-09/un_comprehensive_response_to_covid-16_Sep_2020.pdf (accessed on 12 October 2020). [16]

UN2020 (2020), *UN75 People's Declaration and Plan for Global Action*, http://un2020.org/forum-declaration/. [15]

UNAIDS (2020), "World leaders unite in call for a people's vaccine against COVID-19", https://www.unaids.org/en/resources/presscentre/featurestories/2020/may/20200514_covid19-vaccine-open-letter/. [13]

UNCTAD (2020), *Trade and Development Report 2020*, United Nations Conference on Trade and Development, Geneva, https://unctad.org/system/files/official-document/tdr2020_en.pdf (accessed on 12 October 2020). [31]

United Nations Office for Disaster Risk Reduction (2020), *Annual Report 2019*, https://www.undrr.org/publication/undrr-annual-report-2019 (accessed on 13 November 2020). [21]

UNOCHA (2019), *Global Humanitarian Overview 2020*, United Nations Office for the Co-ordination of Humanitarian Affairs, Geneva, https://www.unocha.org/sites/unocha/files/GHO-2020_v9.1.pdf (accessed on 13 November 2020). [22]

WHO (2020), "ACT-Accelerator update", *World Health Organization*, https://www.who.int/news/item/26-06-2020-act-accelerator-update. [12]

WHO (2020), *COVID-19 Partners Platform (webpage)*, World Health Organization, Geneva, https://covid19partnersplatform.who.int/. [28]

WHO (2020), *COVID-19 Supply Chain System (webpage)*, World Health Organization, Geneva, https://www.who.int/emergencies/diseases/novel-coronavirus-2019/covid-19-operations/. [29]

WHO (2020), "WHO Director-General's opening remarks at the media briefing on COVID-19 - 2 October 2020", World Health Organization, Geneva, https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---2-october-2020/. [27]

Wolf, M. (2020), "Opinion: Covid has exposed society's dysfunctions", *Financial Times*, https://www.ft.com/content/e3db59e8-8fda-45ed-a99e-f4385168f58a (accessed on 12 October 2020). [1]

World Economic Forum (2020), *The Global Risks Report 2020*, http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf (accessed on 12 October 2020). [6]

NOTES

1. Economists distinguish between two main categories of goods, to whit private goods (such as a slice of bread) and public goods (such as a lighthouse). Private goods are defined as being rival in consumption and excludable. Public goods are defined as possessing the opposite properties, being non-rivalrous in consumption or use and difficult, or perhaps even impossible, to be made excludable. Public goods can have different geographic and temporal reach. Global public goods are public goods whose benefits or cost reach across the whole world or several parts of the world (e.g. regions). Some GPGs, such as global warming, may also stretch across and affect several generations. For detailed discussions of the concepts of public goods and GPGs, see Barrett (2007[37]) at 10.1093/acprof:oso/9780199211890.001.0001; Kaul, Blondin and Nahtigal (2016[25]) at https://www.e-elgar.com/shop/gbp/global-public-goods-9781783472994.html; and Sandler (2004[38]) at https://doi.org/10.1017/CBO9780511617119, among others.
2. On this point, see especially the comprehensive literature overview provided by Kaul, Blondin and Nahtigal (2016[25]) at https://www.e-elgar.com/shop/gbp/global-public-goods-9781783472994.html.
3. On this point, see also Kaul (2020[24]) at https://doi.org/10.1525/gp.2020.17639.
4. On this point, see also Kaul (2017[7]) at https://www.odi.org/sites/odi.org.uk/files/resource-documents/11724.pdf.
5. Examples include the Global Facility for Disaster Reduction and Recovery (2020[19]); the UN Office for Disaster Relief Reduction (2020[21]); the Geneva Centre for Security Sector Governance (DCAF, 2020[20]); and the UN Office for the Co-ordination of Humanitarian Affairs (UNOCHA, 2019[22]).
6. Kharas and Dooley (2020[26]) estimate that the developing world faces a potential funding shortfall of close to USD 2 trillion to respond to the pandemic and associated economic shocks. See https://www.brookings.edu/wp-content/uploads/2020/08/Development-Financing-Options_Final.pdf. Their estimate is close to that of the International Monetary Fund and the UN Conference on Trade and Development (UNCTAD), which put the shortfall at USD 2.5 trillion. See, respectively, (Georgieva, 2020[23]) at https://www.imf.org/en/News/Articles/2020/03/27/sp032720-opening-remarks-at-press-briefing-following-imfc-conference-call/ and UNCTAD (2020[31]) at https://unctad.org/system/files/official-document/tdr2020_en.pdf.
7. For instance, there are serious funding shortfalls in the area of health products, including vaccine development and deployment. As of 26 June 2020, the Access to COVID-19 Tools (ACT) Accelerator consortium received only about 10% of the USD 31.3 billion in funding required over the next 12 months, although it had received an additional USD 1 billion as of October 2020. See WHO (2020[12]) at https://www.who.int/news-room/detail/26-06-2020-act-accelerator-update/ and WHO (2020[27]) at https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---2-october-2020/. COVID-19-related humanitarian assistance has similar shortfalls: as of 3 September 2020, the UN Global Humanitarian Response Plan, which is to serve 63 developing countries, had received just USD 2.3 billion of its required USD 10.3 billion. See UN (2020[16]) at https://unsdg.un.org/sites/default/files/2020-09/un_comprehensive_response_to_covid-16_Sep_2020.pdf.
8. The OECD (2020[36]) notes that "levels and trends in domestic and external financing" available to developing countries already fell short of what was needed to achieve the Sustainable Development Goals prior to the COVID-19 crisis. On top of this, developing countries experienced large private finance outflows, declining international trade opportunities and still-high debt levels due to the pandemic, resulting in serious pressures on their public finances. OECD DAC members have so far only pledged to "strive to protect" ODA budgets (OECD DAC, 2020[33]).
9. See, for example, the online press release by the European Commission (2020[17]) that presents funding decisions related to COVID-19 made by the European and European Union member states.
10. Double counting in international development co-operation, and perhaps other areas, occurs when entity A mobilises funds and transfers them to entity B and both report these funds as having been raised.

11. For a discussion of TRIPS flexibility and other intellectual property issues such as patent pooling, see Correa (2020[35]) at https://www.southcentre.int/wp-content/uploads/2020/07/SouthViews-Correa.pdf; Reddy and Acharya (2020[32]) at http://bostonreview.net/science-nature/sanjay-g-reddy-arnab-acharya-economic-case-peoples-vaccine/; and Stiglitz, Jayadev and Prabhala (2020[34]) at https://www2.project-syndicate.org/commentary/covid19-drugs-and-vaccine-demand-patent-reform-by-joseph-e-stiglitz-et-al-2020-04?barrier=accesspaylog. For a discussion of the political obstacles to agreement on these issues, see Gneiting, Lusiani and Tamir (2020[18]) at https://www.oxfam.org/en/research/power-profits-and-pandemic.
12. In addition to the ACT-Accelerator, also noteworthy is the WHO (2020[28]) COVID-19 Partners' Platform, described at https://covid19partnersplatform.who.int/, and the WHO COVID-19 Supply Chain System, described at https://www.who.int/emergencies/diseases/novel-coronavirus-2019/covid-19-operations/. A further example of co-ordinated action is the global CoronaTracker, described by Hamzah et al. (2020[30]) at https://www.who.int/bulletin/online_first/20-255695.pdf.

07 RESILIENCE-BUILDING IN PRACTICE

Eleanor Carey, Jonathan Marley, & Harsh Desai, Development Co-operation Directorate, OECD[1]

ABSTRACT

The COVID-19 crisis has severely tested recent efforts to build resilient systems using a nexus approach across humanitarian, development and peace efforts. While progress on integrating resilience in development co-operation is evident, including in the growing bank of knowledge and key resources for practitioners, the pandemic has drawn attention to areas of weakness and remaining gaps. In an increasingly interconnected world with multidimensional risks, strengthening resilience is an urgent task that requires new approaches to co-ordination, programming and finance.

1 Special thanks to Rachel Scott, Senior Policy and Partnerships Advisor, UNDP for her input.

Building resilience, responding better to future shocks

- The COVID-19 crisis demonstrates that development co-operation actors need to dedicate substantially more resources to building resilient systems.
- Development actors have a wide range of policy guidance and practical toolkits to draw from to inform their resilience-building strategies.
- A shift in mindset – from minimising risk to building multidimensional resilience – is needed to respond better to future shocks.
- Integrated action must be taken to build resilience across the three key pillars of the humanitarian-development-peace nexus: co-ordination, programming and finance.

The COVID-19 crisis has put resilience to the test

The urgent, wide-ranging and rapidly evolving nature of the COVID-19 crisis has made it clear that decision makers must do more to integrate risk-based and resilience-based approaches into their policies and strategies. Understanding the distinctions between these two approaches is an important starting point. Risk-based approaches aim to catalogue and minimise, to the greatest extent possible, identifiable threats. A resilience-based approach *accepts the inherently uncertain, unpredictable and even random nature of systemic threats* (OECD, 2020[1]) – and aims to mitigate the impacts of threats that inevitably come to pass (Lindborg, 2020[2]). Broadly, building resilience means enhancing the capacity of systems to not only absorb (or cope with) shocks, but to be ready to adapt and transform when shocks occur in order to minimise their impact (see Box 7.1 on resilience terminology).

Resilience has gained traction on the international agenda in recent years, particularly following the 2008-09 financial crisis and in light of growing recognition of the interconnections among different types of risks such as violence and conflict, climate change, and disasters and specific risk factors such as urbanisation and ageing populations (OECD, 2013[10]). The current crisis is having multidimensional effects across all levels of societies, confirming the need to build resilience, starting from immediate responses right through to long-term recovery efforts (UNDP, 2020[11]).

A potential downward spiral of multidimensional impacts linked, in part, to COVID-19 is now threatening political stability, security, and economic and social outcomes. This can be seen in Gambia, for example, which is experiencing both economic and political impacts (OECD, 2020[12]) and in Lebanon, where a massive explosion in the Port of Beirut exacerbated the crisis (Box 7.2). Additionally, economic exposure due to declining remittances is having detrimental impacts on populations in developing countries (Thompson, forthcoming[13]). These impacts demonstrate how quickly

BOX 7.1. RESILIENCE TERMINOLOGY

Resilience approaches work alongside disaster and risk management strategies to crisis response; their aim is to better address changes in the complexity of risks, including heightened uncertainty. One key barrier to effective implementation may be the range of terminology, definitions and interpretations in the literature. Current, key definitions include the following.

Resilience refers to the ability of nations, communities or households to absorb shocks and recover from them, while positively adapting and transforming their structures and means for operating/living in the face of long-term stresses, change or uncertainty.

Well-being is fundamental within resilience, referring to a state of being with others and the natural environment in which human needs are met such that individuals and groups can act meaningfully to pursue their goals and are satisfied with their way of life (Armitage et al., 2012[3]).

Resilience-building, as applied to development co-operation programming, is a process that aims to enhance the combined absorptive (or coping), adaptive and transformative capacities of nations, communities and households while assuring that such programming does not undermine the social, political or economic structures in place or the well-being and living standards of groups of people and individuals impacted directly or indirectly.

A resilient system is one in which the components (or characteristics) of various layers of society collectively enhance capacity to **absorb, adapt and transform**. Integration of these components results from applying resilience-building strategies that better align risk management actions with programmes for development, vulnerability and poverty reduction, and other long-term goals:

- **Absorptive capacity** refers to the ability of a system to – using predetermined coping responses – prepare for, mitigate or prevent the impacts of negative events in order to preserve and restore essential basic structures and functions (Béné et al., 2012[4]; Cutter et al., 2008[5]; UNISDR, 2009[6]).
- **Adaptive capacity** reflects the ability of a system to adjust, modify or change its components (or characteristics) and its actions to moderate potential future damage and to optimise opportunities, all in order to continue functioning without major qualitative changes in structure or functions (Béné et al., 2012[4]; IPCC, 2012[7]).
- **Transformative capacity** is the ability to create a fundamentally new system when ecological, economic or social shocks make the existing system untenable (Walker et al., 2004[8]).

Often, a crisis demands that these three capacities be exercised collectively. For example, a coastal community in Bangladesh might use its absorptive capacity to protect livelihoods against annual flooding, applying traditional skills developed in past experience of managing such crises. As sea level rise associated with climate change progressively increases the salinity of traditional water sources, people may use adaptive skills to alter how they cultivate crops and collect drinking water. To enhance resilience overall, communities may transform the way they manage income by seeking to change attitudes on natural resource exploitation, the roles and collaboration of different community groups, and the inclusion and roles of women.

Source: Mitchell, A. (2013[9]), "Risk and resilience: From good idea to good practice", https://dx.doi.org/10.1787/5k3ttg4cxcbp-en

urgent human needs can arise and how an international crisis can set back progress in areas of humanitarian action, development co-operation and peace.

While crises can also create opportunities, for example through ceasefire agreements or potential rebalancing of global value chains, it appears that actors are not yet seizing, on the scale possible, opportunities inherent in this crisis. The relatively small number of ceasefires agreed, for example, is having little effect on overall violence worldwide (Gowan, 2020[16]).

Although resilience is now widely referred to in development co-operation strategies and policies, the shortcomings of the

BOX 7.2. HOW MULTIDIMENSIONAL FRAGILITY AND COMPOUNDING SHOCKS UNDERMINE RESILIENCE: THE CASE OF LEBANON

On 4 August 2020, a catastrophic explosion in the Port of Beirut caused over 200 deaths and 6 500 injuries. An estimated USD 15 billion in property damage left some 300 000 people homeless. The explosion has the potential to exacerbate existing fragility, leading to a reversal in Lebanon's prospects for sustainable development and peace. A resilience-based approach in Lebanon is therefore essential to address the potential for these reversals and build back better from the crisis.

For many years before the explosion or the onset of COVID-19, Lebanon had been facing severe and entrenched challenges. A litany of governance failures, including the inability to make essential reforms, has led to the collapse of critical public services and created a crisis of public distrust. A deteriorating security situation and the ready availability of weapons are linked to an uptick in violence.

In turn, a deep economic recession has pushed ~55% of the population below the poverty line while skyrocketing consumer prices have placed basic goods and services beyond the reach of ordinary citizens. The ongoing strain of hosting 1.5 million refugees and the more recent impacts of the COVID-19 pandemic exacerbate the crises. In turn, dwindling foreign currency reserves may force the government to eliminate subsidies.

Frustrated by a lack of hope for the future, citizens who can – particularly youth, the middle class and the educated with access to capital – are leaving Lebanon, vowing never to return. Those who cannot leave are at risk of resorting to violence – or may ultimately suffer at the hands of those who do.

In Lebanon, resilience is a dirty word. For too long, people were expected to be resilient, despite being faced with compounding shocks. International actors designed programmes and invested in individual resilience. However, people cannot individually be resilient faced with systemic failure. The development community's failure was in not investing in resilient systems – systems that could anticipate shocks, limit exposure to those situations and where one system could compensate for stress in another area.

Sources: EU, UN and World Bank (forthcoming[14]), The 3RF: Reform, Recovery and Resilience Framework; International Crisis Group (2020[15]), "Avoiding further polarisation in Lebanon", https://www.crisisgroup.org/middle-east-north-africa/eastern-mediterranean/lebanon/b81-avoiding-further-polarisation-lebanon.

pandemic response call for a step change in co-ordination, programming and finance. Enabling a resilience approach to response and recovery from COVID-19 requires mobilising all actors across the humanitarian-development-peace nexus. This implies a strong role, alongside traditional development and humanitarian actors, for diplomatic actors, who often take the lead in peace and development efforts, and for external security actors, whose presence creates space for peace processes and lowers the risk of conflict recurrence (OECD, 2020[12]). Investments in peace building will also need to be increased: in 2018, Development Assistance Committee (DAC) members disbursed only 13% of their

The development community's failure was in not investing in resilient systems – systems that could anticipate shocks, limit exposure to those situations and where one system could compensate for stress in another area.

bilateral ODA in fragile contexts to the peace pillar (Desai, 2020[17]).

Opportunities are also emerging for actors to collaborate more closely on programming responses. For example, as advanced and developing economies alike seek to provide support to populations economically impacted by the crisis, humanitarian and development actors could strengthen the coverage of social protection systems to reach the most vulnerable populations by working together (Box 7.3).

Finance for COVID-19 so far has tended to focus on "masks and budget support", with little funding for the vast range of programming across the spectrum of development co-operation (Norwegian Refugee Council, 2020[19]). While this reflects the scale of need for health and humanitarian support and macroeconomic injections, it also reveals that a resilience approach that deals with the pandemic's social, environmental, security, political and human aspects has remained elusive. By early November 2020, the special, expanded Global Humanitarian Response Plan had received approximately USD 3.4 billion in funding, which still falls far below its total requirement of USD 9.5 billion (UNOCHA, 2020[20]). But funding to address socio-economic impacts – which would be necessary to enable the systems approach embodied in the concept of resilience – was only USD 63 million (MPTFO, 2020[21]). As noted in Chapters 1 and 3, across Africa and in other developing countries, COVID-19 has triggered a socio-economic crisis more than a health emergency. Applying a resilience or systems approach to examine the multiple dimensions of how COVID-19 has affected people's well-being would enable a measured, systems-based response.

Boosting development agencies' capacity for a resilience approach

In an effort to define a resilience approach – and determine how it could be applied – in 2013, the OECD established an Experts Group on Risk and Resilience, bringing together around 280 professionals from DAC members, United Nations organisations, non-governmental organisations, the Red Cross and Red Crescent movement, development banks, policy makers, think tanks, and the private sector (OECD, n.d.[22]). The group's work resulted in guidelines relevant for current and future work on resilience and a suite of tools (OECD, n.d.[22]).

The experts group identified three categories of challenges to implementing a resilience approach, which persist today (Mitchell, 2013[9]):

- **Contextual challenges** – factors in the overall environment of partner countries that determine and shape how all donors can operate.
- **Programmatic challenges** – factors that influence the way development co-operation, humanitarian assistance and risk management programmes are designed and implemented by donors and their partners.
- **Institutional challenges** – structural factors that determine how donor processes function at both capital and country team levels.

In practice, integrating resilience into programming calls for a continuous cycle of analyses of risk and resilience to inform planning, core programming with additional resilience-building activities, and application of tools to measure resilience (See Figure 7.1). Measuring resilience is an ongoing activity that must also consider the change and uncertainty inherent in the risk landscape which provides the overall context for programming activities.

Developing a resilience approach has not been without controversy. In the humanitarian community, for example, some organisations treated the concept as a "buzzword" with limited behaviour change (Hussain, 2013[23]). Others engaged in serious reflection around the ethical nature of resilience, i.e. whether the international community was "right" to move away from solidarity with those affected by shocks to place a greater focus on helping to build their

BOX 7.3. HUMANITARIAN CASH PROGRAMMES OFFER A LIFELINE, OPEN THE DOOR TO STRONGER SOCIAL PROTECTION SYSTEMS

By Caroline Holt, International Federation of the Red Cross and Red Crescent Societies

Cash and voucher assistance has become the primary instrument by which governments are providing short-term emergency assistance as the COVID-19 pandemic unfolds. Even in non-crisis times, cash and voucher assistance has been shown to contribute to poverty reduction, shore up access to health and education services, and protect livelihoods. Its application during the pandemic has been particularly valuable. The World Bank estimates that 212 countries or territories are planning some form of social protection, with cash programmes being the most popular (Gentilini et al., 2020[18]).

Through more than 14 million volunteers in 192 countries, National Red Cross and Red Crescent Societies engage with communities to identify and support the most vulnerable. Each year, National Societies deliver cash to approximately 6 million people in more than 80 countries, with the total adding up to USD 850 million. This is set to increase: the International Federation of the Red Cross and Red Crescent Societies is committed to scaling up its cash programming such that, by 2025, it will deliver 50% of its humanitarian assistance through cash and voucher assistance.

In Turkey, the International Federation of the Red Cross and Red Crescent Societies and the Turkish Red Crescent Society have partnered with the Turkish government and the European Civil Protection and Humanitarian Aid Operations to launch the Emergency Social Safety Net. Now in its fourth year, it supports up to 1.8 million people each month with cash for basic needs, making it the world's largest humanitarian cash programme. Modelled on Turkey's social protection system, it builds on existing infrastructure to deliver cash at scale. In June/July 2020, the Emergency Social Safety Net demonstrated its ability to respond to shock by scaling-up to provide a one-time, additional disbursement to those economically impacted by the pandemic.

Humanitarian actors have unique access to the people most in need of support, often a massive segment of the population that is not covered by social protection programmes. As cash and voucher assistance emerges as the response mechanism of choice, a strategic moment exists to strengthen humanitarian-development linkages to build more resilient emergency response and social protection systems. This requires:

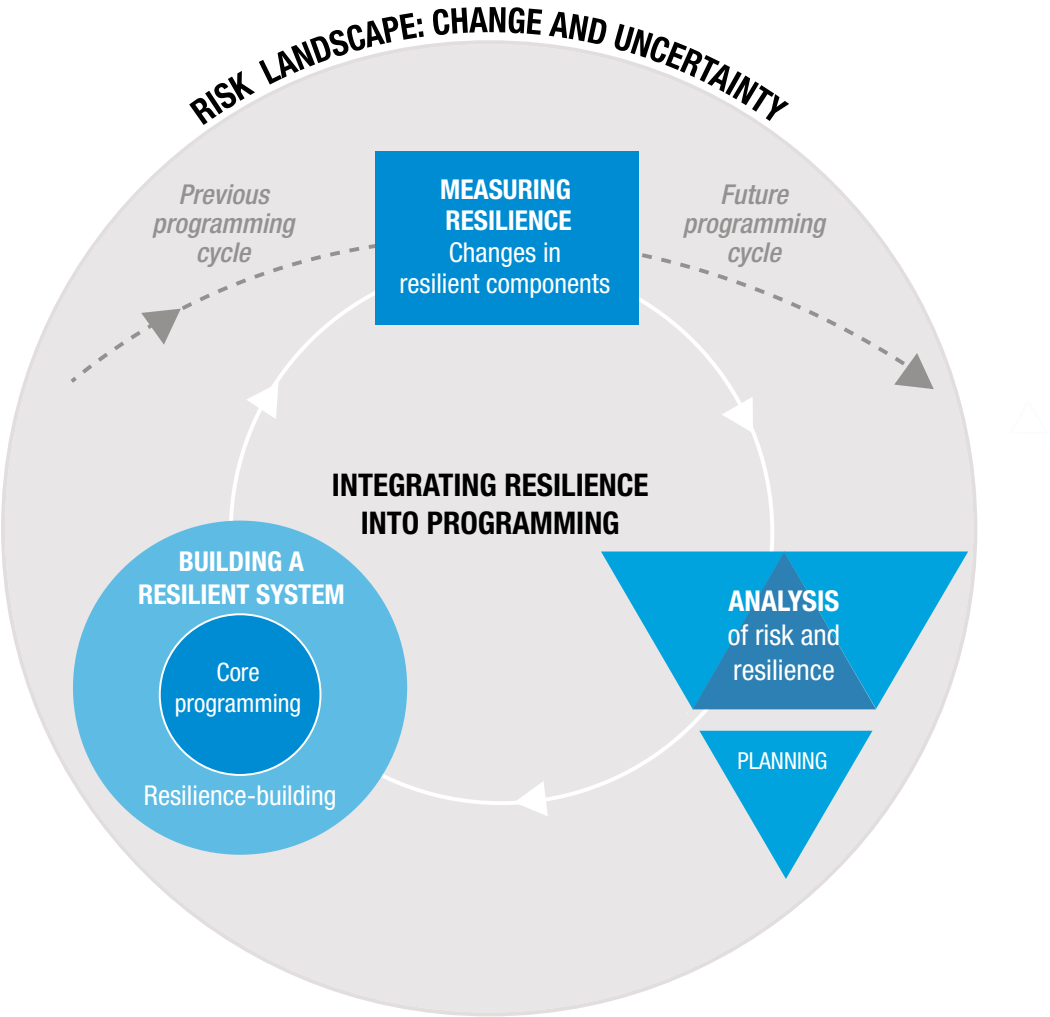
- Collective agreement to utilise and optimise existing social protection systems, rather than replace or duplicate them. Humanitarian actors will need to fully consider national systems when designing their programmes.
- Joint investment, of both financial and technical resources, in preparing response approaches and building capacities of local and national actors. Supporting system-building with predictable, long-term finance will be a key role for development actors.
- Continued advocacy across the development community for unconditional, multisector cash and voucher assistance funding and programming to effectively meet the needs of the most vulnerable in a holistic manner.

Closer alignment between humanitarian and development outcomes will support a more efficient, effective and accountable approach to addressing the immediate and long-term needs of crisis-affected households.

self-reliance (Labbé, 2014[24]). More recently, debates have moved on to refine the concept of "resilience" as meaning building "resilient systems", rather than trying to enhance the ability of individuals to cope with more and more shocks.

By the time the OECD experts group wound up (in 2017), the concept of resilience had solid political buy-in. The EU Council's Conclusions on Resilience (Council of the European Union, 2013[25]), for example, made operational tools for designing resilience approaches – many built on the OECD Resilience Systems Analysis tool (OECD, 2014[26]). Additionally, DAC members had tested the approach across their programming portfolios, including, for example Sida, Sweden's international

Figure 7.1. Strengthening resilience across the practice of development co-operation



development co-operation agency (OECD and Sida, 2016[27]).

The fragility framework outlined in the OECD *States of Fragility* report has further developed a resilience approach, recognising that effective interventions to end fragility must address resilience across five dimensions – economic, environmental, political, security and social – and fully consider their interactions (OECD, 2016[28]). In addition to emphasising risk, the fragility framework goes further, taking into account pre-existing levels of resilience and necessary pre-conditions for resilience. Strengthening resilience requires commitment to local ownership and local co-ordination, along with mechanisms that harness and reinforce political will, underpinned by a financing approach that is flexible enough to respond to changing situations (OECD, 2020[12]). The fragility framework continues to evolve as a resource for identifying risks and areas to build resilience across different dimensions of fragility. In 2022, a "human" dimension will be added to the *States of Fragility* report, recognising that health, education and other social services are both sources of resilience and key building blocks to sustainable development (Forichon, 2020[29]).

Implicit in the idea of systemic resilience is that resilience-building is highly context-specific, requiring different types of strategic action at different geographic levels and times. The reality that states operate in a

complex, interconnected global system necessitates the build-up of an additional level of global resilience that addresses current fragmentation (Nadin, 2020[30]). The OECD's New Approaches to Economic Challenges recommends the following approach to building resilience to systemic threats (Hynes et al., 2020[31]):

- design systems, including infrastructure, supply chains, economic, financial and public health systems, to be recoverable and adaptable
- develop methods for quantifying resilience and recognise trade-offs between resilience and efficiency
- map system linkages and minimise complexity where possible to ensure failures in one area do not spill over into others
- design appropriate connections and communications across interconnected infrastructure
- add resources and redundancies in parts of the system that are crucial to functioning
- develop real-time decision support tools that effectively integrate data.

Ultimately, resilience-building aims to ensure systems are better prepared and equipped for rapid change, high uncertainty, and plausible future shocks. This multi-layered aim will require deep understanding of system components and their interactions, evidence-based methods to anticipate plausible shocks and the ability to stimulate effective action. Thus, resilience-building should incorporate the combination of complex systems thinking, foresight analysis and behavioural science which could be used to stress test existing systems based on informed scenarios (Box 7.4).

Next steps to integrate risk and resilience into development co-operation systems

Delivering across the humanitarian-development-peace nexus is ultimately about long-term resilience. Critically, the OECD DAC recognises that no single actor or set of actors can address risk or build resilient systems: it will require collective effort. Coherent, complementary and co-ordinated strategies across the nexus are fundamental to identify complex risks and build sources of positive resilience in fragile contexts, as set out in the *DAC Recommendation on the Humanitarian Development Peace Nexus* (OECD, 2019[37]). Room exists for optimism in terms of behaviour change as more international organisations adhere to the recommendation, for example the United Nations Development Programme, the World Food Programme, the United Nations Children's Fund, and the International Organization for Migration. The recommendation was also recently reaffirmed in the DAC's joint statement on COVID-19 (OECD, 2020[38]).

As set out in the humanitarian-development-peace nexus recommendation, integrating resilience in development co-operation requires common approaches to co-ordination, programming and financing (OECD, 2019[37]).

- Co-ordinating implementation of the humanitarian-development-peace nexus recommendation requires joint, risk-informed analysis that bolsters resilience. Globally, it depends on the ability of agencies to work across different geographies and thematic priorities. This implies being able to leverage existing tools and frameworks, such as those provided by the OECD Expert Group on Risk and Resilience. Additionally, agencies should create co-ordination structures that support rapid, flexible response when unforeseen shocks occur (OECD, 2020[12]). In parallel, policy makers should plan a "whole-of-government approach" that leverages capacities and co-ordination structures across different levels and links national response to activity in the global arena.
- To strengthen programming across the humanitarian-development-peace nexus, policy makers should incentivise a framework for addressing global systemic risks. Setting long-term time horizons to enable agencies

BOX 7.4. BUILDING RESILIENCE THROUGH SYSTEMS THINKING, FORESIGHT AND BEHAVIOURAL SCIENCE

By Krystel Montpetit, Development Co-operation Directorate, OECD

The experience of the COVID-19 pandemic adds urgency to recent calls to build resilience capacity across the development co-operation system. Proactively integrating complex systems thinking, foresight and behavioural science into decision making can be an efficient pathway to enhanced resilience.

Complex systems thinking is a holistic approach to analysis that focuses on how the constituent parts of a system interrelate, as well as how systems work within the context of larger systems and evolve over time. Systems thinking contrasts with traditional analysis, which studies systems by breaking them down into their constituent parts. With its analysis of causality, feedback loops, emergence and interconnectedness, complex systems thinking (Acaroglu, 2017[32]) makes it possible for policy makers to see the entirety of a system and to uncover – in advance – unintended negative consequences that could be caused by taking a particular decision or to identify potential positive outcomes.

Foresight is a structured, systematic way of using evidence to anticipate future possibilities and better prepare for change. It seeks to explore different plausible futures that could arise and identify the opportunities and challenges they could present. With its consideration of multiple potentialities in decision making, foresight reduces the degree of risk associated with uncertainty. It also helps policy makers challenge assumptions, which could be wrong. Furthermore, by enabling the study of the plausible cascading effects of a given policy, foresight helps policy makers map out future negative evolutions linked to given decisions.

Behavioural science is a branch of social science that investigates human action and often seeks to understand the motivations that underpin human behaviour. It typically integrates elements of psychology, sociology and anthropology.

An efficient pathway to increasing system resilience may be a combination of all three disciplines: 1) complex systems thinking provides a holistic view of the present, as opposed to a fragmented one; 2) foresight provides multiple views about the future; and 3) behavioural science can help policy makers keep their cognitive biases in check when analysing the present and planning for the future. For example, together these approaches could help to counter a human tendency that neuroscientists refer to as "irrational optimism" (Popova, 2012[33]), which is linked to cognitive biases that make people approach challenges with overly optimistic mindsets. Research supports the hypothesis that such optimism has been selected by evolution because positive expectations enhance the odds of survival (Popova, 2012[33]; Sharot, 2011[34]).

In policy making, approaching uncertainty with overly optimistic mindsets can be detrimental: it may lead to decision makers having a tendency to prepare only for the best plausible outcomes, rather than for both good and bad outcomes. Policy makers should tap into the energy of optimism while guarding against is potential pitfalls.

Integrating systems thinking, foresight and behavioural sciences into preparedness for health pandemics, such as COVID-19, would prompt policy makers to develop a framework that supports a range of potential scenarios and responses. An overly optimistic scenario that revolves around rapid development and deployment of a low-cost, effective vaccine which confers long-lasting immunity might arise as the ideal solution. Keeping optimism in check, decision makers must also pursue other trajectories; in the case of COVID-19 responses, investments in antiviral and antibody treatment and investigating the potential to repurpose existing drugs for COVID-19 are important to counter-balance the ideal solution. In parallel, improving test and trace protocols, and increasing the number of intensive care unit beds, ventilators, as well as overall resuscitation capacity are valid policies to pursue. To be fully prepared, planning for more pessimistic scenarios is also crucial. In the case of confinements, for example, this integrated approach would consider not only the possibility to reduce infection rates, but also how to promote certain behaviours while also taking account of the socio-economic consequences on people's health and well-being.

BOX 7.4. (CONTINUED)

The current climate crisis could be considered an example of how irrational optimism about climate sensitivity, as per recent modelling data (Palmer, 2020[35]; Williams, Hewitt and Bodas-Salcedo, 2020[36]), have, for decades, led to miscalculations. As they face and tackle the climate and COVID-19 crises, to maximise system resilience, policy makers must invest the funding and time required to integrate insights from complex systems thinking, foresight and behavioural science into decision making for development co-operation.

to engage in resilience-building is a key enabler of this fundamental task. Cross-sector programming should become the norm, such that crisis response adequately addresses secondary socio-economic impacts. **Recognising that lack of data hampers** analysis, decision making and programming, the OECD has made filling data gaps a priority area, particularly in relation to women, children, the elderly, the disabled and other groups likely to be poorly served in fragile contexts (OECD, 2020[12]).

- Establishing finance strategies and mechanisms with sufficient flexibility, which are linked to multidimensional analyses, and have long-term horizons underpins more effective co-ordination and programming (Thompson, forthcoming[13]). At the global level, the financial architecture of humanitarian and development co-operation must be reoriented to tackle systemic risks (Norwegian Refugee Council, 2020[19]). The COVID-19 pandemic demonstrates that such threats require a well-structured balance of emergency financing, long-term development financing for recovery and ongoing spending on previous priorities. With resources stretched by the current pandemic, implementing coherent and complementary approaches to financing across the nexus is more important than ever.

REFERENCES

Acaroglu, L. (2017), "Tools for systems thinkers: The 6 fundamental concepts of systems thinking", *Disruptive Design, Medium*, https://medium.com/disruptive-design/tools-for-systems-thinkers-the-6-fundamental-concepts-of-systems-thinking-379cdac3dc6a (accessed on 24 November 2020). [32]

Armitage, D. et al. (2012), "The interplay of well-being and resilience in applying a social-ecological perspective", *Ecology and Society*, Vol. 17/4, http://dx.doi.org/10.5751/ES-04940-170415. [3]

Béné, C. et al. (2012), "Resilience: New utopia or new tyranny? Reflection about the potentials and limits of the concept of resilience in relation to vulnerability reduction programmes", *Institute for Development Studies Working Papers*, Vol. 2012/405, pp. 1-61, http://dx.doi.org/10.1111/j.2040-0209.2012.00405.x. [4]

Council of the European Union (2013), "Council conclusions on EU approach to resilience", Council of the European Union, Brussels, https://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/137319.pdf. [25]

Cutter, S. et al. (2008), "A place-based model for understanding community resilience to natural disasters", *Global Environmental Change*, Vol. 18/4, pp. 598-606, http://dx.doi.org/10.1016/j.gloenvcha.2008.07.013. [5]

Desai, H. (2020), "States of fragility and official development assistance", *OECD Development Co-operation Working Papers*, No. 76, OECD Publishing, Paris, https://doi.org/10.1787/44bbde61-en. [17]

EU, UN and World Bank (forthcoming), *The 3RD: Reform, Recovery and Resilience Framework*. [14]

Forichon, K. (2020), "Considering human capital in a multidimensional analysis of fragility", *OECD Development Co-operation Working Papers*, No. 80, OECD Publishing, Paris, https://doi.org/10.1787/430770d4-en. [29]

Gentilini, U. et al. (2020), "Social protection and jobs responses to COVID-19: A real-time review of country measures (September 18 update)", brief, World Bank Group, Washington, DC, https://openknowledge.worldbank.org/handle/10986/33635 (accessed on 17 November 2020). [18]

Gowan, R. (2020), "What's happened to the UN Secretary-General's COVID-19 ceasefire call?", International Crisis Group, https://www.crisisgroup.org/global/whats-happened-un-secretary-generals-covid-19-ceasefire-call (accessed on 6 November 2020). [16]

Hussain, M. (2013), "Resilience: Meaningless jargon or development solution?", *The Guardian*, https://www.theguardian.com/global-development-professionals-network/2013/mar/05/resilience-development-buzzwords. [23]

Hynes, W. et al. (2020), "Bouncing forward: A resilience approach to dealing with COVID-19 and future systemic shocks", *Environment Systems and Decisions*, Vol. 40, pp. 174-184, http://dx.doi.org/10.1007/s10669-020-09776-x. [31]

International Crisis Group (2020), "Avoiding further polarisation in Lebanon", *Crisis Group Middle East Briefing*, Vol. 81, https://www.crisisgroup.org/middle-east-north-africa/eastern-mediterranean/lebanon/b81-avoiding-further-polarisation-lebanon (accessed on 24 November 2020). [15]

IPCC (2012), *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, Cambridge University Press, New York, https://www.ipcc.ch/site/assets/uploads/2018/03/SREX_Full_Report-1.pdf (accessed on 5 November 2020). [7]

Labbé, J. (2014), "Humanitarian aid vs resilience debate should put priorities in context", IPI Global Observatory, https://theglobalobservatory.org/2014/03/deliver-humanitarian-aid-or-build-resilience-the-answer-is-in-the-context. [24]

Lindborg, N. (2020), "The coronavirus is a call to build resilience in fragile states: How the Global Fragility Act can pave a path forward", United States Institute of Peace, https://www.usip.org/publications/2020/04/coronavirus-call-build-resilience-fragile-states (accessed on 6 November 2020). [2]

Mitchell, A. (2013), "Risk and resilience: From good idea to good practice", *OECD Development Co-operation Working Papers*, No. 13, OECD Publishing, Paris, http://dx.doi.org/10.1787/5k3ttg4cxcbp-en (accessed on 5 November 2020). [9]

MPTFO (2020), "UN COVID-19 Response & Recovery Fund", Multi-Partner Trust Fund Office, http://mptf.undp.org/factsheet/fund/COV00. [21]

Nadin, R. (2020), "If we were not ready for a predictable pandemic, what else aren't we ready for…", *Medium*, https://medium.com/@r.nadin/if-we-were-not-ready-for-a-predictable-pandemic-what-else-arent-we-ready-for-e28812e16e84 (accessed on 6 November 2020). [30]

Norwegian Refugee Council (2020), *Make or break: The implications of COVID-19 for crisis financing*, Norwegian Refugee Council, Oslo, https://reliefweb.int/sites/reliefweb.int/files/resources/nrc_make_or_break_implications_of_covid_for_crisis_financing.pdf (accessed on 6 November 2020). [39]

Norwegian Refugee Council (2020), *Make or Break: The Implications of COVID-19 for Crisis Financing*, Norwegian Refugee Council, Oslo, https://reliefweb.int/sites/reliefweb.int/files/resources/nrc_make_or_break_implications_of_covid_for_crisis_financing.pdf. [19]

OECD (2020), "A systemic resilience approach to dealing with Covid-19 and future shocks", OECD, Paris, https://read.oecd-ilibrary.org/view/?ref=131_131917-kpfefrdfnx&title=A-Systemic-Resilience-Approach-to-dealing-with-Covid-19-and-future-shocks (accessed on 6 November 2020). [1]

OECD (2020), "COVID-19 global pandemic: Joint statement by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)", OECD, Paris, https://www.oecd.org/dac/development-assistance-committee/DAC-Joint-Statement-COVID-19.pdf (accessed on 12 October 2020). [38]

OECD (2020), *States of Fragility 2020*, OECD Publishing, Paris, https://dx.doi.org/10.1787/ba7c22e7-en. [12]

OECD (2019), *DAC Recommendation on the Humanitarian-Development-Peace Nexus*, OECD Publishing, Paris, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5019 (accessed on 6 November 2020). [37]

OECD (2016), *States of Fragility 2016: Understanding Violence*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264267213-en. [28]

OECD (2014), *Guidelines for Resilience Systems Analysis: How to Analyse Risk and Build a Roadmap to Resilience*, OECD, Paris, https://www.oecd.org/dac/conflict-fragility-resilience/Resilience%20Systems%20Analysis%20FINAL.pdf. [26]

OECD (2013), "What does 'resilience' mean for donors?", OECD, Paris, http://www.oecd.org/dac/conflict-fragility-resilience/docs/May%2010%202013%20FINAL%20resilience%20PDF.pdf (accessed on 6 November 2020). [10]

OECD (n.d.), "Risk and resilience", webpage, OECD, Paris, http://www.oecd.org/dac/conflict-fragility-resilience/risk-resilience (accessed on 6 November 2020). [22]

OECD and Sida (2016), *Resilience Systems Analysis: Learning & Recommendations Report*, OECD, Paris, http://www.oecd.org/dac/conflict-fragility-resilience/docs/SwedenLearning_Recommendationsreport.pdf. [27]

Palmer, T. (2020), "Short-term tests validate long-term estimates of climate change", *Nature*, https://www.nature.com/articles/d41586-020-01484-5. [35]

Popova, M. (2012), "Why we're born optimists, and why that's good", *The Atlantic*, https://www.theatlantic.com/health/archive/2012/12/why-were-born-optimists-and-why-thats-good/266190 (accessed on 24 November 2020). [33]

Sharot, T. (2011), *The Optimism Bias: A Tour of the Irrationally Positive Brain*, Pantheon/Random House, New York, https://psycnet.apa.org/record/2011-16835-000 (accessed on 24 November 2020). [34]

Thompson, C. (forthcoming), "States of fragility: Financing in fragile contexts", *OECD Development Co-operation Working Papers*, OECD Publishing, Paris, forthcoming, http://www.oecd.org/dac/states-of-fragility-fa5a6770-en.htm#:~:text=States%20of%20Fragility%202020%20sets,has%20reversed%20hard%2Dfought%20gains. [13]

UNDP (2020), "Fragility and COVID-19: Risks and opportunities for fragile contexts", unpublished. [11]

UNISDR (2009), *Terminology on Disaster Risk Reduction*, United Nations International Strategy for Disaster Reduction, Geneva, https://www.preventionweb.net/files/7817_UNISDRTerminologyEnglish.pdf (accessed on 5 November 2020). [6]

UNOCHA (2020), "COVID-19 Global Humanitarian Response Plan: Financial tracking system", UN Office for the Co-ordination of Humanitarian Affairs, https://fts.unocha.org/appeals/952/summary (accessed on 6 November 2020). [20]

Walker, B. et al. (2004), "Resilience, adaptability and transformability in social-ecological systems", *Ecology and Society*, Vol. 9/2, http://dx.doi.org/10.5751/ES-00650-090205. [8]

WEF and Harvard Global Health Institute (2019), *Outbreak Readiness and Business Impact: Protecting Lives and Livelihoods Across the Global Economy*, World Economic Forum, Geneva, https://www.weforum.org/whitepapers/outbreak-readiness-and-business-impact-protecting-lives-and-livelihoods-across-the-global-economy. [40]

Williams, K., A. Hewitt and A. Bodas-Salcedo (2020), "Use of short-range forecasts to evaluate fast physics processes relevant for climate sensitivity", *Journal of Advances in Modeling Earth Systems*, Vol. 12/4, http://dx.doi.org/10.1029/2019MS001986. [36]

ONE HEALTH: A CROSS-SECTORAL, HOLISTIC APPROACH TO REDUCE DISEASE RISK AND BUILD RESILIENCE

08

Anna Okello, Australian Centre for International Agricultural Research (ACIAR)

ABSTRACT

One Health recognises the inherent linkages between the health of humans, animals and the environment, and advocates cross-sectoral collaboration to achieve a broad range of public health, food security and trade outcomes. Though it remains challenging to build a framework to best capture all of its benefits, One Health is attracting renewed attention in the wake of the COVID-19 pandemic. This chapter highlights research supported by the Australian Centre for International Agricultural Research over the past ten years in Fiji, Lao People's Democratic Republic, the Philippines and Viet Nam, including for disease control, and offers recommendations for development co-operation providers wishing to integrate and support this holistic approach in policies and programmes.

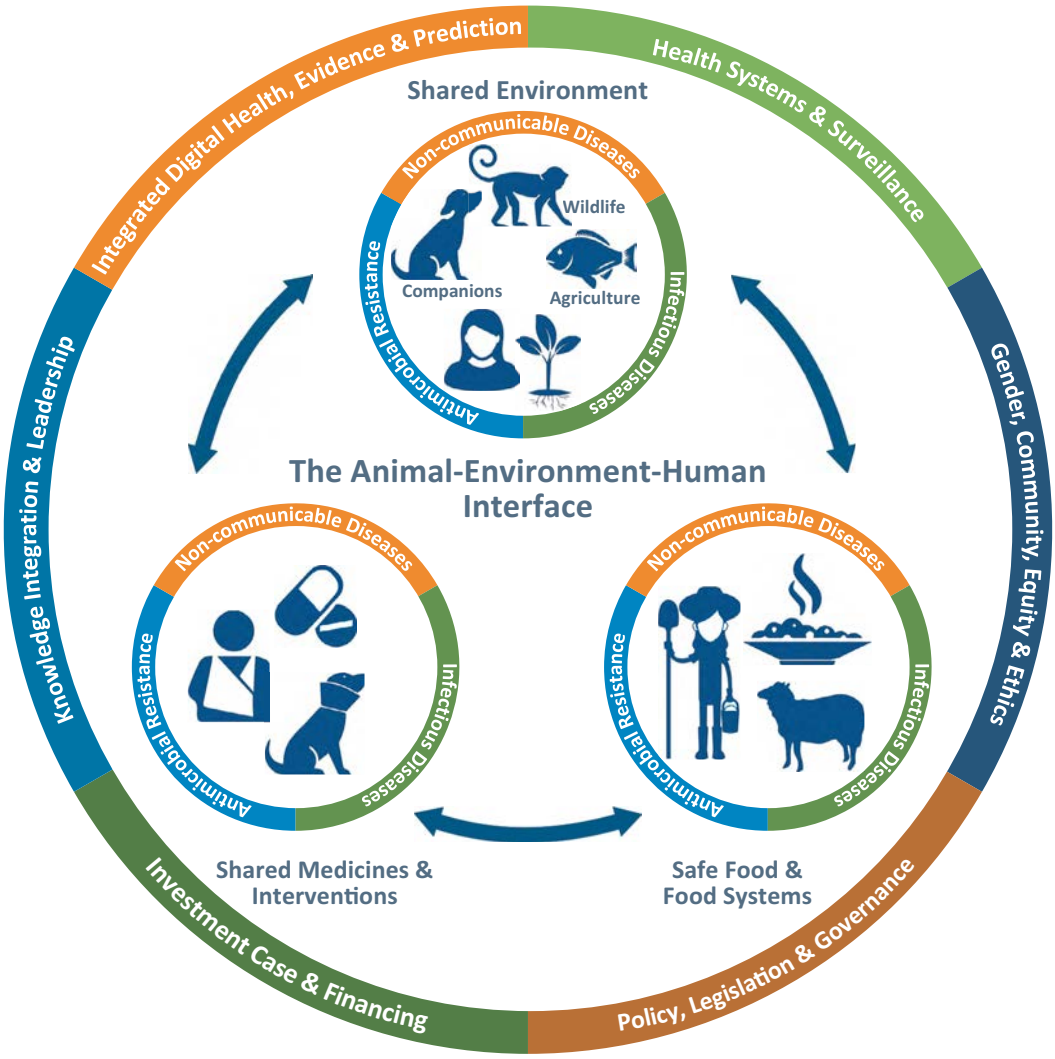
- The truly global nature of COVID-19, compared to previous health security crises, brings the potential of the One Health approach to the fore in international development.
- To realise the full potential of One Health, interventions should engage the community and translate gender, knowledge, cultural practices and risk perception into robust disease surveillance and control programmes.
- While One Health requires a fundamental shift in existing institutional operations and finance mechanisms, its collaborative, multi-sectoral and transdisciplinary way of working recognises that sustainable solutions cannot be delivered by one sector alone.

One Health recognises that the health of humans, animals and our broader environment is interconnected. It promotes a collaborative, multi-sectoral and transdisciplinary way of working, recognising that sustainable solutions cannot be delivered by one sector alone. While the concept stems from earlier thinking around comparative medicine, the emergence of severe acute respiratory syndrome (SARS) and Highly Pathogenic Avian Influenza (HPAI) in the early 21st century expanded the One Health concept to encompass the environmental perspective.

More recently, One Health has developed from a tightly defined view of zoonotic disease mitigation to an approach that can address today's much broader socio-economic, environmental, human health and livelihoods challenges (Häsler et al., 2014[1]). These range from sustaining ecosystem services to food and nutritional security, poverty, and fair trade (FAO/WHO, 2014[2]), and now include non-communicable disease (Amuasi et al., 2020[3]) (Figure 8.1). As a result, One Health is promoted as an underlying framework to support a range of existing international development initiatives, including the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction, as well as the attainment of universal health security and global action on tackling antimicrobial resistance (World Bank Group, 2018[4]; Seifman, 2020[5]). The COVID-19 crisis has amplified calls for One Health approaches.[1] As yet, though, neither coordinated global support nor systematic allocation of resources towards integrated, cross-sectoral policies and programmes has been forthcoming (Häsler et al., 2014[1]; Galaz et al., 2015[6]; Seifman, 2020[5]).

Establishing strategic international partnerships for the generation and dissemination of knowledge has been highlighted as key to achieving the desired international collective action to address a range of global public goods that are pertinent to One Health. It should be noted, however, that for the global public good theory to work, it must encourage what Ng and Ruger (2011[7]) called "mutual benefit to all" through financial contributions from both high-income countries and lower and middle-income countries, as distinct from donations of "aid" from richer to relatively

Figure 8.1. The "One Health" approach



Source: Amuasi, J. et al (2020[3]), "Reconnecting for our future: The Lancet One Health Commission", *The Lancet*, Vol. 395/10235, pp. 1469-1471, https://www.sciencedirect.com/science/article/pii/S0140673620310278?via%3Dihub.

poorer countries. Given the truly global impact of COVID-19 compared to previous health security concerns such as SARS, HPAI and Ebola, now may be an opportune time for partners to revisit the potential for global public goods theory as a framework for One Health.

How development co-operation providers can integrate or support One Health approaches

One Health advocates for cross-sectoral collaboration to achieve a broad range of health, food security and trade outcomes. However, collaboration may only be sustainable if there are "obvious benefits" to engaging across sectors (Bennett, Glandon and Rasanathan, 2018[8]). Three key lessons, outlined here alongside examples of transdisciplinary interventions, have emerged from ACIAR's more than a decade of experience with One Health.[2] Its long-term research support and co-designed programmes can be illustrative examples for development co-operation providers wishing to support a One Health approach.

Lesson 1: Commit for the long-term by adapting resourcing and reporting requirements for transdisciplinary projects

The long-term nature of projects must be factored into the One Health design process, particularly the time commitments required to build trust and partnerships. The examples outlined here are long-term approaches that have demonstrated results over a five- to ten-year time frame. Similarly, it may be necessary to rethink programme monitoring, reporting and evaluation processes for One Health approaches to ensure they adequately capture the varying perspectives, benefits and motivations for each project or programme partner.

Demonstrating the cost-effectiveness of One Health interventions

As implementation of One Health requires a fundamental shift in existing institutional operations and finance mechanisms, it is thus crucial to demonstrate the added value of cross-sectoral collaboration (Zinsstag et al., 2015[9]). The concept of integrated interventions for disease control is not new (WHO, 2007[10]; Schelling et al., 2005[11]), but in recent years there have been increased calls to refine existing economic methods to better justify individual sectoral benefits (Häsler et al., 2014[1]).

A project in Lao People's Democratic Republic from 2009 to 2015 was one of the first to demonstrate the value added of incorporating both zoonotic and non-zoonotic diseases of humans and animals in the same intervention (Okello et al., 2018[12]). The project implemented a joint human-animal control programme to address an abnormally high prevalence of the epilepsy-inducing zoonotic parasite *Taenia solium* (pork tapeworm) in the project area (Okello et al., 2014[13]). *T. solium* is the top-ranked food-borne parasite of global importance (FAO/WHO, 2014[2]), and control requires a combination of therapeutic and behavioural interventions to simultaneously address the pig and human reservoirs. Using standard World Health Organization measures of cost-effectiveness for health interventions, an integrated approach to controlling additional diseases of both pigs[3] and humans[4] was compared to control the zoonotic disease alone; large-scale, integrated actions were demonstrated to be significantly more cost-effective (Okello et al., 2018[12]). Furthermore, pigs are a key contribution to household incomes for the rural poor in Lao People's Democratic Republic. It is noteworthy that including pig health treatments in this human disease control programme appeared to generate additional buy-in from both the target communities and government livestock departments. It is unlikely this would have been achieved had the intervention addressed a human zoonosis alone.

Additionally, a recent five-year impact evaluation of the project found that household toilet usage had increased almost tenfold and the prevalence and intensity of environmental parasite contamination decreased significantly over to the 2013 baseline. Social and diagnostic work concluded that in the medium term, the intervention's associated behavioural communication packages, as described by Bardosh et al. (2014[14]), were more successfully adopted than the human and animal therapeutics. This likely led to the observed sustained reduction in parasite prevalence, which highlights the importance of a transdisciplinary approach to One Health interventions. A follow-on project starting in early 2021 aims to further explore the linkages between behaviour change and the broader societal benefits of reduced disease prevalence in both pigs and humans.

Lesson 2: Co-design research and embrace a cross-cutting perspective

Better understanding of how policies could be developed and funded across multiple sectors involved in global health issues is key to the One Health approach (Bennett, Glandon and Rasanathan, 2018[8]; Galaz et al., 2015[6]).

ACIAR's research commissioning model, grounded in a research co-design process, allows for close consultation with in-country partners that helps project teams understand differing sectoral roles and responsibilities and the individual stakeholders within sectors. As concerns partnerships with government ministries and other institutions, a common challenge for donors is how to ensure a holistic approach through existing programme- and project-funding processes. In the future, international development agencies may need to change their organisational culture to break down silos to foster a systems perspective. ACIAR, for example, has a set of advisors in cross-cutting issues such as gender, climate and economics who assist programme managers in the project review process, ensuring alternative views are considered outside its relatively technical silos.

Navigating sectoral mandates, roles and motivations

Developing methods to understand the differing mandates and motivations of decision makers can be very informative, as demonstrated by the results of in-depth analysis in Fiji of the effect of climate change on weakening human and animal health systems in the context of antimicrobial resistance (AMR) (ACIAR[15]). Fiji has one of the world's highest bacterial caseloads, and the emergence of resistant microorganisms is reported in the country's hospitals (Jenney et al., 2014[16]). Cases of human diabetes are also some of the highest in the world, necessitating high levels of antibiotic usage, which further increases AMR risk. According to early findings, one effect of climate change – or more specifically, the fear of more frequent cyclones and other adverse weather events – is that population density is increasing in parts of the country perceived as at lower risk. Increased human population densities impact sanitation provision and associated disease spread, with the potential to further increase the use of antibiotics and other therapeutics. They can also increase the connectivity between humans, animals and the environment, meaning that existing resistant bacteria can move faster throughout the population.

Thus, the project not only identifies issues that are pertinent to AMR, but also addresses key national concerns over the potentially destabilising effects of climatic events on human and animal health systems. It also allows options for greater integration of environmental perspectives into existing AMR narratives, thus strengthening the motivation for cross-sectoral policy development and action.

Another example of a cross-cutting research partnership is the recently concluded, ten-year pig production programme in the Philippines that advocated for closer linkages between smallholder agricultural projects and public health and environmental health agencies (ACIAR, 2020[17]). Smallholders produce 60-80% of all pork consumed in the Philippines, making pigs an essential commodity for the rural poor in terms of both food security and national income generation. While the project focused primarily on pig disease investigations and market pricing information, it also included a broader environmental component, introducing, for example, rainwater harvesters and biogas generator technology. The biogas digesters received significant support from project stakeholders, particularly women, because they contributed to waste management and to savings on the cost of household gas and time spent preparing food. The shared interest of smallholder farmers, the commercial pig sector and the Philippine government in this programme shows that both the agricultural department and small and medium-sized enterprises have an appetite for a broader approach to development projects aimed at livestock husbandry and disease improvements due to the environmental, health and livelihoods impacts of livestock rearing.

Lesson 3: Let the community lead to achieve holistic interventions

To sustainably strengthen existing institutional supports for One Health, the local community must have a leading role in interventions and consideration must be given to cultural norms. As the Lao People's Democratic Republic project demonstrates, interventions that translate gender, knowledge, cultural practices and risk perception into robust disease surveillance and control programmes, particularly those deemed community-led, are vital to truly understand disease drivers. These result in holistic interventions that go beyond disease control to achieve a number of broader environmental and livelihoods benefits.

Similar benefits can be achieved in other types of interventions. A paradigm shift from traditional hazard-based approaches to a more holistic assessment of food safety risk, for instance, can spur greater effort and investment to reduce the burden of foodborne illness in domestic markets. These, in turn, can catalyse private sector and consumer leadership to complement and support national regulatory systems.

Assessing disease risk and mitigation options in informal food systems

Food systems are rapidly changing in many lower middle-income countries in association with increased consumption of "risky foods largely sold in traditional (informal or wet) markets" (Grace et al., 2015[18]). Since 2010, ACIAR has funded a large food safety improvement programme in Viet Nam's wet markets, using pork as the focal commodity, given its popularity and essential contribution to nutrition and livelihoods. The initial phase (2012-17) confirmed that without incentives, adoption of improved practises in wet markets is unlikely (Unger and Grace, 2018[19]). It also confirmed that testing of interventions should take a gendered approach, as men and women have distinct roles and undertake different activities in the pork value chain.

The current "safe pork" project in Viet Nam builds on this initial work (ACIAR, 2020[20]). In particular, a Food Safety Performance Tool (Thi Thinh et al., 2020[21]) has been developed to provide a standardised, consistent assessment of food safety outcomes in wet market value chains. A quantitative risk-based approach is considered within a broader analytical framework of business performance and supply chain governance, while a third pillar builds broader societal concerns into the risk analysis. This latter phase includes consideration of how interventions that aim to address risk – for example, certification, regulation or market closure – might impact and be impacted by gender, equity and cultural norms.

COVID-19 highlights the critical need to keep the health of humans, animals and the planet in balance. For development co-operation actors wishing to adopt or support the One Health approach, this means committing for the long-term, co-designing cross-cutting research, and letting the community lead. It would also require a systemic allocation of resources.

REFERENCES

ACIAR (2020), "Improving the production and competitiveness of Australian and Philippines pig production through better health and disease control", webpage, https://aciar.gov.au/project/ah-2012-066. [17]

ACIAR (2020), "Safe pork: Market based approaches to improving the safety of pork in Vietnam", webpage, https://aciar.gov.au/project/ls-2016-143 (accessed on 5 October 2020). [20]

ACIAR (2020), "Supporting Fijian health and agricultural authorities implement the National Antimicrobial Resistance Action Plan", webpage, https://aciar.gov.au/project/ls-2018-212 (accessed on 5 October 2020). [15]

Amuasi, J. et al. (2020), "Reconnecting for our future: The Lancet One Health Commission", *The Lancet*, Vol. 395/10235, pp. 1469-1471, https://www.sciencedirect.com/science/article/pii/S0140673620310278?via%3Dihub. [3]

Bardosh, K. et al. (2014), "Controlling parasites, understanding practices: The biosocial complexity of a One Health intervention for neglected zoonotic helminths in northern Lao PDR", *Social Science & Medicine*, Vol. 120, pp. 215-223, https://doi.org/10.1016/j.socscimed.2014.09.030. [14]

Bennett, S., D. Glandon and K. Rasanathan (2018), "Governing multisectoral action for health in low-income and middle-income countries: Unpacking the problem and rising to the challenge", *BMJ Global Health*, Vol. 3/e000880, http://dx.doi.org/10.1136/bmjgh-2018-000880. [8]

FAO/WHO (2014), *Multicriteria-based Ranking for Risk Management of Food-borne Parasites*, Microbiological Risk Assessment Series, Food and Agriculture Organization of the United Nations, Rome, https://apps.who.int/iris/bitstream/handle/10665/112672/9789241564700_eng.pdf?sequence=1 (accessed on 5 October 2020). [2]

Galaz, V. et al. (2015), "The political economy of One Health research and policy", *Political Economy of Knowledge and Policy Working Paper*, No. 81, STEPS Centre, Sussex, https://steps-centre.org/wp-content/uploads/One-Health-wp3.pdf (accessed on 5 October 2020). [6]

Grace, D. et al. (2015), "Food safety in low and middle income countries", *International Journal of Environmental Research and Public Health*, Vol. 12/9, pp. 10490-10507, http://dx.doi.org/10.3390/ijerph120910490. [18]

Häsler, B. et al. (2014), "A review of the metrics for One Health benefits", *Revue Scientifique et Technique de l'Office International des Epizooties*, Vol. 33/2, pp. 453-464, https://www.oie.int/doc/ged/d14080.pdf (accessed on 5 October 2020). [1]

Jenney, A. et al. (2014), "The clinical and molecular epidemiology of Staphylococcus aureus infections in Fiji", *BMC Infectious Diseases*, Vol. 14/160, pp. 1-7, http://dx.doi.org/10.1186/1471-2334-14-160. [16]

Ng, N. and J. Ruger (2011), "Global health governance at a crossroads", *Global Health Governance*, Vol. 3/2, pp. 1-37, http://www.ncbi.nlm.nih.gov/pubmed/24729828 (accessed on 5 October 2020). [7]

Okello, A. et al. (2014), "Investigating a hyper-endemic focus of Taenia solium in northern Lao PDR", *Parasites & Vectors*, Vol. 7/134, pp. 1-4, https://parasitesandvectors.biomedcentral.com/articles/10.1186/1756-3305-7-134. [13]

Okello, W. et al. (2018), "Improved methods to capture the total societal benefits of zoonotic disease control: Demonstrating the cost-effectiveness of an integrated control programme for Taenia solium, soil transmitted helminths and classical swine fever in northern Lao PDR", *PLOS Neglected Tropical Diseases*, Vol. 12/9, pp. 1-22, http://dx.doi.org/10.1371/journal.pntd.0006782. [12]

Schelling, E. et al. (2005), "Synergy between public health and veterinary services to deliver human and animal health interventions in rural low income settings", *BMJ*, Vol. 331/7527, pp. 1264-1267, http://dx.doi.org/10.1136/bmj.331.7527.1264. [11]

Seifman, R. (2020), "SDGs: Why they need to include One Health", Impakter, https://impakter.com/sdgs-why-include-one-health (accessed on 5 October 2020). [5]

Thi Thinh, N. et al. (2020), "Food safety performance in key pork value chains in Vietnam", *ILRI Research Brief*, No. 94, International Lifestock Research Institute, Nairobi, https://www.ilri.org/publications/food-safety-performance-key-pork-value-chains-vietnam (accessed on 5 October 2020). [21]

UNEP and International Livestock Research Institute (2020), *Preventing the Next Pandemic: Zoonotic Diseases and How to Break the Chain of Transmission*, United Nations Environment Programme, Nairobi, https://cgspace.cgiar.org/handle/10568/108707. [22]

Unger, F. and D. Grace (2018), *Final Report: Reducing Disease Risks and Improving Food Safety in Smallholder Pig Value Chains in Vietnam*, Australian Centre for International Agriculture Research, Bruce, https://aciar.gov.au/publication/technical-publications/reducing-disease-risks-and-improving-food-safety-smallholder-pig-value-chains-vietnam (accessed on 5 October 2020). [19]

WHO (2007), *Integrated Control of Neglected Zoonotic Diseases in Africa: Applying the "One Health" Concept*, Report of a Joint WHO/EU/ILRI/DBL/FAO/OIE/AU Meeting, World Health Organization, Geneva, https://apps.who.int/iris/bitstream/handle/10665/69952/WHO_HTM_NTD_NZD_2008.1_eng.pdf;jsessionid=55577D7CEEB14A9E969B7512D7A02358?sequence=1 (accessed on 2 November 2020). [10]

World Bank Group (2018), *One Health: Operational Framework for Strengthening Human, Animal and Environmental Public Health Systems at Their Interface*, World Bank, Washington, DC, http://documents1.worldbank.org/curated/en/703711517234402168/pdf/123023-REVISED-PUBLIC-World-Bank-One-Health-Framework-2018.pdf (accessed on 5 October 2020). [4]

Zinsstag, J. et al. (eds.) (2015), *One Health: The Theory and Practice of Integrated Health Approaches*, CABI, Boston, https://vetbooks.ir/one-health-the-theory-and-practice-of-integrated-health-approaches. [9]

NOTES

1. See, for example, *Preventing the Next Pandemic: Zoonotic Diseases and How to Break the Chain of Transmission* (UNEP and International Livestock Research Institute, 2020[22]) at: https://cgspace.cgiar.org/handle/10568/108707.
2. For almost 40 years, ACIAR has funded research for development partnerships to better understand these linkages in lower middle-income countries. More recently, its focus on social, economic and policy research aims to contribute new thinking to policy processes and investment frameworks that better support One Health operationalisation through a regional public goods lens.
3. These include classical swine fever and internal parasites.
4. These include soil-transmitted helminths.

CLIMATE-RESILIENT DEVELOPMENT

Juan Casado-Asensio, Takayoshi Kato & Jens Sedemund, Development Co-operation Directorate, OECD

ABSTRACT

While building climate resilience is an essential component of sustainable development, many COVID-19 economic recovery packages do not have a green focus and include measures that could increase the vulnerability of communities and ecosystems to climate risks. Previewing the forthcoming OECD guidance for governments and development co-operation on strengthening climate resilience, this case study highlights approaches to enhancing data and information, governance, and financial mechanisms and instruments that can build environmental and social sustainability.

- Integrating climate resilience in development and financing, including in public financial management, is a sound policy that promotes sustainability and thus can protect development gains.
- Some COVID-19 economic recovery packages have a green focus, but others propose measures that, instead, could increase climate risks and vulnerability.
- Development co-operation supports governments to further integrate climate-related risks and opportunities into policy and financial decision making.
- Strengthening inclusive governance approaches can contribute to sustainable development objectives, including by encouraging greater public participation, making governance adaptive to climate and socio-economic change, and promoting policy coherence.

The COVID-19 crisis is a stark reminder of the importance of building resilience into development, not least because investing in resilience is investing in growth (OECD, 2020[1]; GCA, 2019[2]). The vast global fiscal support that has been deployed for pandemic recovery presents a fresh opportunity for countries and development co-operation providers to integrate climate change considerations into programmes to support sustainable growth.

The importance of integrating climate resilience throughout development planning and financing is widely recognised. The scale and characteristics of some changes (e.g. sea level rise for low-lying islands or large temperature or precipitation changes in already vulnerable locations) will require further efforts to strengthen the resilience of people, the environment and society. Moreover, governments and donors have a range of tools at their disposal to better integrate climate resilience into development strategies, financing, planning, decision making and budgeting and thereby promote sustainable development. These range from strengthening capacity of national meteorological services, conducting climate change risk assessments to developing climate resilient infrastructure. A forthcoming OECD publication, *Strengthening Climate Resilience: Guidance for Governments and Development Co-operation*, provides a set of practical tools and considerations to enhance climate resilience activities that are also supportive of broader sustainable development objectives, especially in the context of recovery from the COVID-19 crisis.

Emerging signs of recovery spending focusing on climate resilience

The need and opportunity for a greener, resilient and more inclusive recovery is now widely recognised by countries and development co-operation providers. For example, the recent OECD Ministerial Council Meeting statement notes that the path to the COVID-19 recovery is an opportunity not

just to jumpstart growth and job creation, but also to undertake transformative action to "build back better in a stronger, resilient, greener and inclusive way" (OECD, 2020[3]). In addition, 54 African states have endorsed a plan to ensure that stimulus spending is used to reduce pandemic risks, strengthen the economic recovery and build climate resilience (Global Center on Adaptation and African Adaptation Initiative, 2020[4]). Institutions including the World Bank, the International Monetary Fund, regional development banks, United Nations agencies and civil society have all called for a similar approach. Several OECD-DAC members including the European Union, France, Japan and the United Kingdom are pushing for domestic green recovery packages that also support partner countries in building greater resilience.

Many countries have included a green focus in their announced economic recovery measures, explicitly integrating climate and well-being aims – for instance, by integrating sustainability criteria into decision-making processes and budgets and/or creating inter-ministerial decision-making frameworks (OECD, 2020[1]). This is not the case for all countries, however, and climate resilience and other green aspects are not as yet a universal feature at the core of COVID-19 recovery packages (Global Commission on Adaptation, 2020[5]). Moreover, some measures being taken to facilitate the economic recovery may increase the vulnerability to climate risks of ecosystems and of communities that rely on these ecosystems. Examples include relaxing land-use permits and enforcement, loosening permit restrictions on timber producers, and supporting fossil fuel technologies and systems (Vivid Economics and Finance for Biodiversity Initiative, 2020[6]).

Designing and implementing recovery packages to promote climate resilience

Governments in developing countries, as much as providers of development co-operation, are in a good position to design the recovery packages to promote climate resilience. In collaboration with governments and the private sector, providers of development co-operation are often the primary source of finance for activities that can strengthen climate resilience, including in infrastructure and other fixed assets, capacity development in data and information gathering, and policy development. This is the case of countries such as Senegal or Guatemala, where climate resilience has principally been sponsored by development co-operation providers across a range of sectors including agriculture, fisheries and tourism, as ongoing OECD research has found.

Key elements of the forthcoming OECD guidance, and some examples of country initiatives towards climate resilience, are discussed below.

Enhancing data and information on climate risks and vulnerability

Efforts to strengthen climate resilience rely on useful and legitimate data and information on climate risks and vulnerability being available to policy makers and other state and non-state actors. More than 40 developing countries have recognised the need for better data and information in their nationally determined contributions, which set forth each country's efforts to reduce national emissions and adapt to the impacts of climate change (Allis et al., 2019[7]). To ensure that data and information are decision-relevant and compatible with users' capacities, development co-operation providers can support countries in strengthening the capacity of national meteorological and hydrological services; in improving weather and climate observations; in supporting the use of indigenous, local and traditional knowledge; and in supporting climate risk assessments to inform decision-making processes for climate resilience.

Building inclusive and adaptive governance to facilitate action on climate resilience

The COVID-19 crisis has highlighted the role of public governance in achieving climate

resilience (OECD, 2020[8]). Development co-operation can support countries to enhance governance arrangements to promote efforts to strengthen climate resilience. Examples include: empowering locally led action through co-ordination across levels of government; encouraging inclusive governance through greater public participation; making governance adaptive to future changes in climate and socio-economic circumstances; and promoting coherence between different development agendas. In the Philippines, for instance, the MSME Resilience Core Group is an extensive public-private network that lays out national-level strategies for efforts to strengthen the resilience of micro, small and medium-sized enterprises (MSME) to climate and non-climate-related disasters. The Resilience Core Group has actively supported capacity development, including in business continuity plans for during and after the COVID-19 pandemic (PDRF, 2020[9]).

Integrating climate resilience into public financial management

Finance is an essential enabler for strengthening the resilience of human and natural systems to climate and a broader range of risks. The efficacy and effectiveness of finance for climate resilience are ever more important in these testing times. One approach to scaling up finance for resilience can be to integrate climate resilience considerations into multiannual planning and budgeting cycles. Cameroon and Thailand, for example, link their mid-term national development and climate change plans to the budgeting processes (GIZ, 2014[10]; Kohli, 2018[11]). Another way to integrate these considerations is to tag budgets and public expenditures so that governments understand where, how and how much domestic public finance is allocated. Several countries have conducted such an exercise, among them Bangladesh, Cambodia, Ghana, Indonesia, Nepal, Pakistan, Peru, the Philippines, Samoa, Thailand and Vanuatu (OECD, 2020[12]; UNDP, 2019[13]; UNDP, 2016[14]; Storey, 2016[15]). Other countries developed financial protection strategies to secure access to financing in advance of shocks and to protect the fiscal balance and budget when disasters strike, including Ethiopia, Indonesia, Peru and the Philippines (OECD/World Bank, 2019[16]; OECD, 2020[17]; World Bank Group, 2019[18]). Across these examples, there is growing recognition of the role of finance ministries in supporting national strategies to address climate risk, as exemplified by the number of countries that have joined the Coalition of Finance Ministers for Climate Action (Coalition of Finance Ministers for Climate Action[19]).

Using risk-sharing and transfer instruments as part of holistic climate risk management

Risk-sharing and transfer instruments such as insurance, catastrophe bonds and contingency funds have an important role to play in protecting individuals, businesses and countries against the negative impacts of climate change and other natural hazards. Rolling out insurance can be challenging for a variety of reasons, such as lack of data, poor infrastructure, limited affordability, low awareness of the benefits of insurance, remoteness of potential customers and high levels of informality that limit the penetration of banking (ADB, 2017[20]; Jarzabkowski et al., 2019[21]). But countries can collaborate with public and private insurance companies, as well as development co-operation providers, to maximise the benefits of risk-sharing and transfer instruments as part of a holistic approach to manage climate risks, including investment in risk reduction and social protection. Senegal offers a telling example. Close to 10% of Senegal's farmers are now covered by insurance, thanks to new parametric insurance products coupled with a policy change in the Agricultural Bank of Senegal that made insurance contracting mandatory to be eligible for a loan from the bank. The aim is to provide universal insurance in the future. Insurance is helping

farmers take risks, invest in machinery and better seeds while ensuring that they do not fall back into poverty should a climate-related natural disaster hit.

An important role for development co-operation to achieve a climate-resilient recovery

The agenda of climate resilience concerns us all – and development co-operation providers continue to have an important role in supporting partner countries to enhance their resilience. Addressing climate change as part of development planning ought to be a key priority for providers and reflects sound development policy, as it can protect against future potential reversals. Previous crises have demonstrated that societies can take years to recover from shocks such as pandemics, and during that period, decisions taken on recovery efforts and investment decisions will determine the sustainability of the development pathways for decades to come. Development co-operation plays an important role in ensuring that recovery efforts from the COVID-19 crisis will also strengthen public governance, policies, financial solutions, data and information, and capacities in support of enhanced resilience of human and natural systems to climate risks and other future shocks.

REFERENCES

ADB (2017), *Assessment of Microinsurance as Emerging Microfinance for the Poor: The Case of the Philippines*, Asian Development Bank, Mandaluyong City, https://www.adb.org/sites/default/files/publication/226171/assessment-microinsurance-service.pdf. [20]

Allis, E. et al. (2019), "The future of climate services", *World Meteorological Organization Bulletin*, Vol. 68/1, https://public.wmo.int/en/resources/bulletin/future-of-climate-services (accessed on 5 October 2020). [7]

Coalition of Finance Ministers for Climate Action (2020), "Who we are – Member countries", webpage, https://www.financeministersforclimate.org/member-countries (accessed on 5 October 2020). [19]

GCA (2019), *Adapt Now: A Global Call for Leadership on Climate Resilience*, Global Center on Adaptation, Rotterdam and Global Resources Institute, Washington, DC, https://cdn.gca.org/assets/2019-09/GlobalCommission_Report_FINAL.pdf. [2]

GIZ (2014), *NAP Align: Recommendations for Aligning National Adaptation Plan Processes with Development and Budget Planning*, Deutsche Gesellschaft für Internationale Zusammenarbeit, Eschborn, Germany, https://www.adaptationcommunity.net/?wpfb_dl=235 (accessed on 5 October 2020). [10]

Global Center on Adaptation and African Adaptation Initiative (2020), *Integrated Responses to Building Climate and Pandemic Resilience in Africa*, Global Center on Adaptation, Rotterdam, https://cdn.gca.org/assets/2020-05/GCA-AAI_Policy_Brief.pdf (accessed on 5 October 2020). [4]

Global Commission on Adaptation (2020), *Call to Action for a Climate-resilient Recovery from COVID-19*, Global Commission on Adaptation, https://cdn.gca.org/assets/2020-07/Global_Commission_Adapation_COVID_Resilience_Statement.pdf (accessed on 5 October 2020). [5]

Jarzabkowski, P. et al. (2019), *Insurance for Climate Adaptation: Opportunities and Limitations*, Global Commission on Adaptation, Rotterdam and Washington DC, https://cdn.gca.org/assets/2019-12/Insurance%20for%20climate%20adaptation_Opportunities%20and%20Limitations.pdf. [21]

Kohli, R. (2018), "Integrating climate change adaptation into planning and budgeting", PowerPoint presentation, Regional Dialogue on Climate Resilient Growth and Development, United Nations Development Programme, New York, https://www.climatefinance-developmenteffectiveness.org/regional-dialogue-event/img/day2/S3-Integrating-CCA-into-Planning-and-Budgeting.pdf (accessed on 5 October 2020). [11]

OECD (2020), *2020 Ministerial Council Statement: A Strong, Resilient, Inclusive and Sustainable Recovery from COVID-19*, OECD, Paris, http://www.oecd.org/mcm/C-MIN-2020-7-FINAL.en.pdf. [3]

OECD (2020), *Common Ground Between the Paris Agreement and the Sendai Framework: Climate Change Adaptation and Disaster Risk Reduction*, OECD Publishing, Paris, https://doi.org/10.1787/3edc8d09-en. [12]

OECD (2020), "Environmental health and strengthening resilience to pandemics", *Tackling Coronavirus (COVID-19)*, OECD, Paris, http://www.oecd.org/coronavirus/policy-responses/environmental-health-and-strengthening-resilience-to-pandemics-73784e04 (accessed on 5 October 2020). [17]

OECD (2020), "Making the green recovery work for jobs, income and growth", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD, Paris, https://www.oecd.org/coronavirus/policy-responses/making-the-green-recovery-work-for-jobs-income-and-growth-a505f3e7 (accessed on 5 October 2020). [1]

OECD (2020), "Responding to COVID-19: The rules of good governance apply now more than ever!", webpage, http://www.oecd.org/governance/public-governance-responses-to-covid19 (accessed on 5 October 2020). [8]

OECD/World Bank (2019), *Fiscal Resilience to Natural Disasters: Lessons from Country Experiences*, OECD Publishing, Paris, https://dx.doi.org/10.1787/27a4198a-en. [16]

PDRF (2020), "Online programs, recovery tools for pandemic-affected enterprises highlighted during MSME Week", webpage, https://www.pdrf.org/media/newsroom/online-programs-recovery-tools-for-pandemic-affected-enterprises-highlighted-during-msme-week (accessed on 5 October 2020). [9]

Storey, D. (2016), "National-level climate finance tracking can help countries meet NDC goals effectively", *Climate Policy Initiative blog*, https://www.climatepolicyinitiative.org/2016/11/10/robust-tracking-of-climate-finance-at-the-national-level-will-help-countries-meet-their-ndc-goals-more-effectively (accessed on 5 October 2020). [15]

UNDP (2019), *Knowing What You Spend: A Guidance Note for Governments to Track Climate Finance in their Budgets*, United Nations Development Programme, New York, https://www.undp.org/content/undp/en/home/librarypage/climate-and-disaster-resilience-/knowing-what-you-spend.html (accessed on 5 October 2020). [13]

UNDP (2016), *Climate Budget Tagging: Experience from the Asia*, Governance of Climate Change Team, United Nations Development Programme, Bangkok, https://www.climatefinance-developmenteffectiveness.org/sites/default/files/climateBudgetTagging.pdf (accessed on 5 October 2020). [14]

Vivid Economics and Finance for Biodiversity Initiative (2020), *Green Stimulus Index*, Vivid Economics and Finance for Biodiversity Initiative, https://www.vivideconomics.com/wp-content/uploads/2020/08/200820-GreenStimulusIndex_web.pdf (accessed on 5 October 2020). [6]

World Bank Group (2019), *Boosting Financial Resilience to Disaster Shocks: Good Practices and New Frontiers*, World Bank, Washington, DC, https://elibrary.worldbank.org/doi/pdf/10.1596/31887 (accessed on 5 October 2020). [18]

SUPPORTING INSTITUTIONAL RESILIENCE

Catherine Anderson & Marc De Tollenaere,
Development Co-operation Directorate, OECD

ABSTRACT

COVID-19 calls attention to the importance of resilient institutions to navigate this and other crises and support a sustainable recovery in developed and developing countries. It is clear that more resilient institutions are needed in the context of a global pandemic, but it is less straightforward to translate that understanding into effective official development assistance strategies. This case study is a short reflection on what we know about building institutional resilience in contexts of development and what this means for development practitioners. It begins with a brief review of the theoretical underpinnings of institutional resilience before outlining what practitioners should consider and what actions they can take to promote it.

- Institutional resilience comprises capacity to deliver and enhance results over time, credibly, legitimately and adaptively; as well as the ability to manage shocks and change.
- To strengthen institutional resilience, development co-operation actors are encouraged to identify and build on local knowledge, experience and sources of resilience.
- Institutional resilience can be built by expanding and replicating local-level successes and by leveraging an institution's social capital to mediate state-society relations.

What do we mean by institutional resilience?

A recent World Bank Independent Evaluation Group report defined resilience as a country's capacity to prevent, mitigate and/or respond effectively to shocks (World Bank, 2019[1]). But what do we mean when we talk about institutional resilience? It is widely understood that resilience is not an isolated characteristic or feature of institutions, but rather is the product or function of a virtuous cycle of institutional performance. It derives from institutional efficacy (or the ability to deliver and enhance results over time). This, in turn, engenders trust, legitimacy and credibility, which themselves constitute sources of resilience that act to further reinforce an institution's capabilities (Barma, Huybens and Vinuela, 2014[2]). "More than mere absorptive capacity or speed of recovery" (Aligicia and Tarko, 2014[3]), institutional resilience is thus the product of how an institution has evolved over time, its inclusivity or exclusivity, and its trust norms and networks (Adger, 2006[4]). State-society relations and expectations also underpin and generate institutional resilience, which also depends on innovation and creative socio-cultural adaptations that are only made possible by flexible and polycentric institutional processes (Aligicia and Tarko, 2014[3]).

This light touch review of theory shows that resilience is an aspect of institutional development that is not distinct from other features. Rather, it is interwoven with local history, cultural norms, performance, legitimacy and adaptability. The question then is what a heightened commitment to improve institutional resilience means for development co-operation actors.

If we know what institutional resilience is, how do we achieve it?

Development practitioners are well-resourced when it comes to guidance on how institutions can be made more effective, inclusive and accountable. The literature says much less on the topic of institutional resilience and how development actors can produce it. As highlighted by the current crisis, institutions that perform well in times of stability can become deficient or collapse in times of crisis or can have difficulty recovering from a shock. This shows that promoting institutional resilience goes beyond institutional effectiveness, accountability and inclusion. It is a central development ambition, all the more so given that it is anticipated that COVID-19 is not an isolated event and could be followed by other health crises, climate shocks and digital disruptions, among others (Sitaraman, 2020[5]).

Four practical methods of institutional development are broadly considered to be useful for building institutional resilience. These are drawn from the literature and a broad based body of experience (Ostrom, 2005[6]; Barma, Huybens and Vinuela, 2014[2]; Andrews, Pritchett and Woolcock, 2017[7]) and can be summarised as follows:

- **Identify and leverage domestic sources of resilience.** Repeated exposure to crises can generate endogenous resilience. Rather than create new structures based on best practice, development partners would be well-advised to look for and support existing sources of resilience. In Liberia, the resilient community networks that were so critical to survival and protection during the 13-year civil conflict also enabled the country to mount an effective, community-led response (based on community-based surveillance teams) during the 2014 Ebola outbreak. Development actors then proceeded to build out Liberia's response around these systems. In short, where they exist, local sources of resilience need to be nurtured and strengthened.
- **Build on what already exists, replicating and scaling-up what works.** It is also useful to scan the local context to identify so-called pockets of effectiveness, or cases of positive deviance, and then replicate and scale-up what is working for use in new situations. More often than not, these will be more durable and effective than solutions imported from elsewhere. During the post-independence crisis in Timor-Leste, when there was no functioning Ministry of Health and 75% of the country's infrastructure was damaged, health practitioners continued to work at a community level to deliver basic healthcare to the internally displaced and villagers. Once the ministry was created, the newly appointed health minister used these existing mechanisms as a foundation for Timor-Leste's new community health protocols, enabling the emergence of a health system considered by partners and citizens to be the most effective public service in the country (Barma, Huybens and Vinuela, 2014[2]).
- **Adopt local social norms and values where feasible** as such cultural norms are enduring and typically designed to solve collective problems. When a post-independence crisis in Timor-Leste left tens of thousands of people internally displaced, the Ministry of Social Solidarity used local norms and practices for dispute resolution and community reconciliation. These helped the ministry successfully reintegrate some 150 000 internally displaced people over a 9- to 12-month period following the crisis (Barma, Huybens and Vinuela, 2014[2]). Another example is Maluku Province in eastern Indonesia, where natural resources are managed under a locally defined set of rules and regulations called *Sasi Sasi* that has been in place for over 400 years. It is embedded in the local culture, based on customary law and continues to perform well (Harkes and Novaczek, 2000[8]).
- **Take advantage of institutions' social capital.** Institutions that build relations with citizens and gain citizens' trust are ultimately more resilient. This suggests that in addition to looking at the functioning of an institution in and of itself, development actors need to consider its role in mediating state-society relations and the legitimacy or credibility it gained as a result. Following the 2010 Haiti earthquake and building on the cumulative effects of long-term political, technical and cultural institutional development and engagement, a local co-operative bank was able to continue providing services despite institutional collapse with the long-term support of a Canadian non-governmental organisation (Cruz et al., 2016[9]). At the other end of the spectrum, the complete lack of social capital of institutions in the Democratic Republic of the Congo seriously hampered efforts to contain the 2018-19 Ebola outbreak in eastern Congo (Dionne and Seay, 2019[10]).

This short synopsis of institutional resilience is not sufficient to draw firm conclusions. Nor are the approaches identified above either

exhaustive or comprehensive. Nonetheless, they do signal the importance of enabling endogenous forces and local agency to create more resilient institutions.

To conclude, what we know is that enabling institutional resilience involves building virtuous cycles of performance; identifying and drawing upon already existent local sources of resilience; and building on what works by replicating and scaling up. Institutional resilience is also about absorbing shocks, effectively navigating and adapting to unchartered territory in productive ways and, perhaps first and foremost, building and leveraging bonds with community and society.

For development co-operation actors, promoting institutional resilience thus means staying the course over the long term and prioritising the use of local knowledge, experiences and resources. It also implies a decisive shift away from technocratic institutional blueprints and towards locally embedded, iterative interventions that promote institutional responsiveness and flexibility. For this, international assistance has a limited but important role to play.

REFERENCES

Adger, W. (2006), "Vulnerability", *Global Environmental Change*, Vol. 16/3, pp. 268-281, https://www.sciencedirect.com/science/article/pii/S0959378006000422. [4]

Aligicia, P. and V. Tarko (2014), "Institutional resilience and economic systems: Lessons from Elinor Ostrom's work", *Comparative Economic Studies*, Vol. 56, pp. 52-76, https://link.springer.com/article/10.1057%2Fces.2013.29. [3]

Andrews, M., L. Pritchett and M. Woolcock (2017), *Building State Capability: Evidence, Analysis, Action*, Oxford University Press, Oxford, https://library.oapen.org/bitstream/id/bb540dab-9bbb-45ea-8ef1-4843b24dd432/624551.pdf. [7]

Barma, N., E. Huybens and L. Vinuela (2014), *Institutions Taking Root: Building State Capacity in Challenging Contexts*, World Bank Group, Washington, DC, https://elibrary.worldbank.org/doi/pdf/10.1596/978-1-4648-0269-0. [2]

Cruz, L. et al. (2016), "Institutional resilience in extreme operating environments: The role of institutional work", *Business & Society*, Vol. 55/7, pp. 970-1016, https://journals.sagepub.com/doi/pdf/10.1177/0007650314567438. [9]

Dionne, K. and L. Seay (2019), "Here's why Ebola has been so hard to contain in Eastern Congo", *Washington Post Monkey Cage blog*, https://www.washingtonpost.com/politics/2019/06/25/heres-why-ebola-has-been-so-hard-contain-eastern-congo. [10]

Harkes, I. and I. Novaczek (2000), "Institutional resilience of 'sasi laut', a fisheries management system in Indonesia (draft)", Indiana University, Bloomington, IN, http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/2314/harkesi041000.pdf?sequence=1&isAllowed=y. [8]

Ostrom, E. (2005), *Understanding Institutional Diversity*, Princeton University Press, Princeton, NJ, https://press.princeton.edu/books/paperback/9780691122380/understanding-institutional-diversity. [6]

Sitaraman, G. (2020), "A grand strategy of resilience: American power in the age of fragility", *Foreign Affairs*, https://www.foreignaffairs.com/articles/united-states/2020-08-11/grand-strategy-resilience. [5]

World Bank (2019), *Building Urban Resilience: An Evaluation of the World Bank Group's Evolving Experience (2007–17)*, Independent Evaluation Group, World Bank, Washington, DC, https://openknowledge.worldbank.org/bitstream/handle/10986/32622/Building-Urban-Resilience-An-Evaluation-of-the-World-Bank-Groups-Evolving-Experience-2007-2017-An-Independent-Evaluation.pdf?sequence=1&isAllowed=y. [1]

STRENGTHENING SOCIAL SYSTEMS

Christoph Strupat and Paul Marschall, German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE)

ABSTRACT

Experience shows that strong, well-functioning, adaptable and adequately funded social systems are essential to cope with the negative impacts of crises like COVID-19. This case study examines the strengths and weaknesses of social systems in Africa and how these influenced the response of different countries. It notes that few countries have adequate social protection schemes, but some countries have limited the direct effects of the pandemic by relying on health emergency systems honed during the Ebola outbreak. Building stronger social systems, the authors argue, builds resilience.

- Investing in strong and well-functioning health, education and social protection systems builds resilience, as these help cushion the negative economic and social effects of crises like COVID-19.
- Development co-operation can help increase countries' fiscal capacities to fund their social systems; expand existing social systems to include people who are being left behind; and make social systems more adaptable so they can better respond to any emerging crisis.
- While African governments expanded social assistance as a temporary pandemic response, significant gaps in social policy coverage remain, particularly for informal workers.

The COVID-19 pandemic is a wake-up call for governments and for the development co-operation community to focus on overcoming systemic weaknesses. A cohesive, sustainable and resilient future for countries depends on strong and well-functioning social systems including health, education and social protection. They should be the backbone of necessary reforms because they cushion the negative economic and social effects of new crises. To better understand how pandemic impacts and social systems interact, the German Development Institute, in co-operation with the African Research Consortium and the Institute for Peace and Security Studies, has conducted analysis in Africa (Leininger, Strupat, Shimles, & Adeto, forthcoming[1]). The findings suggest that development co-operation can help countries to strengthen their social systems by supporting increased fiscal capacities; expanding social systems to include people who are being left behind; and making social systems more adaptable so they better respond to any new emerging crisis.

Limited social protection hampers crisis response

Thanks to its younger population, coupled with the quick implementation of containment measures such as mobilising public health systems, restricting social movement and closing borders, Africa as a whole has fewer COVID-19 cases and deaths relative to other regions of the world. Fifty-five per cent of African countries had sufficient operational readiness to respond to public health emergencies before the pandemic (Kandel et al., 2020[2]). In particular Guinea, Liberia, Senegal and Sierra Leone were more prepared for and adaptable to a public health emergency than other African countries, stemming from the 2014-16 Ebola outbreak. The incidence of COVID-19 reported cases in these 3 countries are at least 12 times lower than the rate in South Africa, for example (Maxmen, 2020[3]).

A cohesive, sustainable and resilient future for countries depends on strong and well-functioning social systems including health, education and social protection.

However, Africa has been hit hard in terms of the social and economic consequences of the lockdown measures (Sumner, Hoy and Ortiz-Juarez, 2020[4]) and specific weaknesses condition the magnitude of the impacts of the crisis. High levels of income inequality are a particular weakness in middle-income countries, while high levels of absolute poverty and limited access to essential health services are weaknesses in least developed and conflict-affected countries.

Social assistance has been extended globally to 1.8 billion individuals who previously had no access to any form of social protection over this period (Gentilini et al., 2020[5]). But the majority of African countries lack an adequate social protection scheme, a problem that is pronounced in conflict-affected and least developed countries. As a result, it is possible that a further 26 million Africans will fall into extreme poverty by the end of 2020 (Mahler et al., 2020[6]). The high rates of poverty and inequality, accompanied by low coverage and effectiveness of social protection systems, are major structural weaknesses, which hamper effective crisis response.

Three ways development co-operation can support stronger social structures

Challenges like the COVID-19 pandemic will likely become more frequent as a consequence of global megatrends such as climate change and globalisation. How well countries respond will depend on their resilience capability – the probability of achieving at least some minimal level of economic and social well-being even in the presence of crisis (Barrett et al., 2020[7]). Our analysis suggests that development actors could target support to three components of strong social structures, which in turn bolster resilience:

- **Adequate fiscal capacity.** In addition to tackling the unprecedented economic crisis in the short term, investment in the maintenance and expansion of social structures must also increase, especially in basic healthcare services, health security and social protection. New financing mechanisms and instruments for taxation at the global and national levels are needed, as are multi-year commitments from the development co-operation community to support social structures over the longer term. For instance, many African countries generate hardly any revenue from property taxes or private income taxes. The development co-operation community, through support for improved domestic resource mobilisation, can help countries more effectively tax households and assets. In the short term, taxes on digital services appear to be an untapped resource (Mekgoe and Hassam, 2020[8]), which if leveraged could contribute to covering funding gaps in social systems, in particular in middle-income countries.
- **Wide coverage to reach vulnerable groups.** Most of the social protection instruments employed as a pandemic response are temporary and have poor coverage. A more comprehensive social system that also covers the so-called missing middle is needed – that is, generally informal workers who often are ineligible for social assistance and not covered by social insurance (ILO, 2020[9]).
- Development co-operation actors can support countries to expand social services with a uniform social registry of (actual and potential) beneficiaries to close coverage gaps. In Cambodia, for example, the IDPoor registry includes all poor households and gives them access to social protection, health and other services (Kaba et al., 2018[10]). Over the long term, uniform registries could facilitate the prevention of contagious infections by providing social assistance when virus containment measures are in place and could facilitate medical treatment of long-term illness following a COVID-19 infection.
- **Adaptability to respond to emerging crises.** Development co-operation should be sustainable and long term, enabling countries to finance and maintain their social systems ensuring they are adaptable

to overcome future crises. Uniform social registries could be used also to help react and adapt quickly to new crises, for example by making it easier to add beneficiaries to social protection schemes. A good example of this is the Productive Safety Net Programme in Ethiopia, which adjusted programme activities in response to the COVID-19 pandemic. Its directive to regions proposed providing beneficiaries with three months of cash and/or food transfers and finding alternative approaches to activities that required large gatherings, such as waiving or minimising public work (Lind, Roelen and Sabates-Wheeler, 2020[11]).

Strengthening social systems will reap future rewards

Many countries are highly vulnerable to compounding crises that affect large parts of society simultaneously. The development co-operation community must support countries with social policy reforms to increase their resilience. Experience from past crises shows the value of investments in social systems: it enables countries to better cope with shocks that impact multiple sectors and thus provides a cushion to help populations. Technical and financial support provided by the development co-operation community is essential for strengthening social systems, particularly in Africa.

REFERENCES

Barrett, C. et al. (2020), *A Scoping Review of the Development Resilience Literature: Theory, Methods and Evidence*, Cornell University, Ithaca, NY, http://barrett.dyson.cornell.edu/files/papers/Development%20Resilience%20Scoping%20Review%20June%202020.pdf (accessed on 22 October 2020). [7]

Gentilini, U. et al. (2020), *Social Protection and Jobs Responses to COVID-19: A Real-time Review of Country Measures (18 September Update)*, World Bank, Washington, DC, https://openknowledge.worldbank.org/handle/10986/33635 (accessed on 22 October 2020). [5]

ILO (2020), "Extending social protection to informal workers in the COVID-19 crisis: Country responses and policy considerations", brief, International Labour Organization, Geneva. [9]

Kaba, M. et al. (2018), "IDPoor: A poverty identification programme that enables collaboration across sectors for maternal and child health in Cambodia", *BMJ*, Vol. 363, http://dx.doi.org/10.1136/bmj.k4698. [10]

Kandel, N. et al. (2020), "Health security capacities in the context of COVID-19 outbreak: An analysis of International Health Regulations annual report data from 182 countries", *The Lancet*, Vol. 395/10229, pp. 1047-1053, http://dx.doi.org/10.1016/S0140-6736(20)30553-5. [2]

Leininger, J. et al. (forthcoming), *The COVID-19 Pandemic and Structural Transformation in Africa: Evidence for Action*, German Development Institute, Bonn, forthcoming. [1]

Lind, J., K. Roelen and R. Sabates-Wheeler (2020), *Social Protection and Building Back Better*, Institute of Development Studies, Brighton, UK, https://www.ids.ac.uk/publications/social-protection-and-building-back-better (accessed on 22 October 2020). [11]

Mahler, D. et al. (2020), "Updated estimates of the impact of COVID-19 on global poverty", *World Bank Data blog*, https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty (accessed on 22 October 2020). [6]

Maxmen, A. (2020), "Ebola prepared these countries for coronavirus – but now they are floundering", *Nature*, https://www.nature.com/articles/d41586-020-02173-z. [3]

Mekgoe, N. and M. Hassam (2020), "Digital services tax in Africa – The journey so far", *Deloitte*, https://www2.deloitte.com/za/en/pages/tax/articles/digital-services-tax-in-africa-the-journey-so-far.html (accessed on 16 November 2020). [8]

Sumner, A., C. Hoy and E. Ortiz-Juarez (2020), "Estimates of the impact of COVID-19 on global poverty", *WIDER Working Paper*, No. 2020/43, United Nations University World Institute for Development, Helsinki, http://dx.doi.org/10.35188/UNU-WIDER/2020/800-9. [4]

Part IV
COVID-19 funding and development co-operation at a glance

GLOBAL RECOVERY DEPENDS ON STRONGER AND RESPONSIVE INTERNATIONAL CO-OPERATION: IN MY VIEW

Adama Coulibaly, Minister of Finance and Economy for Côte d'Ivoire

The COVID-19 pandemic, in addition to being a health crisis, is posing significant socio-economic challenges for all countries given the global economic recession forecast in 2020. It has wiped out achievements made in the fight against poverty, with around 100 million people entering into extreme poverty, and increased the number of unemployed by more than 400 million, according to the International Monetary Fund.

international solidarity is vital for guaranteeing that in addition to national responses, solutions are provided at the global level to the health, economic and security shocks being endured by some countries.

To address these challenges, international solidarity is vital for guaranteeing that in addition to national responses, solutions are provided at the global level to the health, economic and security shocks being endured by some countries.

To this end, we welcome all the international initiatives put in place since the start of the pandemic to support developing countries. This solidarity has led, in particular, to multifaceted contributions from all the technical and financial partners, which has helped to ensure the financing of the health and economic response plans put in place by countries to deal with COVID-19. In this context, Côte d'Ivoire benefited from significant funding to implement its health response plan costing XOF 95.88 billion (West African CFA francs) (EUR 146 million) and its economic support plan evaluated at XOF 1.7 trillion (EUR 2.6 billion), or 5% of gross domestic product. The execution of these two plans has helped reduce the health impact of the crisis and curb its socio-economic effects.

We also welcome the G20 nations' Debt Service Suspension Initiative (DSSI), which gives developing countries some financial leeway for funding their emergencies in the wake of the crisis.

Given the continuation of the COVID-19 crisis, these solidarity initiatives will have to

be strengthened so as to help pave the way for global economic recovery.

Indeed, Africa's urgent financing requirements resulting from the health crisis are estimated at around USD 100 billion annually for the next three years. In addition to this, approximately USD 600 billion are needed annually until 2030 to finance the Sustainable Development Goals.

In concrete terms, solidarity actions in favour of developing countries should involve the following:

- Extending the DSSI beyond 2020 to cover all of 2021. All countries should take part to ensure that the initiative has a meaningful impact. Restructuring and even cancelling debt could be considered for the most fragile countries that have been seriously affected by the crisis.
- Make available concessionary resources combined with granting special drawing rights. This will provide a kind of alternative financing window to conditions on the international markets.
- Pool anti-money laundering efforts. The COVID-19 crisis has led to large amounts of capital being moved around the world, resulting in a greater risk of money laundering. It is therefore important to boost co-operation between countries by sharing best practices for efficiently combating all attempts at money laundering.
- Provide fair access to COVID-19 vaccines as soon as they are available by setting affordable prices for developing countries.

To sum up, we expect greater international solidarity and more flexible and responsive international co-operation to support efforts to combat COVID-19 and at the same time guarantee the proper implementation of reforms and programmes designed to help achieve the Sustainable Development Goals.

ESTIMATES OF OFFICIAL DEVELOPMENT ASSISTANCE FUNDING FOR COVID-19 RESPONSE IN 2020

09

Mags Gaynor, Anita King & Yasmin Ahmad,
Development Co-operation Directorate, OECD

ABSTRACT

In their responses to the COVID-19 crisis, many development co-operation actors reallocated budgets and pledged new funding to support developing countries. This chapter provides preliminary estimates of funds allocated and discusses the outlook for funding in 2021 and beyond. It argues for better tracking and more transparency to make the most of increasingly limited resources.

Development Assistance Committee members mobilised financing

- Total funding commitments and disbursements by providers of development co-operation for COVID-19 have been difficult to track and determine. Initial and partial estimates from an OECD survey suggest that Development Assistance Committee (DAC) members mobilised USD 12 billion for COVID-19 support to developing countries.
- Comprehensive, real-time tools for tracking pledges, disbursements and allocations would increase funding transparency and help identify where official development assistance could best fill gaps in a crisis and in normal times.
- Shifts in funding allocations to health and humanitarian assistance from other sectors could hamper a comprehensive multi-sector approach to addressing COVID-19 and achieving the Sustainable Development Goals. It will be important to find the right balance between resources for crisis response and longer term investments in sustainable development.
- Looking ahead, there are signs that a funding crisis is on the horizon. Many DAC members indicated they would protect official development assistance (ODA) budgets and some plan to increase ODA budgets for 2021. Yet, given the global economic impacts of the pandemic, it is not certain that ODA volumes can rise or even hold steady over the coming years.

As the COVID-19 crisis evolved, development co-operation actors optimised flexibility and adapted their funding and budgets. This chapter draws on interviews with DAC members, a recent survey conducted by the OECD[1] on financing for COVID-19 response and other literature.

Funding levels are unclear and difficult to track

Though many new initiatives and co-ordinated actions emerged to respond to COVID-19, calculating the total international response to COVID-19 in developing countries

has proven challenging, raising more questions at the end of 2020 than answers. Questions range from how much was committed and then disbursed, to how much funding was extra-budgetary, and how much was reallocated from existing programmes, and at what cost? It also remains to be seen how much international development finance for COVID-19 will be counted as ODA. On this last point, the OECD (2020[1]) published an initial indication of ODA eligibility in July 2020. The DAC Working Party on Development Finance Statistics also approved two tools to track COVID-19-related expenses in the health sector and other sectors.

By any estimate, demand far outstrips funding. African governments are calling for significantly more support (Ofori-Atta, 2020[2]). Based on International Monetary Fund (IMF) estimates, the gap in finance available to help developing countries deal with the fallout of COVID-19 could be as much as USD 2 trillion (Kharas and Dooley, 2020[3]). For humanitarian needs alone, the overall global funding gap was USD 24 billion at the beginning of November. Humanitarian appeals are the highest on record – a total of USD 39 billion, of which USD 9.5 billion is specifically for COVID-19 through the Global Humanitarian Response Plan (UN OCHA, 2020[4]). At the same time, OECD governments mobilised stimulus packages that account for 84% of total world stimulus packages, or a total of USD 9.9 trillion as of September 2020 based on IMF (2020[5]) data.[2]

Estimates of development finance for COVID-19 are presented in Table 9.1. The figures, which are preliminary and partial, are drawn from a survey conducted by the OECD in October 2020.

Key funding trends and findings from the OECD survey and interviews with DAC members on funding are:

- Seventeen DAC member countries indicated that they had provided new or additional funding to 2020 budget envelopes, amounting to about USD 7 billion to be spent in 2020 and thereafter. Germany (Box 9.1) and the United States (USD 1.1 billion; See Box 4.1 in Chapter 4) account for a high share of the total.
- An estimated USD 4.8 billion of DAC member's commitments have been re-programmed towards COVID-19 response in 2020, some of which through redirecting resources from development programmes that were delayed or stalled due to the crisis, for example scholarships and training or volunteer programmes.
- Development actors adapted many existing programmes so that they could

Table 9.1. Estimates of resources mobilised for COVID-19 response in developing countries

Preliminary and partial estimates reported to OECD in October 2020

Source of finance (ODA eligibility of some funding may need to be determined)	Amount (USD)
28 DAC members	12 billion (of which 7 billion is new funds/extra-budgetary)
Non-OECD countries	65.7 million
World Bank*	43 billion
Other multilateral organisations (not including the IMF*)	37 billion
27 philanthropic foundations	1.3 billion

Notes: These data are drawn from the survey of Development Assistance Committee (DAC) members and other providers conducted by the OECD in October 2020. The data are preliminary and partial as not all members responded to the survey. More information on funding and support from philanthropic foundations is available in OECD (2020[6]), *Statistics on Private Philanthropy for Development* (database), oe.cd/foundationsdata.

* By October, the World Bank had committed USD 43 billion for developing countries.[3] According to its own reporting, the IMF raised USD 101.965 billion for COVID-19 response. See IMF (2020[7]), *COVID-19 Financial Assistance and Debt Service Relief*, webpage, https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker (accessed on 19 November 2020).

BOX 9.1. GERMANY'S REALLOCATIONS AND SMART TIMING HELPED TO RAISE ADDITIONAL FUNDS FOR COVID-19

Germany increased its official development assistance (ODA) budget in response to COVID-19. The government reallocated EUR 1.15 billion of the 2020 ODA budget towards the response by April 2020 and in June announced an additional EUR 3 billion in ODA through to 2021 as part of the country's fiscal stimulus package (BMZ, 2020[9]). EUR 1.55 billion of this was made available in July from the supplementary budget and a further EUR 1.55 billion is foreseen, subject to approval by the German parliament.

In the first weeks of the pandemic, the Federal Ministry of Economic Co-operation and Development (BMZ) recognised that COVID-19 would require a reallocation of funding. Between March and April, shortly after the World Health Organization declared COVID-19 a pandemic, the BMZ restructured programmes to provide more emergency relief and services for displaced people and to strengthen crisis management, reallocating EUR 1.15 billion of the 2020 ODA budget to address the health and economic impacts of the crisis in developing countries. With the trajectory of the virus changing rapidly, rather than assessing needs geographically, BMZ identified seven pressing thematic priorities that cut across partner countries. These encompassed health sector support and pandemic control as well as secondary impacts such as food security, stabilisation of fragile regions affected by displacement, social protection and securing jobs in global supply chains, liquidity for partner country governments in the form of sector budget support, and international co-operation efforts including Germany's engagement with the World Bank and the United Nations.

While the scale of needs arising from the pandemic and the need for additional resources were evident, BMZ decided to reallocate a share of the current budget before making the case to the parliament for additional ODA. This strategy had three key strengths. First, in the initial weeks of the pandemic, Germany's partners had limited absorptive capacity to implement additional funds. Taking time to identify what was possible within the existing programme and what additional resources were required gave partners time to adjust. Second, in March, political bandwidth in Germany, as elsewhere in Europe, was focused on the crisis at home. When Germany's development minister took the reallocation plan to the parliament in mid-April, Germany's own fiscal package was already on the table. Comparing the scale of investment in Europe with the resources available to developing countries and making the case for global solidarity – i.e. sharing a portion of Germany's stimulus package with populations most in need – proved to be a compelling narrative that gained political and public support. Third, by taking time to do what was possible within the existing budget, Germany was able to make the best use of its existing capacities and strengths while also identifying how and where additional resources were needed most.

At a time of intense pressure on government budgets, strong political will – backed by strategic, well-timed planning from within the ministry – enabled Germany to respond at scale. As a result, Germany stands out for having backed up its commitments to supporting developing countries in a time of crisis.

Source: Krake, M. (2020[10]), "The outlook for ODA budgets amidst the COVID-19 crisis", https://www.youtube.com/watch?v=_xIQ5A2DpxU.

continue to deliver in a COVID-19 context or address altered contexts and needs. Most DAC members indicated that they have not discontinued ongoing development programmes.

- Providers are focusing on countries most affected or at risk, low-income countries and fragile regions, and their priority countries. For example, the World Bank responded that USD 25 billion of the USD 43 billion it had committed by September 2020 went to IDA-eligible countries, i.e. the 74 mainly low-income countries that are eligible to borrow at concessional rates from the International Development Association (IDA). Fragile and conflict-affected economies received USD 7.6 billion of the total (World Bank, 2020[8]).

The Arab Co-ordination Group, the second-largest grouping of development co-operation providers after the DAC, committed to allocate USD 10 billion to support developing countries in their immediate response and recovery efforts, including through provision of medical supplies and protective equipment, and to provide further financial assistance for agriculture, food security, energy, education, and micro and small and medium-sized enterprises. One member, Saudi Arabia, pledged USD 500 million to support partner countries in mitigating the impacts of the crisis, extending its partnerships with the World Health Organization, the World Food Programme and Gavi, the Vaccine Alliance and is using its Group of 20 (G20) chairmanship in 2020 to support international co-ordination of the COVID-19 economic response. Another member, Kuwait, postponed to 2021 debt repayments from countries on the IDA eligibility list that were due between 1 May and 31 December 2020.[4]

Development agencies balanced two competing demands in 2020: responding to the impacts of COVID-19 and ensuring that resources continue to be invested in longer term development priorities. Budget reallocations by development agencies released billions to respond to new needs linked to COVID-19. France, for example, raised EUR 1.2 billion for COVID-19 through reallocations (Box 9.2).

BOX 9.2. FRANCE'S PACKAGE OF FINANCING, EXPERTISE AND PARTNERSHIPS

In April 2020, France announced a EUR 1.2 billion package to support sub-Saharan African countries with their immediate and long-term COVID-19 response, including by sharing expertise, direct support to health systems, humanitarian assistance and an extensive COVID-19 research programme building on partnerships forged during Ebola outbreaks. The Health in Common Initiative (Santé en commun), a part of the package implemented by the French Development Agency, supports health systems and provides budget support and support to non-governmental organisations targeting the most vulnerable people. Between April and September, France committed 90% of the pledged funding, including EUR 150 million that was provided as grants.

At the international level, France advocated for a multilateral response to the crisis and the legitimate role of the World Health Organization and its One Health approach to environmental, animal and human health. Under Team Europe, France worked with the European Civil Protection and Humanitarian Aid Operation to organise airlifts of essential supplies to sub-Saharan Africa and played a central role in negotiating the Debt Service Suspension Initiative.

At country level, France mobilised its global health experts – many with significant experience from Ebola – to develop and strengthen public policies in developing countries. It also redirected technical experts from other projects to help national governments and local authorities to access financial resources and share good practice. It further advocated for safety nets and food aid to reach prisoners, refugees and other marginalised groups who were not always included in national response plans.

Raising resources to finance France's COVID-19 response involved reallocating budgets, for example from scholarships, while making sure that the impact on other priority sectors was limited. Against this backdrop, France also remains committed to protecting official development assistance (ODA) and even increasing the proportion of national income dedicated to ODA to 0.55% by 2022 to sustain a strong COVID-19 response while safeguarding existing development investments.

Source: Information provided by the French Ministry for Europe and Foreign Affairs and the French Development Agency.

Transparent flow of information is crucial to tracking resources and need

Good pledging practices agreed by the DAC include, but are not limited to, stating the date or period covered, the source and terms of finance, and the baseline against which to assess any claims of additionality to existing flows or existing commitments (OECD, 2011[11]). The variety of approaches and sources of funding for the response to COVID-19 makes the task of tracking pledges and commitments challenging. For example, Devex set up a portal to track how funding pledges translated into contracts and projects, but it only proved possible for a fraction of total pledges (Box 9.3). Moreover, the time lag in official ODA statistical reporting to the OECD means that preliminary official aggregate data on ODA for COVID-19 will not be available before the first quarter of 2021. The OECD-DAC Creditor Reporting

BOX 9.3. FOLLOWING THE MONEY: DEVEX'S EXPERIENCE WITH ITS INTERACTIVE PORTAL

By Lisa Cornish and Raquel Alcega, Devex

By the end of March 2020, the international community had announced USD 4.5 trillion in funding for domestic and global responses to the growing global COVID-19 crisis. Funding announcements are public and transparent in so far as they generate publicity; however, what happens after is often more difficult to track.

To analyse how these announcements translate into programmes and deliverables that support health, economic, social and environmental responses to COVID-19, Devex tracked contracts, grants, new programme tenders and open funding opportunities using its existing funding database. This process helped identify actual flows to governments, sectors and communities in need. As of October 2020, Devex had tracked USD 171 billion through 781 programme announcements, though only USD 1.3 billion could be linked to 830 contracts that delivered on the ground.

WHAT THE DATABASE SHOWS

Transparency varies according to funding source. Multilateral institutions, development banks and philanthropic organisations such as the Bill & Melinda Gates Foundation publish approved programmes, tenders and grants and thus provide the clearest information. Government funding is less transparent and private sector funding is even more difficult to track.

Determining whether funding announcements provide new money is more challenging. Several bilateral agencies or ministries openly announced they were repurposing their programmes to focus on the COVID-19 response, among them the United Kingdom's Foreign, Commonwealth and Development Office and Australia's Department of Foreign Affairs and Trade. This may mean that existing programmes can no longer continue. Other donors announced changes in how existing programmes would be delivered to adapt to restrictions, including the use of remote training and surveys. Devex decided not to consider such adjustments as funding for the COVID-19 response, but still includes this information in the database to support insights into changing donor priorities. Development co-operation actors use the Devex database to see how they compare to others or to identify gaps and build a business case to support new funding.

This information-collating exercise highlights that data transparency remains a challenge, despite the potential of information to inform smarter, data-driven funding responses, whether to COVID-19 or other issues. Aid visibility matters for the speed, cohesiveness and accountability of the international response, and tracking of funding is vital for timely co-ordination and effectiveness. COVID-19 is showing that much work is still needed in this space.

Note: Devex is a media platform used by the global development community. Its interactive portal is available at https://public.tableau.com/profile/devexdevdata#!/vizhome/COVIDFundingvisualisation/COVID-19fundin.

System is a statistical system and does not monitor real-time tracking of pledges, disbursements and allocations.[5]

A worrisome funding outlook for the coming years

OECD governments are projecting a drop in national income and an increase in public expenditure at home. Sustaining or increasing ODA in this context sends a strong signal of global solidarity and several DAC members indicated at the November 2020 DAC High-Level Meeting that they will protect or increase their ODA budgets in 2021. However, the combined GBP 7.2 billion (USD 9.3 billion) cut in the United Kingdom's 2020 (GBP 2.9 billion) and 2021 budget (GBP 4.3 billion), which is a major provider of ODA, makes it increasingly unlikely that overall total DAC ODA volumes will hold steady in 2020 and 2021 (House of Commons Library, 2020[12]).

COVID-19 has also triggered a funding crisis for development organisations, particularly local and international civil society organisations (CSOs). In recognition of their pivotal role, OECD governments and foundations have made their funding more flexible and granted exceptions to support their partners through a challenging period. For example, Italy provided EUR 13 million (USD 15 million) to help CSOs through the crisis; Germany reduced the co-finance element that CSOs must provide from 25% to 10%; Switzerland provided credit to the International Committee of the Red Cross and many UK charities have made use of the government's Coronavirus Job Retention Scheme. However, despite these exceptional measures, many CSOs have been forced to halt programmes and downsize or lay off staff. Moreover, such exceptional measures to support CSOs may not be sustainable over time.

Budgetary reallocations created trade-offs that are still playing out

Initially, funding for COVID-19 response became available from funds that had not yet been committed or where lockdown situations and travel restrictions forced the delay or cancellation of programmes and activities such as volunteer programmes, posting experts abroad, scholarships, workshops and conferences. As time passed, additional reallocations came from delayed or underperforming programmes.

Lessons from past crises suggest that an effective response to COVID-19 requires concerted action across multiple sectors. It is thus critical to maintain an adequate distribution of ODA across key sectors, both for the COVID-19 response and for longer term development. Initial fears that the development community's immediate pandemic response would have a narrow health focus did not fully materialise – through DAC networks, members have indicated that they prioritised visible secondary impacts of the crisis such as deteriorating governance and gender-based violence. For example, the United Kingdom set a strategy to ensure that resources to respond to the short-term impacts of COVID-19 are not diverted from priority areas such as girls' education, climate, sexual and reproductive health, and gender-based violence services. The government of France, on the other hand, expects that ODA for education-related investments will fall in the short term and that they will catch up in the future. This reduction mirrors a more general trend of decreased funding to education in 2020, in spite of all the evidence linking education, particularly girls' education, to better economic, social and human development, as discussed in Box 9.4. Some DAC members reported they cut investments targeting agriculture.

There was, nevertheless, a visible shift in funding towards health and humanitarian assistance. While a humanitarian response is one instrument to meet immediate needs, it is costly and can draw funding away from programmes aimed at long-term investments in systems that build resilience (OECD, 2019[13]). Norway and other DAC

BOX 9.4. PROTECTING DOMESTIC AND INTERNATIONAL FINANCING FOR EDUCATION

By Michael Ward, OECD PISA for Development Programme

COVID-19 has caused the biggest disruption to education systems in history, according to data from a survey of 59 countries by the OECD Directorate for Education and Skills (OECD, 2020[17]). Moreover, the economic fallout from the pandemic, particularly in low- and middle-income countries, threatens all major sources of education financing – domestic education budgets, household contributions, remittance flows and international aid flows to education.

Prior to the crisis, levels and trends in domestic and external financing of education were already falling short of spending needs for SDG 4 (Education for All) (UNESCO, 2020[18]) and global progress was not on track to achieve it (UNESCO, 2019[19]), especially in low- and middle-income countries. In the current global context education financing available to developing economies could decline and further reduce the chances of achieving SDG 4 and the 2030 Agenda as a whole (UNSDG, 2020[20]).

Global actors, including the OECD, recommend actions designed to protect domestic and international financing of education. A Global Coalition for Education Response to COVID-19 (UNESCO, n.d.[21]) was established by UNESCO in April 2020 and an Education Post-COVID-19 Extraordinary Session of the Global Education Meeting 2020 (UNESCO, 2020[22]) was held virtually in October 2020 to mobilise the international community's assets and expertise. Participants to the meeting recommended that countries should allocate at least 4-6% of gross domestic product and/or at least 15-20% of total public expenditure to education and the share of total official development assistance to education should increase to 15%, a level similar to the early 2000s. Lastly, international financing for education should be aligned to national COVID-19 response and recovery plans, in accordance with principles of effectiveness, targeting countries and populations most in need.

members have expressed concerns about reprioritisation of health budgets towards the COVID-19 response and away from other longer term health support, while noting that many OECD countries are grappling with a similar competition for funding within their own health systems. The increase in humanitarian funding plateaued by mid-2020, but assessments of emergency needs are still being revised upwards (International Crisis Group, 2020[14]; Norwegian Refugee Council, 2020[15]).

According to a recent analysis of International Aid Transparency Initiative data[6] covering 70% of total ODA, ODA commitments in economic sectors and for conflict, peace and security, appear to have declined in 2020 compared to 2018 and 2019 levels, while the proportion of overall ODA going to low-income and fragile economies has not increased (Dodd, Breed and Coppard, 2020[16]). More comprehensive and detailed analysis will be possible by late 2021 when all project data for 2020 are reported to the OECD Creditor Reporting System.[7]

Conclusion

The growing gap between needs and resources in developing countries raises three financing challenges for international development co-operation. The first is how to mobilise more resources through ODA and other sources, to help make up the USD 2 trillion shortfall in COVID-19-related funding for developing countries, while also meeting financing commitments for the Sustainable Development Goals (OECD, 2020[23]). A second challenge is making existing development finance work harder to achieve development results. Some new and innovative approaches to programming and delivering development

co-operation may be needed to meet this challenge, including tapping into local capacity, cutting costs, reducing duplication, and investing more in prevention and preparedness to reduce future risks (see Chapter 4). The third financing challenge is to focus stretched ODA resources on the countries and people who are most in need and least able to cope.

As a first step towards raising more financing, OECD countries could meet the targets they have set and find innovative ways to raise the money, such as setting aside a proportion of domestic stimulus packages for developing countries. Full accountability and transparency for all the funding decisions taken to date will require an *ex post* assessment of the extent to which pledges are honoured and whether funding is allocated in line with needs.

REFERENCES

BMZ (2020), *Minister Müller zum Nachtragshaushalt 2020: Begrüße mehr Mittel für weltweite Corona-Sofortmaßnahmen [Minister Müller on the 2020 Supplementary Budget: Welcome More Funds for Immediate Global Corona Measures]*, German Federal Ministry of Economic Co-operation and Development, Bonn, http://www.bmz.de/de/presse/aktuelleMeldungen/2020/juni/200619_Minister-Mueller-zum-Nachtragshaushalt-2020/index.html. [9]

Dodd, A., D. Breed and D. Coppard (2020), *How is Aid Changing in the Covid-19 Pandemic?*, Development Initiatives, Bristol, UK, https://devinit.org/resources/how-aid-changing-covid-19-pandemic (accessed on 14 November 2020). [16]

House of Commons Library (2020), Insight: Spending Review: Reducing the 0.7% aid commitment, https://commonslibrary.parliament.uk/spending-review-reducing-the-aid-commitment/, Accessed 7 December 2020. [12]

IATI (2020), *About IATI*, webpage, International Aid Transparency Initiative, https://iatistandard.org/en. [24]

IMF (2020), *Covid-19 Financial Assistance and Debt Service Relief (webpage)*, International Monetary Fund, Washington, DC, https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker (accessed on 14 October 2020). [7]

IMF (2020), *Database of Fiscal Policy Responses to COVID-19*, International Monetary Fund, Washington, DC, https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19. [5]

International Crisis Group (2020), *COVID-19 and Conflict: Seven Trends to Watch*, International Crisis Group, Brussels, https://www.crisisgroup.org/global/sb4-covid-19-and-conflict-seven-trends-watch. [14]

Islamic Development Bank (2020), "US$10 billion to help its MCs: Final communiqué Heads of Arab Co-ordination Group Institutions", https://www.isdb.org/news/us10-billion-to-help-its-mcs-final-communique-heads-of-arab-co-ordination-group-institutions. [25]

Kharas, H. and M. Dooley (2020), "Sustainable development finance proposals for the global COVID-19 response", *Global Working Paper*, No. 141, Brookings Institution, Washington, DC, https://www.brookings.edu/wp-content/uploads/2020/08/Development-Financing-Options_Final.pdf. [3]

Krake, M. (2020), "The outlook for ODA budgets amidst the COVID-19 crisis", *Webinar: Development Co-operation Profiles 2020 and ODA Trends*, OECD Publishing, Paris, https://www.youtube.com/watch?v=_xIQ5A2DpxU. [10]

Norwegian Refugee Council (2020), *Make or Break: The Implications of COVID-19 for Crisis Financing*, Norwegian Ministry of Foreign Affairs, Oslo, https://www.nrc.no/globalassets/pdf/reports/make-or-break--the-implications-of-covid-19-for-crisis-financing/nrc_make_or_break_implications_covid19_crisis_financing_ov.pdf. [15]

OECD (2020), *Frequently Asked Questions on the ODA Eligibility of COVID-19 Related Activities*, OECD Publishing, Paris, https://www.oecd.org/dac/financing-sustainable-development/ODA-eligibility_%20of_COVID-19_related_activities_final.pdf. [1]

OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://dx.doi.org/10.1787/e3c30a9a-en. [23]

OECD (2020), *Schooling disrupted, schooling rethought: How the Covid-19 pandemic is changing education*, OECD Publishing, Paris, https://read.oecd-ilibrary.org/view/?ref=133_133390-1rtuknc0hi&title=Schooling-disrupted-schooling-rethought-How-the-Covid-19-pandemic-is-changing-education (accessed on 25 November 2020). [17]

OECD (2020), *Statistics on Private Philanthropy for Development (database)*, OECD, Paris, http://oe.cd/foundationsdata. [6]

OECD (2019), *Development Co-operation Report 2019: A Fairer, Greener, Safer Tomorrow*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9a58c83f-en. [13]

OECD (2011), *DAC Recommendation on Good Pledging Practice*, OECD Publishing, Paris, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5018. [11]

Ofori-Atta, K. (2020), "Opinion – Ghanaian finance minister: Africa deserves more Covid help", *Financial Times*, https://www.ft.com/content/fff9c354-dde5-4a4c-ab48-f11f289c2da9 (accessed on 3 November 2020). [2]

UN OCHA (2020), *Appeals and Response Plans 2020*, webpage, United Nations Office for the Co-ordination of Humanitarian Affairs, Geneva, https://fts.unocha.org/appeals/overview/2020 (accessed on 5 November 2020). [4]

UNESCO (2020), "COVID-19 is a serious threat to aid to education recovery", *Global Education Monitoring Report*, United Nations Educational, Scientific and Cultural Organization, https://en.unesco.org/gem-report/node/3141 (accessed on 25 November 2020). [18]

UNESCO (2020), "Education post-COVID-19: Extraordinary session of the Global Education Meeting (2020 GEM)", *United Nations Educational, Scientific and Cultural Organization*, https://en.unesco.org/news/education-post-covid-19-extraordinary-session-global-education-meeting-2020-gem (accessed on 25 November 2020). [22]

UNESCO (2019), *2019 High-level Political Forum: Contribution from the SDG-Education 2030 Steering Committee*, United Nations Educational, Scientific and Cultural Organization, https://sustainabledevelopment.un.org/content/documents/21990SDGEducation_2030_2019_HLPF_Steering_Committee_Submission.pdf (accessed on 25 November 2020). [19]

UNESCO (n.d.), *Global Education Coalition for COVID-19 Response (webpage)*, United Nations Educational, Scientific and Cultural Organization, https://en.unesco.org/covid19/educationresponse/globalcoalition (accessed on 25 November 2020). [21]

UNSDG (2020), *Education during COVID-19 and beyond*, United Nations, New York, https://unsdg.un.org/resources/policy-brief-education-during-covid-19-and-beyond (accessed on 25 November 2020). [20]

World Bank (2020), "Factsheet: World Bank COVID-19 response", World Bank, Washington, DC, https://www.worldbank.org/en/news/factsheet/2020/10/14/world-bank-covid-19-response (accessed on 14 November 2020). [8]

NOTES

1. The OECD conducted the survey on COVID-19 funding in October 2020; 28 of the 30 DAC members responded.
2. This calculation is based on data in the *Database of Fiscal Policy Responses to COVID-19* as of September 2020. The IMF (2020[5]) database summarises key fiscal measures announced or taken by governments in 190 economies.
3. The World Bank Group committed USD 160 billion in total. Included in this total is USD 104 billion from the IDA (mainly for low-income countries) and the International Bank for Reconstruction and Development. The remaining amount is from the International Finance Corporation and the Multilateral Investment Guarantee Agency. For more information, see World Bank (2020[8]).
4. See Islamic Development Bank (2020[24]).
5. Several development actors report funding information through the International Aid Transparency Initiative (IATI, 2020[23]), a global initiative to improve the transparency of development and humanitarian resources and their results in addressing poverty and crises. Information is available at: https://iatistandard.org/en.
6. The IATI database includes data from 15 bilateral donors, 7 international financial institutions and 11 multilateral organisations, thus covering an estimated 70% of ODA.
7. The Creditor Reporting System has been amended to track COVID-19 expenses, based on what the DAC agrees can be reported as ODA. This will allow for analysis of 2020 data that will be reported to the OECD in 2021 and available on line by late 2021.

DEVELOPMENT CO-OPERATION PROFILES AT A GLANCE

10

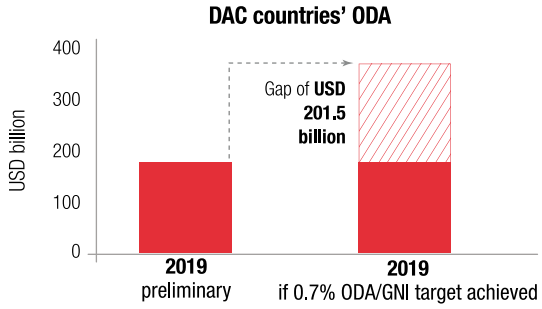
ABSTRACT

This chapter is an infographics-style presentation of highlights from the digital publication *Development Co-operation Profiles 2020*. 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, 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.

ODA AS A COLLECTIVE EFFORT: SIX KEY TRENDS IN 2018 AND 2019

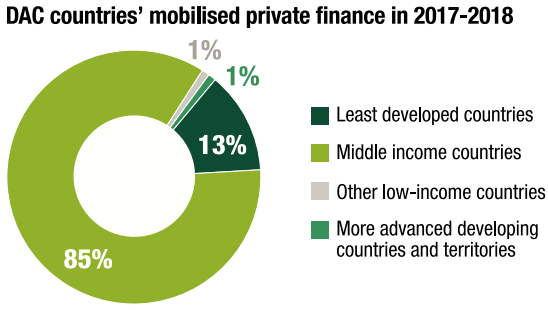
1

Total ODA continues to increase, but much too slowly to meet international commitments.



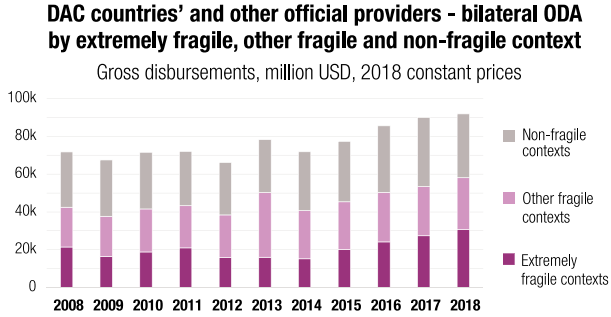
2

ODA to LDCs increased by 2.6% in real terms but LDCs still receive a small share of the private finance mobilised by official development finance.



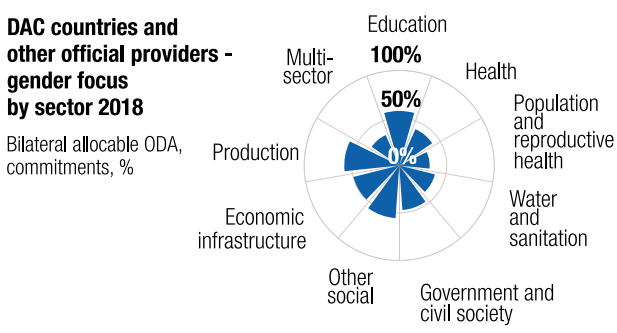
3

Flows to fragile contexts have continued to increase since 2014 reaching 58 billion USD in 2018.



4

Funding for gender equality was at an all-time high at 42.1% of bilateral ODA in 2018. Only 4% of ODA had gender equality as a principal objective.



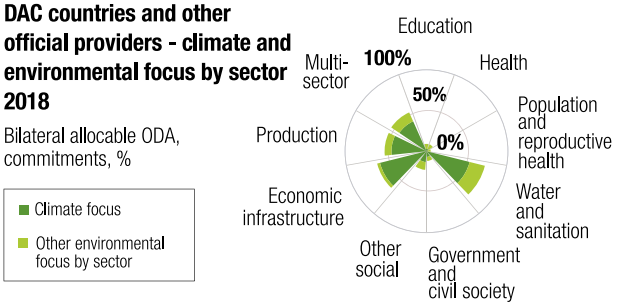
ODA AS A COLLECTIVE EFFORT: SIX KEY TRENDS IN 2018 AND 2019

5

Funding for environment and climate change increased slightly to reach USD 34.2 billion from DAC countries, but declined from other official providers in 2018.

DAC countries and other official providers - climate and environmental focus by sector 2018

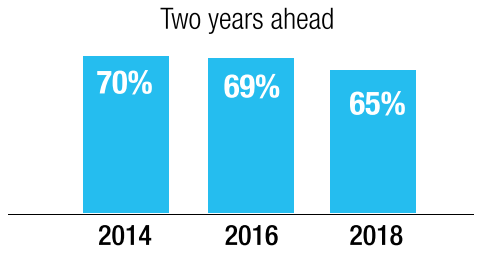
Bilateral allocable ODA, commitments, %



6

Predictability of ODA allocations in partner countries and use of national budgets are declining.

Proportion of development co-operation for which partner countries have received forward expenditure plans for fiscal years ending 2019/2021



PRIVATE FINANCE MOBILISED BY DAC COUNTRIES, 2017-2018

	TARGET	2017	2018	2019 PRELIMINARY
DAC COUNTRIES				
ODA as a share of GNI	0.7%	0.31% *(flow basis)*	0.30% *(grant-equivalent basis)*	0.30% *(grant-equivalent basis)*
Total ODA to the least development countries (LDCs) as a share of GNI	0.15-20%	0.09%	0.09%	
Share of untied ODA covered by the DAC Recommendation	100%	91.1%	86.8%	
Grant element of total ODA	>86%	93.8%	91.8%	
OTHER OFFICIAL PROVIDERS BEYOND THE DAC				
ODA as a share of GNI		0.35% *(flow basis)*	0.43% *(grant-equivalent basis)*	
Total ODA to the least development countries (LDCs) as a share of GNI		0.05%	0.13%	
Grant element of total ODA		70.2%	92.8%	

60 YEARS OF ODA RESILIENCE AMIDST ECONOMIC CRISES

Historically, ODA is the most stable external resource for developing countries, largely driven by political will and global solidarity

1960-72: Post-war prosperity sees aid flows hold steady

From 1960 to 1972, a period of considerable post-war economic growth for both developed and developing countries, **total net official development assistance (ODA) from members of the Development Assistance Committee (DAC) remained steady,** but fell as a share of donors' rising gross national income (GNI). In 1969, the DAC defined ODA and in 1970, the UN General Assembly adopted the ODA/GNI target of 0.7%.

1973-79: Despite oil crises, ODA volumes increase

Despite two oil price shocks in this period, and growth of output slumping from 4.9% for developed countries to 0.9% and from 7.2% to 4.9% for developing countries, the volume of **ODA actually grew by 38%** in real terms from 1973 to 1979. Additionally, the ODA/GNI ratio stayed level throughout these years.

1980-89: Debt crises don't stop ODA growth

The 1980s brought a succession of sovereign defaults and a fall in private lending. Growth did not recover to previous levels in developed or developing countries. Despite economic volatility, **ODA rose by 22%** in real terms between 1982 and 1990. In this decade, the annual average growth of ODA and gross domestic product (GDP) were similar, increasing by about 3% per year.

1990-99: Geopolitical cooling sees ODA volumes fall

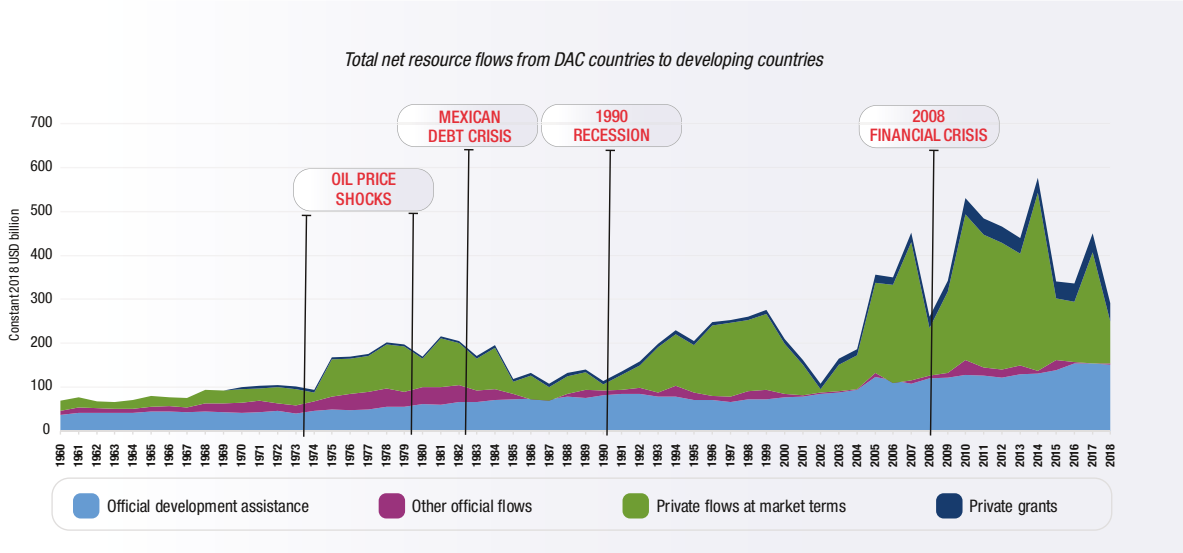
In the early 1990s, global GDP growth dropped while the end of the Cold War meant that geopolitical competition declined, with a high impact on ODA. **ODA volumes decreased by 19%** in real terms between 1990 and 1997 and from 0.33% of GNI in 1990 to 0.22% in 1997. The annual average growth rate of ODA was -0.20%, compared to an annual average GDP growth rate of 2.7%. The aid quality, effectiveness and results agenda started to gather momentum.

2000-10: High political will makes it the most generous decade for ODA

After the Millennium Development Goals were agreed upon in 2000, ODA began to rise again. Commitments made by heads of state at the Monterrey Conference on Financing for Development (2002) and the Gleneagles G7 summit (2005) led to a **60% increase in ODA** in real terms. Annual average ODA growth was 5.7% compared to GDP at 1.8%. The impact of the 2008 global financial crisis did not affect overall levels until the following decade.

2011-19: ODA budgets tighten before rebounding

ODA rose at a slightly higher rate (2.5%) than GDP (2.2%). ODA volumes and share of GNI fell by 1% in real terms in 2011 and 4% in 2012, showing a lagged effect of the financial crisis. ODA rebounded again in 2013, reaching its peak in 2016, mainly due to rising in-donor refugee costs. While ODA volumes fell slightly in 2017 and 2018, there were positive signs of renewed focus on the poorest countries in 2019 – with an increase in commitments for this objective.



Development priorities of ODA are just as important as its overall level: support for health systems and social protection in developing countries show a positive trend

Overall volume increase: Bilateral ODA commitments to health systems and social protection, 1996-2018
Million USD, 2018 constant prices

Note: ODA commitments include those of DAC countries, plus the European Union institutions. Purpose codes used for health systems include 12 220, 12 230, 12 261, 12 281, 13 030 and 13 081; for social protection, 16 010.
Source: OECD Statistics, 2020.

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 43 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

Australia's recent policy Partnerships for Recovery: Australia's COVID-19 Development Response (2020) and the 2017 Foreign Policy White Paper guide its development co-operation. It will continue to focus on the Indo-Pacific region, and will prioritise health security, stability and economic recovery.

Where the money goes

2019*

ODA grant equivalent
2.9
USD BILLION

77%
BILATERAL

23%
MULTILATERAL CORE

-2.5%
ODA CHANGE FROM 2018
in real terms

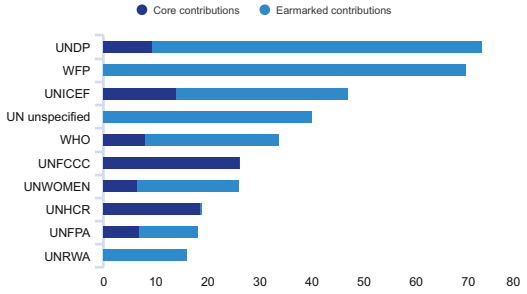
0.22% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.06% → 0.15-0.2% TARGET

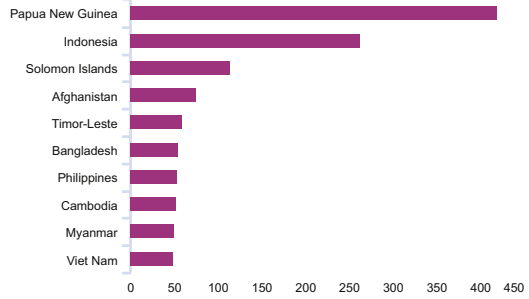
2018
ODA to least developed countries
AS A SHARE OF GNI

Australia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

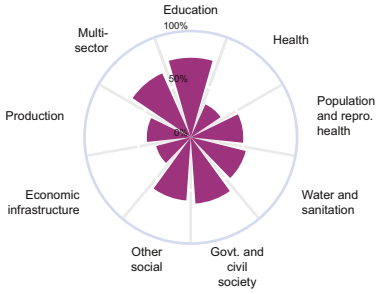


The UN system received 37% of total (core and earmarked) multilateral contributions, or USD 446 million.

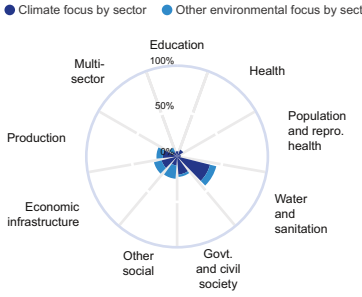
Australia - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Australia - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

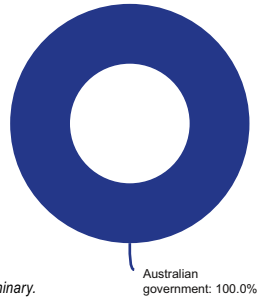


Australia - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Australia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

6
USD MILLION

Mobilised from the private sector by ODA in 2017

Full profile: *https://oe.cd/il/dev-coop-australia*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
AUSTRIA

Latest policy

The Federal Act on Development Co-operation (2003) and the Three-year Programme for Austrian Development Policy (2019-21) prioritise poverty reduction, peace and human security, and preserving the environment, with a geographic focus on South East Europe.

Where the money goes

2019

ODA grant equivalent
1.2
USD BILLION

36%
BILATERAL

64%
MULTILATERAL CORE

+9%
ODA CHANGE FROM 2018
in real terms

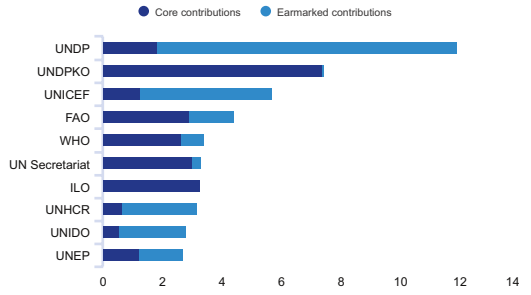
0.28% → 0.7% TARGET

2019
ODA
AS A SHARE OF GNI

0.07% → 0.15-0.2% TARGET

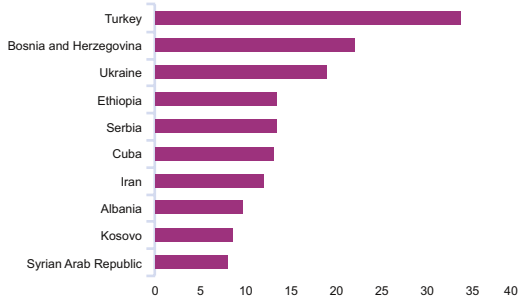
2018
ODA to least developed countries
AS A SHARE OF GNI

Austria - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

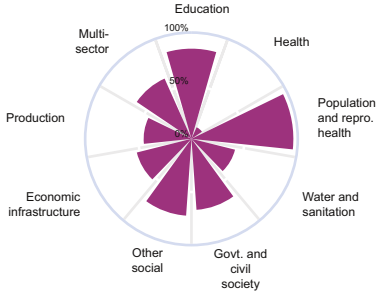


The UN system received 8% of total (core and earmarked) multilateral contributions, or USD 62 million.

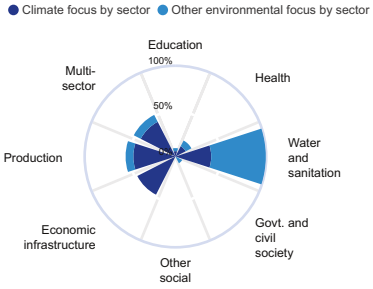
Austria - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Austria - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

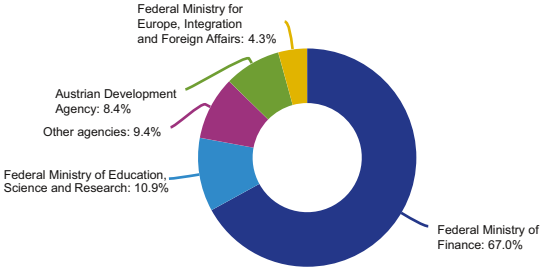


Austria - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Austria - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

123
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-austria*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE

AZERBAIJAN

Latest policy

Azerbaijan is a rising provider of development co-operation. Its bilateral co-operation focuses on areas where Azerbaijan has a comparative advantage, such as effective public service delivery, education, healthcare, labour and social protection, youth empowerment, mine action and others.

Where the money goes

2019

ODA grant equivalent
26
USD MILLION

25%
BILATERAL

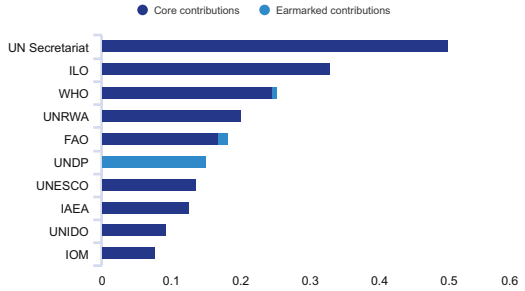
75%
MULTILATERAL CORE

-6.7 %
ODA CHANGE FROM 2018
in real terms

0.06%

2019
ODA
AS A SHARE OF GNI

Azerbaijan - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



The UN system received 8% of total (core and earmarked) multilateral contributions, or USD 2.2 million.

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

DEVELOPMENT CO-OPERATION AT A GLANCE
BELGIUM

Latest policy

Belgium's policy prioritises least developed countries and fragile states in Africa. Other policy priorities include a stronger focus on private sector development, climate change, digital for development and human rights-based approaches.

Where the money goes

2019*

ODA grant equivalent **2.2** USD BILLION

54% BILATERAL

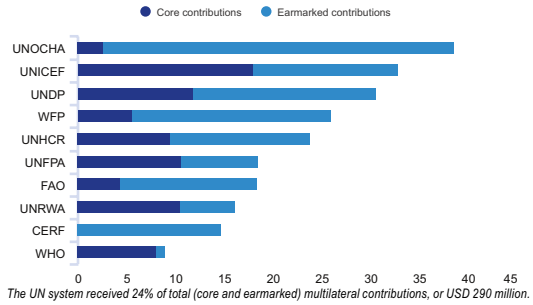
46% MULTILATERAL CORE

-2.3% ODA CHANGE FROM 2018 in real terms

0.42% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

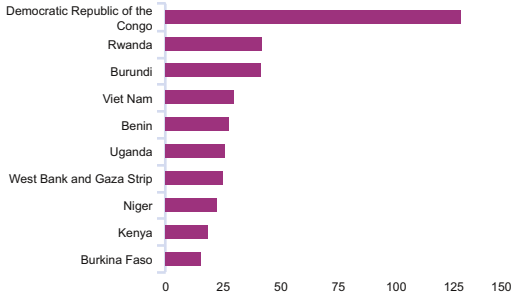
0.14% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Belgium - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

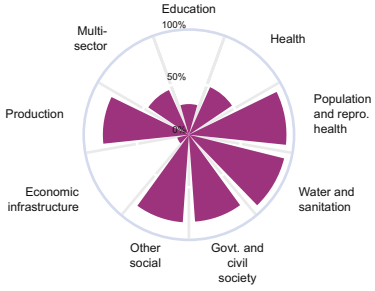


The UN system received 24% of total (core and earmarked) multilateral contributions, or USD 290 million.

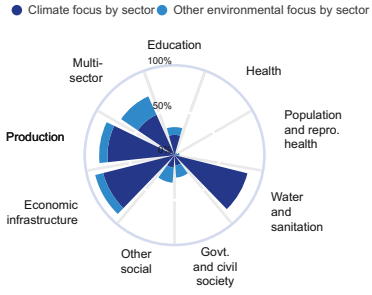
Belgium - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Belgium - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

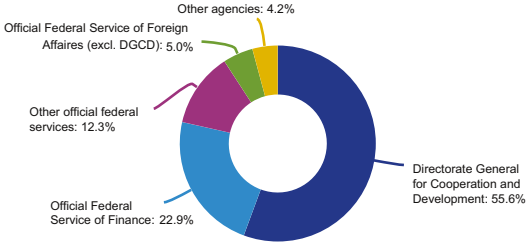


Belgium - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Belgium - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

44 USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-belgium*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
CANADA

Latest policy

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

Where the money goes

2019

ODA grant equivalent
4.7
USD BILLION

68%
BILATERAL

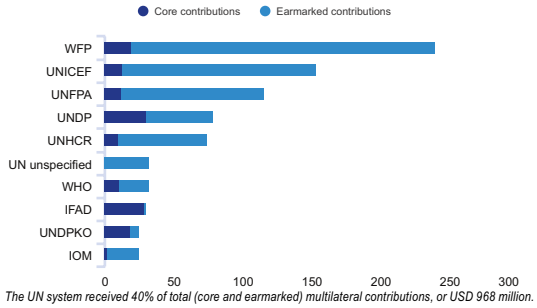
32%
MULTILATERAL CORE

+1.2%
ODA CHANGE FROM 2018
in real terms

0.27% → 0.7% TARGET
2019
ODA
AS A SHARE OF GNI

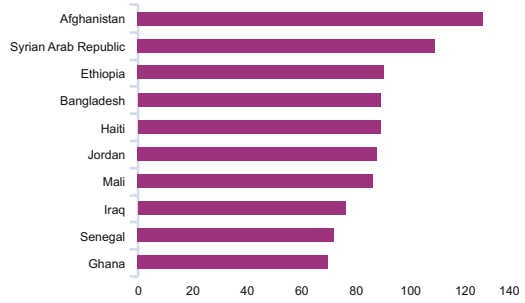
0.10% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Canada - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

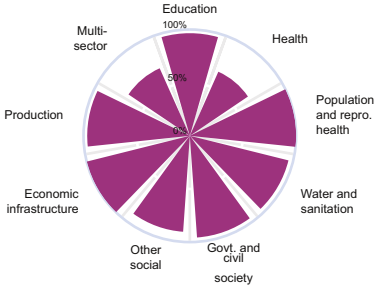


The UN system received 40% of total (core and earmarked) multilateral contributions, or USD 968 million.

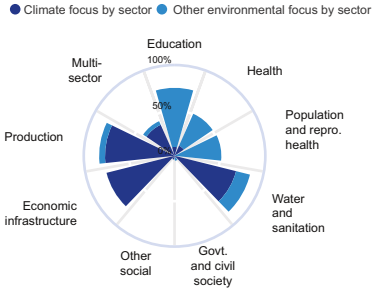
Canada - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Canada - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

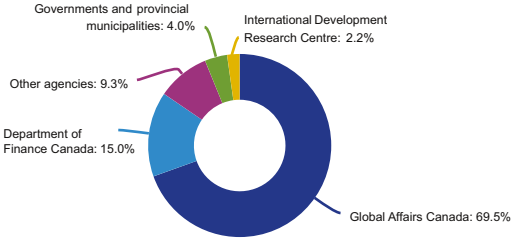


Canada - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Canada - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

40
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-canada*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
CROATIA

Latest policy

Croatia's development policy is determined by its size, capacities and challenges, as well as a post-war transition experience that constitutes its comparative advantage. The National Strategy for Development Cooperation 2017-21 sets out the core objective of overcoming poverty and decreasing aid dependence.

Where the money goes

2019*

ODA grant equivalent
80
USD MILLION

29%
BILATERAL

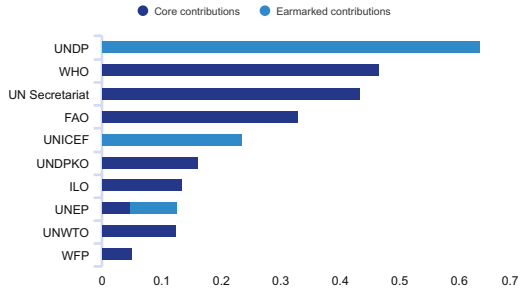
71%
MULTILATERAL CORE

+0.9%
NET ODA CHANGE FROM 2018
in real terms

0.13% → 0.33% TARGET**

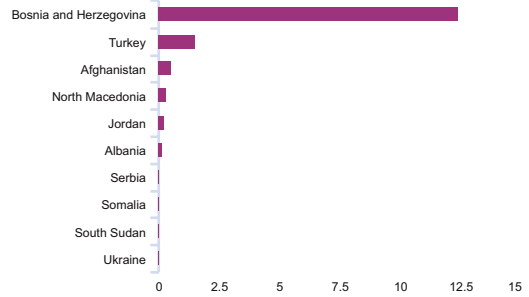
2019*
ODA AS A SHARE OF GNI

Croatia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



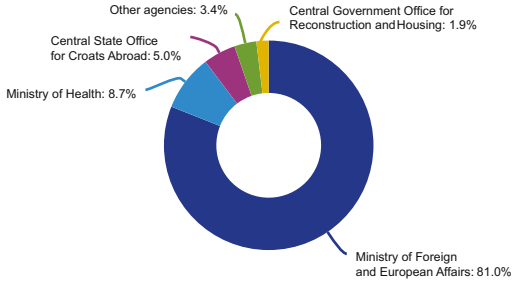
The UN system received 4% of total (core and earmarked) multilateral contributions, or USD 3 million.

Croatia - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Croatia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
CYPRUS

Latest policy

Cyprus's development co-operation is closely aligned with the goals and priorities of the European Union. It aims at sharing know-how and expertise and providing in-kind, demand-driven humanitarian assistance (e.g. medical supplies).

Where the money goes

2019*

ODA grant equivalent
45
USD MILLION

6%
BILATERAL

94%
MULTILATERAL CORE

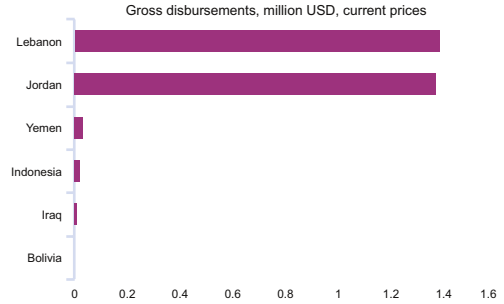
+83.9%
NET ODA CHANGE FROM 2018
in real terms

0.21% → 0.33% TARGET**

2019*
ODA
AS A SHARE OF GNI

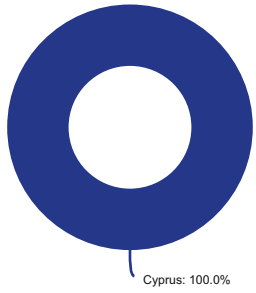
The UN system received 4% of total (core and earmarked) multilateral contributions, or gross disbursements of USD 1 million in 2018.

Cyprus - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Cyprus - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

1. Note by Turkey:
The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".
2. Note by all the European Union member states of the OECD and the European Union:
The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the government of the Republic of Cyprus.

DEVELOPMENT CO-OPERATION AT A GLANCE
CZECH REPUBLIC

Latest policy

The Czech Republic's 2018-2030 Development Cooperation Strategy sets out five thematic priorities: 1) building stable and democratic institutions; 2) sustainable management of natural resources; 3) agriculture and rural development; 4) inclusive social development; and 5) economic growth.

Where the money goes

2019*

ODA grant equivalent
306
USD MILLION

32%
BILATERAL

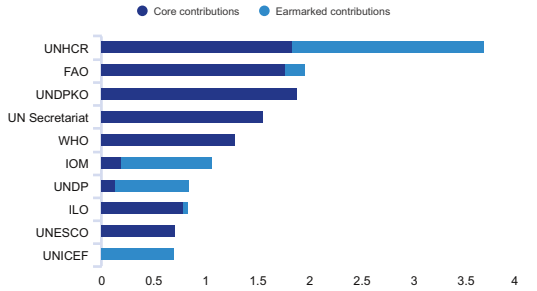
68%
MULTILATERAL CORE

+2.6%
NET ODA CHANGE FROM 2018
in real terms

2019*
0.13% → 0.33% TARGET**
ODA AS A SHARE OF GNI

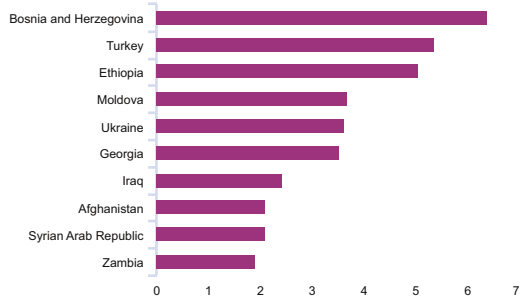
2018
0.03% → 0.15-0.2% TARGET
ODA to least developed countries AS A SHARE OF GNI

Czech Republic - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

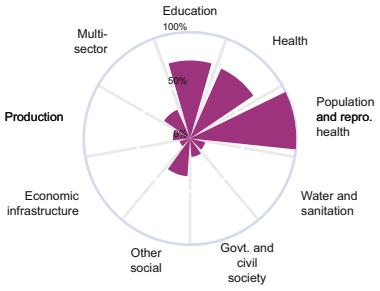


The UN system received 8% of total (core and earmarked) multilateral contributions, or USD 18 million.

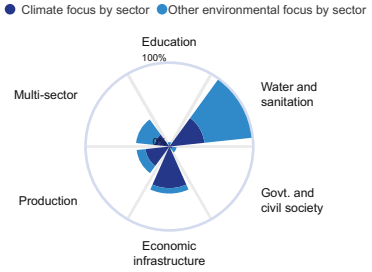
Czech Republic - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Czech Republic - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

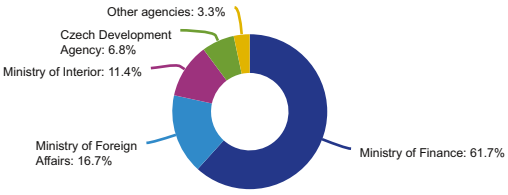


Czech Republic - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Czech Republic - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

1
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-czech-republic*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
DENMARK

Latest policy

Denmark's strategy, The World 2030, sets out four strategic objectives: 1) safety, peace and protection; 2) prevention of irregular migration; 3) inclusive, sustainable growth; and 4) freedom, democracy, human rights and equality. Attention is now shifting more towards addressing fragility and vulnerability.

Where the money goes

2019*

ODA grant equivalent **2.5** USD BILLION

69% BILATERAL

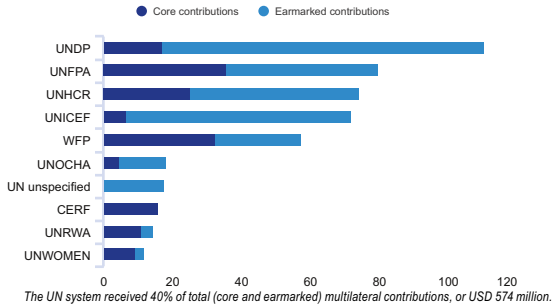
31% MULTILATERAL CORE

+2.5% ODA CHANGE FROM 2018 in real terms

0.71% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

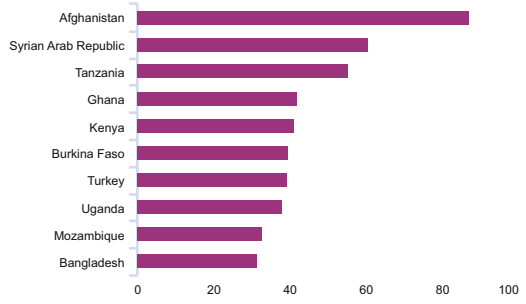
0.20% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Denmark - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

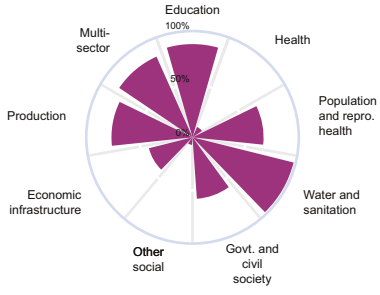


The UN system received 40% of total (core and earmarked) multilateral contributions, or USD 574 million.

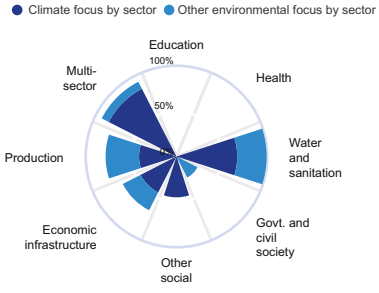
Denmark - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Denmark - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

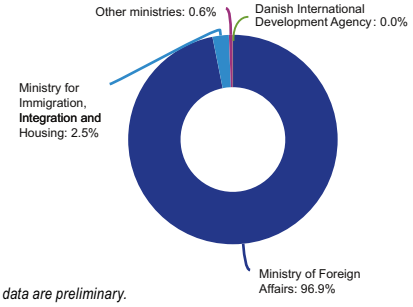


Denmark - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Denmark - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary.

Mobilisation of private sector

902 USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-denmark*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
ESTONIA

Latest policy

Estonian development co-operation aims to contribute to eradicating poverty and achieving the Sustainable Development Goals by sharing knowledge and experience with transition countries.

Where the money goes

2019*

ODA grant equivalent
42
USD MILLION

36%
BILATERAL

64%
MULTILATERAL CORE

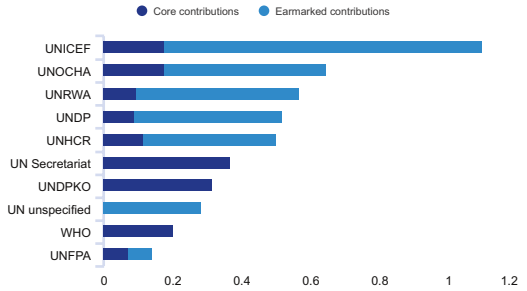
-11.5%
NET ODA CHANGE FROM 2018
in real terms

0.13%

0.33% TARGET**

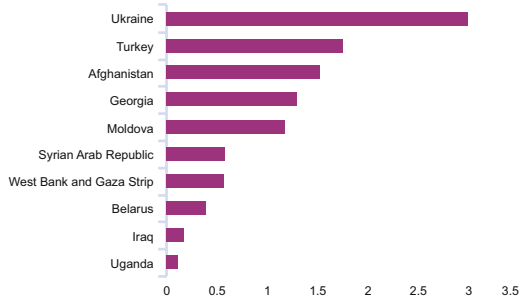
2019*
ODA
AS A SHARE OF GNI

Estonia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

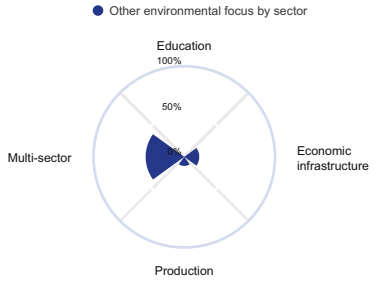


The UN system received 17% of total (core and earmarked) multilateral contributions, or USD 6 million.

Estonia - Top 10 recipients 2018
Gross disbursements, million USD, current prices

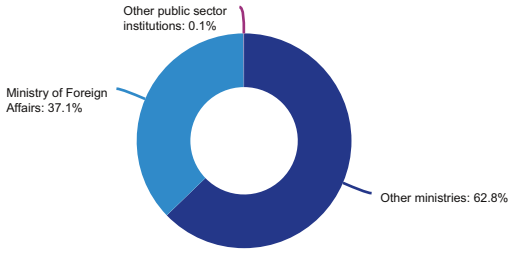


Estonia - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Estonia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*

***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

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.

Where the money goes

2019*

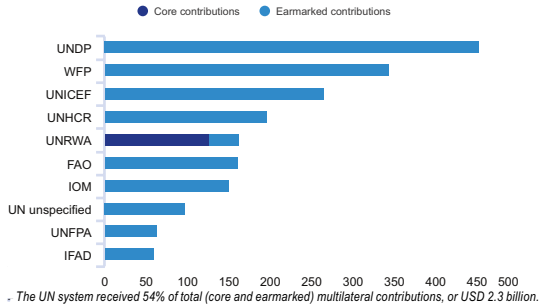
ODA grant equivalent
14.8
USD BILLION

98%
BILATERAL

2%
MULTILATERAL CORE

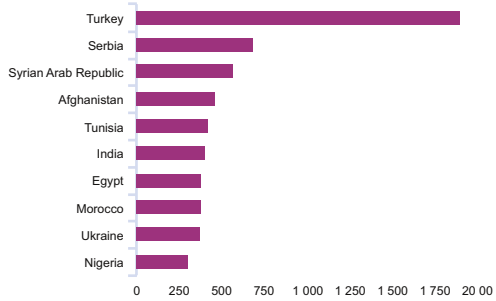
-6.1%
ODA CHANGE FROM 2018
in real terms

EU institutions - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

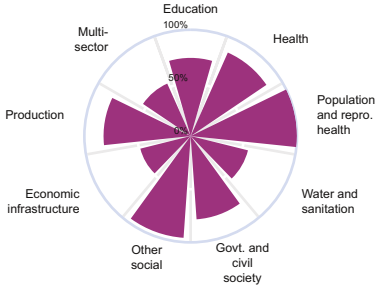


. The UN system received 54% of total (core and earmarked) multilateral contributions, or USD 2.3 billion.

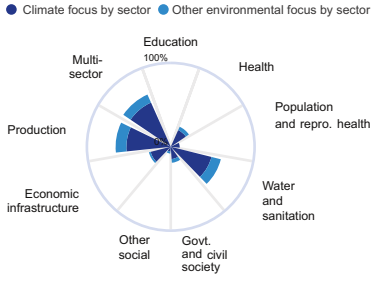
EU institutions - Top 10 recipients 2018
Gross disbursements, million USD, current prices



EU institutions - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

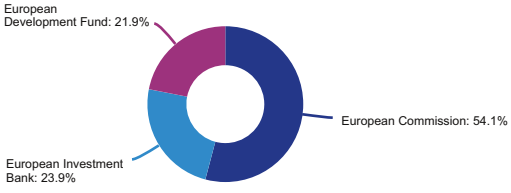


EU institutions - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

EU institutions - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary.

Mobilisation of private sector

5.1
USD BILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-eu*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
FINLAND

Latest policy

Finland's policy focuses on: strengthening the status and the rights of women and girls;the growth of economies to generate more jobs; education, well-functioning societies and democracy; and climate change and natural resources.

Where the money goes

2019*

ODA grant equivalent
1.1
USD BILLION

53%
BILATERAL

47%
MULTILATERAL CORE

+18.2%
ODA CHANGE FROM 2018
in real terms

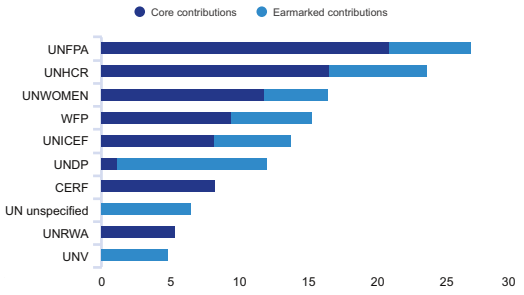
0.42% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.11% → 0.15-0.2% TARGET

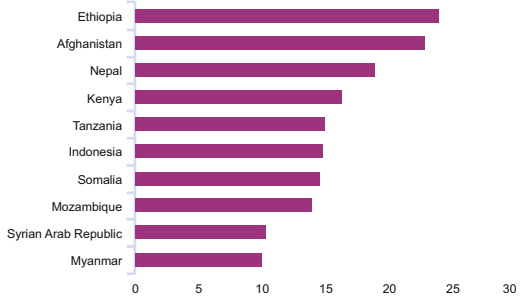
2018
ODA to least developed countries
AS A SHARE OF GNI

Finland - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

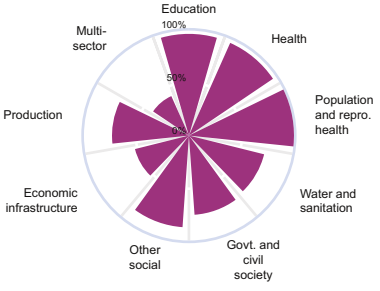


. The UN system received 29% of total (core and earmarked) multilateral contributions, or USD 183 million.

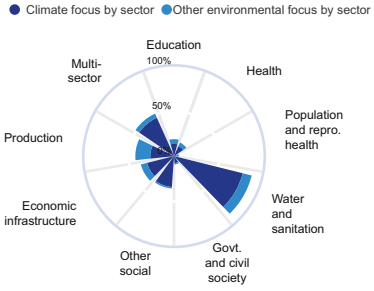
Finland - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Finland - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

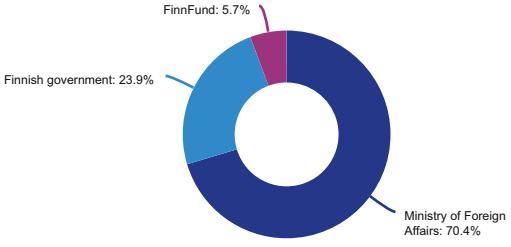


Finland - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Finland - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

211
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-finland*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
FRANCE

Latest policy

France's development co-operation aims to fight poverty and inequality. The upcoming programming Act on Development Co-operation is expected to have five priorities: 1) education; 2) the climate; 3) gender equality; 4) health; and 5) crisis and fragilities.

Where the money goes

2019*

ODA grant equivalent
12.2
USD BILLION

61% BILATERAL

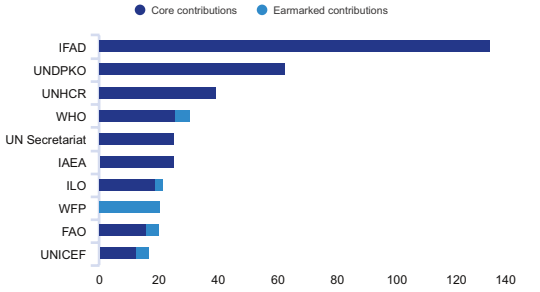
39% MULTILATERAL CORE

+4.2% ODA CHANGE FROM 2018 in real terms

0.44% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

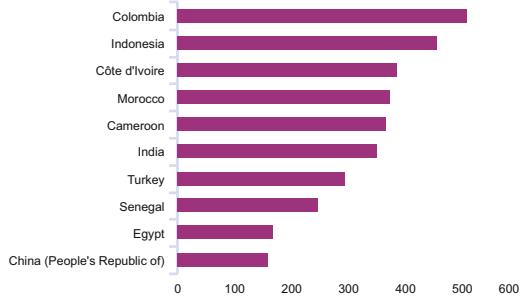
0.12% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

France - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

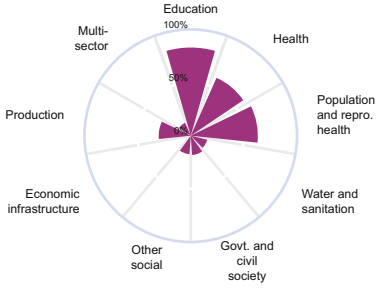


The UN system received 8% of total (core and earmarked) multilateral contributions, or USD 477 million.

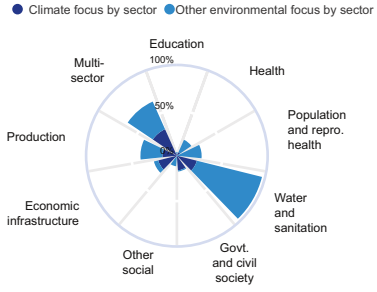
France - Top 10 recipients 2018
Gross disbursements, million USD, current prices



France - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

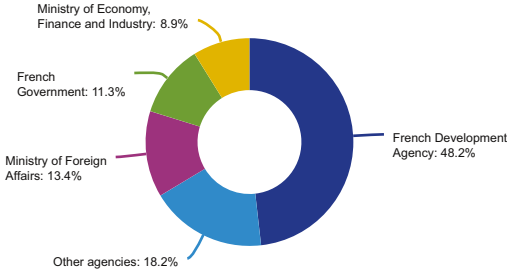


France - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

France - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

2.1
USD BILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-france*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
GERMANY

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.

Where the money goes

2019

ODA grant equivalent **24.2** USD BILLION

77% BILATERAL

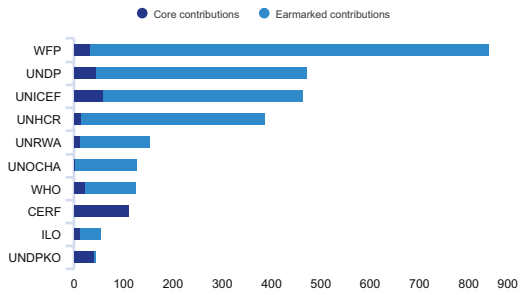
23% MULTILATERAL CORE

+0.2% ODA CHANGE FROM 2018 in real terms

0.61% → 0.7% TARGET — 2019 ODA AS A SHARE OF GNI

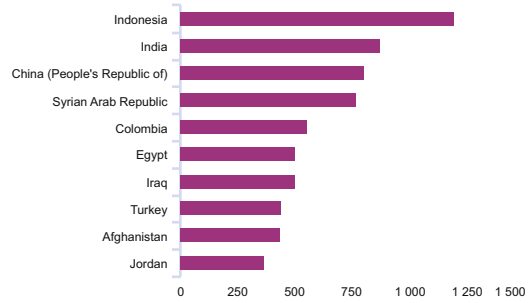
0.12% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Germany - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

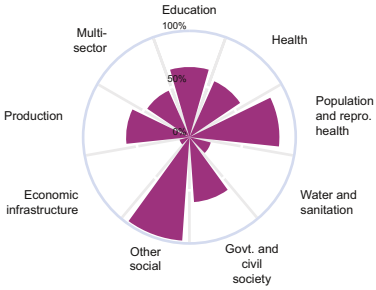


The UN system received 32% of total (core and earmarked) multilateral contributions, or USD 3.2 billion.

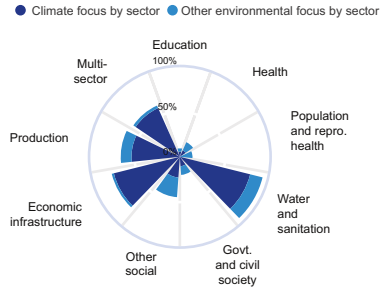
Germany - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Germany - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

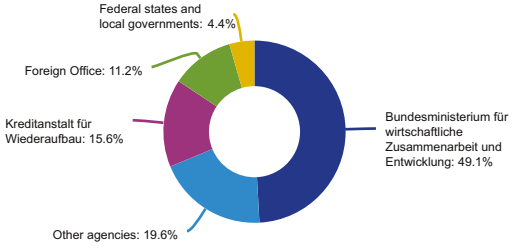


Germany - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Germany - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

448 USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-germany*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
GREECE

Latest policy

Greece seeks to resolve challenges facing the Mediterranean, South East Europe and the Middle East, and advocates for a safe marine environment in the eastern Mediterranean.

Where the money goes

2019

ODA grant equivalent
290
USD MILLION

13%
BILATERAL

87%
MULTILATERAL CORE

+4.6%
ODA CHANGE FROM 2018
in real terms

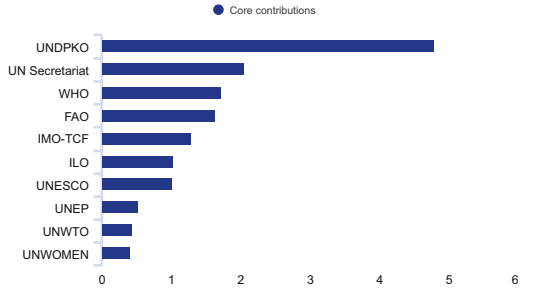
0.13% → 0.7% TARGET

2019
ODA
AS A SHARE OF GNI

0.03% → 0.15-0.2% TARGET

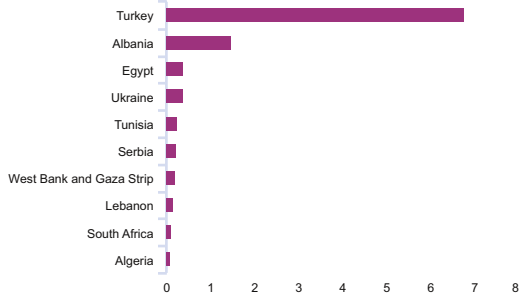
2018
ODA to least developed countries
AS A SHARE OF GNI

Greece - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

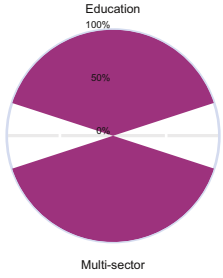


The UN system received 6% of total (core and earmarked) multilateral contributions, or USD 16 million.

Greece - Top 10 recipients 2018
Gross disbursements, million USD, current prices

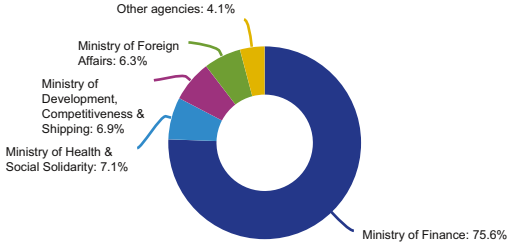


Greece - Gender focus by sector 2018



Main public actors

Greece - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-greece*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
HUNGARY

Latest policy

Hungary's 2019 development strategy is based on: establishing long-lasting, mutually beneficial economic partnerships; and addressing the root causes of migration. Priorities include access to water and sanitation; healthcare; education; information technology; and sustainable agriculture.

Where the money goes

2019*

ODA grant equivalent
317
USD MILLION

46%
BILATERAL

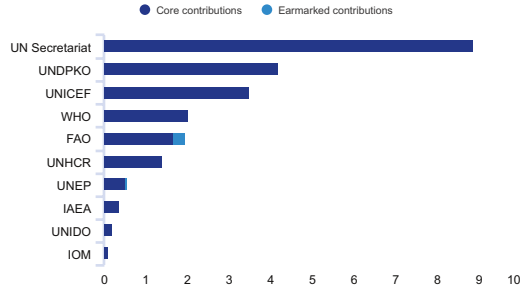
54%
MULTILATERAL CORE

+14.5%
NET ODA CHANGE FROM 2018
in real terms

2019*
0.22%
0.33% TARGET**
ODA AS A SHARE OF GNI

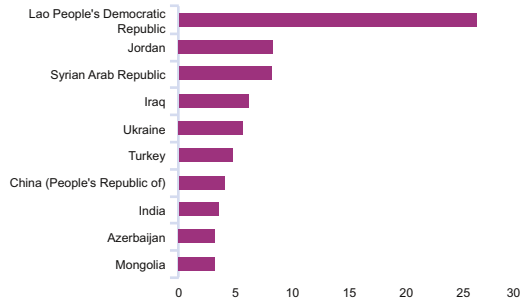
2018
0.05%
0.15-0.2% TARGET
ODA to least developed countries AS A SHARE OF GNI

Hungary - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

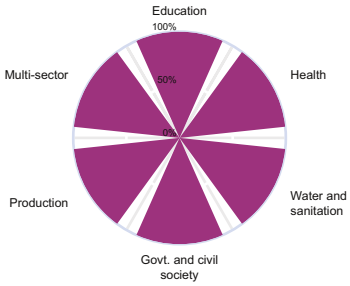


The UN system received 13% of total (core and earmarked) multilateral contributions, or USD 23 million.

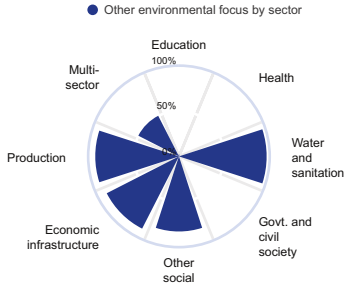
Hungary - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Hungary - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

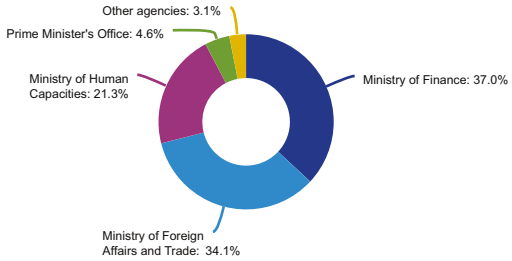


Hungary - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Hungary - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-hungary*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
ICELAND

Latest policy

Human rights, gender equality and sustainable development guide Iceland's development co-operation. The Policy for International Development Co-operation 2019-2023 aims to: enhance social infrastructures and peace efforts; and protect the earth through the sustainable use of natural resources.

Where the money goes

2019*

ODA grant equivalent
67
USD MILLION

85%
BILATERAL

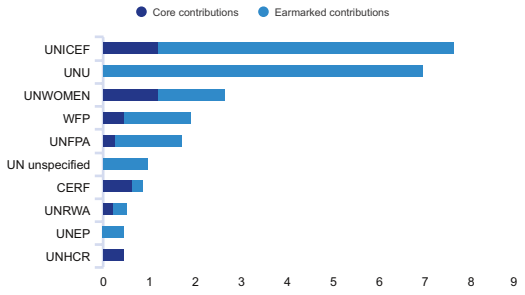
15%
MULTILATERAL CORE

-1.6%
ODA CHANGE FROM 2018
in real terms

0.27% → 0.7% TARGET
2019*
ODA
AS A SHARE OF GNI

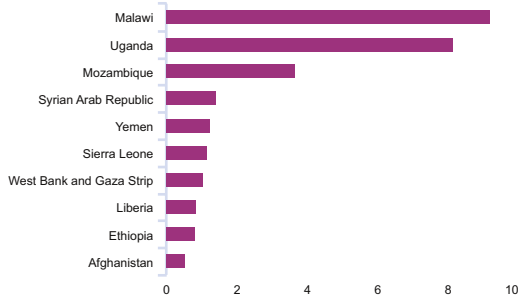
0.12% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Iceland - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

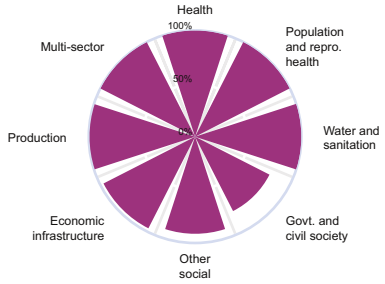


The UN system received 65% of total (core and earmarked) multilateral contributions, or USD 26 million.

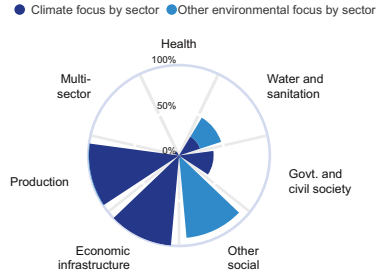
Iceland - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Iceland - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

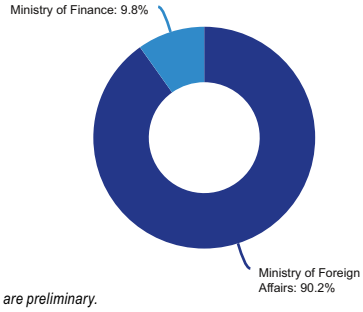


Iceland - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Iceland - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary.

Full profile: *https://oe.cd/il/dev-coop-iceland*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
IRELAND

Latest policy

The 2019 policy, "A Better World", has the prime ambition to reach the furthest behind first by focusing on least developed and fragile countries. Ireland's priorities are gender equality, humanitarian assistance, climate change and governance.

Where the money goes

2019*

ODA grant equivalent
935
USD MILLION

57%
BILATERAL

43%
MULTILATERAL CORE

+4.5%
ODA CHANGE FROM 2018
in real terms

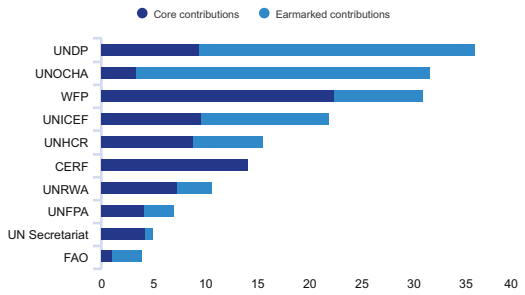
0.31% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.13% → 0.15-0.2% TARGET

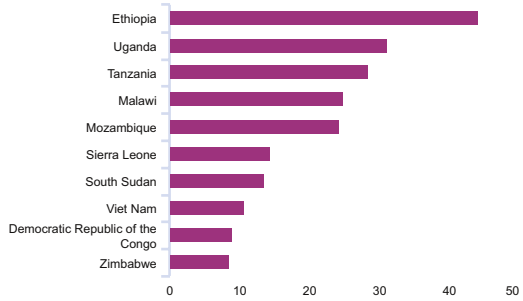
2018
ODA to least developed countries
AS A SHARE OF GNI

Ireland - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

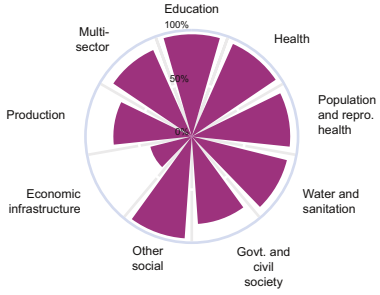


The UN system received 39% of total (core and earmarked) multilateral contributions, or USD 212 million.

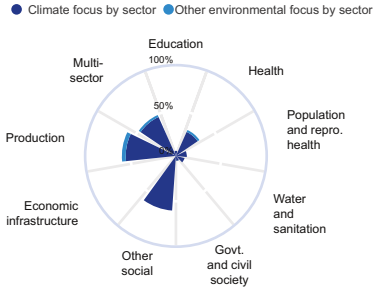
Ireland - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Ireland - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

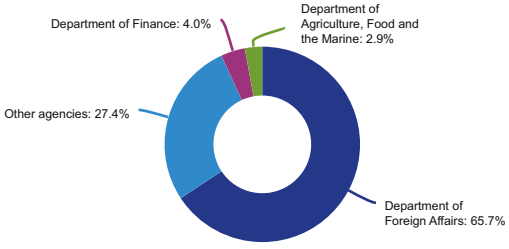


Ireland - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Ireland - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary.

Mobilisation of private sector

1
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-ireland*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
ISRAEL

Latest policy

Israel's development policy is closely linked to and strongly aligned with its foreign policy, including through its commitment to the 2030 Agenda for Sustainable Development. Israel prioritises sectors where it can add greatest value – such as agriculture, water and health – mainly in the Middle East and Asia.

Where the money goes

2019*

ODA grant equivalent
278
USD MILLION

87%
BILATERAL

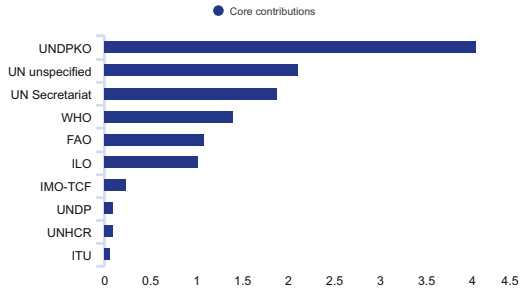
13%
MULTILATERAL CORE

-26.1%
ODA CHANGE FROM 2018
in real terms

0.07%

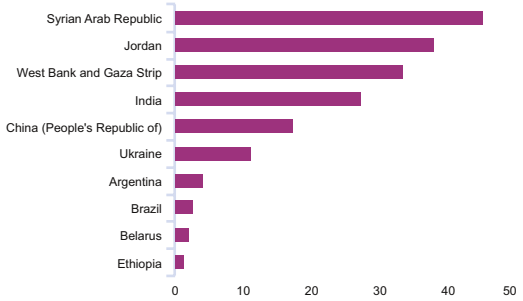
2019*
ODA
AS A SHARE OF GNI

Israel - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



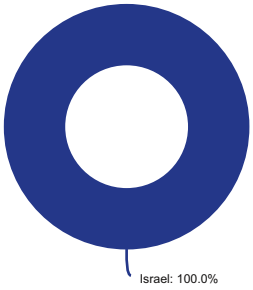
The UN system received 24% of total (core and earmarked) multilateral contributions, or USD 12 million.

Israel - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Israel - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
ITALY

Latest policy

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

Where the money goes

2019*

ODA grant equivalent
4.9
USD BILLION

41%
BILATERAL

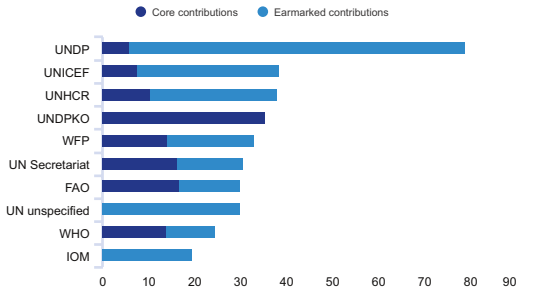
59%
MULTILATERAL CORE

-1.0%
ODA CHANGE FROM 2018
in real terms

0.24% → 0.7% TARGET
2019*
ODA
AS A SHARE OF GNI

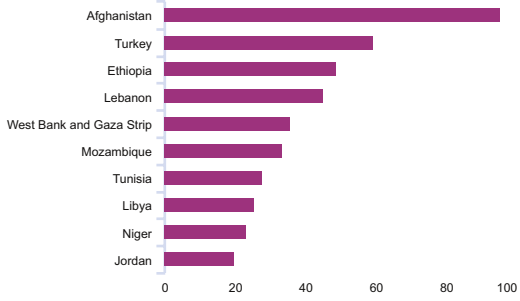
0.06% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Italy - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

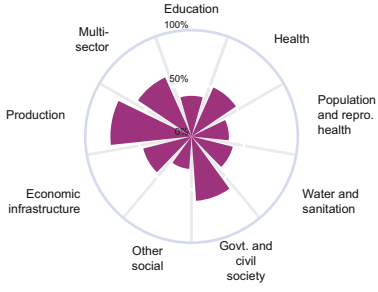


The UN system received 13% of total (core and earmarked) multilateral contributions, or USD 459 million.

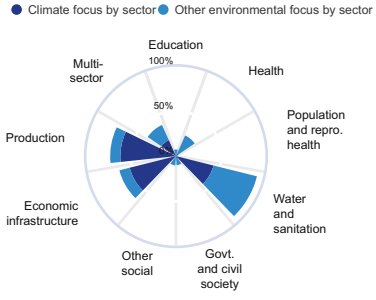
Italy - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Italy - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

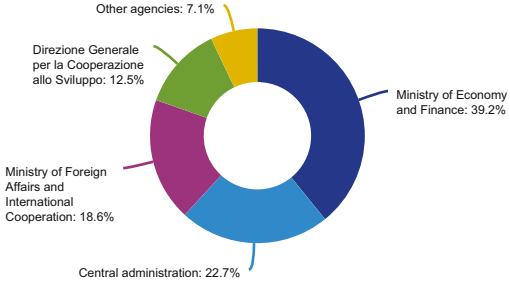


Italy - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Italy - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Full profile: *https://oe.cd/il/dev-coop-italy*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
JAPAN

Latest policy

Japan aims to reduce poverty and leave no one behind by investing in quality growth and human security. The 2015 Development Cooperation Charter underscores the mutual benefits of peace and security, and is well aligned with the Sustainable Development Goals.

Where the money goes

2019*

ODA grant equivalent **15.5** USD BILLION

76% BILATERAL

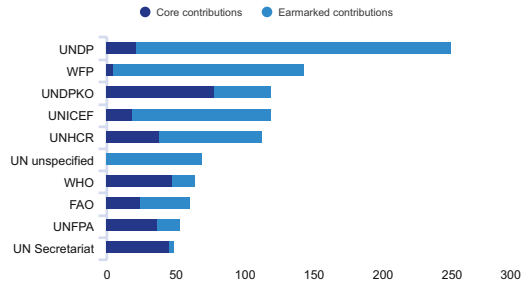
24% MULTILATERAL CORE

+7.5% ODA CHANGE FROM 2018 in real terms

0.29% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

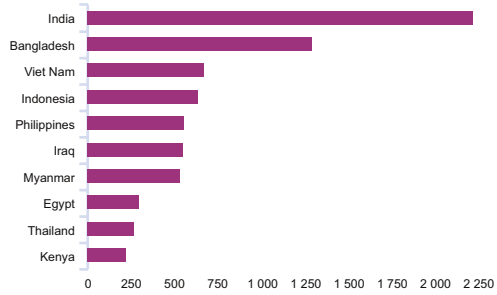
0.10% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Japan - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

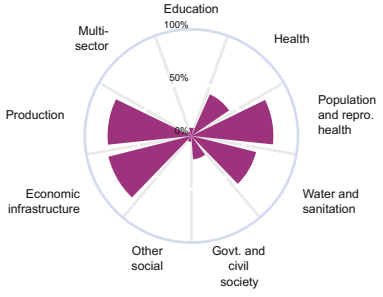


The UN system received 26% of total (core and earmarked) multilateral contributions, or USD 1.3 billion.

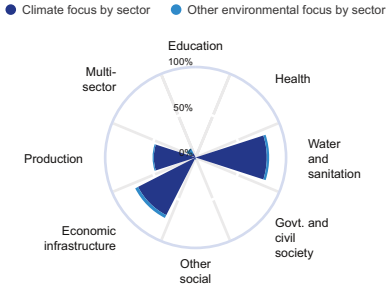
Japan - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Japan - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

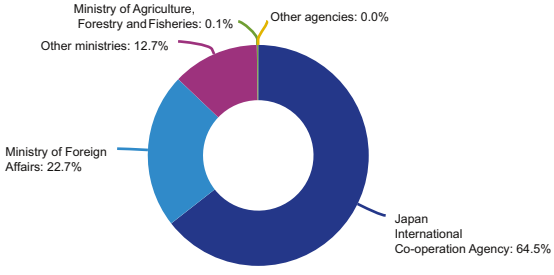


Japan - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Japan - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-japan*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
KAZAKHSTAN

Latest policy

Development co-operation is an integral and increasingly important part of Kazakhstan's foreign policy. The 2014 ODA Law defines the main objectives, principles, competences and sectoral priorities, and provides the legal basis for establishing an agency to implement its development activities.

Where the money goes

2018

ODA grant equivalent
40
USD MILLION

73%
BILATERAL

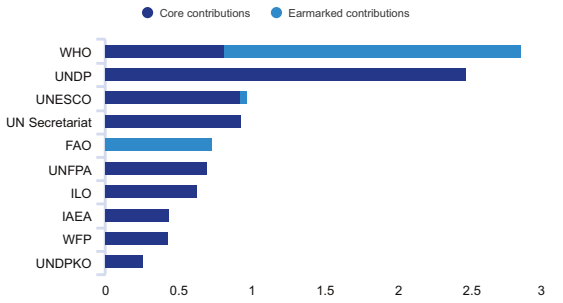
27%
MULTILATERAL CORE

+10%
ODA CHANGE FROM 2017
in real terms

0.03%

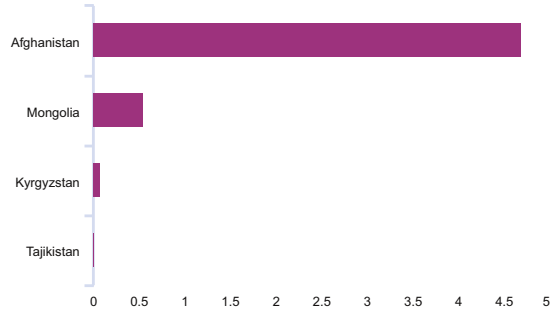
2018
ODA
AS A SHARE OF GNI

Kazakhstan - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



The UN system received 35% of total (core and earmarked) multilateral contributions, or USD 12 million.

Kazakhstan - Top 10 recipients 2018
Gross disbursements, million USD, current prices



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

DEVELOPMENT CO-OPERATION AT A GLANCE
KOREA

Latest policy

Korea's 2016-2020 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.

Where the money goes

2019*

ODA grant equivalent **2.5** USD BILLION

76% BILATERAL

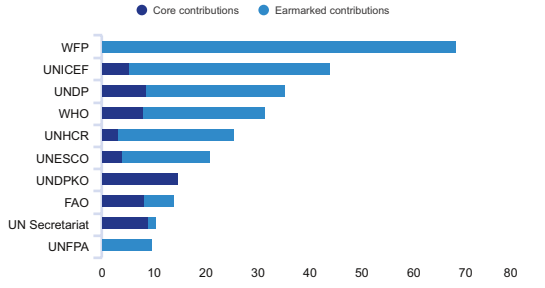
24% MULTILATERAL CORE

+13.9% ODA CHANGE FROM 2018 in real terms

0.15% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

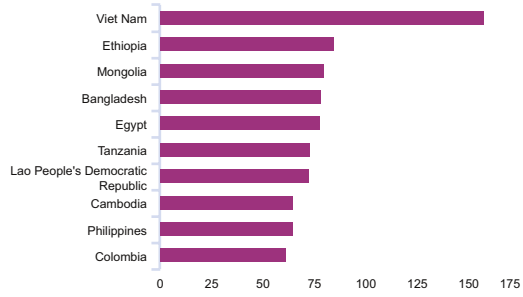
0.06% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Korea - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

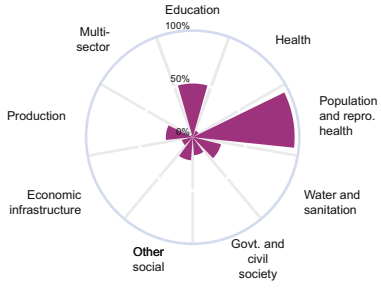


The UN system received 37% of total (core and earmarked) multilateral contributions, or USD 348 milion.

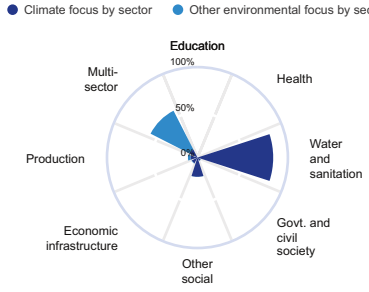
Korea - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Korea - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

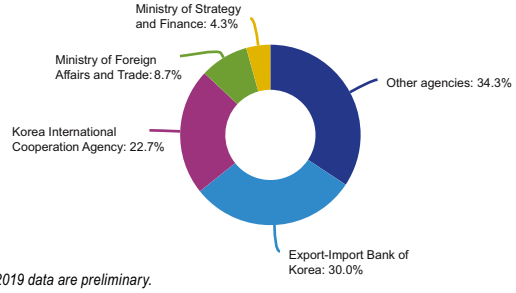


Korea - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Korea - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

29 USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-korea*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
KUWAIT

Latest policy

Kuwait's policy framework is anchored in its commitment to the 2030 Agenda for Sustainable Development. It delivers its assistance through the Kuwait Fund for Arab Economic Development, which provides concessional loans for development projects following a demand-driven approach.

Where the money goes

2018

ODA grant equivalent
838
USD MILLION

100%
BILATERAL

0%
MULTILATERAL CORE

-53.9%
ODA CHANGE FROM 2017*
in real terms

0.52% → 0.7% TARGET

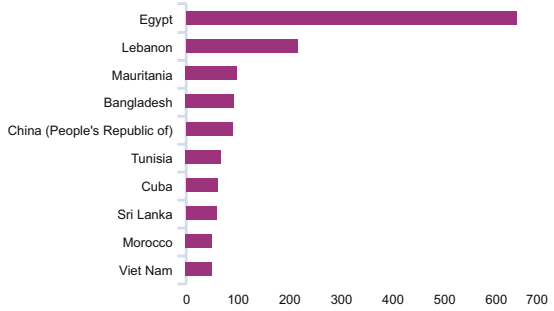
2018
ODA
AS A SHARE OF GNI

0.18% → 0.15-0.2% TARGET

2018
ODA to least developed countries
AS A SHARE OF GNI

Kuwait - Top 10 recipients 2018

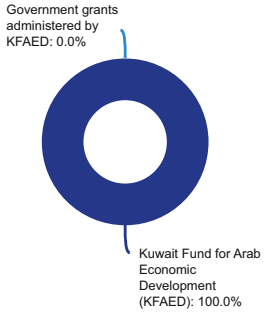
Gross disbursements, million USD, current prices



Main public actors

Kuwait - Total ODA disbursed through government agencies 2018

Gross disbursements, per cent



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

DEVELOPMENT CO-OPERATION AT A GLANCE
LATVIA

Latest policy

With a clear focus on the European Union's Eastern Partnership and Central Asia, Latvia aims to promote sustainable growth and stability in its region, while also contributing to sustainable development. Priorities also include also the rule of law, good governance and the eradication of poverty.

Where the money goes

2019*

ODA grant equivalent
34
USD MILLION

13%
BILATERAL

87%
MULTILATERAL CORE

+1.1%
NET ODA CHANGE FROM 2018
in real terms

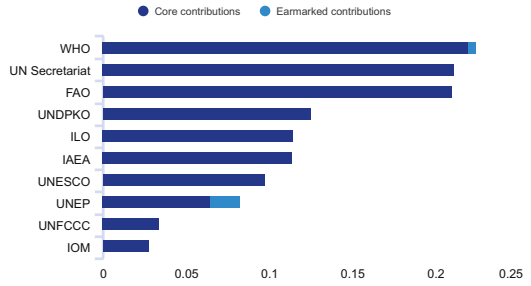
0.10% → 0.33% TARGET**

2019*
ODA
AS A SHARE OF GNI

0.02% → 0.15-0.2% TARGET

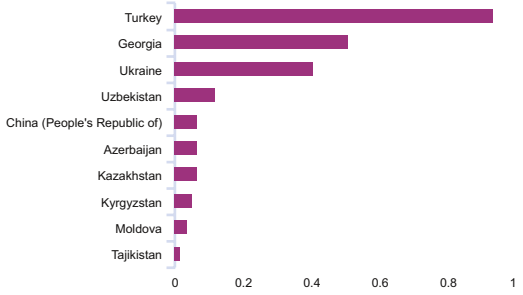
2018
ODA to least developed countries
AS A SHARE OF GNI

Latvia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

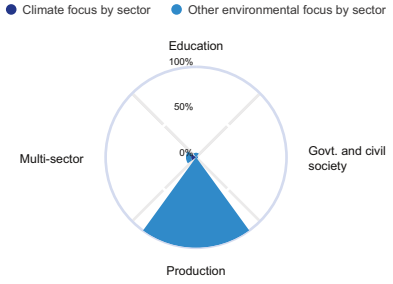


The UN system received 4% of total (core and earmarked) multilateral contributions, or USD 1 million.

Latvia - Top 10 recipients 2018
Gross disbursements, million USD, current prices

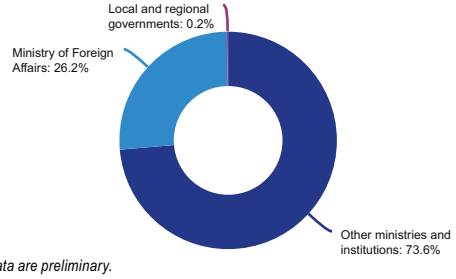


Latvia - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Latvia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-latvia*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

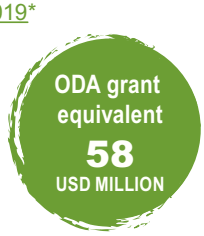
DEVELOPMENT CO-OPERATION AT A GLANCE
LITHUANIA

Latest policy

The objectives of Lithuania's Law on Development Cooperation and Humanitarian Aid are ensuring peace; promoting global economic growth and social stability; reducing disparities between developed and developing countries; and integrating developing countries into the global economy.

Where the money goes

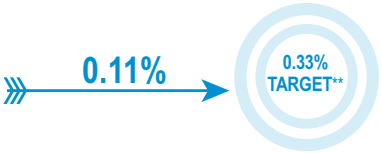
2019*



BILATERAL

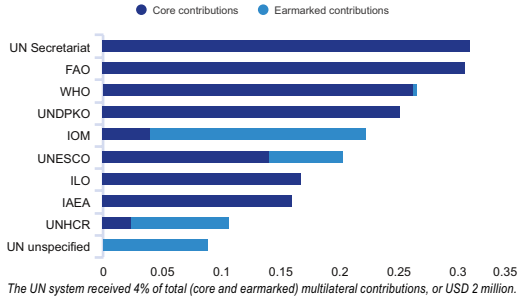
MULTILATERAL CORE

-7.6%
NET ODA CHANGE FROM 2018
in real terms



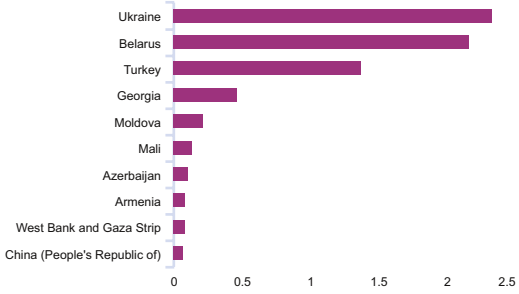
2019*
ODA
AS A SHARE OF GNI

Lithuania - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

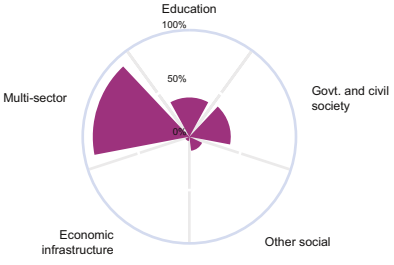


The UN system received 4% of total (core and earmarked) multilateral contributions, or USD 2 million.

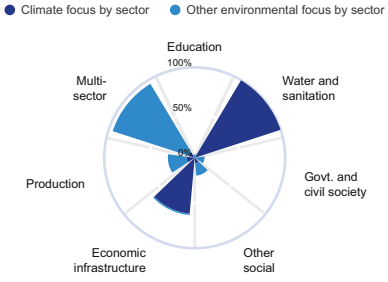
Lithuania - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Lithuania - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

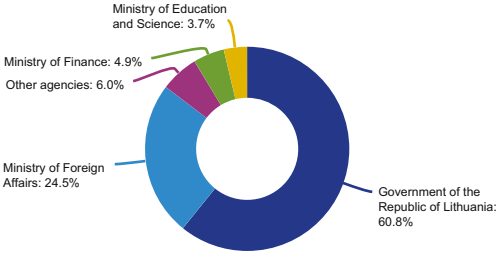


Lithuania - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Lithuania - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

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; and inclusive governance.

Where the money goes

2019*

ODA grant equivalent
474
USD MILLION

73%
BILATERAL

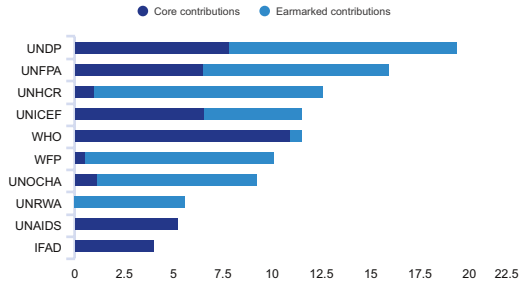
27%
MULTILATERAL CORE

+2.7%
ODA CHANGE FROM 2018
in real terms

1.05% → 0.7% TARGET
2019*
ODA
AS A SHARE OF GNI

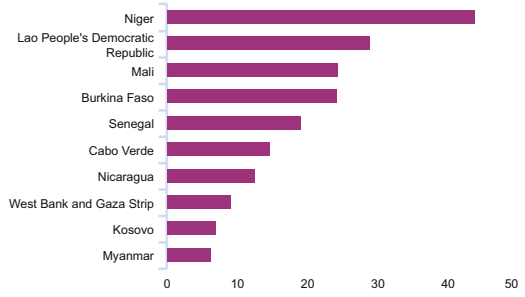
0.46% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Luxembourg - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

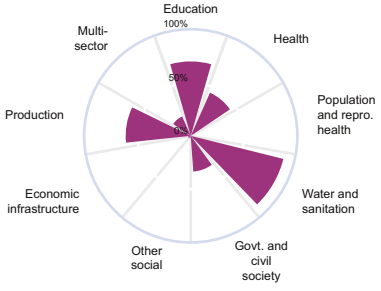


The UN system received 54% of total (core and earmarked) multilateral contributions, or USD 120 milion.

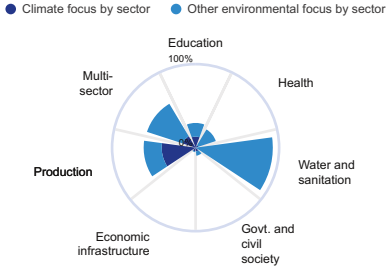
Luxembourg - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Luxembourg - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

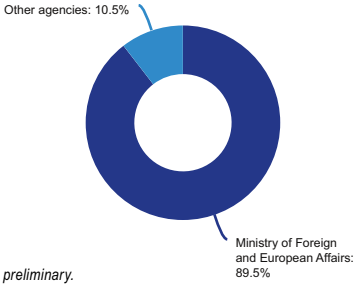


Luxembourg - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Luxembourg - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

2
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-luxembourg*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

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.

Where the money goes

2019*

ODA grant equivalent
5.3
USD BILLION

66%
BILATERAL

34%
MULTILATERAL CORE

-4.1%
ODA CHANGE FROM 2018
in real terms

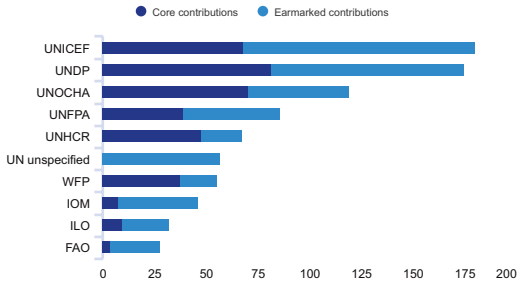
0.59% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.15% → 0.15-0.2% TARGET

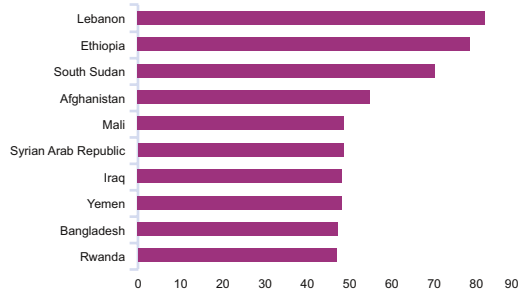
2018
ODA to least developed countries
AS A SHARE OF GNI

Netherlands - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

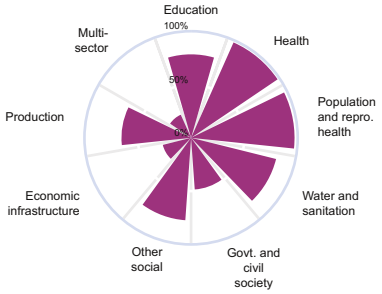


The UN system received 36% of total (core and earmarked) multilateral contributions, or USD 1 billion.

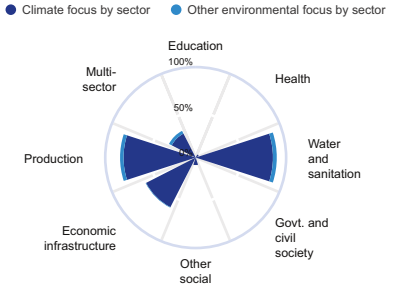
Netherlands - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Netherlands - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

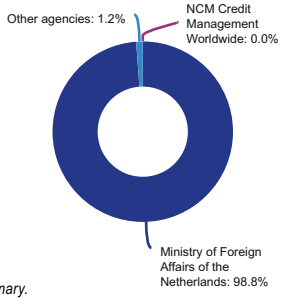


Netherlands - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Netherlands - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary.

Mobilisation of private sector

875
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-netherlands*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
NEW ZEALAND

Latest policy

New Zealand has a primary focus on small island developing states in the Pacific region. Its 2019 policy, International Cooperation for Effective Sustainable Development, prioritises support to the social, environmental, economic, and stability and governance pillars of sustainable development.

Where the money goes

2019*

ODA grant equivalent
559
USD MILLION

82%
BILATERAL

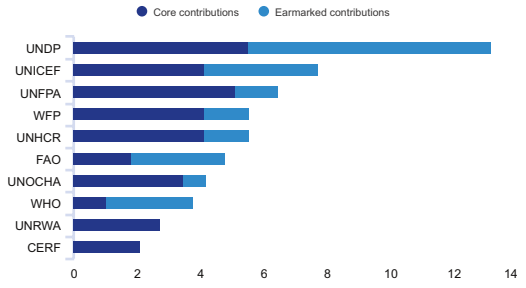
18%
MULTILATERAL CORE

+3.4%
ODA CHANGE FROM 2018
in real terms

0.28% → 0.7% TARGET
2019*
ODA AS A SHARE OF GNI

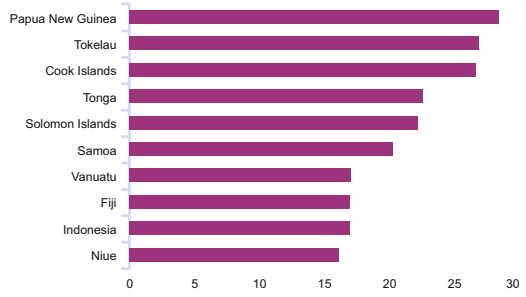
0.07% → 0.15-0.2% TARGET
2018
ODA to least developed countries AS A SHARE OF GNI

New Zealand - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

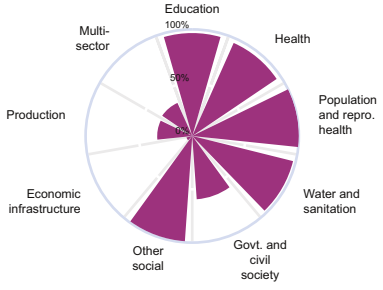


The UN system received 43% of total (core and earmarked) multilateral contributions, or USD 68 million.

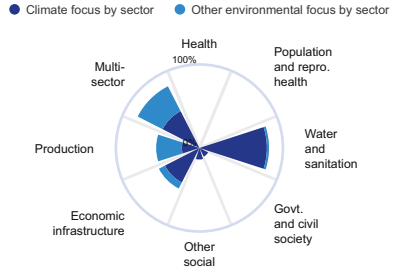
New Zealand - Top 10 recipients 2018
Gross disbursements, million USD, current prices



New Zealand - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

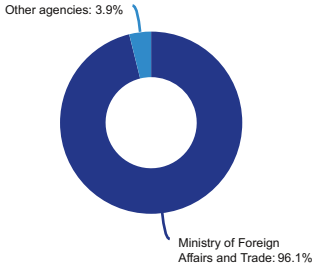


New Zealand - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

New Zealand - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-new-zealand*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
NORWAY

Latest policy

The principle of shared responsibility for the Sustainable Development Goals 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.

Where the money goes

2019

ODA grant equivalent
4.3
USD BILLION

77%
BILATERAL

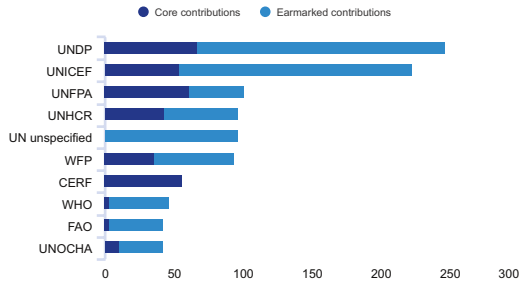
23%
MULTILATERAL CORE

+9.9%
ODA CHANGE FROM 2018
in real terms

1.03% → 0.7% TARGET
2019
ODA
AS A SHARE OF GNI

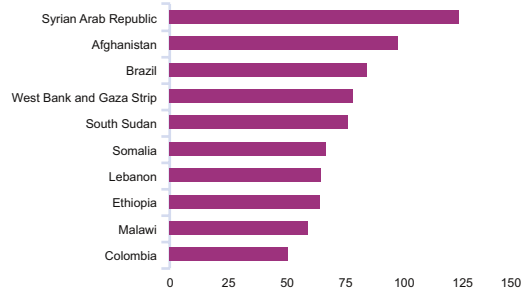
0.27% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Norway - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

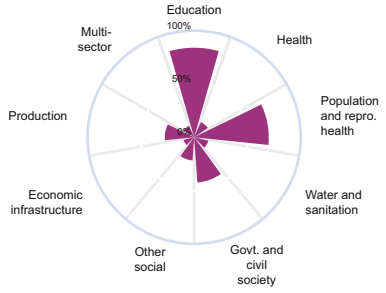


The UN system received 54% of total (core and earmarked) multilateral contributions, or USD 1.2 billion.

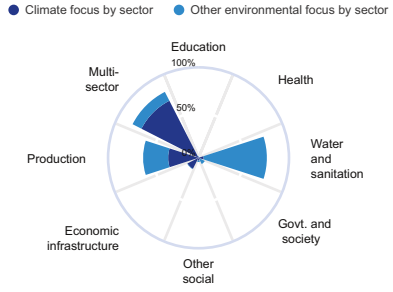
Norway - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Norway - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

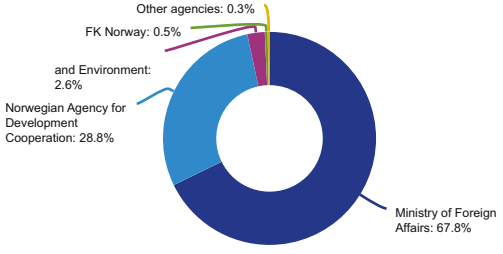


Norway - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Norway - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

86
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-norway*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
POLAND

Latest policy

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

Where the money goes

2019*

ODA grant equivalent
684
USD MILLION

21%
BILATERAL

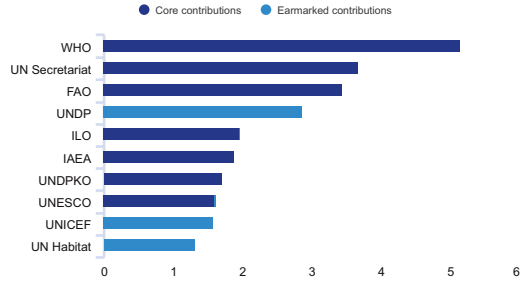
79%
MULTILATERAL CORE

-7.7%
NET ODA CHANGE FROM 2018
in real terms

0.12% → 0.33% TARGET**
2019*
ODA AS A SHARE OF GNI

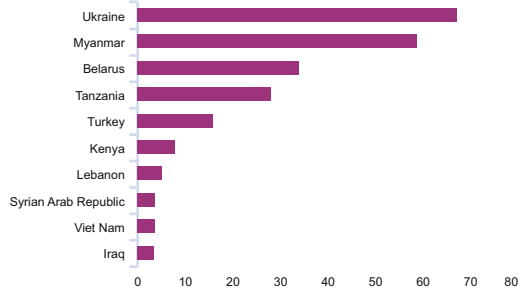
0.04% → 0.15-0.2% TARGET
2018
ODA to least developed countries AS A SHARE OF GNI

Poland - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

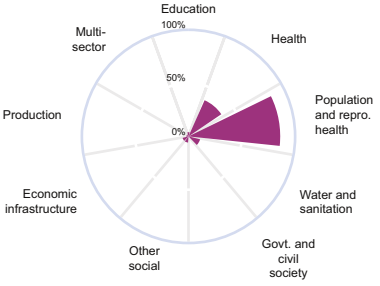


The UN system received 6% of total (core and earmarked) multilateral contributions, or USD 30 million.

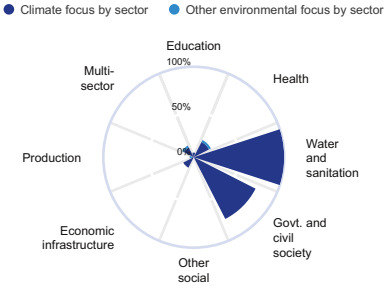
Poland - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Poland - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

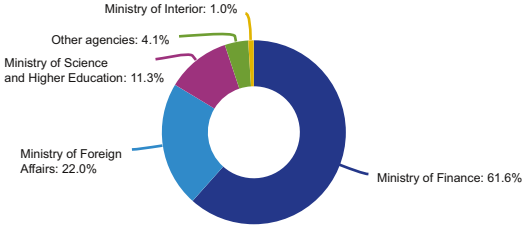


Poland - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Poland - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Full profile: *https://oe.cd/il/dev-coop-poland*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
PORTUGAL

Latest policy

Portugal's development co-operation aims to strengthen institutional capacity in Portuguese-speaking countries. It concentrates on governance, rule of law and human rights, as well as human development and global public goods, with the aim to eradicate poverty and promote sustainable development.

Where the money goes

2019*

ODA grant equivalent
373
USD MILLION

31%
BILATERAL

69%
MULTILATERAL CORE

-5.4%
ODA CHANGE FROM 2018
in real terms

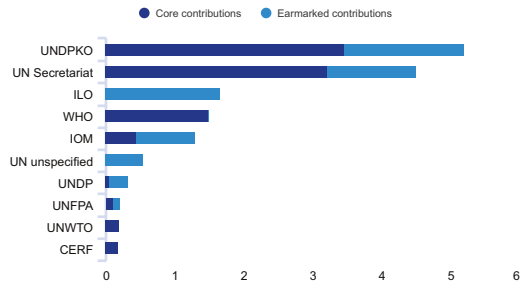
0.16% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.06% → 0.15-0.2% TARGET

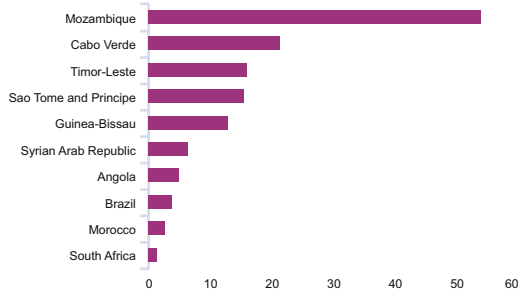
2018
ODA to least developed countries
AS A SHARE OF GNI

Portugal - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

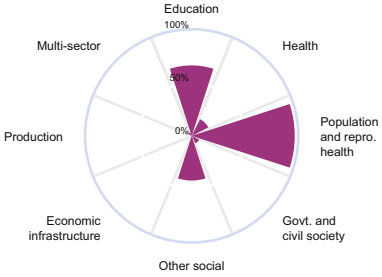


The UN system received 6% of total (core and earmarked) multilateral contributions, or USD 16 million.

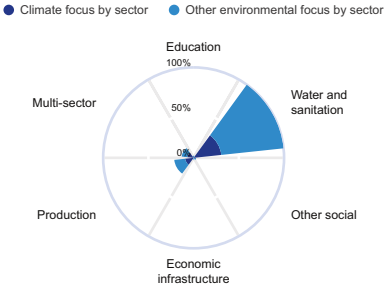
Portugal - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Portugal - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

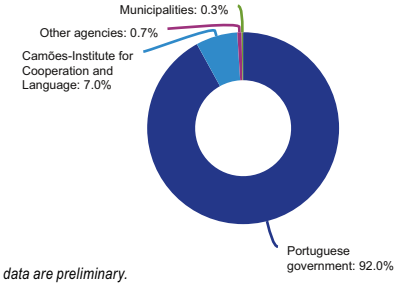


Portugal - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Portugal - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

54
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-portugal*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
ROMANIA

Latest policy

Romania provides its assistance mostly to European countries in its neighbourhood, in line with Law No. 13/2016 that regulates development co-operation and humanitarian aid and sets out strategic objectives, programmatic and institutional frameworks, as well as financing and implementation modalities.

Where the money goes

2019*

ODA grant equivalent
254
USD MILLION

25%
BILATERAL

75%
MULTILATERAL CORE

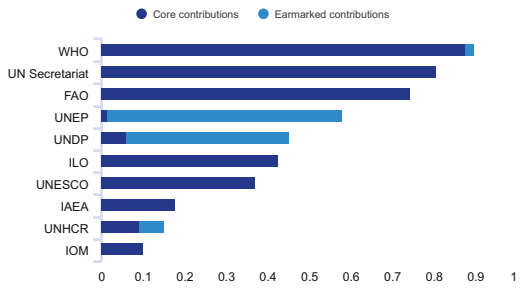
+4%
NET ODA CHANGE FROM 2018
in real terms

0.10%

0.33% TARGET**

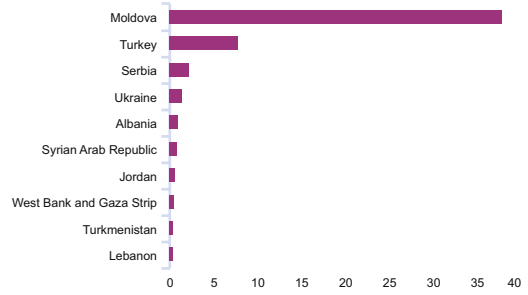
2019*
ODA
AS A SHARE OF GNI

Romania - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



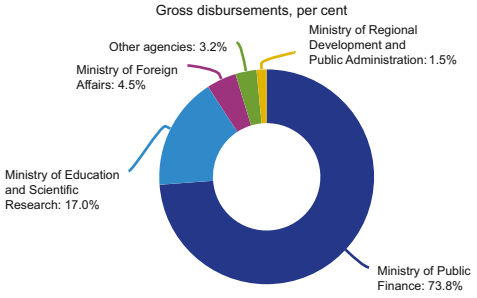
The UN system received 3% of total (core and earmarked) multilateral contributions, or USD 5 million.

Romania - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Romania - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

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. The King Salman Humanitarian Aid and Relief Center manages Saudi Arabia's humanitarian policy and activities, taking the form of grants.

Where the money goes

2019*

ODA grant equivalent
4.4
USD BILLION

99%
BILATERAL

1%
MULTILATERAL CORE

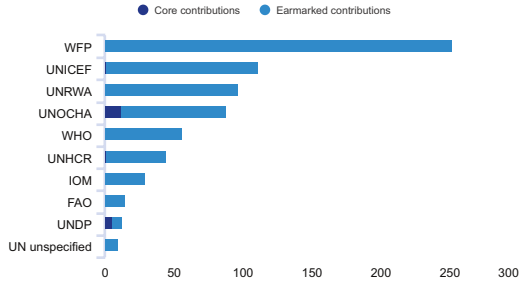
+3.3%
ODA CHANGE FROM 2018
in real terms

0.56%

0.7% TARGET

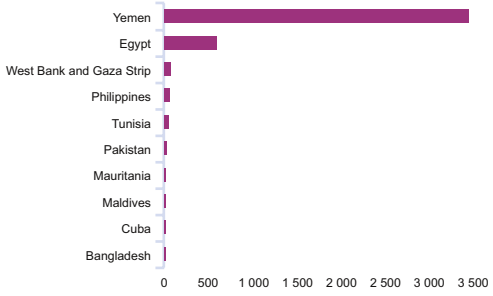
2019*
ODA AS A SHARE OF GNI

Saudi Arabia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



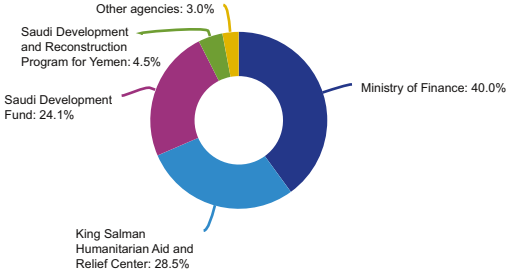
The UN system received 98% of total (core and earmarked) multilateral contributions, or USD 732 million.

Saudi Arabia - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Saudi Arabia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*

Note: Saudi Arabia started reporting to the OECD at the activity level in 2018 and has so far provided partial data for 2015-18. 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 Medium-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.

Where the money goes

2019*

ODA grant equivalent
129
USD MILLION

17%
BILATERAL

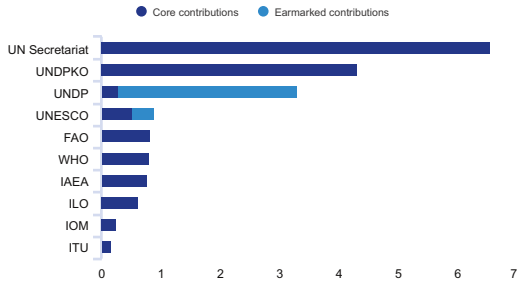
83%
MULTILATERAL CORE

-4.0%
NET ODA CHANGE FROM 2018
in real terms

2019*
0.12%
0.33% TARGET**
ODA AS A SHARE OF GNI

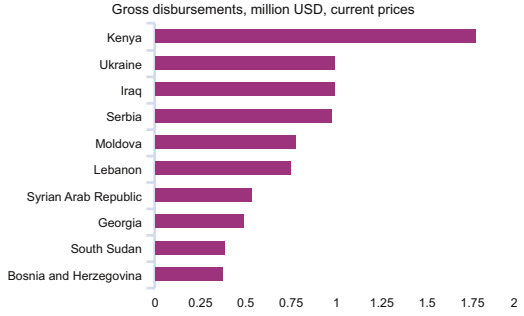
2018
0.02%
0.15-0.2% TARGET
ODA to least developed countries AS A SHARE OF GNI

Slovak Republic - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

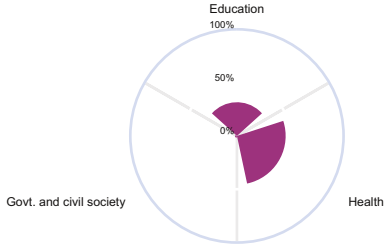


The UN system received 16% of total (core and earmarked) multilateral contributions, or USD 19 million.

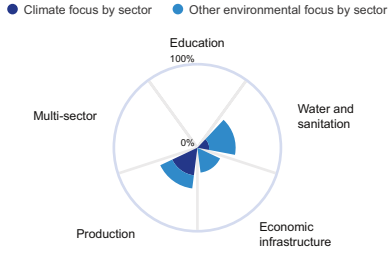
Slovak Republic - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Slovak Republic - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

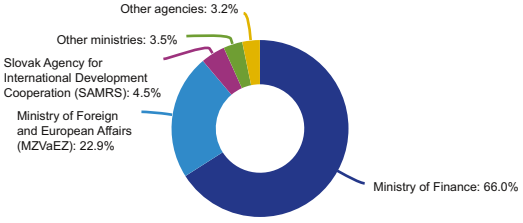


Slovak Republic - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Slovak Republic - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



50
USD THOUSAND

Mobilised from the private sector by ODA in 2018

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

**2019 data are preliminary.*
***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
SLOVENIA

Latest policy

Slovenia's Act for International Development Co-operation (2017) has two thematic priorities: 1) promoting peaceful and inclusive societies; and 2) sustainable management of natural and energy resources to fight climate change.

Where the money goes

2019*

ODA grant equivalent
86
USD MILLION

37%
BILATERAL

63%
MULTILATERAL CORE

+5.8%
NET ODA CHANGE FROM 2018
in real terms

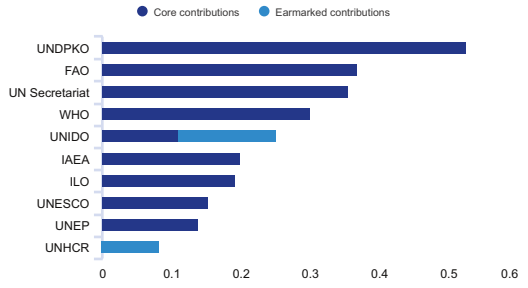
0.16% → 0.33% TARGET**

2019*
ODA
AS A SHARE
OF GNI

0.02% → 0.15-0.2% TARGET

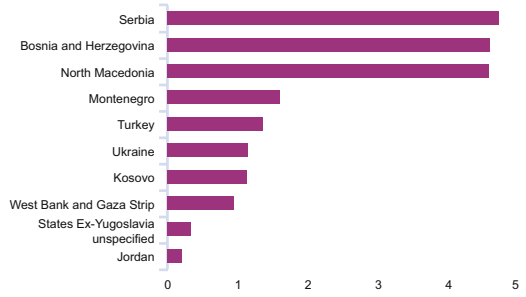
2018
ODA to least developed countries
AS A SHARE
OF GNI

Slovenia - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

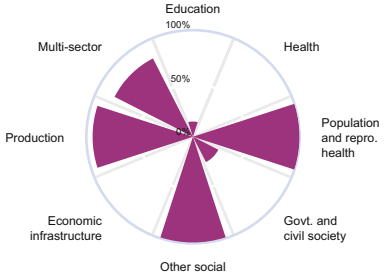


The UN system received 5% of total (core and earmarked) multilateral contributions, or USD 3 million.

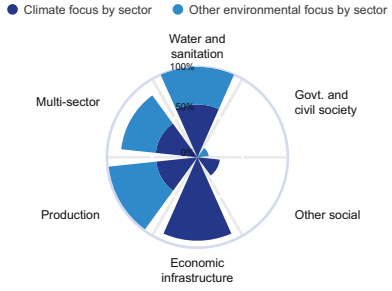
Slovenia - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Slovenia - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

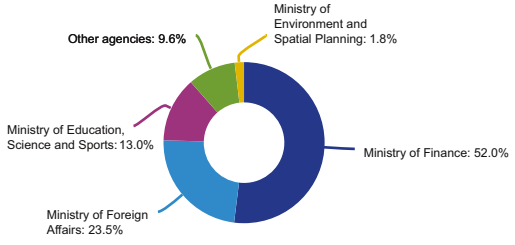


Slovenia - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Slovenia - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



140
USD THOUSAND

Mobilised from the private sector by ODA in 2018

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

**2019 data are preliminary.*

***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE
SPAIN

Latest policy

The Master Plan for Spanish Co-operation 2018-21 outlines Spain's priorities linked to the Sustainable Development Goals, and highlights four cross-cutting principles: 1) human rights; 2) gender equality; 3) cultural diversity; and 4) environmental sustainability. Spain prioritises engagement with middle-income countries.

Where the money goes

2019*

ODA grant equivalent **2.9** USD BILLION

35% BILATERAL

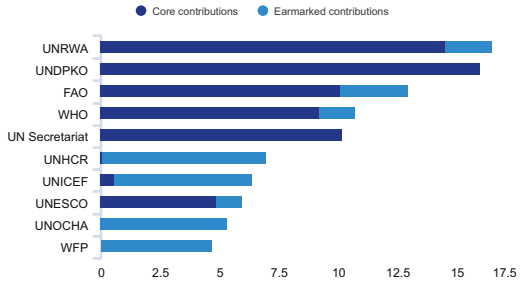
65% MULTILATERAL CORE

+4.0% ODA CHANGE FROM 2018 in real terms

0.21% → 0.7% TARGET — 2019* ODA AS A SHARE OF GNI

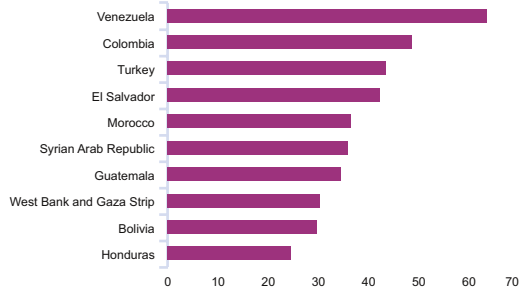
0.05% → 0.15-0.2% TARGET — 2018 ODA to least developed countries AS A SHARE OF GNI

Spain - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

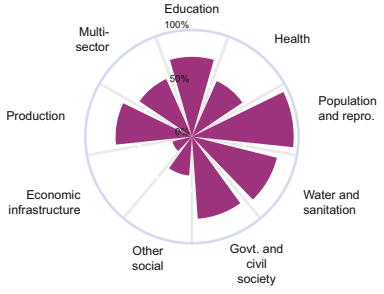


The UN system received 7% of total (core and earmarked) multilateral contributions, or USD 134 million.

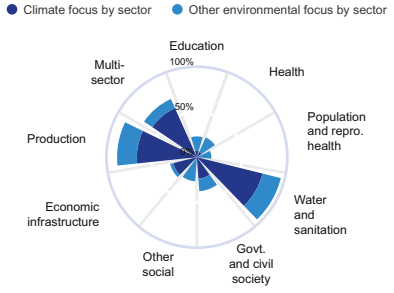
Spain - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Spain - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

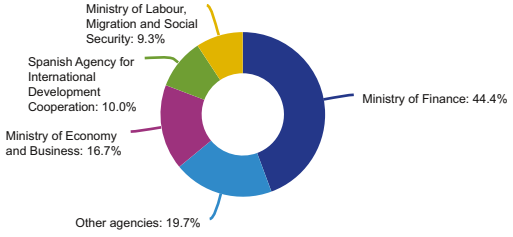


Spain - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Spain - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

435 USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-spain*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
SWEDEN

Latest policy

Sweden places a 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.

Where the money goes

2019

ODA grant equivalent
5.2
USD BILLION

67%
BILATERAL

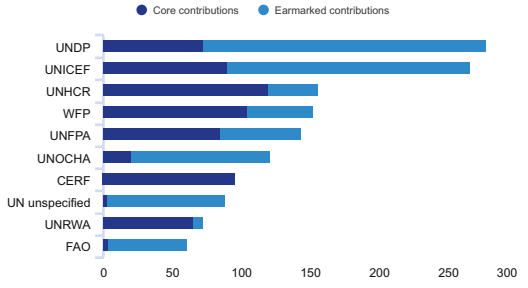
33%
MULTILATERAL CORE

-8.2%
ODA CHANGE FROM 2018
in real terms

0.96% → 0.7% TARGET
2019
ODA
AS A SHARE OF GNI

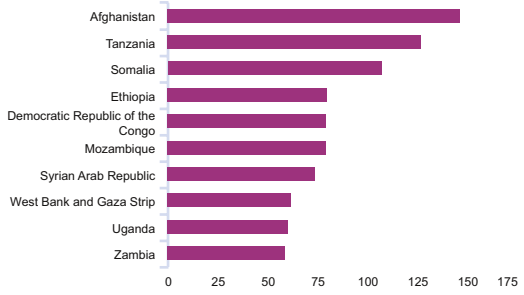
0.34% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

Sweden - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

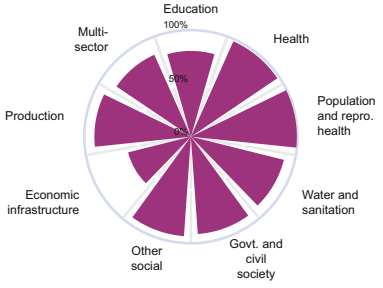


The UN system received 55% of total (core and earmarked) multilateral contributions, or USD 1.8 billion.

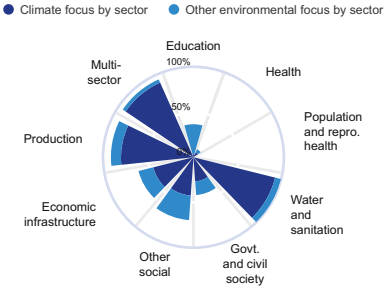
Sweden - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Sweden - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

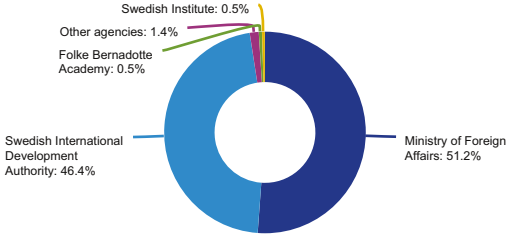


Sweden - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Sweden - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



Mobilisation of private sector

179
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-sweden*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
SWITZERLAND

Latest policy

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

Where the money goes

2019*

ODA grant equivalent
3.1
USD BILLION

77%
BILATERAL

23%
MULTILATERAL CORE

+0.6%
ODA CHANGE FROM 2018
in real terms

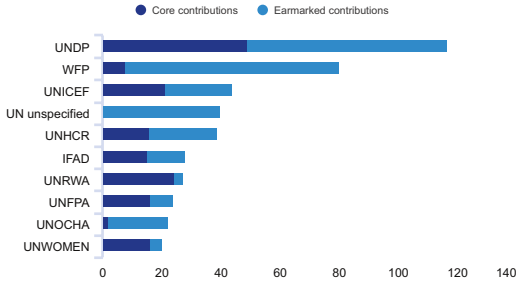
0.44% → 0.7% TARGET

2019*
ODA
AS A SHARE OF GNI

0.13% → 0.15-0.2% TARGET

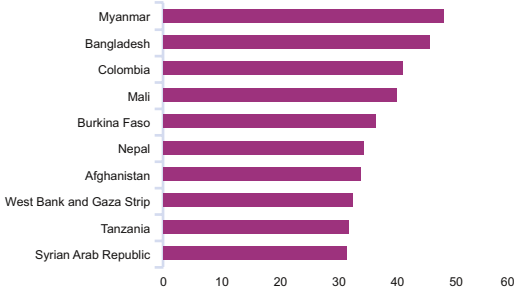
2018
ODA to least developed countries
AS A SHARE OF GNI

Switzerland - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

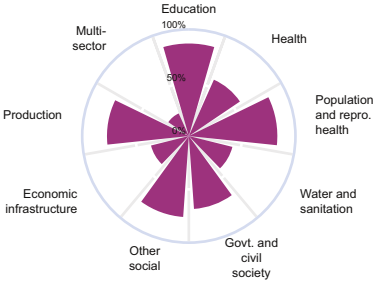


The UN system received 44% of total (core and earmarked) multilateral contributions, or USD 602 million.

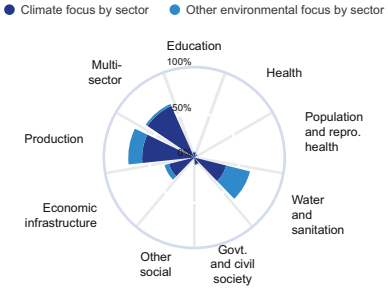
Switzerland - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Switzerland - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

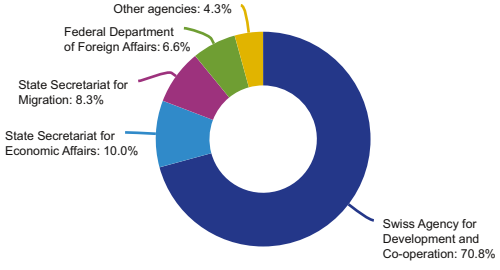


Switzerland - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

Switzerland - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



*2019 data are preliminary

Mobilisation of private sector

73
USD MILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-switzerland*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
TURKEY

Latest policy

Turkey aims to tailor its expertise and experience to the specific context and needs of its partner countries, while assisting fragile populations affected by conflict, emergencies and disasters. Government Decree No. 234/2011 defines the tasks, mechanisms and institutional framework for development co-operation.

Where the money goes

2019*

ODA grant equivalent
8.7
USD BILLION

98%
BILATERAL

2%
MULTILATERAL CORE

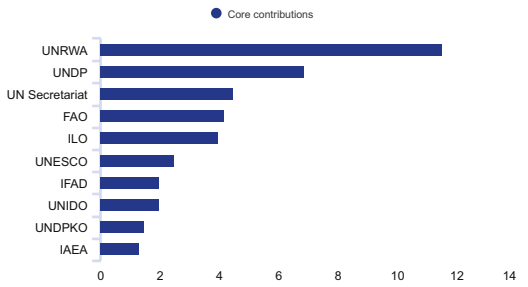
+1.6%
ODA CHANGE FROM 2018
in real terms

1.15%

0.7% TARGET

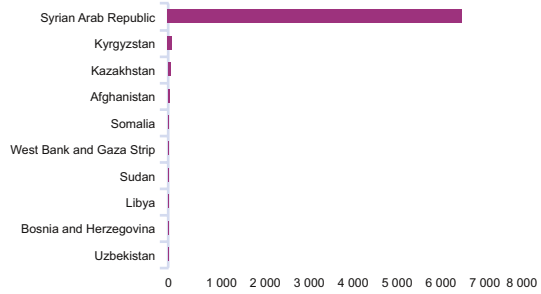
2019*
ODA
AS A SHARE OF GNI

Turkey - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



The UN system received 24% of total (core and earmarked) multilateral contributions, or USD 43 million.

Turkey - Top 10 recipients 2018
Gross disbursements, million USD, current prices



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

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE
UNITED ARAB EMIRATES

Latest policy

The 2016-21 policy identifies priority partner countries and themes (transport and urban infrastructure, government effectiveness, empowerment and protection of women). Work to develop a new policy for 2021-26 has started. The United Arab Emirates plans to increase multilateral allocations over time and to mobilise more funds from private actors.

Where the money goes

2019*

ODA grant equivalent
2.2
USD BILLION

96%
BILATERAL

4%
MULTILATERAL CORE

-41%
ODA CHANGE FROM 2018
in real terms

0.55% → 0.7% TARGET

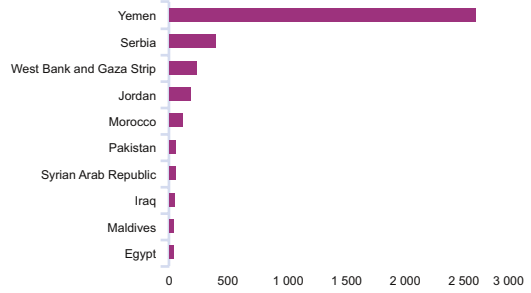
2019*
ODA
AS A SHARE OF GNI

0.67% → 0.15-0.2% TARGET

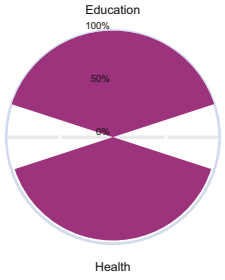
2018
ODA to least developed countries
AS A SHARE OF GNI

The UN system received 85% of total (core and earmarked) multilateral contributions, or gross disbursement of USD 691 million in 2018.

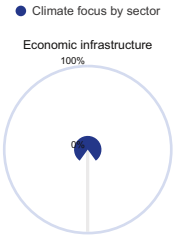
United Arab Emirates - Top 10 recipients 2018
Gross disbursements, million USD, current prices



United Arab Emirates - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

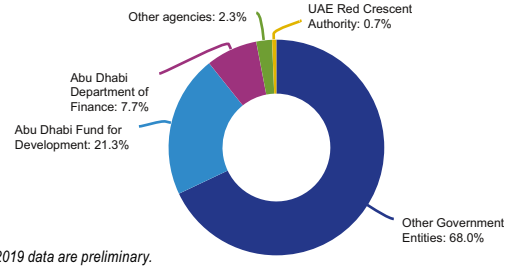


United Arab Emirates - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

United Arab Emirates - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

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

DEVELOPMENT CO-OPERATION AT A GLANCE
UNITED KINGDOM

Latest policy

The 2015 Aid Strategy sets out a whole-of-government approach to development co-operation and how development objectives support the national interest. It places a strong emphasis on global challenges such as mass migration and climate change, while retaining a focus on poverty reduction.

Where the money goes

2019*

ODA grant equivalent
19.4
USD BILLION

67%
BILATERAL

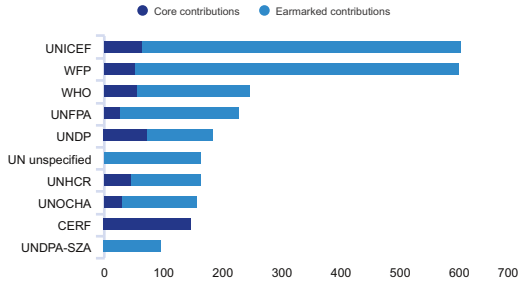
33%
MULTILATERAL CORE

+2.2%
ODA CHANGE FROM 2018
in real terms

0.7% → 0.7% TARGET
2019*
ODA AS A SHARE OF GNI

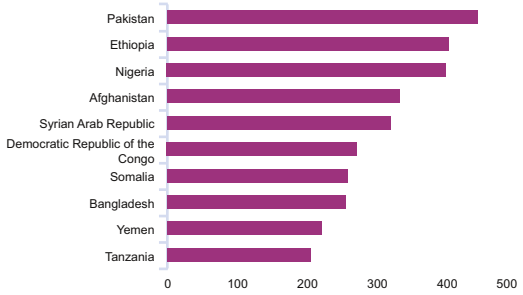
0.23% → 0.15-0.2% TARGET
2018
ODA to least developed countries AS A SHARE OF GNI

United Kingdom - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

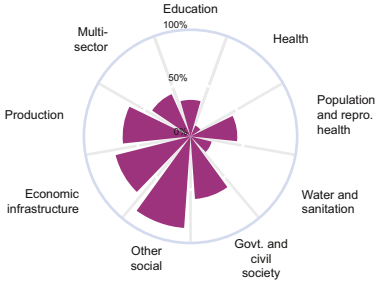


The UN system received 28% of total (core and earmarked) multilateral contributions, or USD 3 billion.

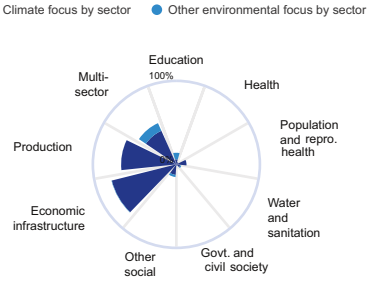
United Kingdom - Top 10 recipients 2018
Gross disbursements, million USD, current prices



United Kingdom - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent

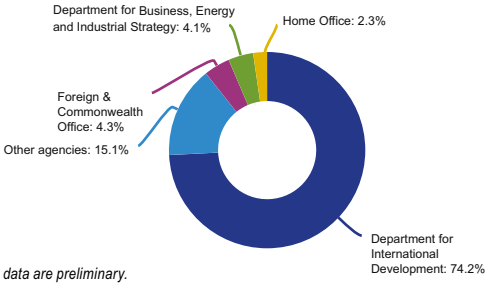


United Kingdom - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

United Kingdom - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



**2019 data are preliminary.*

Mobilisation of private sector

1
USD BILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-uk*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

DEVELOPMENT CO-OPERATION AT A GLANCE
UNITED STATES

Latest policy

The United States' foreign assistance is guided by the United States' National Security Strategy and the Joint Strategic Plan FY 2018-22 of the Department of State and USAID. The United States supports investments that promote human dignity and build on each community's desire to shape their future; and that protect the United States' security and advance its values and leadership.

Where the money goes

2019*

ODA grant equivalent
34.6
USD BILLION

88%
BILATERAL

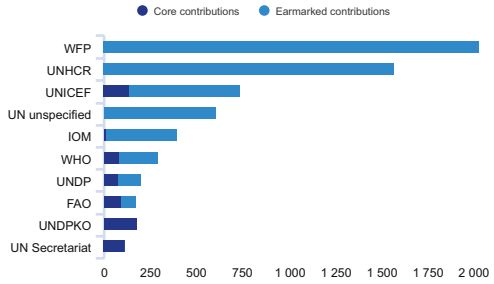
12%
MULTILATERAL CORE

-0.4%
ODA CHANGE FROM 2018
in real terms

0.16% → 0.7% TARGET
2019*
ODA
AS A SHARE OF GNI

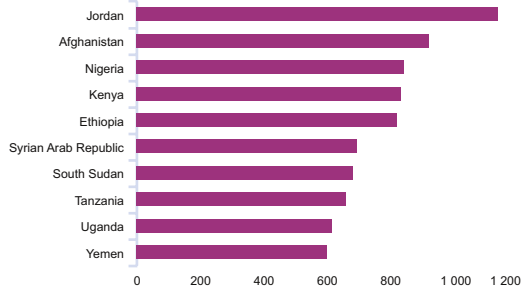
0.05% → 0.15-0.2% TARGET
2018
ODA to least developed countries
AS A SHARE OF GNI

United States - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices

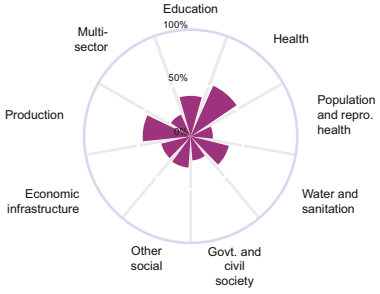


The UN system received 67% of total (core and earmarked) multilateral contributions, or USD 6.8 billion.

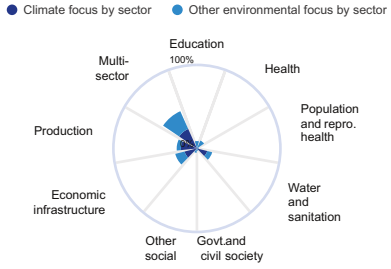
United States - Top 10 recipients 2018
Gross disbursements, million USD, current prices



United States - Gender focus by sector 2018
Bilateral allocable ODA, commitments, per cent



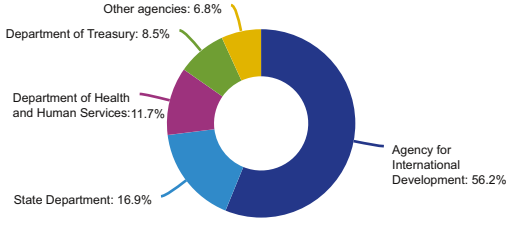
United States - Climate and environmental focus by sector 2018
Bilateral allocable ODA, commitments, per cent



Main public actors

United States - Total ODA disbursed through government

Gross disbursements, per cent



Mobilisation of private sector

3.6
USD BILLION

Mobilised from the private sector by ODA in 2018

Full profile: *https://oe.cd/il/dev-coop-us*
Latest DAC Peer Review: *https://oe.cd/dac-peer-reviews*

**2019 data are preliminary.*

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 in an aggregated or semi-aggregated manner.

DEVELOPMENT CO-OPERATION AT A GLANCE
BULGARIA

Latest policy

Providing development co-operation since 2007, Bulgaria aims to assist less developed countries through multilateral support and to contribute to the development of transition economies in its neighbourhood, including through its own experience. Government Decree No. 234/2011 defines the goals, principles, mechanisms and institutional framework of development co-operation. The medium-term programme 2016-19 details the priorities, financial allocations and expected outcomes.

Where the money goes

2019

ODA grant equivalent
65
USD MILLION

14%
BILATERAL

86%
MULTILATERAL CORE

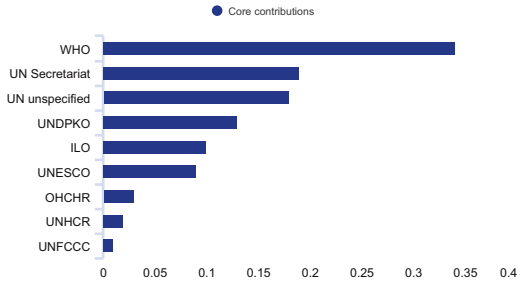
-3.24%
NET ODA CHANGE FROM 2018
in real terms

0.10%

0.33% TARGET**

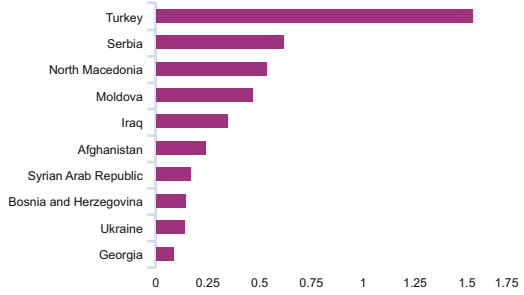
2019
ODA AS A SHARE OF GNI

Bulgaria - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



The UN system received 2% of total (core and earmarked) multilateral contributions, or USD 1 million.

Bulgaria - Top 10 recipients 2018
Gross disbursements, million USD, current prices



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

***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE

LIECHTENSTEIN

Latest policy

The 2015 Strategy of the Liechtenstein Development Service defines education and rural development (food security) as the key sectors of Liechtenstein's development co-operation. Human rights, social justice, gender and climate and the protection of the environment and resources are horizontal themes. The service is currently involved in ten priority countries: Burkina Faso, the Plurinational State of Bolivia, Mali, Moldova, Mozambique, Niger, Peru, Senegal, Zambia and Zimbabwe.

Where the money goes

2018

ODA grant equivalent
26
USD MILLION

72%
BILATERAL

28%
MULTILATERAL CORE

+3.8%
ODA CHANGE FROM 2017
in real terms

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

DEVELOPMENT CO-OPERATION AT A GLANCE
MALTA

Latest policy

Malta's development co-operation is shaped by its development commitments at the international and European level, with a special emphasis on its immediate neighbourhood. Together, the Official Development Assistance Policy and Framework for Humanitarian Assistance provide the overall strategic framework. In 2018, Malta launched an Implementation Plan for this framework. Malta's regional priorities are North Africa, sub-Saharan Africa and the Middle East.

Where the money goes

2019*

ODA grant equivalent
40
USD MILLION

77%
BILATERAL

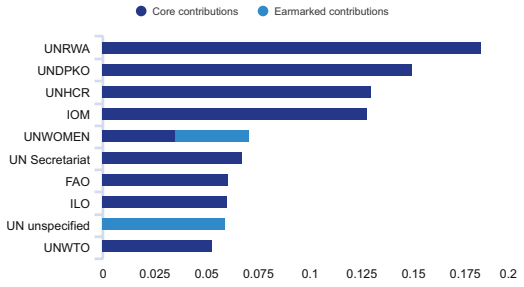
23%
MULTILATERAL CORE

+22.6%
NET ODA CHANGE FROM 2018
in real terms

0.29% → 0.33% TARGET**

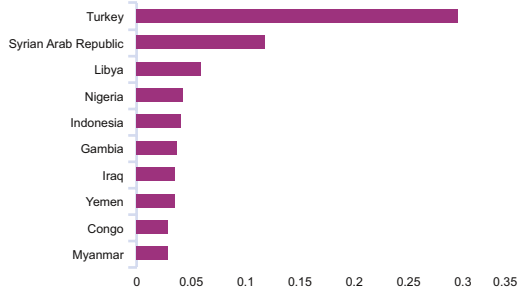
2019*
ODA AS A SHARE OF GNI

Malta - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



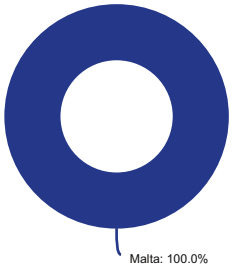
The UN system received 8% of total (core and earmarked) multilateral contributions, or USD 1 million.

Malta - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Main public actors

Malta - Total ODA disbursed through government agencies 2018
Gross disbursements, per cent



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

**2019 data are preliminary.*

***The government has committed at the European level to achieve a 0.33% ODA/GNI ratio by 2030.*

DEVELOPMENT CO-OPERATION AT A GLANCE

RUSSIAN FEDERATION

Latest policy

The Russian Federation's development co-operation is provided in accordance with the Concept of Russia's State Policy in the Field of International Development Assistance, in line with its foreign policy and its commitments to the 2030 Agenda for Sustainable Development. Its co-operation mainly focuses on bilateral aid programmes in the fields of health, food security, education and science. Focus countries are those of the Commonwealth of Independent States, but also countries in other regions.

Where the money goes

2019*

ODA grant equivalent
1.1
USD BILLION

61%
BILATERAL

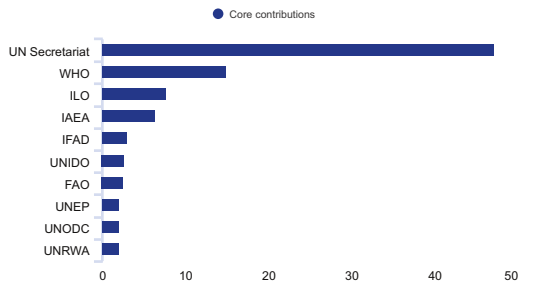
39%
MULTILATERAL CORE

+11.5%
ODA CHANGE FROM 2018
in real terms

0.07%
2019*
ODA
AS A SHARE OF GNI

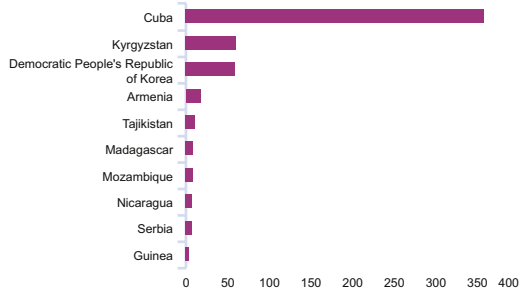
0.00%
2018
ODA to least developed countries
AS A SHARE OF GNI

Russian Federation - Top 10 United Nations recipients 2018
Gross disbursements, million USD, current prices



The UN system received 28% of total (core and earmarked) multilateral contributions, or USD 105 million.

Russian Federation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



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

**2019 data are preliminary.*

DEVELOPMENT CO-OPERATION AT A GLANCE

CHINESE TAIPEI

Latest policy

Chinese Taipei's development co-operation is driven by its National Development Plan 2017-20. It aims to develop a new economic model for sustainable development, enhance the quality of healthcare and education, work towards the achievement of the Sustainable Development Goals, and foster a model for a global civil society. Priority sectors for the Taiwan International Co-operation and Development Fund include environment, agriculture, education, and information and communication technology.

Where the money goes

2019

ODA grant equivalent
312
USD MILLION

82%
BILATERAL

18%
MULTILATERAL CORE

+6.62%
ODA CHANGE FROM 2018
in real terms

0.05%

2019
ODA
AS A SHARE OF GNI

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

DEVELOPMENT CO-OPERATION AT A GLANCE

THAILAND

Latest policy

Thailand's development co-operation is guided by the "Philosophy of Sufficiency Economy" for a balanced and stable development. This model has guided Thailand's own development path, which it now aims to share with others, in line with the 2030 Agenda for Sustainable Development. Through its development co-operation, Thailand aims to help strengthen the enabling environment for the economic and social development of its partners.

Where the money goes

2017

Net ODA
133
USD MILLION

45%
BILATERAL

55%
MULTILATERAL CORE

-20.7%
ODA CHANGE FROM 2016
in real terms

0.03%

2017
ODA
AS A SHARE OF GNI

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 either on their way to becoming OECD member countries, are OECD key partners and/or that are important international partners in financing for development.

The OECD estimates the volume of their funding based on official government reports, complemented by contributions to UN agencies (excluding local resources) compiled by the United Nations Department of Economic and Social Affairs and web-based research (mainly on contributions to multilateral organisations) in an internationally comparable manner.

This section also includes information on volumes of development co-operation as per providers' own methodologies and information on their institutional set-up.

Brazil

Introduction

Brazilian South-South and triangular co-operation focuses on facilitating regional, sub-regional and interregional integration and strengthening sustainable development in its three dimensions (social, economic and environmental). The Ministry of Foreign Affairs has overarching responsibility for development co-operation policy and co-ordination through the Brazilian Co-operation Agency (ABC). In all, Brazilian South-South co-operation mobilises more than 100 public sector institutions, and includes collaboration with subnational entities, the private sector and civil society.

Brazilian South-South and triangular co-operation has expanded in scope and operates in a range of different formats: across Latin American and Caribbean countries; with the Community of Portuguese Language Countries and its members in Africa and Asia; and with other countries in Africa, Asia and Eastern Europe. This co-operation takes place in a wide range of sectors throuugh 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.

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). Preliminary data compiled by the Institute for Applied Economic Research (IPEA) show that Brazilian contributions to multilateral organisations totalled USD 195.3 million in 2017 and USD 274.5 million in 2018. Data on 2017 and 2018 disbursements in Brazilian co-operation for international development are currently under tabulation.

According to OECD estimates, in 2018, Brazil's international development co-operation reached USD 160.13 million, down from USD 316 million in 2017.[1] As figures for Brazil's 2018 bilateral co-operation were not yet available, these include only contributions to international organisations. Brazil's contributions to multilateral organisations in 2018 were mainly channelled through the United Nations system (69%), the World Bank Group (25%) and regional development banks (6%).

Reference

IPEA and ABC (2018), *Coperação Brasileira para o Desenvolvimento Internacional: Levantamento 20142016* [Brazilian Co-operation for International Development-COBRADI] (in Portuguese), Institute for Applied Economic Research and Brazilian Co-operation 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

The Chilean Agency for International Development Co-operation (AGCID) celebrated its 30th anniversary in 2020 with a global portfolio of programmes that extends beyond the Latin American and Caribbean region to countries in Africa and Asia in line with its international development co-operation strategy, Chilean foreign policy and the 2030 Agenda on Sustainable Development. Having graduated in 2017 from the DAC list of countries that are eligible to receive official development assistance (ODA), Chile is increasing its development co-operation partnerships in line with its new status as a high-income country by supporting inclusive and sustainable development in partner countries. At the same time, Chile has devised a strategy aiming to mitigate the effects of graduation from ODA and is contributing to the concept of Development in Transition with other key partners in the Latin American and Caribbean region. In 2019, Chile co-chaired the LAC-DAC Dialogue on Development Co-operation together with the DAC Chair.

Triangular co-operation is a key modality for Chile's co-operation. Its main triangular co-operation partners in 2019 were: Germany, the European Union, Spain, Switzerland, Japan, Mexico, the United States, Thailand and Singapore. Chile is a also member of the core group of the Global Partnership Initiative on Effective Triangular Co-operation and shares good practices with other partners.

The AGCID manages and co-ordinates bilateral, triangular and regional co-operation for incoming and outgoing development co-operation. 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

In 2019, the AGCID's budget for outgoing co-operation was USD 7.1 million, of which 42.5% went to bilateral and triangular technical co-operation activities and 57.5% to human capital development (e.g. scholarships).

According to OECD estimates, in 2018, Chile's international development co-operation reached USD 26.7 million, up from USD 24 million in 2017. Of this, Chile's contributions to multilateral organisations totalled USD 14.1 million and were channelled through the United Nations system, while bilateral co-operation reached USD 12.6 million in 2018.

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 Co-operation Agency (CIDCA). As a key national entity on development co-operation, CIDCA is in charge of formulating strategic aid guidelines, plans and policies for foreign aid; co-ordinating and offering advice on major foreign aid issues; advancing the country's reforms in matters related to foreign aid; and identifying and evaluating major development co-operation programmes. Meanwhile, China's Ministry of Commerce (previously responsible for most of the foreign aid management and operations) now manages bilateral aid; the Ministry of Foreign Affairs is responsible for issues related to the Sustainable Development Goals and co-ordinating with other ministries; and the Ministry of Finance manages co-operation with multilateral development banks and regional banks.

China has been providing development co-operation to developing countries since 1949. 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. Following its launch in 2013, the Belt and Road Initiative is now a key plank of China's development co-operation strategy. The initiative aims to build connectivity through investments that are primarily focused on the provision of infrastructure (hardware and financing).

Estimates of international development co-operation

As per OECD estimates, in 2018, China's international development co-operation reached USD 4.4 billion, down from USD 4.8 billion in 2017. Chinese contributions to multilateral organisations totalled USD 1.4 billion. These were primarily channelled through regional development banks (74%) – especially the Asian Infrastructure Investment Bank – and the United Nations (26%).

FULL PROFILE

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

Colombia

Introduction

Colombia is both a beneficiary of official development assistance (ODA) and a provider of South-South and triangular co-operation. Its strategic approach is guided by a focus on effectiveness, results, alignment with national development priorities and crucial needs, diversification of modalities, strengthening of national and local capacities, sustainability, and greater transparency. Colombia prioritises co-operation with countries in Latin America and the Caribbean and also works through plurilateral mechanisms such as the Pacific Alliance, the Mesoamerica Project and the Association of Caribbean States. At the global level, the Colombian government is committed to elevating South-South and triangular co-operation as a key means to facilitate the implementation of the 2030 Agenda for Sustainable Development, in line with outcomes of the Second High-level United Nations Conference on South-South Co-operation (BAPA+40).

The main actors in Colombia's development co-operation system are the Ministry of Foreign Affairs, the Presidential Agency for International Co-operation (APC-Colombia) and the National Planning Department. While the Ministry of Foreign Affairs formulates and guides foreign policy as it relates to international co-operation and maintains the political relationships with all of Colombia's development partners, APC-Colombia is the technical entity responsible for following up on non-reimbursable co-operation.

Estimates of international development co-operation

According to OECD estimates, in 2018, Colombia's multilateral international development co-operation reached USD 155.6 million, down from USD 183.6 million in 2017. These data include non-core contributions to United Nations bodies, such as the International Organization for Migration (IOM) and the United Nations Office on Drugs and Crime (UNODC), as well as core contributions to the Development Bank of Latin America (CAF), which according to the OECD methodology can be counted as development co-operation. Estimates for Colombia's bilateral co-operation were not available for 2018. Since 2015, Colombia has developed the "Quantification and Added Value Measurement Model". Beyond quantification of direct costs (financial), it focuses on appraisal of knowledge contributed during exchange (indirect costs).

FULL PROFILE

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

Costa Rica

Introduction

Costa Rica has a dual role in development co-operation, as both a provider and a beneficiary, with both incoming and outgoing activities co-ordinated by the Ministry of Foreign Affairs. Costa Rica provides development co-operation solely 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 2019, Costa Rica indicated that it had channelled in-kind (non-financial) co-operation of more than USD 6.2 million. This includes triangular, South-South, bilateral and multilateral co-operation. This represents a considerable increase on 2018 efforts, when it provided USD 4.5 million.

According to OECD estimates, in 2018, Costa Rica's international development co-operation reached USD 2.92 million, down from USD 8 million in 2017. Costa Rica's contributions to multilateral organisations totalled USD 2.14 million. These contributions were channelled through the United Nations system.

FULL PROFILE

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

India

Introduction

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

The Development Partnership Administration within the Ministry of External Affairs co-ordinates India's bilateral development co-operation and manages grants, technical and economic co-operation. The Ministry of Finance manages multilateral assistance and exercises administrative oversight over the concessional loans and the lines of credit provided by the EXIM Bank.

The geographical focus of India's development assistance has largely concentrated on countries in its immediate neighbourhood and Africa. However, in recent years, India has expanded its development co-operation to countries in Asia-Pacific and Latin America and the Caribbean. The main sectors of India's development co-operation are infrastructure development, health, education, energy, agriculture, capacity building and community development.

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 and the United States.

Estimates of international development co-operation

In 2018, India's international development co-operation reached USD 1.3 billion, down from USD 3 billion in 2017 (OECD estimates). Indian contributions to multilateral organisations totalled USD 367.9 million. These were primarily channelled through regional development banks (79%) – mainly the Asian Infrastructure Investment Bank – as well as through the United Nations (13%) and the World Bank Group (6%).

FULL PROFILE

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

Indonesia

Introduction

Indonesia's National Medium-Term Development Plan 2020-2024 places a high value on international development co-operation. Four strategies are envisaged to strengthen Indonesia's development co-operation: 1) increasing new financing sources and mechanisms; 2) creating an enabling environment for private sector engagement in development co-operation; 3) enhancing South-South and triangular co-operation for trade and investment; and 4) strengthening institutions for aid and international development co-operation.

In 2019, Indonesia announced the creation of an agency for international development co-operation (Indonesia AID). The mandate of the new agency, and its relations with other ministries and bodies in Indonesia, is yet to be announced. To date, the National Co-ordination Team (NCT) for South-South and Triangular Co-operation – comprised of the Ministry of Foreign Affairs, the Ministry of National Development Planning/Bappenas, the Ministry of Finance and the State Secretariat (SetNeg) – has been responsible for developing policies and facilitated the implementation of South-South and triangular co-operation. Other line ministries implement development co-operation under the supervision of the NTC.

Indonesia also implements triangular co-operation with bilateral donors (including several Development Assistance Committee members), United Nations agencies and multilateral development banks 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 USD 763.02 million. This was channelled as capital contributions to multilateral organisations (79%), mainly the Asian Infrastructure Investment Bank (AIIB), the Islamic Development Bank, the Islamic Corporation for the Development of Private Sector, the International Fund for Agricultural Development and the International Development Association. Among contributions to multilateral organisations, the AIIB received the largest share (91.43%). The remaining 21% was channelled through South-South and triangular co-operation.

According to OECD estimates, Indonesia's international development co-operation reached USD 139 million in 2018, down from USD 144 million in 2016. These data include information that Indonesia provided to the OECD for the pilot on total official support for sustainable development (TOSSD). Indonesia's contributions to multilateral organisations was USD 132.1 million, primarily channelled through the AIIB (87%) and the United Nations (13%).

FULL PROFILE

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

Mexico

Introduction

Mexico's development co-operation contributes to the systematisation of South-South and triangular co-operation practices and to the adaptation of the international development effectiveness principles to the southern context. With an overarching vision that is anchored in the 2030 Agenda for Sustainable Development, Mexico's development co-operation is present across Latin America in sectors including trade, water, agriculture, environment and climate change.

The Ministry of Foreign Affairs has overall responsibility for Mexico's development co-operation, which is co-ordinated by the Mexican Agency for International Development Co-operation (AMEXCID) and implemented by a wide variety of public institutions. Key delivery channels include South-South and triangular co-operation, with a focus on generating impact and enhancing multi-stakeholder partnerships (e.g. from civil society, the private sector, academia, local governments and international organisations). Mexico is a founding member of the core group of the Global Partnership Initiative on Effective Triangular Co-operation and shares good practices with partners.

Estimates of international development co-operation

Mexico accounts for its development co-operation through a self-developed methodology, which reflects the specific characteristics of South-South co-operation. Using this methodology of valuing South-South co-operation, Mexico's development co-operation totalled USD 317.6 million in 2017, 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, Mexico's multilateral development co-operation reached USD 57.6 million in 2018, down from USD 340 million of bilateral and multilateral co-operation in 2017. Mexico's bilateral co-operation figures for 2018 were not available at the time of writing and therefore OECD estimates focus only on Mexico's contributions to multilateral organisations, which were primarily channelled through the United Nations system (88%) and the World Bank Group (12%).

FULL PROFILE

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

Qatar

Introduction

Qatar's development co-operation is closely aligned with its National Vision 2030, which calls for the country to become a prominent actor in international development co-operation.

The Ministry of Foreign Affairs' Department for International Co-operation formulates and manages development assistance and humanitarian policy and programming and oversees the Qatar Fund for Development (hereafter referred to as the Qatar Fund).

The Qatar Fund is a government entity created in 2002 which implements Qatar's international development and foreign assistance programme, mostly through concessional loans, but also through other modalities. Key activities focus on the provision of health services, support for educational systems, the eradication of poverty, and mobilisation of fast and efficient life-saving humanitarian aid.

Geographically, the Qatar Fund's interventions in 2019 focused on the Middle East and North Africa (78.6%), sub-Saharan Africa (5.9%), Asia (1.8%), America and Oceania (3.8%), and Europe (0.5%). It also provided aid to multilateral and international agencies (9.4%).

Estimates of international development co-operation

According to the Qatar Fund, Qatar's international development co-operation increased from USD 269 million in 2015 to USD 577 million in 2019. For the period between 2016 and 2019, Qatar's contributions to multilateral organisations totalled USD 119 million.

According to OECD estimates, in 2018, Qatar's international development co-operation reached USD 601 million, down from USD 744 million in 2017. Qatar's contributions to multilateral organisations totalled USD 157.5 million. These were primarily channelled through the United Nations (88%) and regional development banks (10%).

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 Co-operation (DIRCO) emphasises co-operation with "the African continent" and "strengthening South-South relations".

Under South Africa's management system for development co-operation, DIRCO is responsible for strategy and foreign policy formulation, and other line ministries are involved in the implementation of development co-operation projects. The National Treasury has a co-ordinating function in terms of managing incoming official development assistance. These development co-operation structures may change based on the evolution of plans to establish a development co-operation agency.

Geographically, South Africa's bilateral development co-operation focuses on member countries of the Southern African Development Community. Its priority sectors 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 post-conflict reconstruction.

Estimates of international development co-operation

According to OECD estimates, in 2018, South Africa's international development co-operation reached USD 111 million, up from USD 104 million in 2017. South African contributions to multilateral organisations totalled USD 74.7 million. These were primarily channelled through the African Union (41%), the United Nations (20%), regional development banks (30%) and the World Bank Group (6%).

FULL PROFILE

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

Tables

Table 1. Estimates of gross concessional flows for development co-operation, 2014-18

Million USD

Country	2014	2015	2016	2017	2018	Source
Brazil[4]	293	112	316	..	..	Institute of Applied Economic Research (IPEA) and Brazilian Co-operation Agency (ABC)
Chile	49	33	33	24	27	Ministry of Finance
China (People's Republic of)	3 401	3 113	3 615	4 792	4 474	Fiscal Yearbook, Ministry of Finance
Colombia[4]	45	42	..	198	..	Strategic institutional plans, Presidential Agency of International Co-operation
Costa Rica[1]	24	10	9	8	3	Annual budget laws, Ministry of Finance
India[2]	1 398	1 772	1 695	2 394	1 280	Annual budget figures, Ministry of Finance
Indonesia	56	..	144	223	139	Ministry of National Development Planning
Mexico[4]	169	207	220	340	..	Mexican Agency for International Development Co-operation (AMEXCID)
Qatar	..	..	337	744	601	Foreign aid reports, Ministry of Foreign Affairs. Qatar Fund for Development reports
South Africa[3]	148	100	95	104	111	Estimates of public expenditures, National Treasury. Annual Reports. Department International Relations & Co-operation.

Note: 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 and 2018, both for co-operation offered and received by Costa Rica; 2. Figures for India are based on their fiscal years. For example, 2012 data correspond to fiscal year 2012/13; 3. For South Africa, the average of the 2017-2018 and 2018/2019 figures has been used for the last three exercises; 4. Bilateral figures for 2018 development co-operation activities were not available for Brazil, Colombia and Mexico at the time when these estimates were produced.

Table 2. Estimated development-oriented contributions to and through multilateral organisations, 2018

Million USD, current prices

	Brazil		Chile		China		Colombia		Costa Rica		India		Indonesia		Mexico		Qatar		South Africa	
Channel name	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core
United Nations																				
UN Department of Peacekeeping Operations (15%)	7.9		1.2		106.3		0.7		0.1		1.5		1.0		1.2		3.0		2.6	
International Organization for Migration (100%)	2.1		0.2	0.5	4.4	0.2	0.2	61.0	0.0	0.0	0.4		-		0.8	1.1			0.2	
United Nations Organization (18%)	16.7	0.1	1.7	0.2	34.7	0.9	1.4	0.0	0.2	0.0	3.2	0.2	2.2	0.0	6.3	0.0	1.2	0.3	1.6	0.0
World Health Organization (76%)	14.0		1.5		29.1	4.8	1.2		0.2		2.7	4.8	1.8		5.3	0.0	1.0	0.8	1.3	
United Nations Relief and Works Agency for Palestine Refugees (100%)			0.1			2.4					5.0		0.2		0.5		53.0	0.5		
Food and Agriculture Organization (51%)	9.8	2.8	1.8		20.1	3.7	0.8		0.1		1.9		1.4		3.7	3.2	0.7		1.5	
United Nations Office on Drugs and Crime (100%)		0.1	0.0	0.2	0.3	1.4		47.1			0.1			0.1		0.6		0.0		
UN Educational, Scientific and Cultural Organization (60%)	7.7	3.3	0.8	0.8	16.1	4.0	0.7	0.0	0.1	0.1	1.5	2.2	1.0	0.1	2.9	0.7	0.5	1.7	0.7	0.0
United Nations Children's Fund (100%)	1.6		0.1		1.8				0.0		0.9	7.2	0.5			1.0	8.0	18.0		
International Labour Organization (60%)	8.9	0.8	0.9		18.5	0.3	0.8		0.1		1.7		1.2		7.7		0.6	0.6	0.8	
World Food Programme (100%)		0.4	0.0		1.2	29.0										0.9		3.2		0.6
International Fund for Agricultural Development (100%)	3.7				20.0	5.0							4.3							
UN Industrial Development Organization (100%)	5.1		0.5		14.1	2.7	0.7		0.1		2.4		0.9		1.8		0.4		0.5	
UN Pan American Health Organisation (100%)	12.1	3.9	1.4	0.1		-	1.6		0.2						6.3					
UN Development Programme (100%)	-	0.1	0.4		4.7				0.7		5.1		0.9		2.4				1.2	

Table 2. Estimated development-oriented contributions to and through multilateral organisations, 2018 (*Continued*)

Channel name	Brazil		Chile		China		Colombia		Costa Rica		India		Indonesia		Mexico		Qatar		South Africa	
	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core	Core	Non-core
International Atomic Energy Agency (33%)	4.9	0.2	0.5	0.1	9.7	2.8	0.4	0.0	0.1	0.0	0.9	0.2	0.6	0.1	1.9	0.4	0.4	0.1	0.4	0.3
Inter-Agency Pooled Funds (excluding OCHA-CERF)				0.1												0.0		13.5		
Other United Nations	3.7	0.8	0.7	0.2	14.0	10.4	0.4	0.6	0.2	0.1	1.9	2.3	1.3	0.6	1.8	0.0	17.8	13.0	0.9	2.5
Total UN	98.4	12.6	11.9	2.2	294.8	67.7	8.8	108.7	2.1	0.2	29.3	17.0	17.3	0.8	42.5	8.0	86.5	51.6	11.8	3.4
Regional Development Banks																				
Islamic Development Bank (100%)																	16.0			
African Development Bank (100%)	2.0	-			5.4	5.5					8.5	0.5							22.6	-
Asian Infrastructure Investment Bank (85%)					1 012.5						284.5		114.3							
Development Bank of Latin America (CAF) (100%)	7.1						37.3													
Caribbean Development Bank (100%)						1.5		0.9												
Total Regional Development Banks	9.1	-	-	-	1 017.9	7.0	37.3	0.9	-	-	293.0	0.5	114.3	-	-	-	16.0	-	22.6	-
World Bank Group																				
World Bank	40.0										23.0				7.2				0.8	
IDA													11.8						4.0	
Total WB Group	40.0	-	-	-	-	-	-	-	-	-	23.0	-	-	-	7.2	-	-	-	4.8	-
The Global Fund (100%)					6.0						7.0						3.3		1.5	
African Unio (100%																			30.6	
TOTAL MULTILATERAL	147.5	12.6	11.9	2.2	1 318.7	74.7	46.1	109.5	2.1	0.2	352.3	17.5	131.5	0.8	49.7	8.0	105.9	51.6	71.3	3.4

Note: 1. 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. 2. 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.

PRIVATE PHILANTHROPIC PROVIDERS REPORTING TO THE OECD

This section includes information on the volumes and key features of development co-operation provided by 30 private philanthropic providers 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.

Financing

IN 2018

Gross private development finance
15.9
USD MILLION

100%
BILATERAL

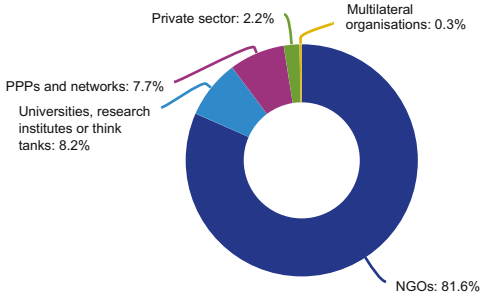
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

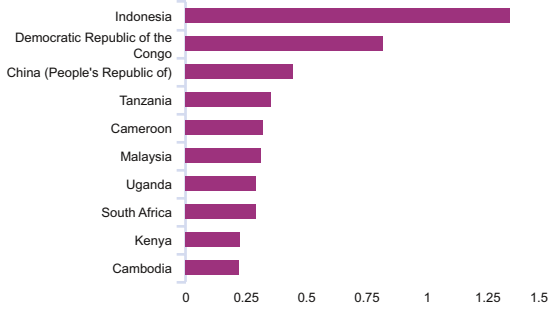
Arcus Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



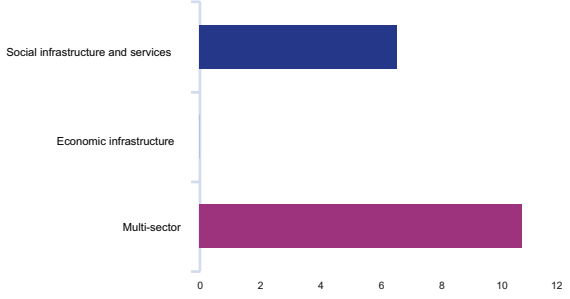
Arcus Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



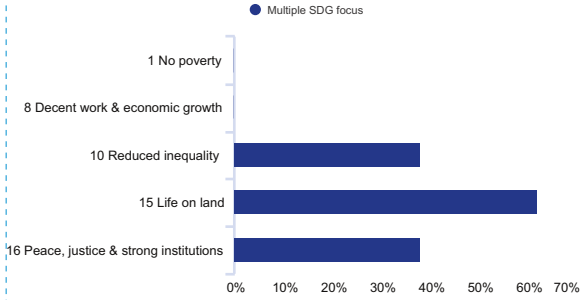
Arcus Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Arcus Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: ***http://oe.cd/foundationsdata***

DEVELOPMENT CO-OPERATION AT A GLANCE

BBVA FOUNDATION

Introduction

The BBVA Microfinance Foundation (BBVAMF) was established in 2007 by BBVA. The foundation operates entirely independently from the BBVA Group, while benefiting from its extensive professional banking experience. In more than 12 years of activity, the foundation has observed that providing adequate financial products and services to excluded and low-income entrepreneurs is key to generate sustainable development and to mitigate poverty.

Financing

IN 2018

Gross private development finance
1.2
USD BILLION*

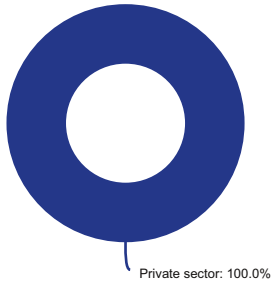
100% BILATERAL

0% MULTILATERAL CORE

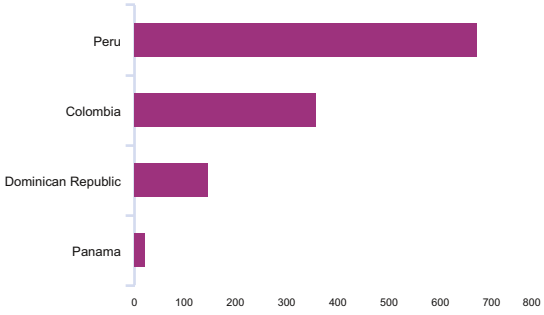
0% through grants

100% through programme-related investments

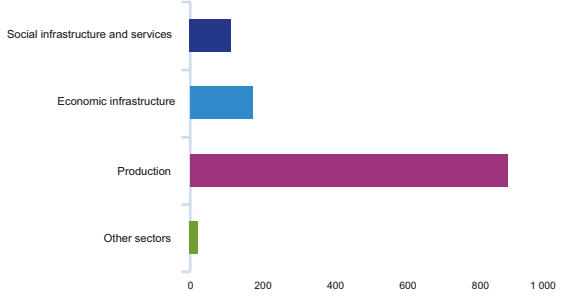
BBVA Microfinance Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



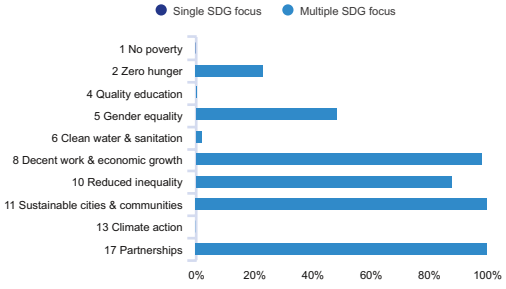
BBVA Microfinance Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



BBVA Microfinance Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



BBVA Microfinance Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

** Net private development finance USD 118.2 million.*

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.

Financing

IN 2018

Gross private development finance
14.3
USD MILLION

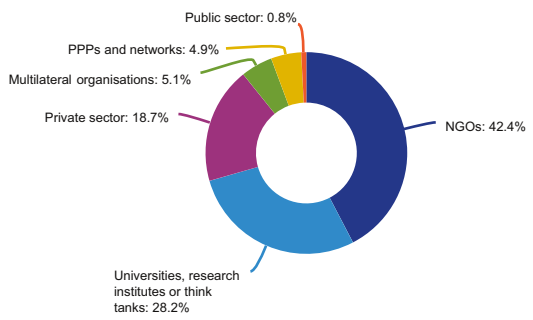
100%
BILATERAL

0%
MULTILATERAL CORE

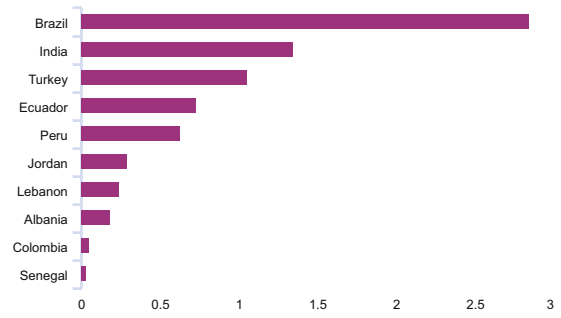
100% through grants

0% through programme-related investments

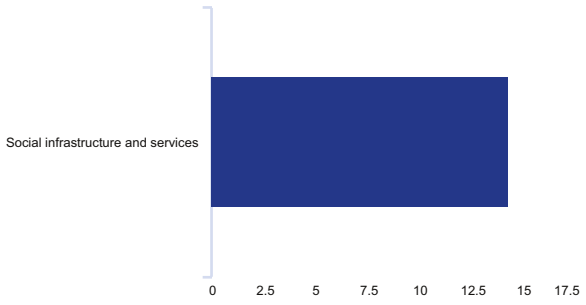
Bernard van Leer Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



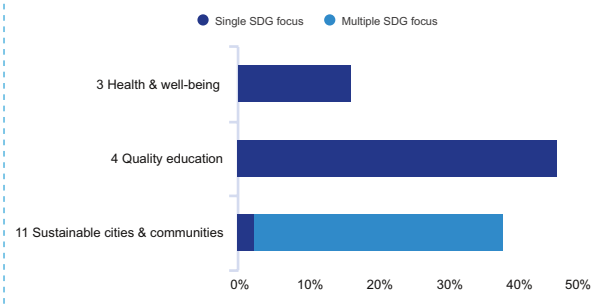
Bernard van Leer Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Bernard van Leer Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Bernard van Leer Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-bvanleerfnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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. 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.

Financing

IN 2018

Gross private development finance
4
USD BILLION

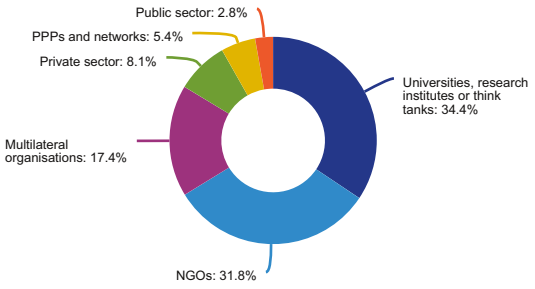
86% BILATERAL

14% MULTILATERAL CORE

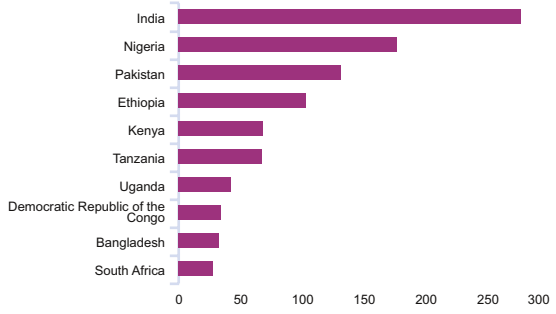
99.8% through grants

0.2% through programme-related investments

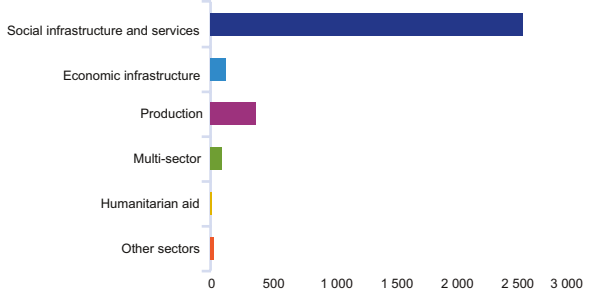
Bill & Melinda Gates Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



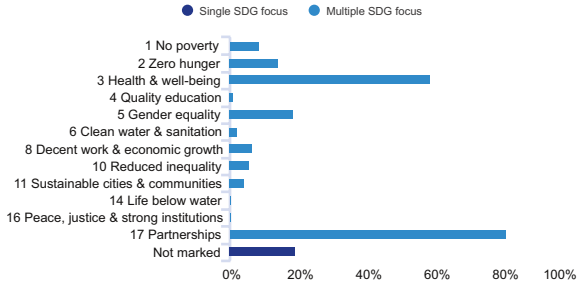
Bill & Melinda Gates Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Bill & Melinda Gates Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Bill & Melinda Gates Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-bmgf*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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. In 2020, the C&A Foundation officially became the fashion programme of the Laudes Foundation.

Financing

IN 2017

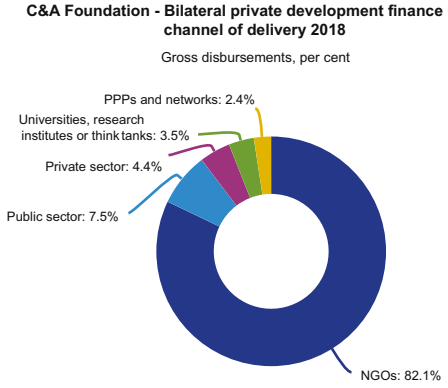
Gross private development finance
29.7
USD MILLION

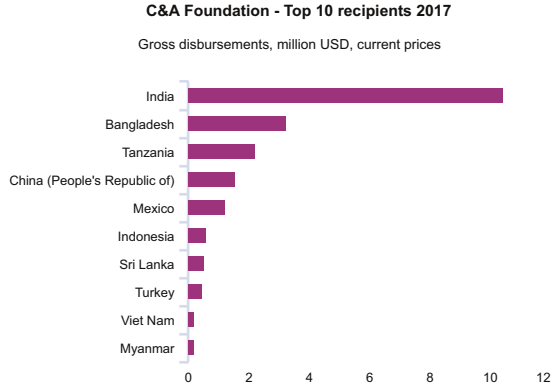
100% BILATERAL

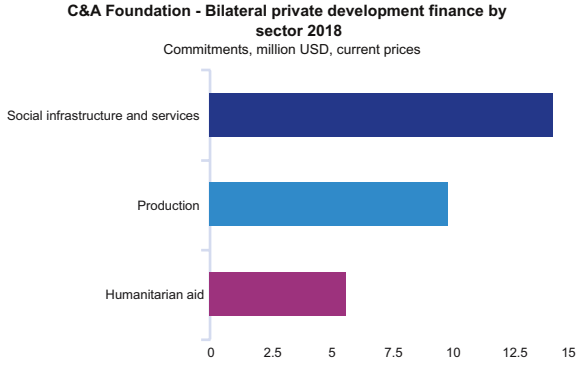
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments







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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
18.5
USD MILLION

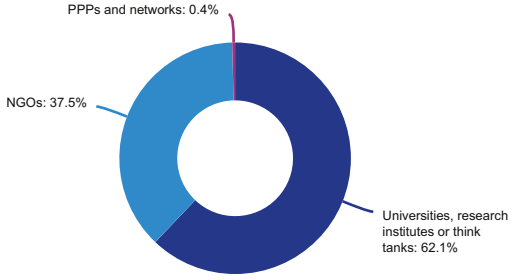
100%
BILATERAL

0%
MULTILATERAL CORE

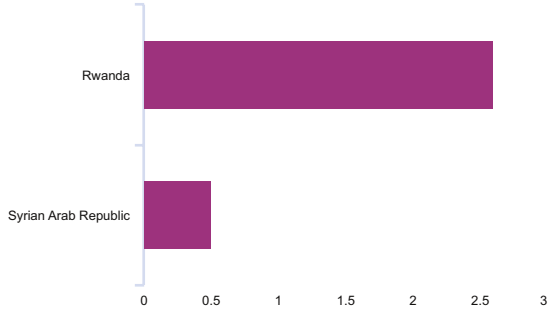
100% through grants

0% through programme-related investments

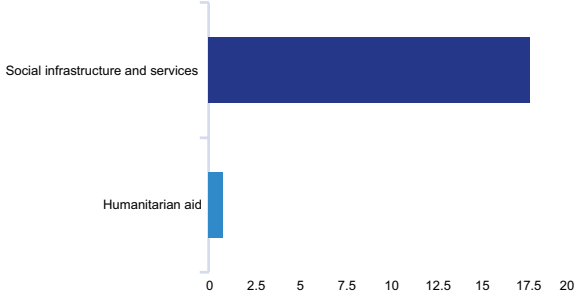
Carnegie Corporation of New York - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



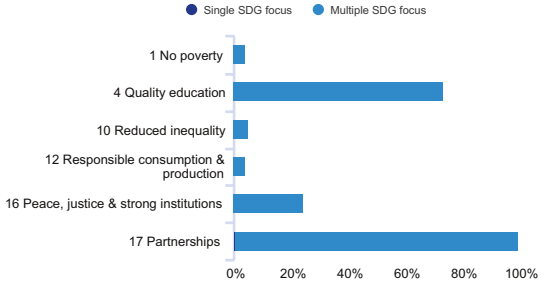
Carnegie Corporation of New York - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Carnegie Corporation of New York - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Carnegie Corporation of New York - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-carnegiecorp*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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. The charity is funded through two biennial crowdfunding appeals – Red Nose Day and Sport Relief – as well as regular donations and partnerships. To avoid double counting with official development assistance (ODA) providers and other philanthropic foundations responding to Comic Relief's crowdfunding calls, OECD data on Comic Relief exclude grant making financed from contributions from ODA providers and the Bill & Melinda Gates Foundation to Comic Relief.

Financing

IN 2018

Gross private development finance
36
USD MILLION

100% BILATERAL

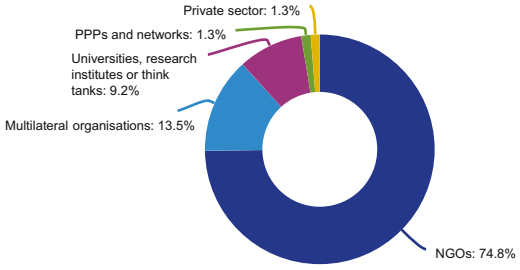
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

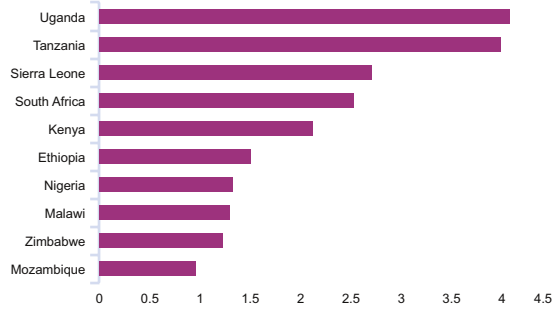
Charity Projects Ltd (Comic Relief) - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



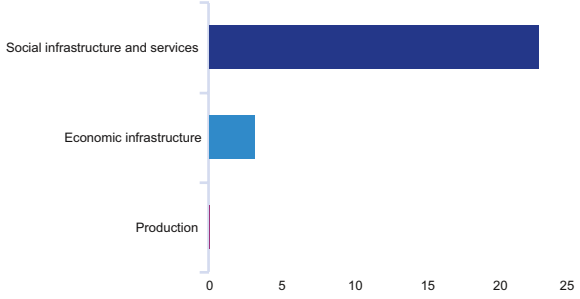
Charity Projects Ltd (Comic Relief) - Top 10 recipients 2018

Gross disbursements, million USD, current prices



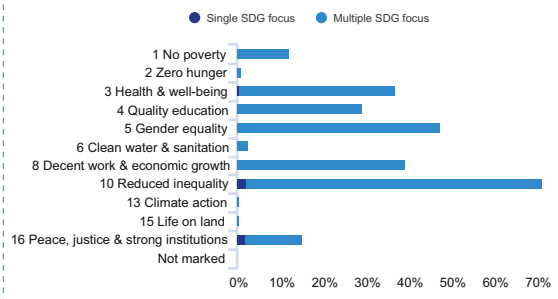
Charity Projects Ltd (Comic Relief) - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Charity Projects Ltd (Comic Relief) - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

CHILDREN'S INVESTMENT FUND FOUNDATION

Introduction

The Children's Investment Fund Foundation (CIFF) is an independent philanthropic organisation with headquarters in London and offices in Nairobi and New Delhi. It was 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 by developing strategies that have a lasting impact.

Financing

IN 2018

Gross private development finance
231
USD MILLION

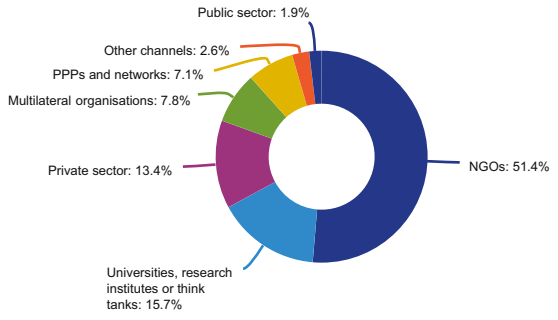
100%
BILATERAL

0%
MULTILATERAL CORE

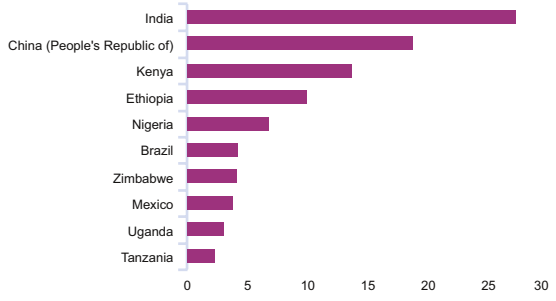
98.8% through grants

1.2% through programme-related investments

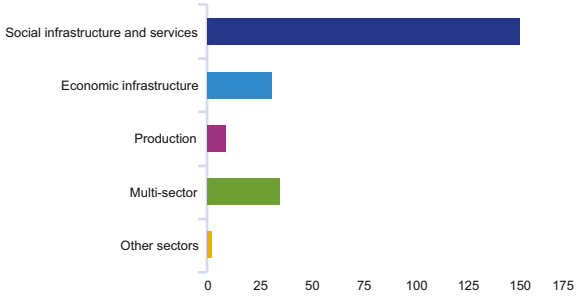
Children's Investment Fund Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



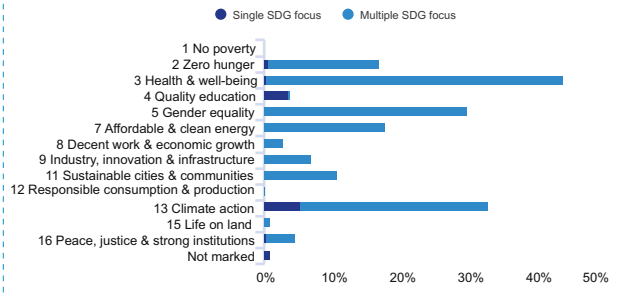
Children's Investment Fund Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Children's Investment Fund Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Children's Investment Fund Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-ciff*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

CITI FOUNDATION

Introduction

The Citi Foundation was established in 1998 by Citigroup. The foundation partners with over 250 community organisations across more than 80 countries and territories to tackle social, economic and environmental challenges.

Financing

IN 2018

Gross private development finance
27.6
USD MILLION

100% BILATERAL

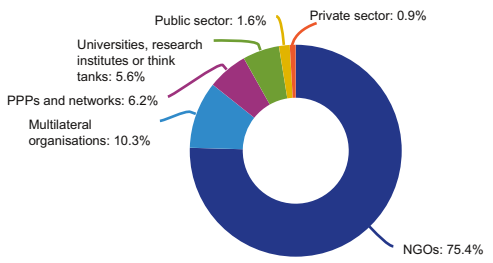
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

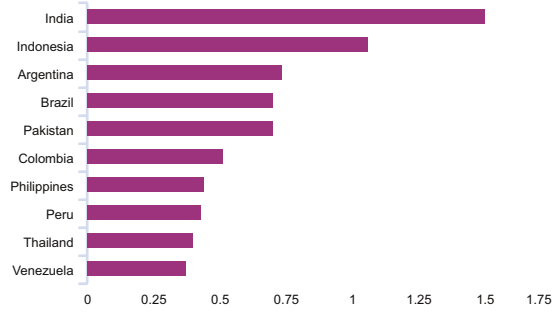
Citi Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



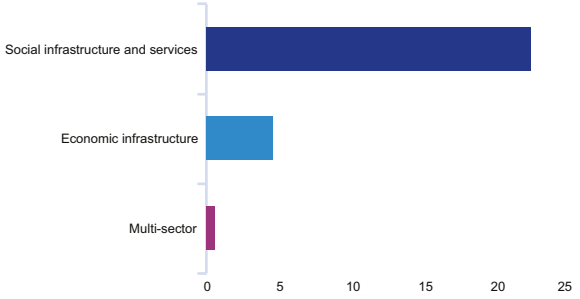
Citi Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



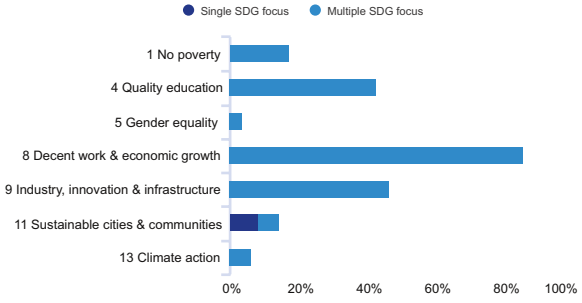
Citi Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Citi Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
46.6
USD MILLION

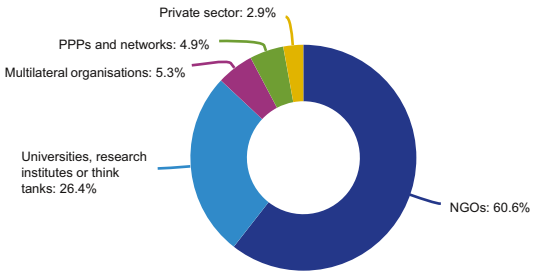
100%
BILATERAL

0%
MULTILATERAL CORE

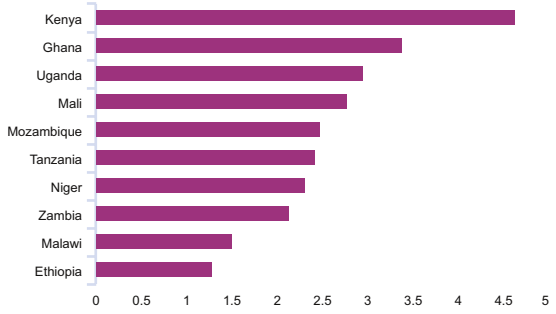
99.5% through grants

0.5% through programme-related investments

Conrad N. Hilton Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent

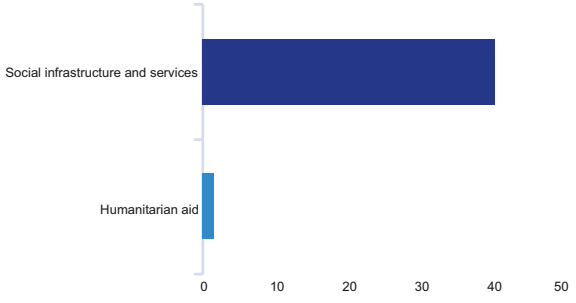


Conrad N. Hilton Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



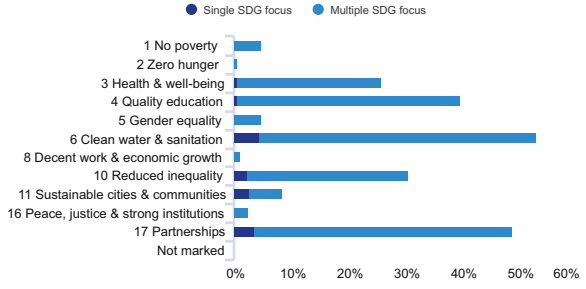
Conrad N. Hilton Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Conrad N. Hilton Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

DAVID & LUCILE PACKARD FOUNDATION

Introduction

The David & 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.

Financing

IN 2018

Gross private development finance
122.9
USD MILLION

100% BILATERAL

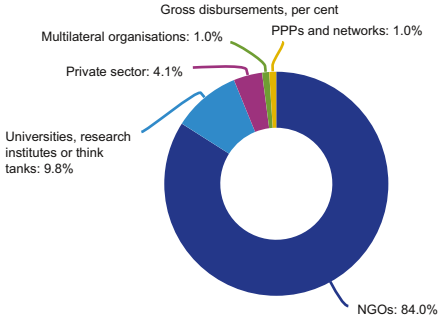
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

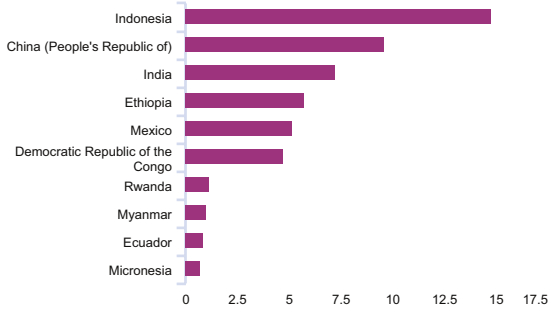
David & Lucile Packard Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



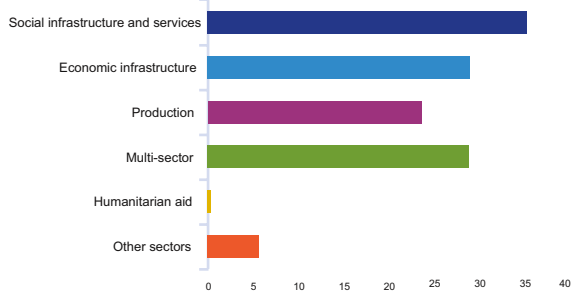
David & Lucile Packard Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



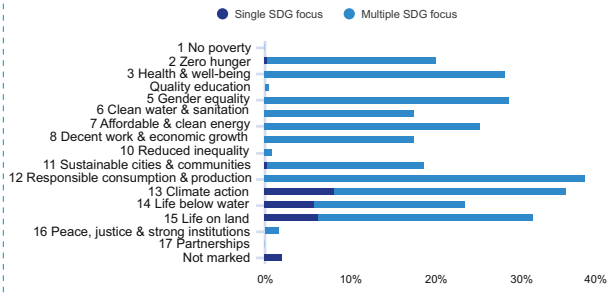
David & Lucile Packard Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



David & Lucile Packard Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
224.4
USD MILLION

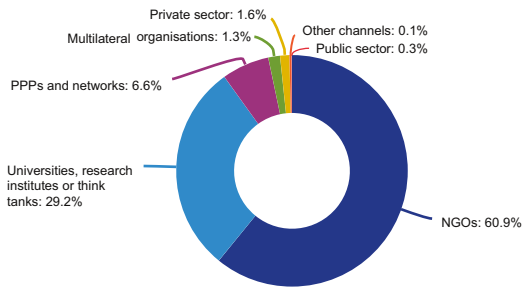
100%
BILATERAL

0%
MULTILATERAL CORE

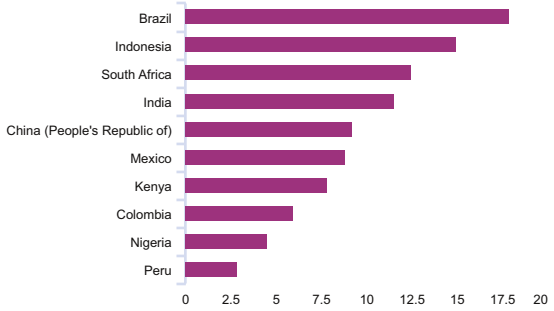
100% through grants

0% through programme-related investments

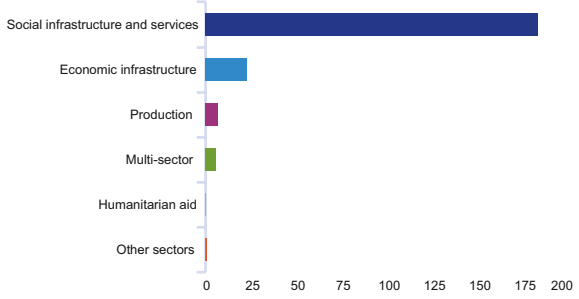
Ford Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



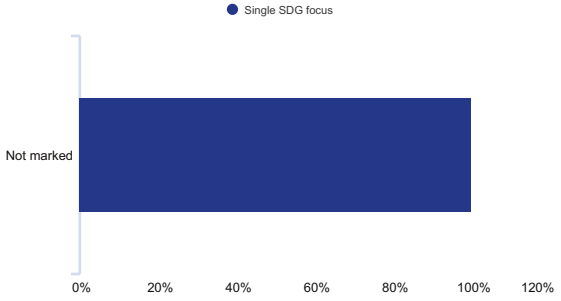
Ford Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Ford Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Ford Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-fordfnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
13.8
USD MILLION

100% BILATERAL

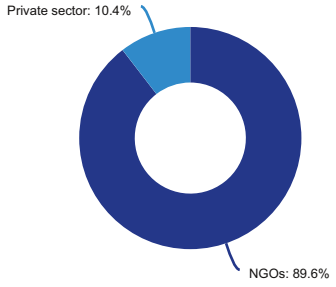
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

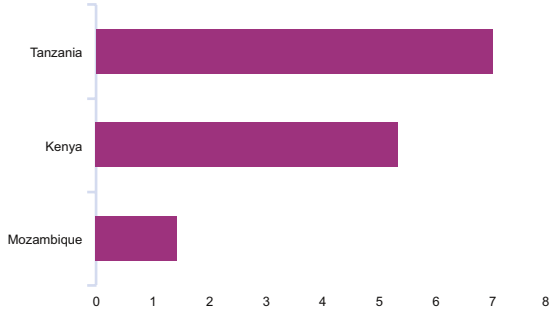
Gatsby Charitable Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



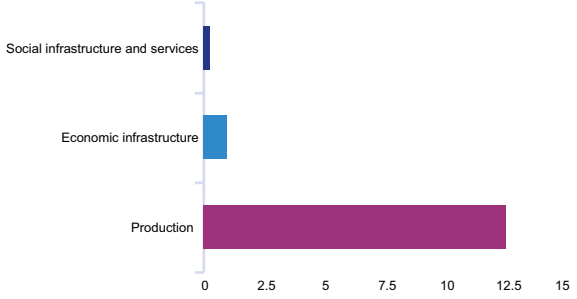
Gatsby Charitable Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



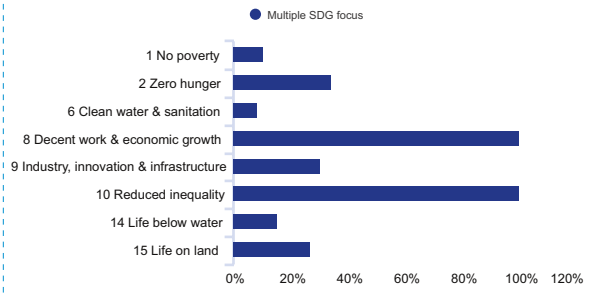
Gatsby Charitable Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Gatsby Charitable Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
115.2
USD MILLION

100%
BILATERAL

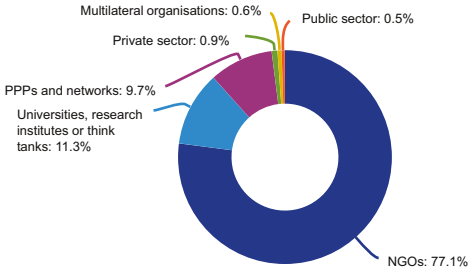
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

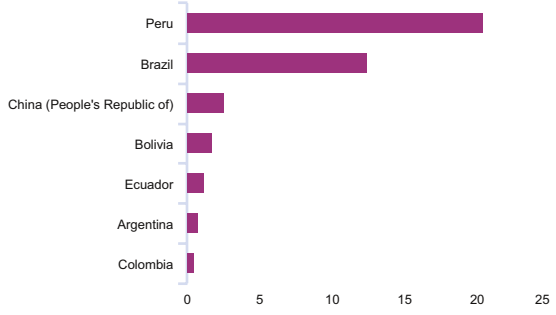
Gordon and Betty Moore Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



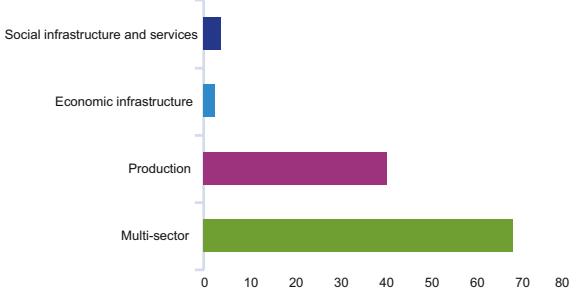
Gordon and Betty Moore Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



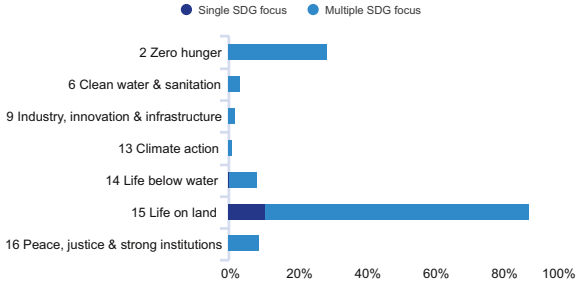
Gordon and Betty Moore Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Gordon and Betty Moore Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
35.4
USD MILLION*

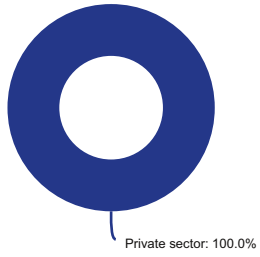
100%
BILATERAL

0%
MULTILATERAL CORE

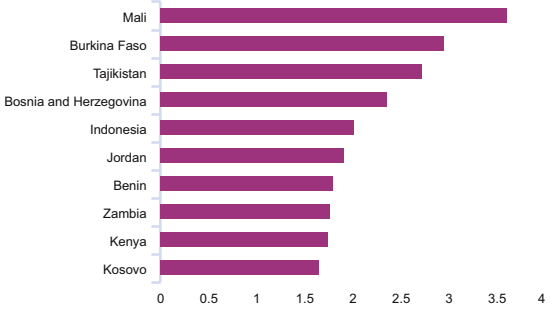
0% through grants

100% through programme-related investments

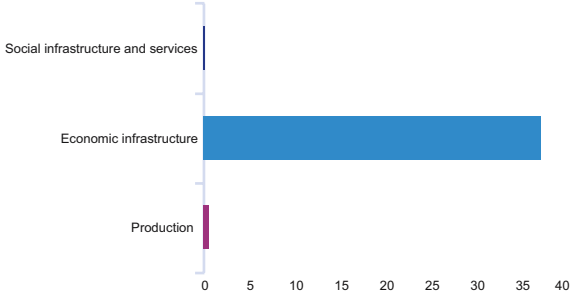
Grameen Crédit Agricole Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



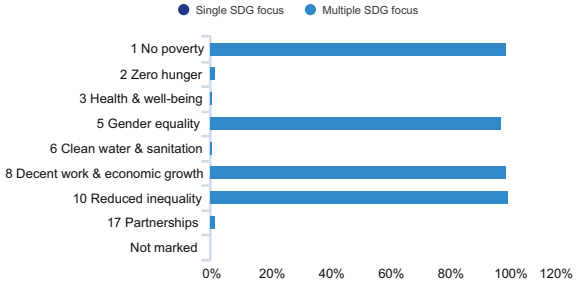
Grameen Crédit Agricole Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



Grameen Crédit Agricole Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



Grameen Crédit Agricole Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-gcafnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

* Net private development finance USD 8.8 million.

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.

Financing

IN 2018

Gross private development finance
16.3
USD MILLION

100%
BILATERAL

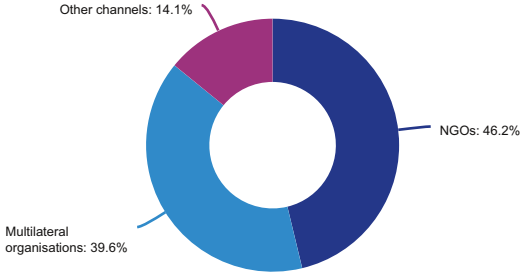
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

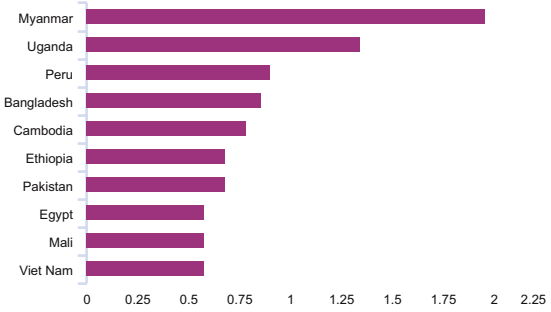
H&M Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



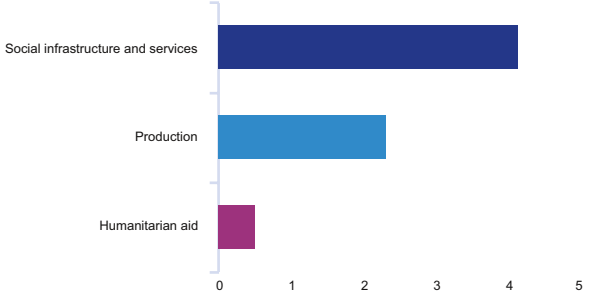
H&M Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



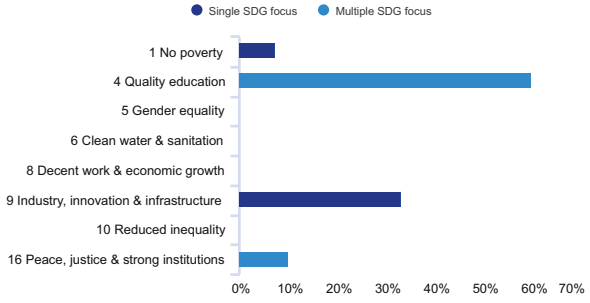
H&M Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



H&M Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
84.5
USD MILLION

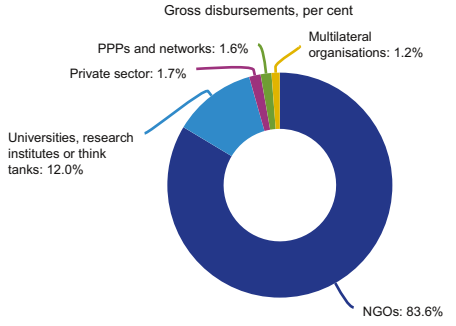
100% BILATERAL

0% MULTILATERAL CORE

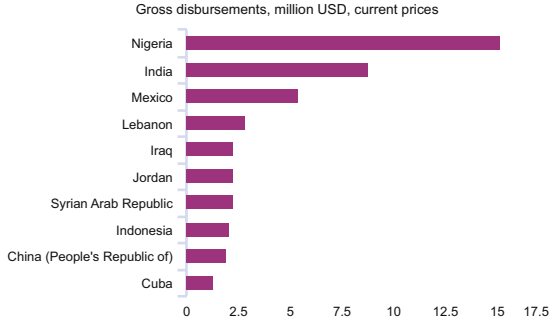
100% through grants

0% through programme-related investments

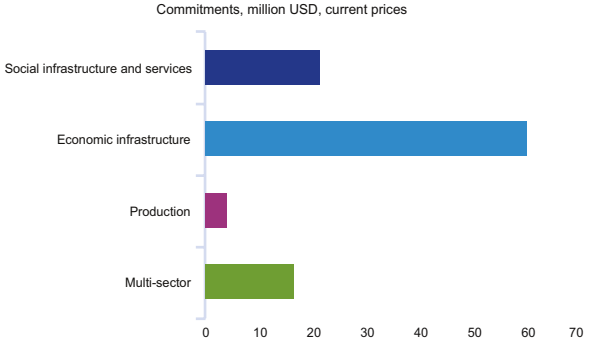
John D. & Catherine T. MacArthur Foundation - Bilateral private development finance by channel of delivery 2018



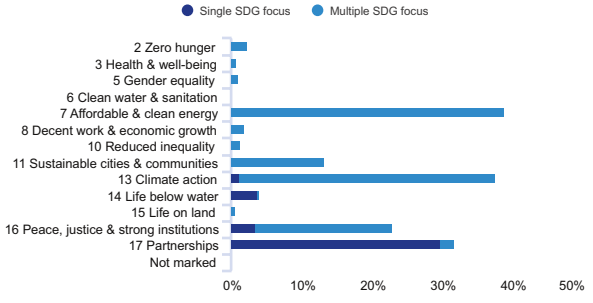
John D. & Catherine T. MacArthur Foundation - Top 10 recipients 2018



John D. & Catherine T. MacArthur Foundation - Bilateral private development finance by sector 2018



John D. & Catherine T. MacArthur Foundation - Sustainable Development Goal focus 2018



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

** Net private development finance USD 84.4 million.*

DEVELOPMENT CO-OPERATION AT A GLANCE

LEGO FOUNDATION

Introduction

The LEGO Foundation is a Danish-based philanthropic foundation established by Edith and Godtfred Kirk Christiansen's Foundation in 1986. It shares its overall mission with the LEGO Group: to inspire and develop the builders of tomorrow. The LEGO Foundation is guided by the vision that play in its own right and as a means of learning is vital to empower children to become creative, engaged, lifelong learners.

Financing

IN 2018

Gross private development finance
21
USD MILLION

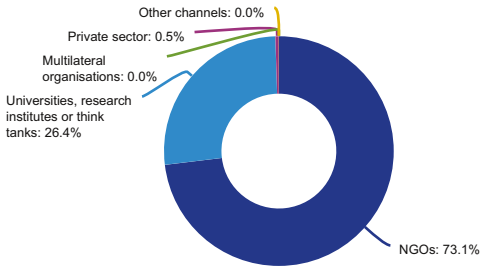
100% BILATERAL

0% MULTILATERAL CORE

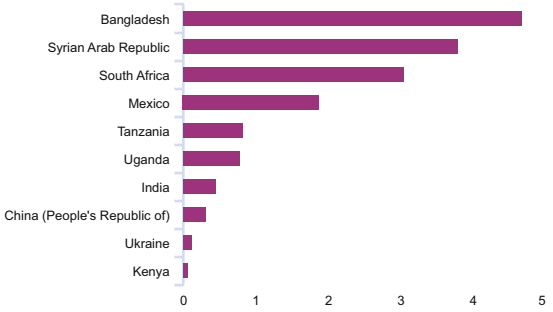
100% through grants

0% through programme-related investments

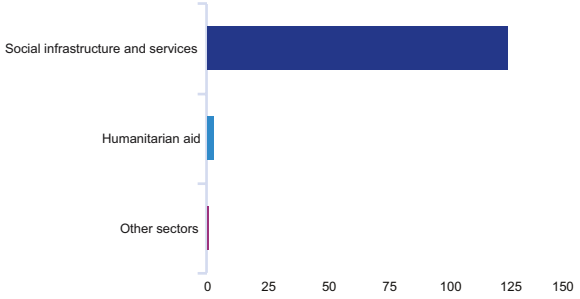
LEGO Foundation - Bilateral private development finance by channel of delivery 2018
Gross disbursements, per cent



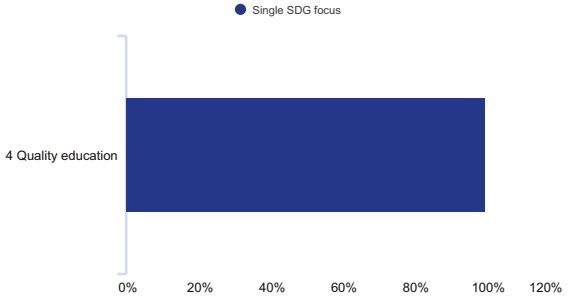
LEGO Foundation - Top 10 recipients 2018
Gross disbursements, million USD, current prices



LEGO Foundation - Bilateral private development finance by sector 2018
Commitments, million USD, current prices



LEGO Foundation - Sustainable Development Goal focus 2018
Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-legofnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
263.3
USD MILLION

100%
BILATERAL

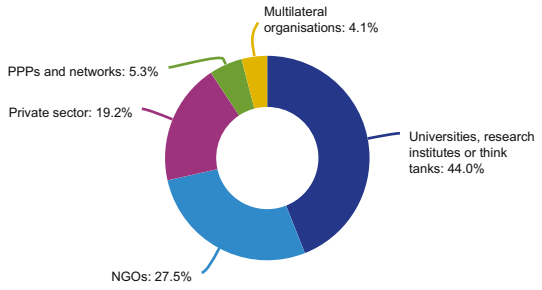
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

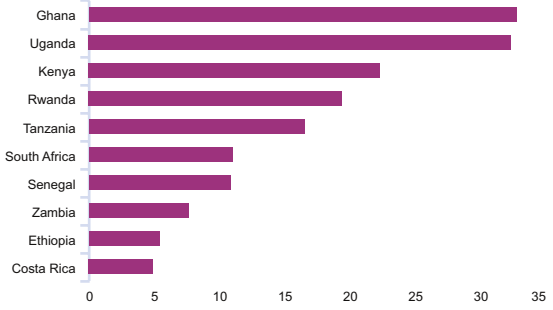
MasterCard Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



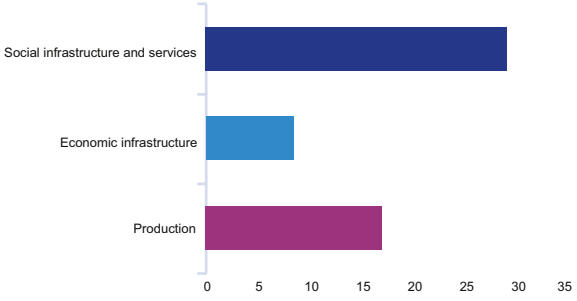
MasterCard Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



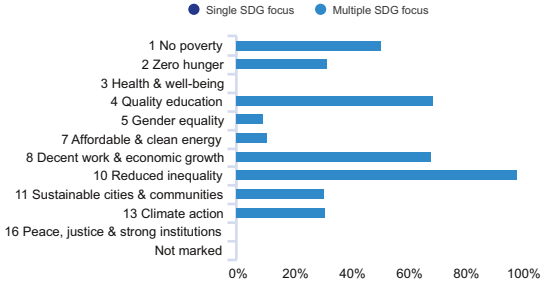
MasterCard Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



MasterCard Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

MAVA FOUNDATION

Introduction

The MAVA Foundation (in French: MAVA, Fondation pour la Nature) is a Swiss-based foundation, established in 1994 by Luc Hoffmann. Born of the passion and vision of its founder, who believed fiercely in the protection of the planet's wild splendour, the MAVA Foundation conserves biodiversity for the benefit of people and nature by funding, mobilising and strengthening its partners and the conservation community.

Financing

IN 2018

Gross private development finance
58.1
USD MILLION

100% BILATERAL

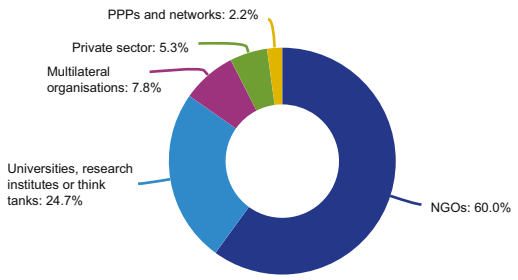
0% MULTILATERAL

100% through grants

0% through programme-related investments

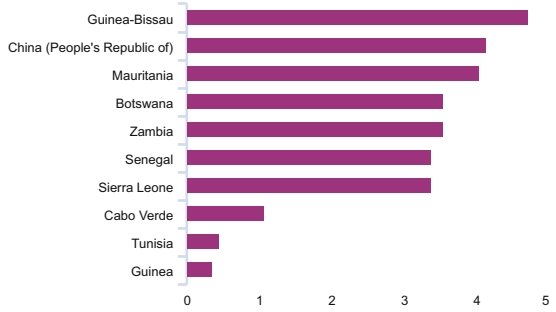
MAVA Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



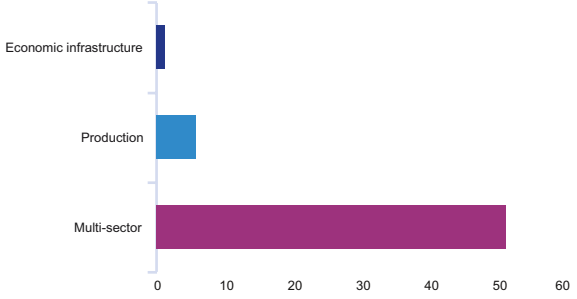
MAVA Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



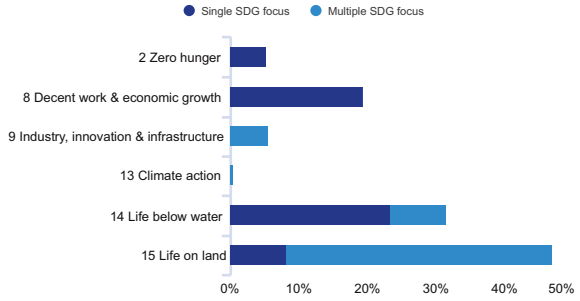
MAVA Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



MAVA Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

MCKNIGHT FOUNDATION

Introduction

The McKnight Foundation is a family foundation that was established by William L. McKnight and his wife, Maude L. McKnight in 1953 in Minnesota. Programme areas include regional economic and community development, climate and energy, arts, international crop research, and rural livelihoods.

Financing

IN 2018

Gross private development finance
9.3
USD MILLION

100%
BILATERAL

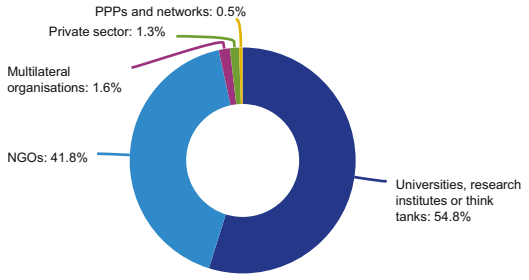
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

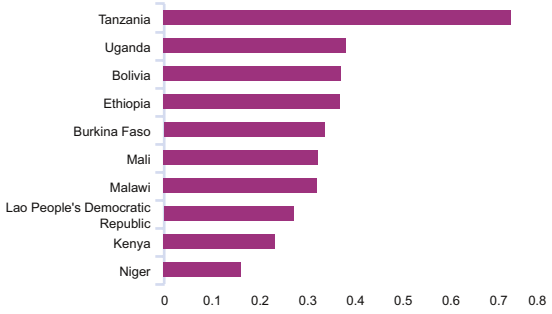
McKnight Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



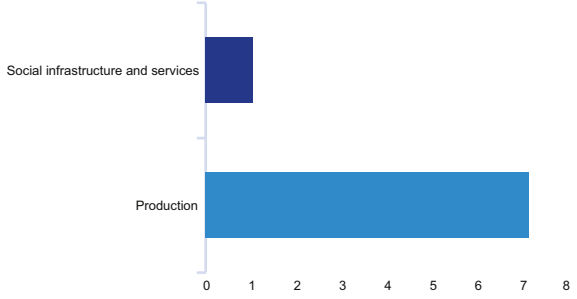
McKnight Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



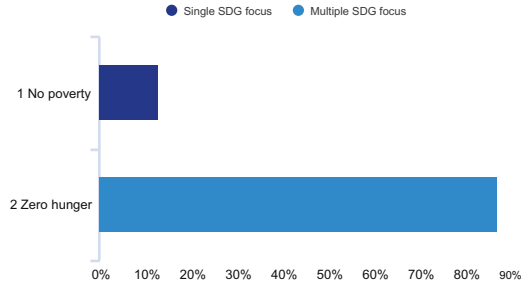
McKnight Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



McKnight Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance

11.5

USD MILLION

100% BILATERAL

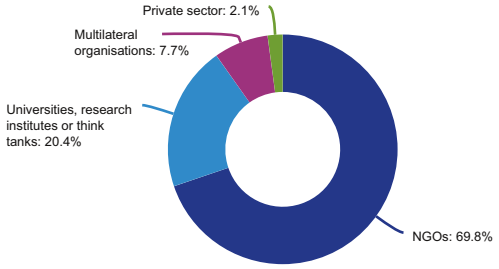
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

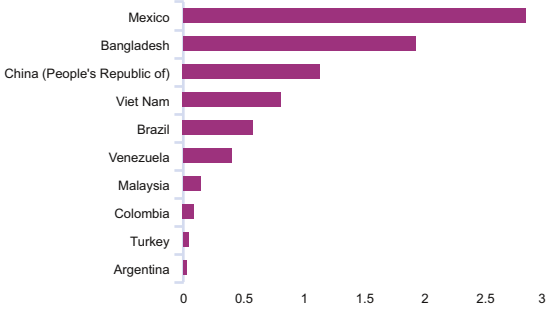
MetLife Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



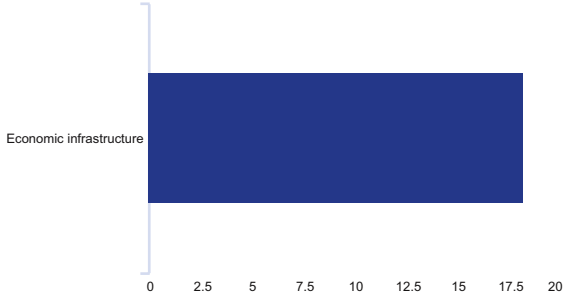
MetLife Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



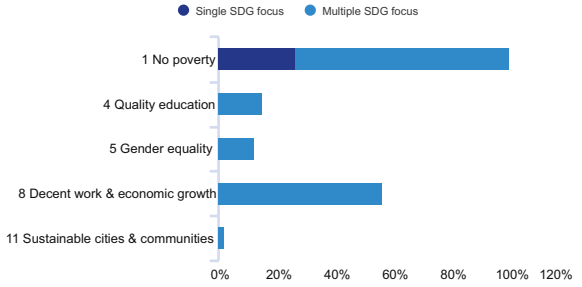
MetLife Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



MetLife Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

MICHAEL & SUSAN DELL FOUNDATION

Introduction

The Michael & Susan Dell Foundation is Michael and Susan Dell's family foundation, established in 1999. The foundation is based in Austin, Texas and has offices in both India and South Africa.

Financing

IN 2018

Gross private development finance
31.4
USD MILLION*

100%
BILATERAL

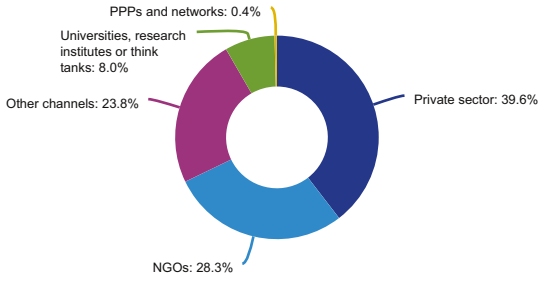
0%
MULTILATERAL CORE

61.9% through grants

38.1% through programme-related investments

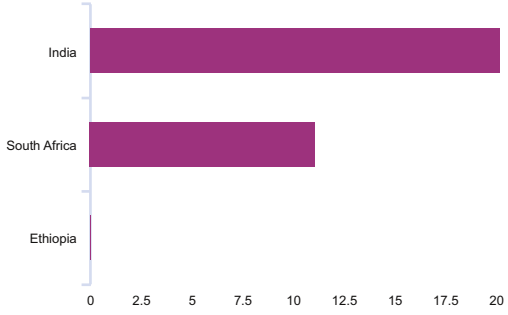
Michael & Susan Dell Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



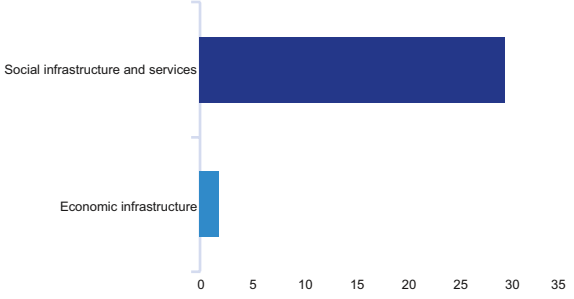
Michael & Susan Dell Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



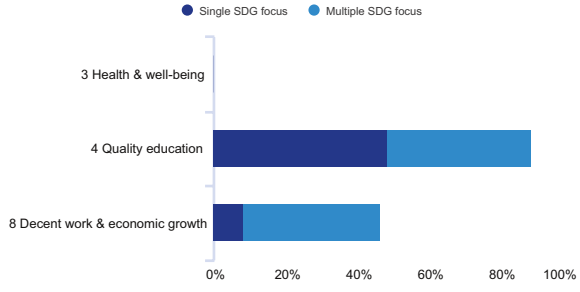
Michael & Susan Dell Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Michael & Susan Dell Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-msdellfnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

** Net private development finance USD 31.3 million.*

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 Oak Foundation has a principal office in Switzerland and other offices in Denmark, India, the United Kingdom and the United States.

Financing

IN 2018

Gross private development finance
211.1
USD MILLION

100%
BILATERAL

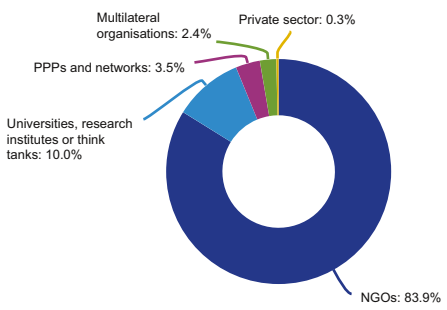
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

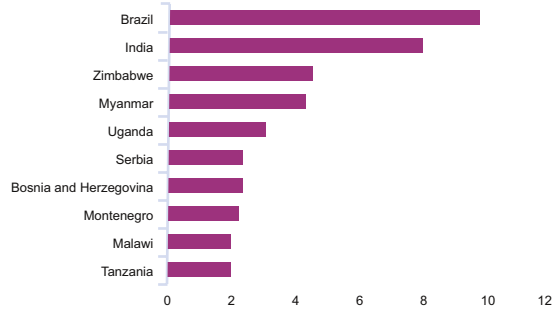
Oak Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



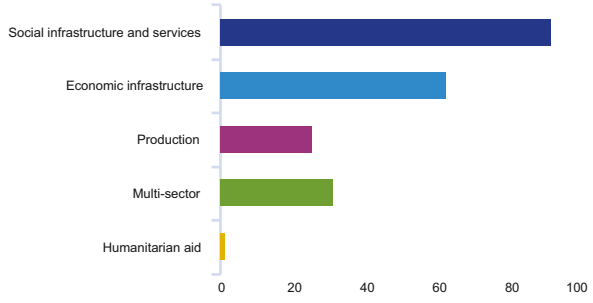
Oak Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



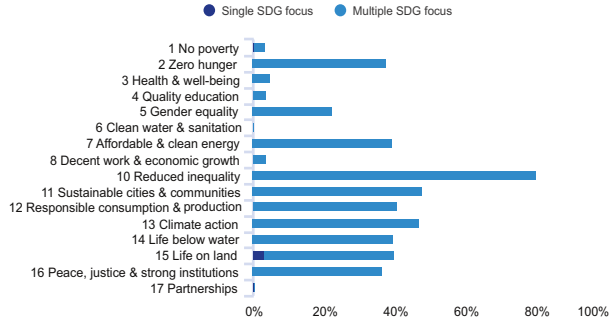
Oak Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Oak Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

OMIDYAR NETWORK FUND, INC.

Introduction

The Omidyar Network Fund, Inc. is the non-profit arm of 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 foundation, was established in 2004 by eBay founder Pierre Omidyar and his wife Pam.

Financing

IN 2018

Gross private development finance
52.8
USD MILLION

100%
BILATERAL

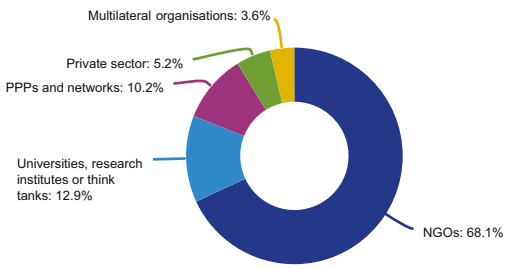
0%
MULTILATERAL CORE

99.7% through grants

0.3% through programme-related investments

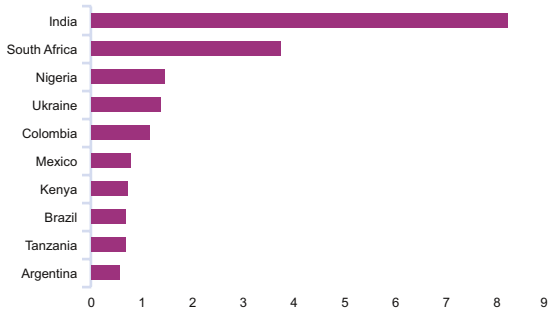
Omidyar Network Fund, Inc. - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



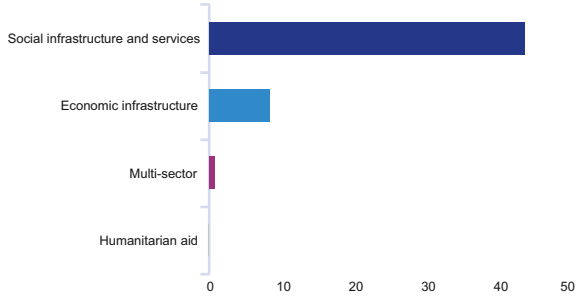
Omidyar Network Fund, Inc. - Top 10 recipients 2018

Gross disbursements, million USD, current prices



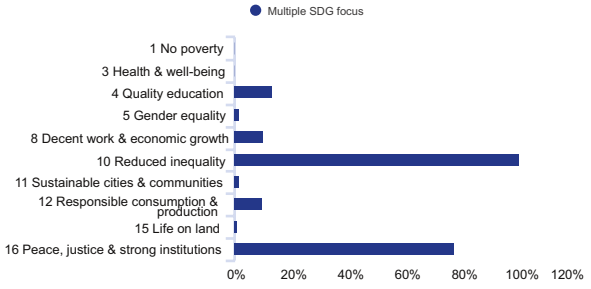
Omidyar Network Fund, Inc. - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Omidyar Network Fund, Inc. - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE
ROCKEFELLER FOUNDATION

Introduction

The Rockefeller Foundation is a New York City based private foundation established in 1913 by Standard Oil owner John D. Rockefeller, his son John D. Rockefeller Jr and Frederick Taylor Gates. Ever since, the foundation's mission has been to promote the well-being of humanity throughout the world.

Financing

IN 2018

Gross private development finance
107.2
USD MILLION*

100%
BILATERAL

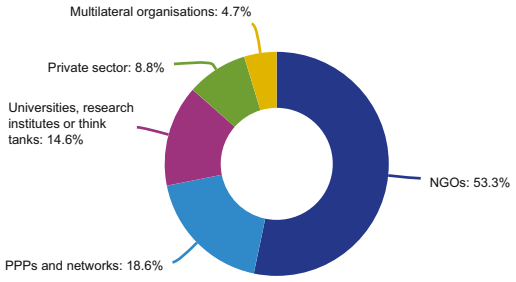
0%
MULTILATERAL CORE

94.4% through grants

5.6% through programme-related investments

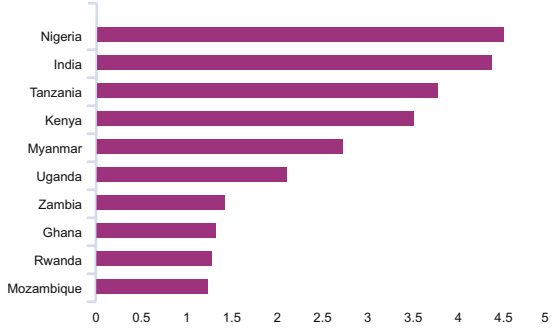
Rockefeller Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



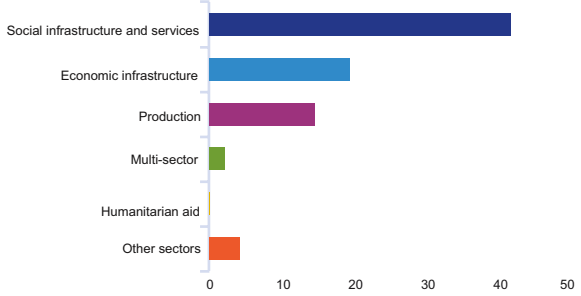
Rockefeller Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



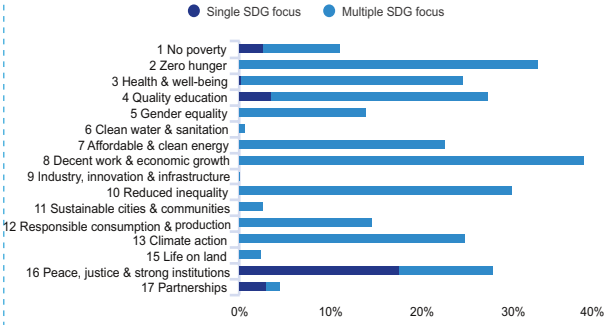
Rockefeller Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Rockefeller Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-rockefellerfnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

** Net private development finance USD 107.1.*

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 United Postcode Lotteries are funded through selling lots: 50% of gross proceeds are provided to a broad range of organisations. Of the seven lotteries operating in Germany, the Netherlands, Norway, Sweden and the United Kingdom, the Dutch, Swedish, People's (UK) and Norwegian Postcode Lotteries provide considerable support to organisations working for development.

Financing

IN 2018

Gross private development finance
366.8
USD MILLION

100% BILATERAL

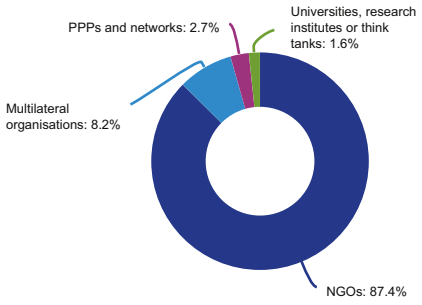
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

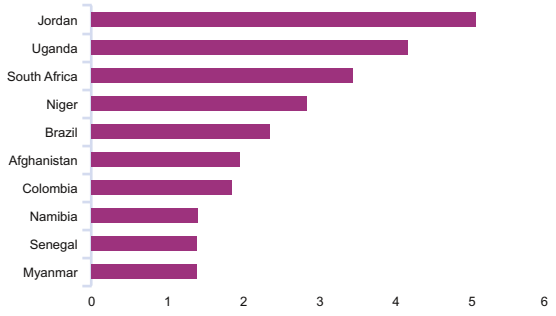
United Postcode Lotteries, Total - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



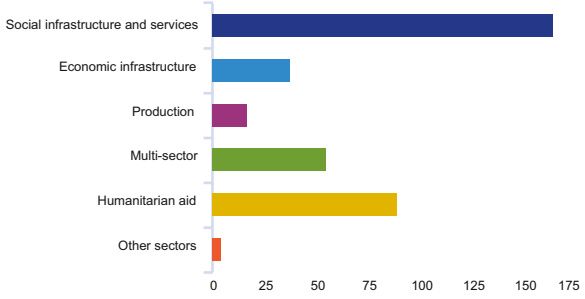
United Postcode Lotteries, Total - Top 10 recipients 2018

Gross disbursements, million USD, current prices



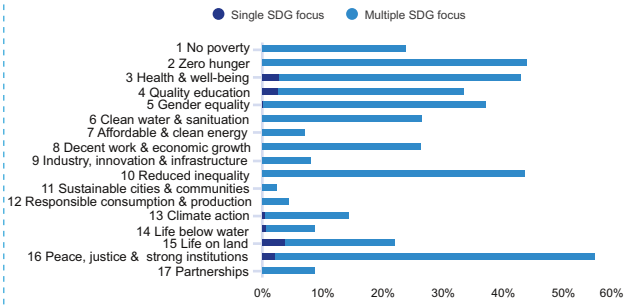
United Postcode Lotteries, Total - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



United Postcode Lotteries, Total - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
275.3
USD MILLION

100%
BILATERAL

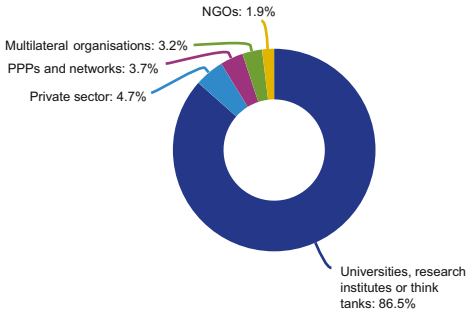
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

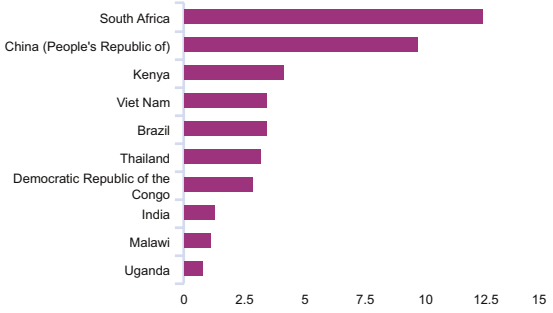
Wellcome Trust - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



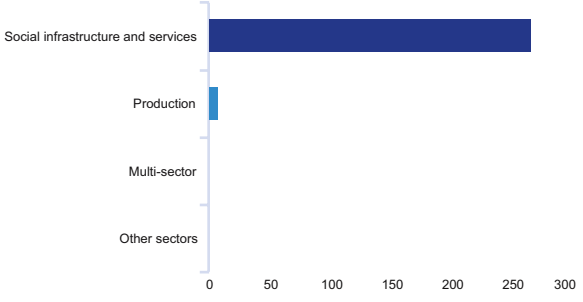
Wellcome Trust - Top 10 recipients 2018

Gross disbursements, million USD, current prices



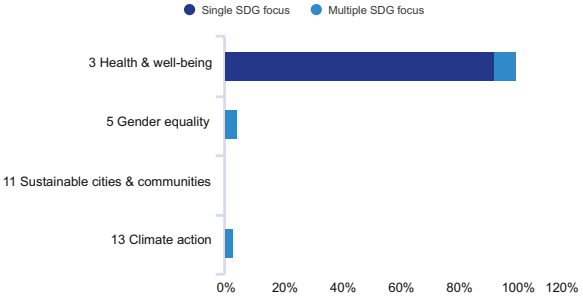
Wellcome Trust - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



Wellcome Trust - Sustainable Development Goal focus 2018

Commitments, per cent



Full profile: *https://oe.cd/il/dev-coop-wellcometrust*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

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.

Financing

IN 2018

Gross private development finance
209
USD MILLION

100% BILATERAL

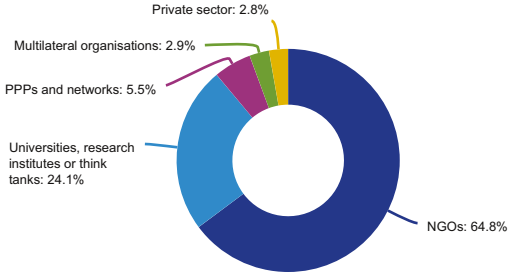
0% MULTILATERAL CORE

100% through grants

0% through programme-related investments

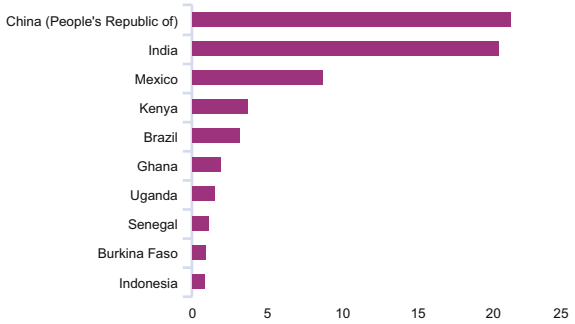
William & Flora Hewlett Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



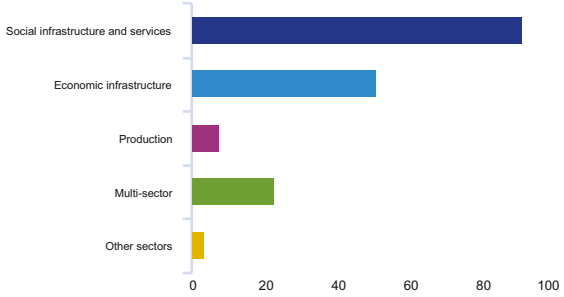
William & Flora Hewlett Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



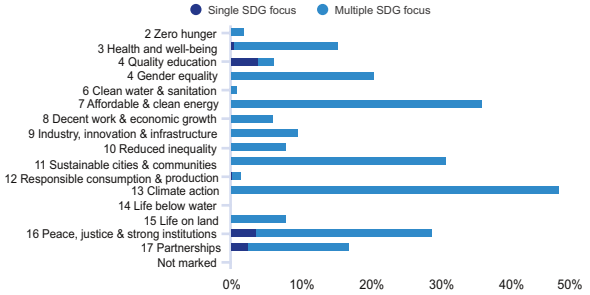
William & Flora Hewlett Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



William & Flora Hewlett Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



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

Private Philanthropy for Development: *http://oe.cd/foundationsdata*

DEVELOPMENT CO-OPERATION AT A GLANCE

WORLD DIABETES FOUNDATION

Introduction

The World Diabetes Foundation is a leading global funder of projects and programmes within diabetes prevention and care in low- and middle-income countries. The foundation was established in 2002 by Novo Nordisk A/S with the vision to alleviate human suffering related to diabetes among those in greatest need.

Financing

IN 2018

Gross private development finance
11.3
USD MILLION

100%
BILATERAL

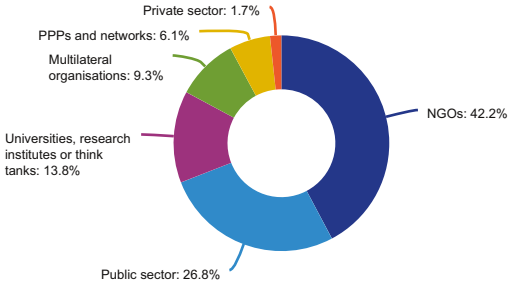
0%
MULTILATERAL CORE

100% through grants

0% through programme-related investments

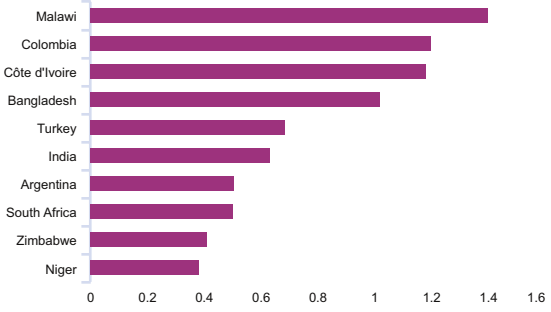
World Diabetes Foundation - Bilateral private development finance by channel of delivery 2018

Gross disbursements, per cent



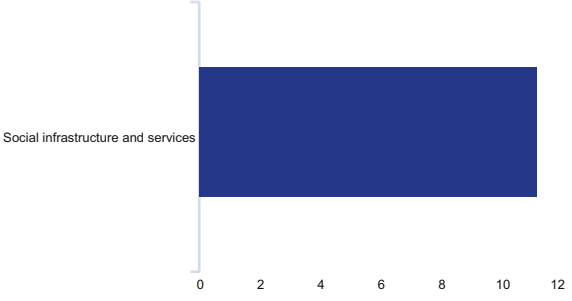
World Diabetes Foundation - Top 10 recipients 2018

Gross disbursements, million USD, current prices



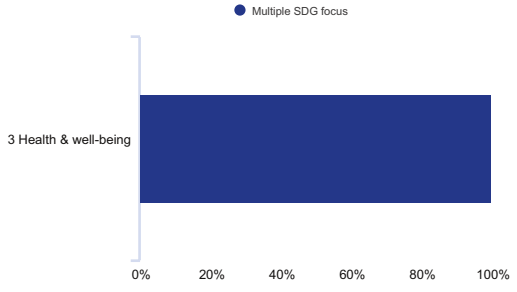
World Diabetes Foundation - Bilateral private development finance by sector 2018

Commitments, million USD, current prices



World Diabetes Foundation - Sustainable Development Goal focus 2018

Commitments, per cent



Full profile:*https://oe.cd/il/dev-coop-wdiabfnd*
Private Philanthropy for Development: *http://oe.cd/foundationsdata*

METHODOLOGICAL NOTES DEVELOPMENT CO-OPERATION AT A GLANCE 2020

General point: unless otherwise stated, and with the exception of data on official development assistance (ODA) allocation by sector, and ODA 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 effectiveco-operation.org.

This annex describes the methodology and sources for: ODA grant equivalent methodology; financial instruments (grants and non-grants); allocations to multilateral organisations; Sustainable Development Goal focus; bilateral ODA by channel of delivery; bilateral ODA unspecified/unallocated; ODA to least developed countries; bilateral allocable aid; Gender Equality Policy Marker; environment markers; amounts mobilised from the private sector; ODA disbursed through government agencies; private development finance. All methodologies and sources on ODA, described in the following sections, are also applicable to the concept of private development finance used in the profiles of philanthropic foundations.

ODA GRANT EQUIVALENT METHODOLOGY

In 2014, members of the OECD's 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 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 low-income 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 (DFIs) 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 added 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. In 2019, the ODA grant equivalent methodology added 3.7% to ODA levels for all DAC countries combined, with significant impacts on a few countries: Japan (+33%), Portugal (+8%) and Spain (+9%).

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 (GNI).

FINANCIAL INSTRUMENTS (GRANTS AND NON-GRANTS)

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.

ALLOCATIONS TO MULTILATERAL ORGANISATIONS

This term refers to all funds channelled to and through multilateral organisations. It encompasses core contributions to multilateral organisations and earmarked resources channelled through multilateral organisations (also known as non-core resources or multi-bi funding).

Core contributions to multilateral organisations are resources transferred to multilateral organisations and that the governing boards of these organisations have the unqualified right to allocate as they see fit within the limits prescribed by the organisation's mandate.

Earmarked contributions are resources channelled through multilateral organisations over which the donor retains some degree of control on decisions regarding disposal of the funds. Such flows may be earmarked for a specific country, project, region, sector or theme, and they technically qualify as bilateral ODA.

For further information see the methodological note on tracking development co-operation through international institutions in DAC statistics: https://www.oecd.org/dac/stats/tracking-flows-through-international-institutions.htm.

SUSTAINABLE DEVELOPMENT GOAL FOCUS

The Sustainable Development Goal (SDG) focus is a voluntary field reported in the Creditor Reporting System (CRS) as of 2019 on 2018 flows, and thus the reporting coverage might be incomplete. Up to 10 Sustainable Development Goals or targets can be reported against each individual aid activity in the CRS. The share of SDG-related aid is calculated as the sum of all bilateral ODA commitments marked for a specific SDG over the sum of all bilateral commitments. The figure "Sustainable Development Goal Focus" differentiates between the share of bilateral ODA marked against a single SDG, and the share marked against two or more SDGs, giving a visualisation of SDGs overlaps. The portion of bilateral ODA reported as not contributing to any SDGs is visualised as "not marked". Given that activities can be simultaneously marked for more than one SDG, the sum of the shares of all SDGs is normally higher than 100%, and the shares from different SDGs should not be added up together. For more methodological information, please see: https://one.oecd.org/document/DCD/DAC/STAT(2018)41/REV1/en/pdf.

BILATERAL ODA BY CHANNEL OF DELIVERY

The channel of delivery tracks bilateral funding channelled through multilateral organisations, NGOs, PPPs 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.

Channels of delivery are identified by their codes. Titles and definitions for channel-codes are available in DAC statistical reporting directives (e.g. multilateral organisations are coded in series 40000, universities, research institutes or think tank are coded in series 50000.) The most up to date version can be found in the list of codes, worksheet "channel-codes", available at http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodelists.htm.

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 (LDCs) 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 LDCs, 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: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/oecdmethodologyforcalculatingimputedmultilateraloda.htm.

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).

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" presented in each provider profile 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: http://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.

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 DAC 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 (PDF) includes cross-border 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-sustainable-development/development-finance-standards/beyond-oda-foundations.htm.

Development Co-operation Report 2020

LEARNING FROM CRISES, BUILDING RESILIENCE

The devastating impacts of coronavirus (COVID-19) on developing countries have tested the limits, ingenuity and flexibility of development co-operation while also uncovering best practices. This 58th edition of the *Development Co-operation Report* draws out early insights from leaders, OECD members, experts and civil society on the implications of coronavirus (COVID-19) for global solidarity and international co-operation for development in 2021 and beyond. The report suggests ways forward for the international development community as a whole for bold action and systemic reform to build resilient national and international systems capable of coping with global shocks, and providing and protecting global public goods while reinforcing the fundamental building blocks for sustainable development. The annual "development co-operation at a glance" infographics showcase the latest trends in development finance for over 80 providers of development co-operation, including members of the OECD, the Development Assistance Committee, other countries and philanthropic foundations.

PRINT ISBN 978-92-64-90491-0
PDF ISBN 978-92-64-48131-2

9 789264 904910