

Unclassified

DCD/DAC/RD(2015)2/RD1

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

10-Mar-2015

English text only

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC/RD(2015)2/RD1
Unclassified

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

DAC Meeting, 10 March 2015

This Room Document is presented to the DAC for INFORMATION. It contains the updated workplan to implement the December 2014 DAC HLM decisions on modernising the DAC statistical measurement framework on development finance to be fit-for-purpose for the post-2015 era.

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

JT03371933

Complete document available on OLIS in its original format

This document and any 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.

English text only

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

1. At their High Level Meeting (HLM) on 15-16 December 2014 DAC members reviewed progress in the work to modernise the DAC statistical system, measures and standards and took decisions in the areas of: (1) ODA modernisation; (2) valorisation of private sector instruments; (3) creation of a broader measure of Total Official Support for Sustainable Development (TOSSD) and better capturing resource inflows; and (4) better targeting of ODA and other resources. The HLM mandated further work in all these areas with a view to completing it in time for the next HLM end-2015/early-2016.
2. An initial workplan to implement the HLM decisions and to pursue work on post-2015 measures on development finance was presented for discussion at the meeting of the DAC on 6 February 2015 [see DCD/DAC/RD(2015)1/RD1]. This note presents an updated version of the workplan **for information** at the 10 March 2015 DAC meeting.
3. The workplan involves the following activities:
 - **Work on Reporting Directives and statistical methodologies by the Working Party on Development Finance Statistics (WP-STAT) and Task Teams to implement the HLM agreement on concessionality and inform policy discussions in other work areas.** The DAC will be kept informed of progress through regular reports. Proposals and recommendations arising from the WP-STAT and Task Teams will be presented for consideration and approval by the DAC in due course. The objective is to obtain DAC endorsement for a revised version of the full set of the Reporting Directives by the end of 2015/early-2016, so that reporting on loans using the grant equivalent method and applying the differentiated discount rates can start in 2016, with first data on modernised ODA collected in the Advance Questionnaire.
 - **Political discussions and consensus building in the DAC.** Based on the HLM outcomes, the agenda for the first half of the year will prioritise work on **private sector instruments** [method(s) for counting in ODA the effort of the official sector in using such instruments and the possible inclusion in TOSSD of amounts mobilised through such instruments]. Another priority will be updating ODA reporting instructions on **peace and security** and considering possible inclusion of broader support for peacebuilding and statebuilding in TOSSD. The Joint INCAF/WP-STAT Task Team will prepare proposals on ODA reporting for consideration by the DAC during the second half of 2015. Subject to expansion of its terms of reference, the Task Team may also work on peace and security in the TOSSD context during the last quarter of 2015.
 - **Engagement with key stakeholders.** The HLM emphasised that work be carried out engaging with relevant stakeholders beyond the DAC and its subsidiary bodies. Work on private sector instruments will thus involve collaboration through workshops or task teams with agencies with special expertise in this field, such as donors' Development Finance Institutions and other bilateral institutions that use private-sector instruments, and similar multilateral institutions. In the context of the work on TOSSD, it will be essential to conduct wide discussions on the concept with developing countries, non-DAC providers and international institutions – the UN has signalled strong interest in taking part in the discussions on TOSSD. The HLM also explicitly requested to strengthen the dialogue with developing countries to ensure that the statistical system contributes to meeting their information and planning needs. This is particularly relevant for the work on resource inflows.

4. Table 1 below presents an overview of the major topics to be covered under the four work areas and through the three types of activities. Table 2 further lists major international events in the lead-up to Addis Ababa providing avenues for dialogue, consultation and outreach, both by DAC members and the OECD/DAC Secretariat. Both tables have been adjusted and updated to take into account members' comments at the 6 February 2015 meeting of the DAC as well as the outcomes of the informal meeting of the WP-STAT held on 2-3 March 2015. Indications of the timeline of the activities (by quarter) have also been added.

5. The Secretariat will maintain the workplan up-to-date and signal any major revisions to it at the regular meetings of the DAC.

Table 1. Workplan

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

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

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT and Task Teams	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
3. Create a broader measure of Total Official support for Sustainable Development and better capture resource inflows			
a. TOSSD (scope, emerging definition of building blocks and statistical features)	<ul style="list-style-type: none"> --Implications of agreement on concessionality (ODA grant equivalents and TOSSD flows). (Q2) --Initiate discussions on definitional elements of TOSSD building blocks. (Q3) --Clarify distinctions between official support and flows mobilised through official interventions, flows and contingent liabilities. (Q3) 	<ul style="list-style-type: none"> --Possible inclusion of private finance mobilised by official interventions in TOSSD. (Q2) --Further discussion on the outer boundaries of TOSSD. (Q3) --Definition of activities that promote and enable sustainable development. (Q3) --Clarify broader recognition of peace and security related activities in TOSSD. (Q4) --Clarify broader recognition of the Global Public Good agenda, including climate finance. (Q4) 	<ul style="list-style-type: none"> --Broad and inclusive consultations with developing countries, international institutions, including UN, non DAC providers, and CSOs. (Q1-Q4) --Conduct 3 expert workshops that bring together a number of leading thinkers, policymakers and practitioners to support further development of the concept (Q2-Q4).
b. Resource inflows as part of the broader TOSSD framework	<ul style="list-style-type: none"> --Deriving resource inflows from TOSSD (building on CPA) and reporting from multilateral organisations, INGOs, PPPs, DFIs, non-DAC etc. (Q4) -- Discussions on tracking of complex financing packages comprising two or more instruments and funding from different sources including from private sources mobilised by official interventions (Q4). 	<ul style="list-style-type: none"> --Narrative of the relation between the provider and recipient perspectives (Q2-Q3). --Transparency of resource inflows to developing countries (Q4). --OECD DAC contribution to post-2015 resource monitoring mechanism (Q3-Q4). 	<ul style="list-style-type: none"> -- --Broad and inclusive consultations with developing countries, international institutions, including UN, non DAC providers, and CSOs to ensure that OECD DAC statistics contribute to meeting developing countries' strategic information and planning needs and enhance cross-country learning and sharing. (Q2-Q4)

	Reporting Directives and statistical methodologies: Major work areas of the WP-STAT, Task Teams and the DAC	Political decisions and consensus building in the DAC: Major topics for discussion and approval by the DAC	Engagement with other key stakeholders
4. Better target ODA and other resources	--Methodological and analytical work on country groups, assessment of contributions through global and regional programmes and institutions.	--Continued monitoring of UN target towards LDCs. --Analysis setting the baseline of resource allocations towards LDCs. --Compendium of additional measures taken by members for countries most in need, including LDCs and SIDS. --Analytical work on the use of financing instruments across sectors and geography.	--Engage and consult with members, non-DAC providers and international institutions on their resource allocation policies. --Discussion on gaps and overlaps in resource allocations, including towards LDCs and SIDS.

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

28-30 January 2015	<p><u>FfD First drafting session (NYC) [carried out]</u> High level participation by the OECD and consultations with stakeholders on state of play on elements paper. Delivery of OECD statements [DCD/DAC/RD(2015)1/RD2] (International Public Finance and Data, Monitoring and Follow-up).</p>
9-10 February 2015	<p><u>UNGA High-Level Thematic Debate on Means of Implementation (NYC) [carried out]</u> Delivery of OECD statement Political consultations and participation in high level panel on Means of Implementation. DAC Chair attended and delivered a statement on more and better “AIT” (aid, investment and tax).</p>
17-20 February 2015	<p><u>Post-2015 Intergovernmental negotiations session. Theme: Declaration (NYC) [carried out]</u> Outreach mission by Erik Solheim and DAC Secretariat: High level consultations (Heads, ambassadors – ECLAC, LDCs, other non-DACs, UN foundation etc.) and technical consultations on TOSD/Resource inflows, dissemination of HLM decisions.</p>
14-18 March 2015	<p><u>World Conference for Disaster Risk Reduction (Sendai City, Japan)</u> Political consultations and opportunity to reflect OECD agenda and focus on SIDS.</p>
19-20 March 2015	<p><u>Standing Committee on Economic Development, Finance and Trade of the ACP-EU Joint Parliamentary Assembly (Brussels)</u> DCD attendance. Outreach with EU Parliamentarians and Africa Caribbean and Pacific constituencies.</p>
23 March 2015	<p><u>UN European Regional consultation on Financing for Development (Geneva)</u> OECD/DAC high level attendance. Regional conference of the Addis process.</p>
23-27 March 2015	<p><u>Post-2015 intergovernmental negotiations session. Theme: SDGs and targets (NYC)</u> OECD/DAC and STD high level attendance.</p>
25-26 March 2015	<p><u>Commonwealth Conference on Financing for Development in Small States (Barbados)</u> DCD attendance. Advances agenda on SIDS collaboration.</p>
25-31 March 2015	<p><u>Regional consultation UN-ECA: 8th Joint Annual Meetings of the African Union Conference of African Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development (Addis Ababa)</u> High level participation by the DAC Chair and DCD Secretariat to HLM outcomes.</p>

26-27 March 2015	<p><u>Strengthening Coherence between the Effective Development Cooperation and Financing for Development Agendas in Asia-Pacific (Manila)</u> DCD attendance. HLM outcomes and advance agenda on SIDS collaboration and.</p>
1 April 2015	<p><u>Global Forum on Development – Theme: Post-2015 Financing for Sustainable Development.</u> Ensure that the HLM agenda and other complementary work are reflected throughout the conference. The Global Forum will also provide an opportunity to engage in a dialogue with partner countries on HLM outcomes through a special event on 31 March on “The role of ODA and broader official development finance in the post -2015 era: capturing the opportunities of smarter official finance”.</p>
8-10 April 2015	<p><u>DCF symposium (Incheon, Korea)</u> Contributes to the preparations for the FfD as well as for the 2016 high-level meeting of the UNDCF. High level participation by DSG Tamaki and DCD.</p>
15 April 2015	<p><u>OHRLLS – Inter-Agency Consultative Group (IACG) Meeting on the Follow-up and Implementation of the Vienna Programme of Action for LLDCs (Geneva)</u> OECD participation. Contributes to the Addis side event with UNOHRLLS.</p>
17–19 April 2015	<p><u>IMF/ World Bank Spring Meetings</u> SG and DAC Chair attendance. Exploring side events and high level dialogue on key HLM outcomes.</p>
13-17 April 2015	<p><u>FfD Second drafting session (NYC)</u> High level participation by the DAC Secretariat and OECD colleagues from the development cluster. Joint side event with UNDESA on TOSD and Resource Inflows.</p>
20-21 April 2015	<p><u>ECOSOC High-level Meeting of the Council</u> World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development</p>
22-23 April 2015	<p><u>Joint FfD/ Post-2015 SDG Session (NYC)</u> TENTATIVE High level participation by the DAC Secretariat and OECD colleagues from the development cluster.</p>
20-24 April 2015	<p><u>Post-2015 intergovernmental negotiations session – Theme: Framework for monitoring and review of implementation (NYC)</u> High level participation by the DAC Secretariat and OECD colleagues from the development cluster.</p>

22 April 2015	<u>ECOSOC special meeting on international cooperation in tax matters (NYC)</u> Opportunity to disseminate work from the tax and development programme.
29-30 April 2015	<u>Regional consultation UN-ESCAP – Asia-Pacific High-level Consultation on Financing for Development (Jakarta)</u> Explore opportunity for OECD/DAC participation and dissemination of HLM decisions.
17-18 May 2015	<u>High-level Meeting on South-South cooperation (Dhaka, Bangladesh)</u> OECD/DAC high level attendance. Convened by the President of the High-Level Committee of the UN General Assembly on South-South cooperation and contributes to the Addis process.
18-22 May 2015	<u>Post-2015 intergovernmental negotiations session – Theme: Means of Implementation and Revitalised Global Partnership</u> High level participation by the DAC Secretariat and OECD colleagues from the development cluster.
21 May 2015	<u>OECD-DAC Senior Level Meeting (SLM) (Paris)</u> TENTATIVE
21-22 May 2015	<u>Rotterdam: World Bank high level meeting on private sector finance for the post 2015.</u> Suggest in addition to DCD participation by the OECD (the development cluster: Also inviting DAF and CTP)
2-4 June 2015	<u>OECD Forum (2-3 June) and Ministerial Council Meeting (3-4 June)</u> Themes: investment and innovation, trade, and improved business climate and support for the post-2015 agenda. Opportunity to raise key HLM offerings with Ministers.
7-8 June 2015	<u>G7 Summit (Schloss Elmau, Germany)</u> Post-2015 Special Advisor to UNSG, Amina Mohammed, noted this event as key in the SDG/FfD process – directly addresses development policy. High level participation by the OECD SG, who will also be carrying HLM messages.
15-19 June 2015	<u>FfD Third drafting session (NYC)</u> High level participation by the DAC Secretariat and OECD colleagues from the development cluster.
22–25 June 2015	<u>Post-2015 intergovernmental negotiations session - Theme: Declaration</u>
29 June 2015	<u>UNGA High-Level Event on Climate Change</u> Contributes to the UN Framework Convention on Climate Change (UNFCCC).

6-8 July 2015	<p><u>UN High Level Political Forum on Sustainable Development, under ECOSOC</u> Theme: strengthening integration, implementation and review - the HLPF after 2015 OECD/ DAC attendance at high level.</p>
13-16 July 2015	<p><u>Conference on Financing for Development (Addis Ababa)</u> OECD SG and DAC Chair attendance. Outreach on Development Finance through several side events (one being planned with UNOHRLLS and exploring other opportunities for side events on TOSSD, tax, DCR). The OECD/DAC will also be playing a key role throughout the conference through roundtables.</p>