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Statement by
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Strengthening Long-term Resilience is Key to Achieving the 2030 Agenda for Sustainable Development

Recent crises call for more coherent development and humanitarian aid policies

1. Ongoing refugee and climate-related disaster crises have highlighted the complex interactions between security, peace and sustainable development. International co-operation is needed among humanitarian, development and security actors to promote a more coherent, strategic response to these crises. In this spirit, multilateral co-operation is critical to delivering analysis, evidence and tools that support the optimal allocation of development and humanitarian aid to ensure it builds resilience against crises, supports fragile countries on their development paths, and strengthens institutions.

2. We are witnessing the highest levels of migration and displacement on record. According to UNHCR, 65.6 million people around the world have been forced from their homes, including nearly 22.5 million refugees. While permanent migration flows in the OECD area have increased for the third year in a rowⁱ, the significant impact of refugees on developing countries hosting displaced populations is often overlooked: 16.1 million refugees are accommodated in developing countries.ⁱⁱ For instance, Uganda alone has taken in 1.3 million refugeesⁱⁱⁱ – more than any European country during the refugee crisis – but has so far received only 21% of the estimated USD 674 million it requires to care for refugees.^{iv} USD 15.4 billion was spent on refugees within the Development Assistance Committee (DAC) donor countries, representing a share of 10.8% of Official Development Assistance (ODA) in 2016.^v

3. The OECD is working with partner governments, development and humanitarian actors to develop guidelines for donors on addressing the consequences of forced displacement through development planning and assistance. The OECD is working to support countries improve sub-national government integration of vulnerable migrants, design appropriate policies to facilitate the integration of refugees in the labour market and society, and assess the medium- and long-term economic impact of the refugee crisis on public finances and on the labour market. In an effort to increase transparency relating to measurement, the OECD is also working to clarify ODA rules for the reporting of in-donor refugee costs. The OECD is also undergoing evaluations of development programs in refugee camps, in order to address more specific issues such as education – initial findings have shown that while there is often a focus on access to education in international programming, there needs to be a greater focus on the quality of education.^{vi}

4. The specific development needs of fragile states and other vulnerable countries need to be addressed.^{vii} In Small Island Developing States (SIDS), disasters of high magnitude can wipe away years of development gains, given challenges accessing capital markets and limited insurance coverage. The

absence of financing for reconstruction has a lasting impact on growth, education, and health, and impedes the achievement of the Sustainable Development Goals.

5. For disaster-affected countries, immediate humanitarian assistance needs must be balanced with longer-term investments that give countries the tools needed to build resilience. According to the OECD and the World Bank (*Climate and Disaster Resilience Financing in SIDS, 2016*), predictable and long-term funding for disaster recovery is insufficient, with only 14 percent of aid for small island developing states (SIDS) spent on building resilience. In 2014-15, concessional finance to small island developing states amounted to USD 4.7 billion, below the annual average of the previous two years. Through adequate resources and new approaches to international co-operation, the international community can support SIDS to mobilize greater resources, seize the opportunities provided by the blue economy and new development models, and embark on sustainable development pathways^{viii}.

6. The OECD's resilience work offers not only data and evidence on these issues but also crucial policy guidance. The OECD's States of Fragility reports help to clarify the relationship between fragility and development and provide data on resource and financial flows that exist to address the underlying drivers of fragility. The OECD's work brings together diverse actors who are committed to helping societies boost their well-being and capacity to face shocks. The OECD helps to identify synergies between a range of political, humanitarian and development options for dealing with risk.

Investments in education are key to achieving the 2030 Agenda

7. As the next World Development Report^{ix} (WDR, 2018) sets out, education is the cornerstone of sustainable development: it saves lives, lifts people out of poverty, improves health, and fosters shared understanding and values. Despite significant global gains in access to education, the OECD Programme for International Student Assessment (PISA) 2015 reveals that many children and young people around the world are leaving school unequipped with not only higher-order 21st-century skills, but also foundational literacy and numeracy skills. PISA shows that this is not the case only in low-income countries; many middle-income countries also lag behind.

8. The OECD's flagship publication, *Education at a Glance 2017*, assesses the progress of OECD and Partner countries towards Sustainable Development Goal (SDG) 4: "Ensure inclusive and quality education for all and promote lifelong learning". The results show that, for certain targets, disparities across OECD countries are substantial. On average over the past 12 months, OECD and Partner countries have achieved gender parity in the participation rate of adults in formal and non-formal education and training. However, this result masks one of the largest variations among all gender parity indicators, with the ratio of women to men participating in such programs in the past 12 months ranging between 0.7 and 1.4 across countries. Similarly, the share of men and women achieving minimum proficiency in literacy and numeracy varies widely, reflecting inequalities in basic skills across OECD countries.

9. The OECD and the World Bank are working in close partnership to diagnose and address the factors underpinning the global learning crisis and education inequalities. As noted in WDR 2018 learning metrics help policymakers, teacher educators and teachers understand the status of learning in their countries and the factors associated with low performance. The OECD is working to increase the coverage of PISA and other learning assessments to a wider range of countries and contribute to education policies and programmes that are evidence-based to make schools work for learners, especially the most disadvantaged. The PISA for Development project, which is supported by the World Bank, is working successfully with nine countries in Africa, Asia and Latin America to make the assessment more accessible to and relevant for middle-and-low income countries. In addition, it is also being used by UNESCO and the UN Statistics Division to monitor progress towards SDG 4.

Official Development Assistance can mobilise private sector investments to build resilience throughout the development path

10. The vision underpinning the 2030 Agenda is broad and ambitious, calling for an equally ambitious financing strategy. The OECD Action Plan on the SDGs strategically mobilises the Organisation’s policy tools and evidence to help countries design strategies for the implementation and financing of this agenda. At the core of financing for development is a dual challenge: mobilizing unprecedented volumes of resources, and leaving no one behind. These aims are fully complementary: greater mobilization efforts can grow the amount of financing available for development. With the right incentives, this will grow the scope of resources available to those most in need.

11. The OECD is committed to supporting those most in need. Bilateral donors have undertaken to reverse the declining trend of ODA to least developed countries. Yet, in 2016, net ODA to this group declined 3.9% in real terms compared to 2015. Furthermore, net ODA also fell 0.5% in real terms for Africa and 0.7% for sub-Saharan Africa^x.

12. International development co-operation is not needed solely for the poorest countries. The largest share of the world’s poor live in middle-income countries (MICs). For these countries, a higher per capita income level often masks the significant challenges they continue to face in terms of vulnerability to climate change and other external shocks, indebtedness, inequality, geography (small island, landlocked status), and poor performance on specific dimensions of development, such as health and education. If international assistance dissipates faster than improvements in domestic resources mobilization and creditworthiness, these countries may struggle to maintain adequate levels of financing in support of core development needs. The OECD is conducting research to study the consequences of transitions to different income levels on a country’s ability to mobilize domestic or external finance, sustain development gains and avoid setbacks. The OECD is working to redesign development indicators and examine how international co-operation approaches and tools may need to be adjusted and created to ensure that countries can access adequate resources as they transition through the ‘development continuum’.

13. While the international community has highlighted the indispensable role of ODA in financing the SDGs through the Addis Ababa Action Agenda, it has acknowledged the need for significant additional development finance – particularly through private sector participation. The global community needs to move well beyond the approximately USD 142.6 billion provided as ODA in 2016.^{xi} Estimates for total investment needs in developing countries alone range from USD 3.3 trillion to USD 4.5 trillion per year, with the biggest gaps in infrastructure investment in developing countries.^{xii}

14. In response, the OECD is contributing to international coordination on financing the SDGs through capacity building to help mobilize new resources. The OECD is supporting policymakers to build more effective models that include blended finance, social impact investment, green finance, and aid for trade. In order to help countries bolster domestic revenue collection – the largest and most importance source of financing for development – the joint OECD-UNDP Tax Inspectors without Borders (TIWB) project works to strengthen the tax audit capacities of governments. To provide a holistic view of all flows – ODA and beyond – to support the SDGs, the OECD is developing a rigorous measuring system including the Total Official Support for Sustainable Development (TOSSD) measurement framework and private sector instruments in ODA^{xiii}.

15. The OECD is coordinating with the World Bank on developing the evidence base for implementing blended finance policies that produce development results. The OECD has launched an international convening effort on blended finance – defined as “the strategic use of development finance for the mobilization of additional finance towards the SDGs in developing countries” – by pursuing a broad consultation effort that goes beyond the traditional donor community. As such, it reflects the innovative

dimension of blended finance, which integrates public, private and philanthropic stakeholders, and includes southern partners, as well as the CSO community.

16. The OECD promotes dialogue with the private sector on development challenges in emerging economies. Through the OECD Development Centre's Emerging Markets Network (EMnet) top executives, high-level government officials and senior OECD experts discuss challenges and opportunities for investment in Africa, Asia and Latin America. There is evidence that multinational companies find it necessary to support sustainable development and revive growth, trade and investment in emerging markets, which are essential to achieving the 2030 Agenda^{xiv}.

17. Global private philanthropy is an increasing source of financing for development worldwide and foundations are now acknowledged as important actors in achieving the 2030 Agenda. However, foundations' potential will not be fully realised, nor their influence fully understood, until one of the sector's greatest weaknesses is addressed: the paucity of information available about philanthropic resources and their deployment at the national, regional, and international levels. This lack of available data makes budgeting of public policies and social investments more difficult.

18. To address this gap, the OECD has undertaken a large-scale data survey on private philanthropy for development. The survey contains detailed information from more than 120 private philanthropic foundations involved in development co-operation, based both in developing and developed countries in Africa, the Americas, Asia and Europe. The data gathered by the survey are unique and comparable to ODA. Even if philanthropic contributions are well below other official flows, they can nonetheless have an impact and serve as a key source of innovation.

Conclusion

19. Achieving the SDGs requires innovative policies that build resilience through the right balance of humanitarian and development assistance, long-term investments in education and public-private financing models. International coordination is critical to ensure that development co-operation strengthens long-term foundations that preserve growth over time, as we advance towards 2030 and beyond, recognizing that the refugee and climate-related crises could likely intensify.:

ⁱ OECD http://dx.doi.org/10.1787/migr_outlook-2017-en

ⁱⁱ UNHCR <http://www.unhcr.org/globaltrends2016/>

ⁱⁱⁱ UNHCR. <http://www.unhcr.org/news/stories/2017/8/59915f604/south-sudanese-refugees-uganda-exceed-1-million.html>

^{iv} UNHCR: <http://www.unhcr.org/news/stories/2017/8/59915f604/south-sudanese-refugees-uganda-exceed-1-million.html>

^v OECD: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf>

^{vi} OECD <http://www.oecd.org/dac/evaluation/wp37.htm>

^{vii} BBC, Business Matters September 26, 2017

^{viii} OECD, forthcoming 2017: *Making International Cooperation Work for SIDS*

^{ix} World Bank, 2018: <http://www.worldbank.org/en/publication/wdr2018>

^x OECD, ODA 2016: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf>

^{xi} OECD: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf>

^{xii} UNCTAD <http://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=194>

^{xiii} OECD, forthcoming: *Global Outlook on Financing for Development*

^{xiv} OECD, 2017: *Business Insights on Emerging Markets 2017*