Development Co-operation Report 2018

JOINING FORCES TO LEAVE NO ONE BEHIND

The Development Assistance Committee: Enabling effective development

OECD

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JOINING FORCES TO LEAVE NO ONE BEHIND

OECD
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Foreword

by

Jorge Moreira da Silva, Director, OECD Development Co-operation Directorate

Leaving no one behind is a radically new level of ambition for governments and societies worldwide, for it implies that the Sustainable Development Goals will only be achieved if they deliver results for everyone and especially the furthest behind. By embracing the pledge in 2015 to leave no one behind, United Nations member states signed up to and entered a new era: one bound by the commitment to universal, equitable and sustainable development for all. Delivering on this agenda will require fundamental refocus and reform of systems, institutions and policies, from the global to the local level.

Delivering on this central promise of the 2030 Agenda means lifting at least 730 million people out of extreme poverty – those who despite two decades of strong economic growth remain trapped in poverty, mostly in sub-Saharan Africa and in fragile contexts. It also means addressing inequalities, discriminations and fragilities. According to the World Inequality Lab, inequalities leave less than 9% of global income to the poorest 50% of the world's people. Intersecting discriminations and disadvantages afflict women and girls, minority groups, and vulnerable populations around the world. An estimated 27% of humanity is expected to live in fragile contexts by 2030 due to the borderless reach of conflict, forced displacement, pandemics, violent extremism, famine and natural disasters. Yet, time may already be running out: in some areas we are actually backsliding – for example, 40 million more people went undernourished between 2014 and 2017.

Reaching people trapped in a complex web of deprivations is all the more difficult in situations where governments and private actors are amongst the world's most under-resourced. In order to support them in the most efficient way, governments, international partners and providers of development co-operation have to carefully examine the strengths and weaknesses of their policies, investments and other instruments, including our rules-based multilateral system, to ensure they are fit to meet this pledge with benefits for citizens everywhere.

Indeed, in 2017, as it revised its mandate, the OECD Development Assistance Committee affirmed its commitment to "supporting developing countries in their efforts to improve the lives of their peoples, leaving no-one behind […]". That call echoed the 2030 Agenda's clear, unequivocal and unprecedented pledge to meet the Goals for all – all countries, all people.

Providers of development co-operation and official development assistance (ODA) have a unique role to play: their polices and concessional resources are designed to improve the welfare of citizens in developing countries which in turn contributes to global welfare in our interdependent world. The purpose of ODA, the agreed measure of development co-operation, is not to seek immediate financial or commercial returns: it can focus on longer-term results, invest patiently in contexts where public revenues grow irregularly and slowly, and advocate for and reach groups and areas that are less accessible or less of a priority in national development strategies.

But as this edition of the Development Co-operation Report *shows, providers of development co-operation need to adapt their approaches in the face of this new ambition: First by renewing their narratives, to make the case that focusing on those left behind worldwide is essential to the well-being of citizens at home, as it also feeds into key strategic interests such as economic growth, peace and security. Second, providers must*

mainstream inclusiveness, universal access and equality of opportunity across the whole portfolio of their activities, systematically identifying who is furthest behind and where, and tracking progress for them. Finally, they must scale up official finance for sustainable development and improve the way this finance is allocated in order to reach the countries and sectors where needs are greatest.

This report aims to support reform of development co-operation: it frames the challenge of leaving no one behind from the points of view of a variety of actors, documents dozens of examples of good practice so far, and highlights priority areas for action. Importantly, it provides a starting point for renewed dialogue, peer learning and accountability, which the OECD is proud to host and facilitate.

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Abbreviations and acronyms

AAAA	Addis Ababa Action Agenda
ADAPT	Advanced data planning tool
ADB	Asian Development Bank
AfDB	African Development Bank
AIDS	Acquired immune deficiency syndrome
BEPS	Base erosiion and profit sharing
CBM	Christian Blind Mission
CBMS CGIC	Canadian Council for International Co-operation
CPA	Country programmable aid
CPDE	Civil Society Organisations Partnership for Development Effectiveness
CRS	Creditor Reporting System
CRPD	Convention on the Rights of Persons with Disabilities
CSOs	Civil Society Organizations
DAC	Development Assistance Committee
DDPP	Deep Decarbonization Pathways Project
DFAT	Department of Foreign Affairs and Trade
DFID	Department for International Development
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization
FCFA	franc de la Communauté financière africaine (West African CFA Franc)
FOSIS	Fondo de Solidaridad e Inversión Social (Solidarity and Social Investment Fund)
GCPSE	Global Center for Public Service Excellence
GDP	Gross domestic product
Global Findex	Global Financial Inclusion Database
GPE	Global Partnership for Education
GPEDC	Global Partnership for Effective Development Co-operation
GPSDD	Global Partnership for Sustainable Development Data
G20	Group of Twenty
HIV	Human immunodeficiency virus
IAEG-SDGs	Inter-agency and Expert Group on SDG Indicators
IATF	Inter-agency Task Force on Financing for Development

ICAI	Independent Commission for Aid Impact
ICS	International Council of Science
ICSC	International Civil Society Centre
IDA18	International Development Association Eighteenth Replenishment
IDMC	Internal Displacement Monitoring Centre
IDR	Indonesian rupiah
IEA	International Energy Agency
IEG	Independent Evaluation Group (World Bank Group)
IFC	International Finance Corporation
IHSN	International Household Survey Network
IIASA	International Institute for Applied Systems Analysis
IILS	International Institute for Labour Studies
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
INTOSAI	International Organization of Supreme Audit Institutions
IPCC	Intergovernmental Panel on Climate Change
IPPF	International Planned Parenthood Federation
ISCO	International Standard Classification of Occupations
ITC	International Tax Compact
KES	Kenyan shillings
KNBS	Kenya National Bureau of Statistics
LDC	Least developed country
LGBTQI	Lesbian, gay, bisexual, transgender, queer and intersex
LIC	Low income country
LLDC	Landlocked developing country
LMIC	Lower middle-income country
MDG	Millennium Development Goal
MDPA	Multidimensional Poverty Analysis
MSME	Micro-, small and medium-sized enterprise
NCE	New Climate Economy
NSO	National statistical office
ODA	Official development assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OOF	Other official flows
PCTL	Programme de coopération transfrontalière locale
P20	Poorest 20%
SAI	Supreme audit institution

SCD	Systematic Country Diagnostics
SDC	Swiss Development Cooperation
SDG	Sustainable Development Goal
SDSN	Sustainable Development Solutions Network
Sida	Swedish International Development Cooperation Agency
SIDS	Small island developing state
SIGI	Social Institution and Gender Index
SOTC	Severely off-track country
SWAC	Sahel and West Africa Club
TIWB	Tax Inspectors Without Borders
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan
UEMOA	Union Économique et Monétaire Ouest Africaine
UMIC	Upper middle-income country
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNICEF	United Nations Chidren's Fund
UNISDR	United Nations International Strategy for Disaster Reduction
UN Women	United Nations Women
USAID	United States Agency for International Development
USD	United States dollar
WEF	World Economic Forum
WGI V&A	World Governance Indicator on Voice & Accountability
WHO	World Health Organization
WTO	World Trade Organization

Editorial: How far do we need to go to fulfil the promise of the 2030 Agenda for Sustainable Development to "Leave No One Behind"?

by
OECD Secretary-General, Angel Gurría

While we have witnessed a significant reduction in extreme poverty since the early 2000s – to less than 10% of the global population – we cannot be complacent. That aggregate figure masks a stark reality: today's world hunger levels – climbing to 821 million undernourished people in 2017 – mark a return to those of a decade ago. At the same time as OECD members and emerging economies in Latin America and Asia experience growing economic prosperity, there has been an increase in economic inequality within countries, threatening sustainable development. In a world of global and national progress, as measured by gross national product, the poorest inhabitants are being excluded from development gains. Worse, they are often literally invisible, because national averages do not capture or tell their story due to the lack of good data systems.

We cannot claim to be on track to leave no one behind, when women and girls continue to be disproportionately affected by the risk of poverty: 330 million women and girls live on less than USD 1.90 a day, which is 4.4 million more than men. We cannot claim to be building a better future for all when by 2030, more than 2.3 billion people, or about 27% of the world's population, will live in fragile contexts, including under the threat of conflict situations, forced displacement, pandemics, violent extremism, famine and natural disasters. This includes more than 80% of the world's poorest.

We have to reverse these trends. A decisive step change is needed by all actors, from the OECD to civil society, the private sector and national governments, to join forces and focus policies on promoting growth that is inclusive and sustainable, to ensure no one is left behind. In today's world of unparalleled interconnectedness, our linked fates make our shared responsibility to the most vulnerable non-negotiable. We cannot ignore those at the furthest reaches of the economy, society, politics and, increasingly, on the front line of environmental threats, since climate change has a disproportionate impact on the poorest people.

With more than a decade left before 2030, we still have time to do something about it. The good news is that the development co-operation community is already showing signs of grasping the new context in which we are working. Policies and investments are placing greater emphasis on people-centred growth and well-being. Nonetheless, the Sustainable Development Goals (SDGs) ask much more of development actors if they are to make good on the promise to close first the gaps for those left furthest behind. Development co-operation has to demonstrate its readiness to serve this transformative global development agenda, while prioritising those most in need.

This *Development Co-operation Report 2018* helps clarify what committing to the "Leave No One Behind" pledge means in practice. It takes a fresh and critical look at the readiness and capacity of development

co-operation and official development assistance to support developing countries and communities to achieve the SDGs. It also makes the case for more deliberate, systematic and co-ordinated efforts by development actors and stakeholders to maximise their impact on leaving no one behind.

In all these areas and many more, count on the OECD to continue designing, developing and delivering better policies for more inclusive and sustainable development co-operation.

Executive summary

In 2015, UN member states approved the 2030 Agenda for Sustainable Development – a transformative global agenda that integrates the economic, social and environmental pillars of development within 17 intricately interdependent Sustainable Development Goals (SDGs). Central to the 2030 Agenda is a pledge to meet the Goals for all, leaving no one behind, and endeavouring to reach the furthest behind first. The *Development Co-operation Report 2018* unpacks the meaning of this pledge with a specific focus on the unique role and added value of development co-operation and official development assistance (ODA). This report responds to demand from members of the OECD Development Assistance Committee for greater clarity on how to answer the pledge.

In a global context of rising income and wealth inequalities within and between countries, alongside more frequent climate-related shocks, hard-won development gains are under threat. More visible and urgent risks to development and the environment are pressuring governments, the international community and development partners to respond and adapt. They are facing a clear need to renew strategies and investments in eradicating poverty, curbing inequalities, and tackling the drivers of these threats to sustainable development, which have consequences globally.

So what does committing to leave no one behind mean in practice? Recognising that there is no single response to this question and that every UN member state is responsible for delivering the 2030 Agenda and the SDGs for all, this report provides a comprehensive view. It uses the latest evidence, data and analysis from a range of governmental, academic and non-governmental experts and policy makers on what it means to be left behind and strategies that work. It also takes a fresh and critical look at the readiness and capacity of development co-operation and official development assistance to support developing countries and communities to achieve the SDGs for all.

It is clear that the pledge to leave no one behind entails a substantive shift in the narrative on sustainable development in all countries – to consider and include the people who are not benefiting from progress for often-intersecting political, social, economic, environmental, cultural and structural reasons through inclusive, equitable and sustainable development in developing countries. Chapters and case studies from Benin, Indonesia, Kenya, Latin America and West Africa show how more inclusive social, economic and environmental policies backed with the right data and evidence, can make a real difference towards equitable and sustainable development.

Part I of the report provides evidence of why leave no one behind matters along with data and analysis on what it means to be left behind. Chapters zoom-in on eight critical issues that need to be tackled to achieve the SDGs for all: ending extreme poverty in countries most in need; tackling rising income inequality; addressing fragility; enabling inclusive governance; the imperative of climate action; making progress towards gender equality and women's economic empowerment; including the world's 1.2 billion young people; and ensuring persons with disabilities are no longer left behind.

Part II investigates leaving no one behind in practice. Chapters shed light on the potential impact of more integrated policies, budgets and programmes across sectors and between levels of government in reaching the most vulnerable. Achieving the SDGs for all relies on data and diagnostics that count everyone and are disaggregated by factors like income, sex and gender, geography, age, and disability.

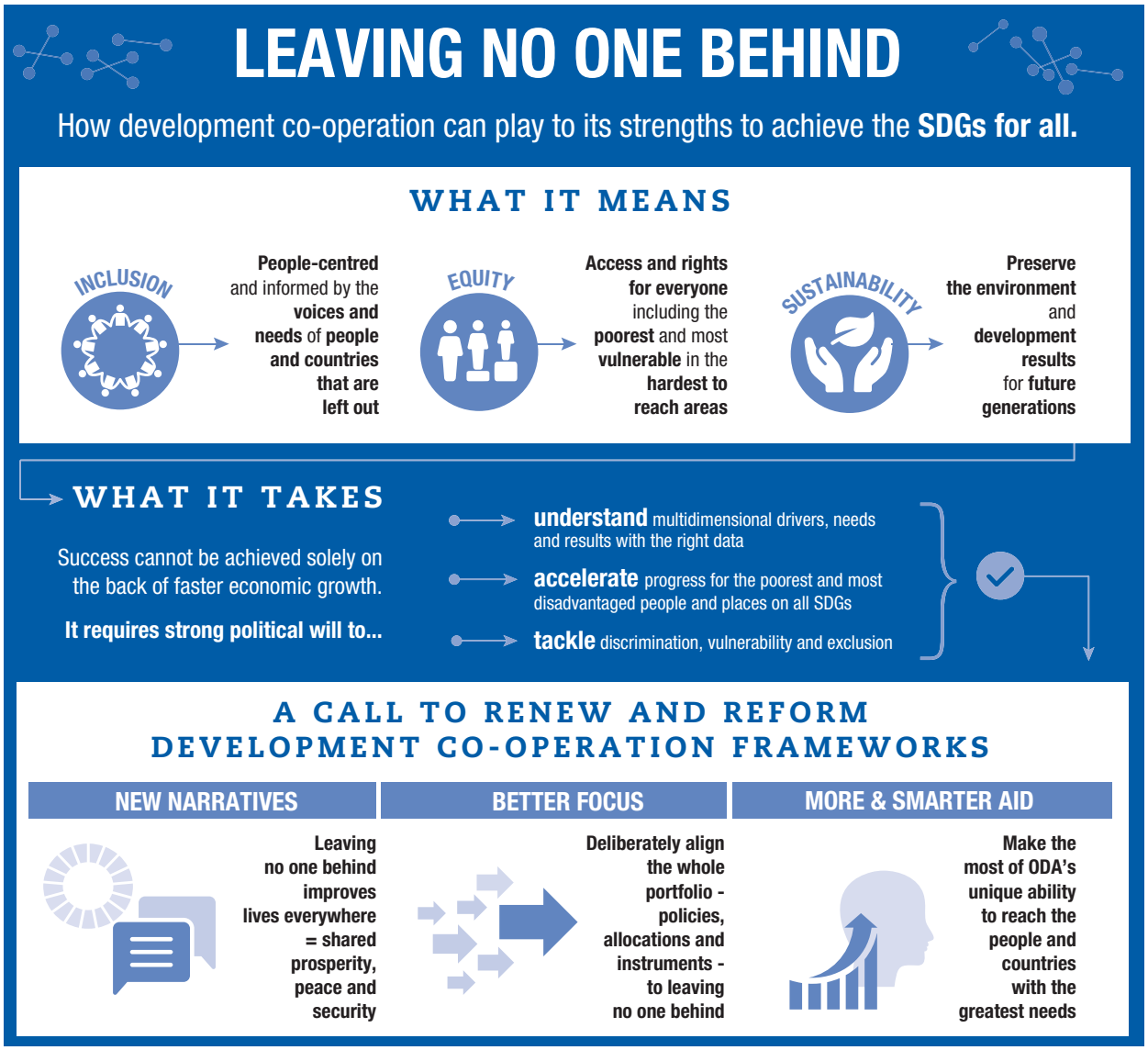
National statistical systems still need to develop these data capabilities. Ensuring the right enabling environment for civil society to deepen its grassroots role of representing the marginalised is also crucial. Other local forces for inclusion are micro, small and medium-sized enterprises. Such enterprises can play a larger role if they have sufficient access to affordable finance, one of the areas in which development co-operation can contribute.

Part III, building on responses by DAC members to a survey on their policies and approaches, discusses ways forward for development co-operation policies, financing and programming to be fit for purpose in leaving no one behind. The final part of the report (Part IV) contains the individual aid profiles of all members of the DAC as well as 13 other providers that report to the OECD in a sufficiently granular manner, and private development finance from 2 foundations. It also includes estimates on development finance for ten countries that do not currently report to the OECD.

The *Development Co-operation Report 2018: Joining Forces to Leave No One Behind* makes a strong case for the unique role of development co-operation in supporting countries and the global community to achieve the 2030 Agenda. However, to keep the collective promise of achieving SDGs for all, leaving no one behind, and reaching the furthest behind first, business as usual development co-operation will not suffice. Providers need to make new deliberate, systematic and co-ordinated efforts to adapt their narratives, management practices and financing to maximise individual and collective impact. This report calls for providers to update development co-operation frameworks in three ways:

1. a new narrative spelling out the mutual benefits of leaving no one behind for everyone
2. deliberately mainstreaming the objective of inclusive, equitable and sustainable development through development co-operation portfolios, and harnessing agents of change, innovation and data
3. a smarter use and allocation of ODA as an integral part of broader efforts to increase the volume of financing to achieve the SDGs for all.

Leaving no one behind



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Chapter 1

Overview: Development co-operation for 2030 – Renewing and reforming to deliver on leaving no one behind

by
Ida Mc Donnell and Rahul Malhotra, OECD Development Co-operation Directorate[1]

This overview responds to the question: what does the pledge to "leave no one behind" mean in practice? It discusses how inclusive, equitable and sustainable development should be the primary objective of policies, investments and partnerships to achieve the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). Pathways to lift at least 730 million people out of extreme poverty and up to 2.3 billion people out of fragility between now and 2030 need smarter, context-specific development strategies. This in turn demands innovative partnerships with agents of change, more disaggregated data to identify the poorest, most marginalised and vulnerable people and understanding the intersecting drivers of disadvantage and exclusion. The chapter defines how leave no one behind can be achieved and discusses the readiness of development co-operation to play its unique role. It calls for renewing and reforming development co-operation in three ways: (i) a new narrative spelling out the benefits of leaving no one behind for everyone; (ii) deliberately mainstreaming inclusive, equitable and sustainable development through portfolios; and (iii) a smarter use of official development assistance as an integral part of broader efforts to increase the volume of financing to achieve the SDGs for all.

In 2015, UN member states endorsed the 2030 Agenda for Sustainable Development – a transformative global agenda that integrates the economic, social and environmental pillars of development within 17 intricately interdependent Sustainable Development Goals (SDGs). Central to the 2030 Agenda is a pledge that is as clear and unequivocal as it is unprecedented: to meet the Goals for all, *leaving no one behind*, and endeavouring to reach the furthest behind first.

What does this pledge mean in practice? Recognising that there is no single answer and a diversity of approaches, the *Development Co-operation Report 2018* investigates this question through a range of perspectives and lessons from practice. It takes a fresh and critical look at the readiness and capacity of development co-operation and official development assistance (ODA) to support developing countries and communities to achieve the SDGs for all. The report calls for individual and collective action to renew and reform development co-operation systems – narratives, financing, management practices and incentives – to fulfil the pledge to leave no one behind and close first the gaps for those left furthest behind.

Catching up to achieve the SDGs for all

Leaving no one behind is an imperative of the global development agenda. Failure to achieve the SDGs for all puts social and political cohesion at risk globally and locally – and this risk is growing. Amidst unprecedented global development progress in access to basic needs, improved well-being and income,[2] the decline in extreme poverty, which fell to below 10% of the global population in 2015, is stalling and stubbornly hard to shift with a much slower pace of poverty reduction in sub-Saharan Africa (UNDESA, 2018[1]) (World Bank, 2018[2]).[3]

The rate of improvement in human rights and inclusion is also declining. While the recent 2018 Social Progress Index found that overall the world is getting better, with 133 of the 146 countries in the sample seeing overall improvements in social progress, and the greatest gains being recorded in parts of Asia and sub-Saharan Africa, there has been a significant decline in human rights and inclusion around the world. On personal rights (including political rights and freedom of expression), 75 of the 146 ranked countries witnessed declines. On inclusiveness (including violence against minorities and acceptance of gays and lesbians), 56 of the 146 ranked countries witnessed declines (The Social Progress Imperative, 2018[3]) (Chapter 6).

Rising income and wealth inequalities within and between countries, alongside more frequent climate-related shocks, are putting hard-won development gains under threat.[4] More visible and urgent risks to development and the environment are pressuring governments, the international community and development partners to respond and adapt. They are facing a clear need to renew strategies and investments in eradicating poverty, curbing inequalities, and tackling the drivers of these threats to development, which have consequences globally (Box 1.1). Levels of extreme poverty and hunger are particularly evident, intense and are growing in conflict-affected and fragile contexts, notably in sub-Saharan Africa and South Asia as shown by Figure 1.1 and Figure 1.2 – current trends and scenarios suggest SDGs 1 and 2 on poverty and hunger are not likely to be met by 2030.

Box 1.1. **Being left behind: Some illustrative facts**

Women and girls

In some regions, 48% of girls are not in school (UN Women, 2018[6]). An extra year of secondary schooling for girls could increase their future wages by 10-20% (Chapter 3 and the "In My View" piece by Katja Iversen, President and Chief Executive Officer of Women Deliver).

Two hundered fourteen million women in developing countries have an unmet need for modern contraception. Unsafe abortion is still one of the leading causes of maternal death.

Every year, 12 million girls are married before age 18, leaving girls, especially from poor, rural and disadvantaged populations, behind (Case study on ending child marriage).[1]

Persons with disabilities

Of the 1 billion persons with disabilities worldwide, 800 million live in poverty (UN, 2015[7]) (World Bank, 2018[8]) (Chapter 3).

Women with disabilities are twice as likely to experience domestic violence and other forms of sexual and gender-based violence as those without disabilities (Ortoleva and Lewis, 2012[9]).

Indigenous peoples

While they make up 5% of the world's population, indigenous peoples account for 15% of the world's poor (Case study on due diligence for the inclusion of indigenous people).[2]

Climate change

Climate shocks result in higher relative losses for poorer populations, who are less equipped to recover from extreme incidents (Chapter 3).

Forecasts of climate change-induced migration vary from 25 million to 1 billion environmental migrants by 2050, with 200 million being the most widely cited estimate (IMO, 2018[10]).

Small island developing states make up two-thirds of the countries with the highest relative annual losses due to climate-related disasters (OECD, 2016[11]) (Chapter 10, "In My View Piece" by the Right Honourable Keith C. Mitchell, Prime Minister of Grenada).

Six of the ten countries experiencing the most deaths in disasters between 1996 and 2015 are fragile – Afghanistan, Haiti, Honduras, Myanmar, Pakistan and Somalia (UNISDR and CRED, 2016[12]) (Chapter 3).

Energy

Around 1 billion people live without access to electricity, and close to 2.7 billion live without access to clean and healthy cooking facilities (Case study on India's pathway to universal electrification).[3]

Inequality and poverty

Ten per cent of the global population – 736 million people – were still living in extreme poverty in 2015. Forecasts for 2030 suggest that rates will not fall below 3% even in high growth scenarios (World Bank, 2018[2]).

The poorest 50% of the world's people are estimated to receive less than 9% of global income, while the richest 1% receive more than 20% (World Inequality Lab, 2018[13]).

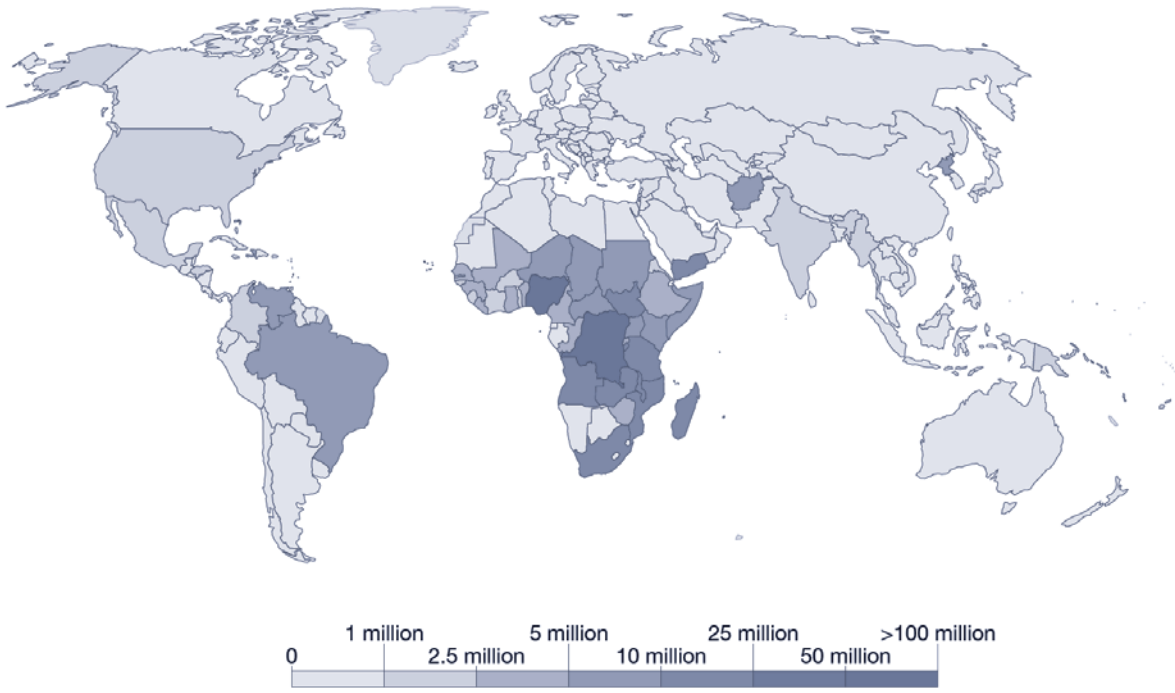
Sixty-seven per cent of the value being created under global value chains accrues to lead firms from OECD countries, while 25% goes to firms from emerging countries and 8% to firms from low-income countries, where most workers live (Banga, 2013[14]).

According to the Gini Index, countries considered extremely fragile, among them Central African Republic and Haiti are also among the countries with the most unequal income distributions (Chapter 3).

1. The publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.
2. The publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.
3. The publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.

Figure 1.1. **In 2030 rates of extreme poverty will be highest in sub-Saharan Africa and in fragile contexts**

Number of people projected to be living in extreme poverty through to 2030



Note: Extreme poverty is defined by the international poverty line of USD 1.90 per day (2011, PPP-adjusted). These projections are based on a business-as-usual scenario of recent socio-economic trends and medium future population scenarios. Chart produced in collaboration with Our World in Data. Dynamic charts available at: *https://ourworldindata.org/grapher/extreme-poverty-country-2030*.

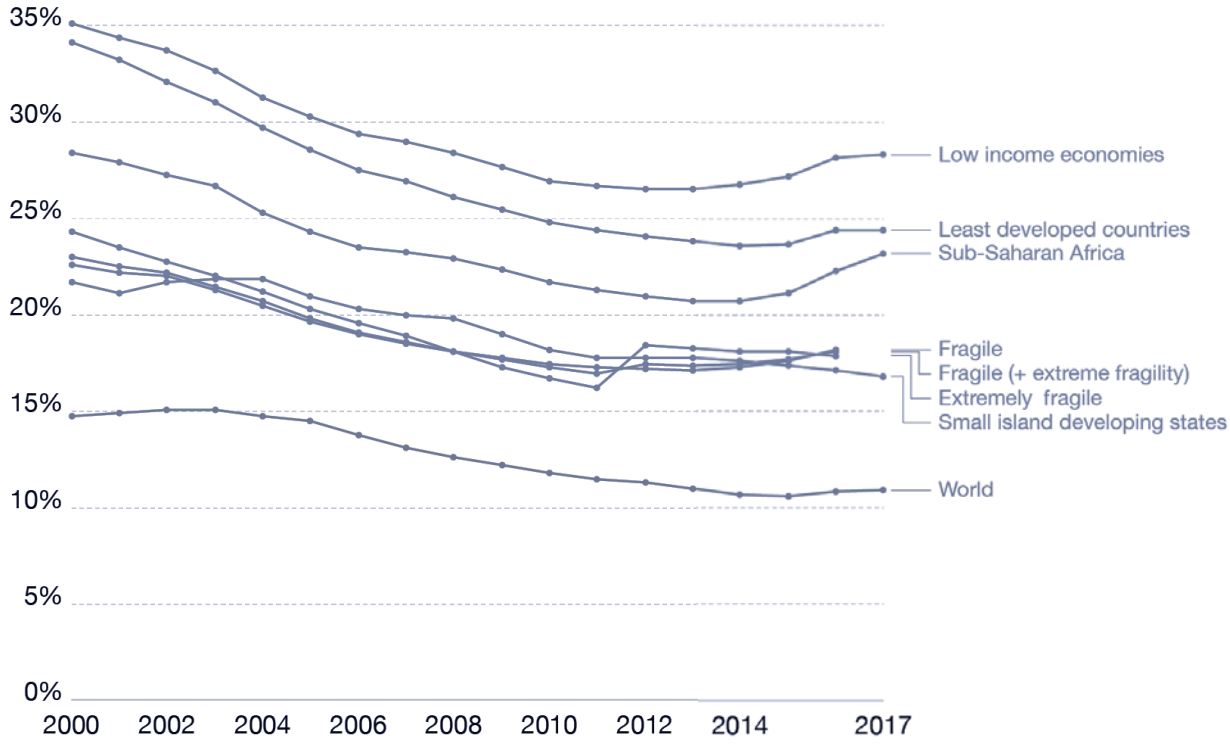
Source: (Cuaresma et al., 2018[4]), "Will the Sustainable Development Goals be fulfilled? Assessing present and future global poverty", *https://www.nature.com/articles/s41599-018-0083-y*.

In this context of rising inequality between and within countries, public support is growing to make economies and societies more inclusive, equitable and people-centred. Pursuing inclusive social, economic and environmental policies can make a real difference towards more equitable and sustainable development. For instance, in her "In My View" piece in Chapter 2 Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20, illustrates the growing policy relevance of making economic systems that have wrought environmental destruction, the costs of which fall mainly on the poor and vulnerable, more inclusive. Inclusive growth, Ramos writes, can:

> *"reinvigorate people's trust and build a new policy era that puts the well-being of people and the planet at its heart. It will take countries to both pursue inclusive growth policies domestically but also to co-operate internationally to ensure no one is left behind."*

Figure 1.2. **The share of undernourished people is growing in sub-Saharan Africa, fragile contexts and low-income countries**

Estimated share of the population who are undernourished (have an energy intake below minimum requirements)



Note: Estimated prevalence and total number of undernourished individuals as reported by the UN Food and Agriculture Organization (FAO). Data are based on its latest statistics on FAOstats (*http://www.fao.org/faostat/en/#data/FS*). These data extends from the year 2000 through to 2016 at national levels, and 2017 estimates by region and at the global level. Chart produced in collaboration with Our World in Data. Dynamic charts available at: *https://ourworldindata.org/grapher/share-undernourished-2000-2017*.

Source: Adapted from (FAO, 2018[5]), "FAOstats" (database), *http://www.fao.org/faostat/en/#data/FS*.

How to leave no one behind

Paragraph 4 of the 2030 Agenda makes it clear that leaving no one behind is central to achieving the Agenda and the SDGs. It states, "As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first" (UN, 2015[15]).

In essence, this is a call for ensuring equity in all policies, strategies and investments to achieve the SDGs. In its goals and targets, the 2030 Agenda speaks of opportunities, universal access, and respect for the rights of all individuals and groups. It challenges the global development narrative of economic growth and its core assumption that the benefits of growth trickle down – a narrative that the DAC Guidelines on Poverty Reduction and Pro-poor Growth challenged over a decade ago (OECD, 2001[16]) (OECD, 2007[17]) (Chapters 2 and 3).

The pledge to leave no one behind entails a substantive shift in the narrative on sustainable development in all countries – to consider and include the people who are not benefiting from progress for often-intersecting political, social, economic, environmental, cultural and structural reasons. At the same time, the 2030 Agenda also recognises that pathways out of extreme poverty and fragility up to 2030 and beyond will be dramatically different from those between 2000 and 2015, the era of the Millennium Development Goals (MDGs) (Chapters 2 and 3). SDG 10, on reducing inequalities within and

among countries, encapsulates this shifting narrative by committing to reduce all forms of inequality, whether between individuals or households (vertical inequalities) or between groups with common characteristics (horizontal inequalities).

The pledge builds on an important lesson from the MDG era: the 2030 Agenda will fail if the SDGs are not achieved for the world's poorest, most vulnerable and marginalised people. Ulla Tørnæs, Denmark's Minister for Development Cooperation, stresses this point in her "In My View" piece in Chapter 3. She reminds us:

> *"Leaving no one behind will not be easy. Those furthest behind are the hardest to lift. It will require collective efforts, from policy makers, civil society, humanitarian actors, development agencies, private sector partners and the donor community […] ready to work and collaborate across the humanitarian-development-peace nexus."*

Table 1.1 presents the underlying principles and strategies which have emerged consistently throughout the chapters in this report. They trace the vital connections between policies, strategies, financing and programming and how applying them can increase the potential of polices and investments in leaving no one behind.

Who is most at risk? Leave no country and no person behind

The focus on leaving no *country* behind puts specific emphasis on countries "most in need", as referred to by the Development Assistance Committee (DAC)[5]; or severely off-track countries and fragile contexts (Chapter 3) (OECD, 2018[18]). The countries referred to in these "categories" overlap and include least developed countries, small island developing states and many middle-income countries (Chapter 10). Countries most in need are typically those with the highest rates of extreme poverty, weak governance and institutions, current or recent conflicts, and multiple forms of fragility.

The priority for governments and international partners in these contexts should be to end absolute poverty in all its forms and ensure that the gaps are closed for those who have been left behind in relative or absolute terms. The root causes need to be tackled through long-term investments and partnerships with agents of change, notably civil society organisations (CSOs). CSOs advocate for groups that are not otherwise seen or heard and help bring the voices of people on the frontlines of poverty, inequality and vulnerability to national and international policy processes (Chapter 6).[6]

As Stuart explains in Chapter 2, "while being left behind is typically associated with marginalisation, this is far from being a marginal issue: in several sub-Saharan African countries, the majority of people live in extreme poverty." These countries are also left behind in terms of access to development finance (Chapter 10 and Figure 10.2). Recent OECD research on blended finance mirrors this finding: 77% of private finance mobilised by interventions of official development finance went to middle-income countries, with a small share going to low-income countries and extremely fragile contexts (OECD, 2018[19]).

Achieving developmental successes in the severely off-track countries identified by Gertz and Kharas will not be easy (Chapter 3). Indeed, even where individual projects are successful, the broader challenge of spurring transformative change in these countries is daunting, and will play out over decades, not years. In particular, interventions to help build state capacity – arguably the most important ingredient for long-term development success – require extensive experimentation, adaptation and iteration (Andrews, Pritchett and Woolcock, 2017[20]).

The idea of leaving no *person* behind operates below the national level, looking at individuals and excluded and vulnerable groups. This places specific emphasis, in line with SDG 10 on empowering and promoting the social, economic and political inclusion of all – irrespective of age, sex, disability, race,

ethnicity, origin, religion or economic or other status (UN, 2015[15]). Groups definable in these terms have been left behind, or are at risk of being left behind, due to the effects of discrimination, geography, governance, socio-economic status, shocks and fragility (Box 1.1 and Chapter 3) (UNDP, 2018[21]). This perspective of group-based or horizontal inequality also brings with it a focus on intersectionality, whereby people face double, triple or more disadvantages and discriminations based on their status (Chapters 2, 3 and 11).

Table 1.1. **Answering the pledge: Principles and strategies**

Answering the pledge: principles and strategies	
Underlying principles for meeting the commitment to leave no one behind include:	
UNIVERSALITY	of access and benefits
EQUITY	through impartiality, fairness and justice
SUSTAINABILITY	for the environment and future generations
Strategies for implementing leave no one behind through international, regional, national and sub-national policies and investments include:	
BEING INCLUSIVE	through people-centred approaches that include the voices and needs of countries, people and groups that are left behind or at risk of being left behind;
BEING EVIDENCE-BASED	through context-specific multidimensional analyses, measurements and indicators of poverty, inequality and well-being beyond national averages, powered by investments in data and statistical systems to fill data gaps about vulnerable people;
EMBRACING COMPLEXITY AND INTERSECTIONALITY	by understanding that people, groups, countries and places can be left behind due to several intersecting disadvantages with multiple drivers which require context-specific strategies and responses;
BEING COHERENT	through integrated programmes that get out of policy and sectoral silos to achieve the SDGs for all as an interconnected and indivisible package;
BUILDING RESILIENCE	and using evidence of the disproportionate impact of risks on the most vulnerable people and places when managing short- and long-term risks;
MAXIMISING MACRO-MICRO INTERLINKAGES	that connect policy, legislative, structural and institutional enabling environments on the macro level with investments on the micro level through long-term, context-specific and flexible mechanisms.

The 2030 Agenda is an integrated roadmap (Chapter 4). To achieve it, efforts to leave no one behind and reach the people and groups who are furthest behind should be mainstreamed and integrated in all policies, strategies and programmes. Progress on any goal or for any vulnerable group depends on a combination of economic, social and environmental policies.

Mainstreaming – even if it takes more effort and time than targeted action – is indispensable to build countries' capacities to provide long-term and sustainable results by removing barriers to inclusion and universal access, with better prospects of reaching and benefiting everyone (Nordic Consulting Group, 2012[22]). Polices that improve social mobility and integrate people in more dynamic parts of the economy may have a greater impact than targeted support measures (Klasen and Fleurbaey, 2018[23]) (Chapter 9) (Case studies by Sweden, Switzerland and the United Kingdom).[7] Targeted initiatives can, nevertheless, be instrumental in shifting specific issues by giving quick, visible results and empowering specific rights-holders. However, the focus of these initiatives tends to be narrower, making it difficult to address the intersecting causes of being left behind which can undermine sustainability (Chapter 9).

No one left behind by 2030: Putting it into practice

Fulfilling the pledge to leave no one behind will be a complex challenge for all stakeholders who have signed up to it, including governments, the international community, civil society and business. In the words of the UN Committee for Development Policy, "a generalised shift towards development that leaves no one behind requires transformation of deeply rooted systems – economic and political systems, governance structures and business models – that are often based on unequal distributions of wealth and of decision-making power" (UNCDP, 2018[25]) (Chapters 3 and 6).

Delivering on the commitment to leave no one behind is, essentially, about transforming policies and approaches, so that they assess how those left behind (or at risk) can be reached, monitor progress for these people and enable equality of opportunities (Klasen and Fleurbaey, 2018[23]). However, governments cannot ensure that everyone is included in progress if they do not know they exist in the first place. Disaggregated data, when available, can allow for more effective anti-poverty and inclusion policies, yet billions of people are still uncounted: for example, the poorest 20% of the global population account for 55% of unregistered births (Chapter 5).

In her "In My View" piece in Chapter 3, Winnie Byanyima, Executive Director of Oxfam International, states:

> *"Governments have considerable policy space to reduce inequality […] and aid, used strategically, can help to build a more human economy. It can help end poverty and fight inequality in poor countries. It has the potential to deliver transformative finance from rich to poor nations, helping close the inequality gap between and within them. If aid needed a renewed calling, the crisis of economic inequality is it."*

The unique enabling role of development co-operation

Development co-operation has a crucial role to play in delivering the SDGs for all.[8] Most DAC members embrace the pledge to leave no one behind and see it as an opportunity to refocus development co-operation where it has a comparative advantage (Chapter 9). Indeed, the specific added value, according to members, is in helping countries and societies to tackle the toughest development challenges in the toughest places, in line with the purpose of ODA as a public good that promotes economic development and welfare in developing countries and the overarching mandate of the DAC[9] (OECD, 2017[26]). Development co-operation also plays a critical role in supporting developing countries in transitioning to low emission, climate-resilient development pathways, and promoting gender equality and women's economic empowerment (Chapter 3).

Effective development co-operation goes beyond the activities that are measured as bilateral and multilateral ODA to include ensuring other non-ODA policies are coherent with the global agenda for

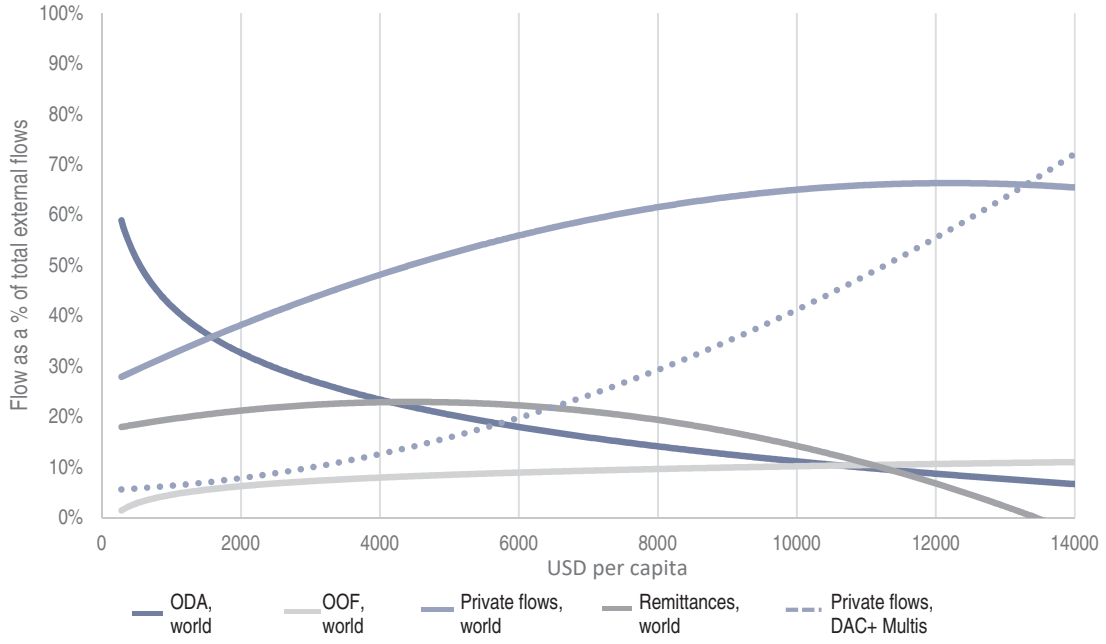
sustainable development, investing in global public goods, increasing impact through innovation and private sector engagement for development results (Chapters 7 and 10).

Still, ODA remains a vital source of financing, in particular in the least developed countries, where it accounts for over two-thirds of external finance,[10] and in fragile and conflict-affected contexts, where it is often the only recourse for the provision of basic services (OECD, 2018[27]).

With this knowledge, the DAC has committed to scaling up its efforts for countries most in need, including the least developed countries, low-income countries, small island developing states, landlocked developing countries, and fragile and conflict-affected contexts (OECD, 2017[26]). It is worth noting that these country groupings include around 70 middle-income countries, which are home to a large share of the world's poor and high levels of inequalities (World Bank Group, 2016[28]).

At the same time, while ODA is just one relatively small source of finance for sustainable development in developing countries amongst a variety of public and private sources, the capacity of countries to raise domestic resources and attract external flows varies significantly between income categories (Chapter 10). Indeed, external concessional finance such as ODA plays a critical financing role in low-income countries.[11] Figure 1.3 illustrates flows from DAC members, multilateral organisations and other countries such as Brazil, the People's Republic of China, India, the Russian Federation and South Africa to countries as GDP per capita grows. The trend lines for private flows and official flows are clearly different: as GDP per capita rises, private flows increase while ODA and other official flows (OOF) decline in share – although they continue to play a unique role in financing certain underinvested sectors (see Chapter 10).[12]

Figure 1.3. **As a country's GDP per capita rises, incoming financial flows shift from official to private sources**



Source: (OECD, 2018[29]), *Global Outlook on Financing for Sustainable Development 2019*, *https://doi.org/10.1787/9789264307995-en*.

To keep the collective promise, business as usual will not suffice

Fundamental shifts in the global development landscape have been disrupting development co-operation policies and business models for more than a decade (Rogerson and Kharas, 2017[30]) (OECD, 2017[26]), while the 2008-09 global financial crisis put lasting strain on aid budgets. At the

same time, the share of ODA in total global financial outflows to developing countries has declined, especially to middle-income countries (Chapters 10 and 13). In addition, technological changes, as described by Achim Steiner, UNDP Administrator, in his "In My View" piece, raise the stakes for action to leave no one behind (Chapter 12). Amid these shifts, providers of development co-operation who take seriously the collective commitment to the 2030 Agenda and achieving the SDGs for all need to ensure that they are fit for purpose – individually and collectively – as members of the DAC and the multilateral system.

Translating that commitment into action is a work in progress for DAC members, who grapple with a range of political and operational challenges (Chapters 9 and 12). These challenges range from:

- gaining and sustaining political support at home
- engaging in sensitive dialogue in partner countries to advocate for and include groups and people who are left behind
- clarifying how to implement the agenda in practical terms
- collecting, analysing and using disaggregated data on those left behind, a moving target that depends on specific contexts
- managing the risk of adding another layer of complexity to programming
- mobilising resources to identify and monitor the multidimensional determinants of social, economic and political exclusion, to
- adopting adaptive, flexible and context-specific programming approaches.

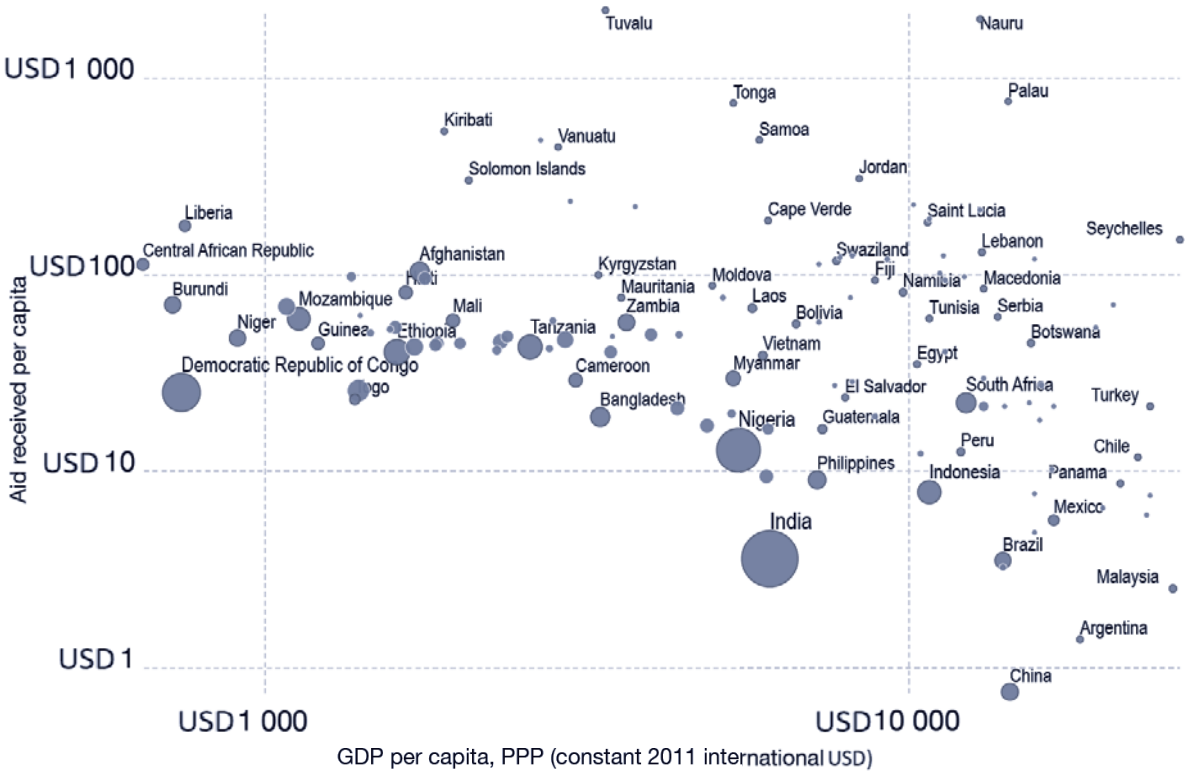
Moreover, current trends in DAC member ODA allocations and programming suggest they have some way to go to be fit for purpose (Chapters 3, 9, 10 and 13). Overall ODA allocations do not yet match the needs of the furthest behind. While bilateral aid to the least developed countries increased by 4% in 2017 in real terms, this uptick followed several years of decline. In fact, bilateral ODA to many of the countries most in need dropped considerably from 2011 to 2016 (Chapter 13). ODA to the least developed countries expressed as a percentage of provider countries' gross national income still sits at only 0.09%, below the target of 0.15-0.20% (Chapter 13). Allocations to fragile and severely off-track countries are particularly volatile from one year to the next, making long-term development strategies difficult to implement and undermining effectiveness (Chapter 3).

In general, per capita country programmable aid does not correlate with poverty or income levels, as demonstrated in Figure 1.4 which is an update of earlier analysis by the OECD on aid fragmentation and aid orphans[13] (dynamic visualisations of these data can be viewed on the website at: *https://ourworldindata.org/grapher/aid-vs-gdp-per-capita)*. The bulk of developing countries receiving such aid are hovering between USD 10 and USD 100 per capita, irrespective of income category or rates of extreme poverty. Moreover, in 2016 five developing countries – Democratic Republic of Congo, Gambia, Guinea-Bissau, Madagascar and Togo – emerge as the most under-aided countries by need relative to others.[14] Analysis by Gertz and Kharas finds that while 66% of the global population living on less than USD 1.90 a day live in severely off-track countries, total ODA by DAC members in the form of per-capita country programmable aid averages at about 22% for bilateral aid for these countries (Chapter 3).

Finally, data on sectoral aid suggest that it does not reflect sector-specific needs (Chapter 10). For example, funds to primary education do not always reach those most in need. Twenty-three countries account for more than 80% of all primary school-age children out of school in developing countries, yet donors allocated just 26% of aid commitments in primary education to these countries.[15] Just 4% of total bilateral aid is currently dedicated to gender equality and women's empowerment. Gender-focused aid will need to scale-up significantly to reach the recommended target of at least 20% agreed in 2018, at the Gender Equality Council for Canada's G7 Presidency (Chapter 3).

Figure 1.4. **The distribution of country programmable aid does not correlate with countries' GDP per capita and poverty levels**

Total aid received directly per capita versus gross domestic product (GDP) per capita, 2016



Note: Total aid received directly is the sum of country programmable aid (CPA), humanitarian and food aid, measured in constant 2016 USD per person. GDP per capita is measured in 2011 international USD. Bubble size represents the estimated number of people below the international poverty line of USD 1.90 per person per day. Chart produced in collaboration with Our World in Data. Dynamic charts available at: *https://ourworldindata.org/grapher/aid-vs-gdp-per-capita*.

Source: Our World in Data based on provided data from the OECD and UN Population Prospects (2018). Aid data received is supplied by the OECD. Aid figures for 2000-16 are based on reported aid; 2017-19 figures are projections based on countries' forward spending plans for CPA.

The pledge to leave no one behind has yet to be mainstreamed systematically into programming

Even when DAC members state that they are mainstreaming the pledge to leave no one behind, they rarely do so systematically to all aspects of programme management, and only a few are developing specific tools to enhance and track the impact of development co-operation programmes on those who are left behind.[16] Most providers assess needs in-country, but these are not systematic. Only a few members such as Sweden and Switzerland[17] have developed specific guidance to help their country offices conduct these diagnostics. Such guidance is critical when country offices' analytical capacities are limited (ICAI, 2017[31]) (Chapter 9).

Mainstreaming is challenging and resource intensive. It requires, for instance, an analysis of vulnerabilities, inequalities and discriminatory structures at the beginning of each planning phase. On the whole, therefore, DAC members prefer translating commitments to leaving no one behind into their programming by means of targeted actions and specific programmes. Members have yet to set up specific results systems that track progress and results for the furthest behind or for impact on poverty and vulnerability (Chapter 9). At present they tend to rely on existing indicators measuring progress against corporate objectives.

Breaking with the status quo: Updating development co-operation frameworks

Development co-operation is increasingly tackling common global challenges that affect all countries, thus creating a mutual benefit imperative and a justification for continued co-operation. Whilst development is the preserve and responsibility of individual countries, properly deployed development co-operation is a powerful engine for delivering the SDGs for all, levelling the playing field and delivering tangible benefits to those left behind.

The legitimacy of development co-operation, and of ODA as its internationally agreed measure, hinges on its capacity to be fit for 2030. Committing to leaving no one behind thus implies a departure from current approaches: providers need to make new, deliberate, systematic and co-ordinated efforts to adapt their narratives, set-up, management practices and incentives.

In her "In My View" piece in Chapter 8, Dr Maria Flachsbarth, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development of Germany, is unequivocal about Germany's commitment to a new and more inclusive development era:

> *"Leave no one behind is put into practice through policies to reduce poverty and inequality that specifically address the poor and vulnerable, systematically integrating human rights into development co-operation, and encouraging good governance such as inclusive decision-making processes and non-discriminatory legal reforms. Finding more effective ways to reach those who are furthest behind first is a challenge and policy responses need to be constantly fine-tuned to meet this objective."*

This report calls for changes in three areas of the lexicon and practice of development co-operation by providers, individually and collectively: narrative, delivery and financing. The overarching objective for renewing frameworks needs to be consistent with eradicating extreme multidimensional poverty and curbing income- and rights-based inequalities, as well as emerging threats to progress such as climate change, right from their root causes and drivers. The theory of change is that key principles of inclusion, equity and sustainability will be taken on board systematically and transparently – complete with a robust evidence base for decision making that tests assumptions about pathways to leaving no one behind.

1. Updating narratives for development co-operation to leave no one behind

The starting point for renewing the framework is a sound narrative that demonstrates mutual benefits: how focusing on those left behind benefits both people and countries that are left behind and the populations in countries that provide development co-operation, while supporting other strategic goals such as shared prosperity, peace and security. This narrative should make clear that the 2030 Agenda will not be achieved if the gaps on all SDGs are not closed for the furthest behind.

An updated narrative is an opportunity to:

- **Re-build public awareness and support for development co-operation** in an interdependent world informed by the vision of leaving no one behind. Providers should re-engage with citizens and taxpayers at home on the vision, principles and impact of development co-operation in fighting poverty and inequality to improve well-being in developing countries and at home. It is on the basis of narratives like these that people support development co-operation and ODA.[18]
- **Re-emphasise the need to invest in tackling the multidimensional root causes of poverty, inequalities and vulnerabilities and the progressive realisation of rights**, in all developing contexts and especially in the countries most in need. Re-make the case politically for the comparative advantage of development co-operation and development finance in supporting countries over the long term to close the gaps domestically and internationally and make progress for all on the toughest development challenges.

- **Make stronger and clearer connections between the narrative and the palette of DAC member policies** that have potential positive or negative effects on developing countries and global public goods. This calls for reinvigorating policy coherence for sustainable development and investing in more integrated programmes that strengthen the links between global, national, and subnational policies and programmes.

2. A deliberate and systematic portfolio-wide approach to development co-operation to leave no one behind

To achieve the SDGs for all, the principles and objectives of inclusiveness, universal access and equality of opportunities should be mainstreamed across the whole portfolio of development co-operation policies, programmes and activities. The people who are furthest behind should be identified systematically and progress for the furthest behind tracked. Implementing those principles will require providers to be better co-ordinated, more integrated and coherent than they are today.

Mainstreaming leave no one behind across the portfolio is an opportunity to:

- **Accept complexity, including in power and politics**, and respond to it through multidimensional and transparent[19] approaches to policy and programming that incorporate strategies for tackling even the most difficult and sensitive bottlenecks and managing trade-offs for the poorest and most vulnerable people. Many studies argue that governments find it difficult to engage in policy reforms that could tackle asset inequality (e.g. land reforms, education and health reforms), improve returns to the poor (e.g. wage policies) or increase the redistributive role of the state (e.g. fiscal and social protection policies) because such reforms would reduce the net gains accruing to a small interest group (Khemani, 2017[33]) (World Bank, 2017[34]).
- **Invest in quality data systems and standards to produce and use the right data** on people and places to understand needs, gaps and progress in closing the gaps. Commitment to mainstreaming leave no one behind should translate into building national capabilities for data disaggregation and re-thinking the skills and capacities that statistical systems need to harness the benefits of quantitative and qualitative data; engage with diverse partners; manage trade-offs in cost, coverage and data privacy; and meet quality standards.
- **Update partnership strategies** to create enabling environments and participatory approaches for agents of change, including civil society, women's organisations and local businesses, who give voice to and empower excluded and vulnerable people. The principles that underpin leave no one behind should be integrated across all policies affecting developing countries and bilateral partnerships with these countries. This new approach to partnering should extend to whole of government co-operation, including technical assistance, development-oriented trade, investment, tax and migration policies; and support international processes that minimise the costs and maximise the benefits of the multilateral system.
- **Align management systems, processes and requirements to be fit for purpose now and in the future**. Portfolio-wide approaches can enable foreign affairs and development ministries and agencies to re-calibrate risks, results, innovation and evaluation to focus on leaving no one behind. Risk assessment and management strategies that are concerned with reputational and fiduciary risks rather than long-term development results are in need of such alignment. So, too, are requirements that pressure programmes to disburse funds and seek value for money, which can skew investment towards easier wins and faster results – and away from the harshest contexts and toughest development challenges. Equally, the potential of innovation to bridge divides in opportunity and access needs to be much better integrated into development co-operation thinking.

3. Smarter and increased ODA to achieve the SDGs for all

The global community must simultaneously scale-up financing to achieve the SDGs and improve allocations in order to reach the countries, sectors and people with the greatest needs. Each type of development financier can make improvements to its way of working to accelerate progress towards leaving no one behind (Chapter 10).

More and smarter development finance should focus on:

- **Supporting countries' capacities to raise domestic resources for sustainable development**, including through technical assistance in line with the Addis Ababa Action Agenda on Financing for Development (UN, 2015[7]) and the Addis Tax Initiative to reach the committed financing target of USD 447 million in the next four years on financing for sustainable development (Addis Tax Initiative, 2015[35]) (OECD, 2018[29]).
- **Delivering on international commitments to ODA**, collectively and individually, including to the least developed countries and other countries most in need, which will bolster the credibility of ODA as a key instrument to fight poverty and reduce inequalities and vulnerabilities.
- **Sharpening the focus of ODA** as a dedicated resource for investing in inclusive, equitable and sustainable development and growth. This purpose of ODA should be safeguarded through resource allocation models and decision making that integrate the commitment to leave no one behind, track expenditure according to priorities and needs, and increase accountability for the distributional allocation of ODA to tackle poverty and inequalities.
- **Increasing effectiveness** through multi-annual, long-term predictable flows of ODA to development programmes owned by developing countries and regions where needs and risks are greatest, and by renewing commitments and approaches to be fit to deliver the principles of effective development co-operation (GPEDC, 2011[36]).
- **Encouraging more private investment in inclusive, equitable and sustainable development in developing countries**, for example by supporting the implementation of the OECD DAC Blended Finance Principles and the evaluation of their use (OECD, 2018[29]); (Chapter 7).

Notes

1. Christelle Comair provided research assistance.
2. See (Pinker, 2018[47]) for a historical overview of progress worldwide.
3. The World Bank's report *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle* states that the fight against extreme poverty is far from over—and in some ways is getting harder. Even as much of the world leaves extreme poverty behind, poverty is becoming more entrenched and harder to root out in certain areas, particularly in countries burdened by violent conflict and weak institutions. Poor households are overwhelmingly located in rural areas, have a large number of children and suffer from a lack of education (World Bank, 2018[2]).
4. See Chapter 3 for a comprehensive analysis of the drivers and risks of rising inequality, an indisputable threat to sustainable development that is affecting countries at different speeds and levels. See also (Milanovic, 2012[38]) (Bourguignon, 2015[39]) (Klasen and et al., 2016[40]).
5. See DAC High Level Communiqué of October 2017: "We welcome the ongoing effort by the membership to develop and implement policy actions on reversing the declining trend of ODA to countries most in need, such as least developed countries, low-income countries, small island developing states, land-locked developing countries, and fragile and conflict-affected contexts."
6. For evidence of how grassroots organisations and individuals can unlock change, see (Robinson, 2018[42]).
7. See case studies from Switzerland on leaving no one behind for Swiss Development Co-operation; from Sweden on the SIDA's framework for multidimensional poverty analysis; and from the United Kingdom, on meeting the needs of women and girls in the Rohingya crisis. The publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.
8. The SDGs specifically single out international co-operation and ODA (although often referred to simply as "aid") to feed into a very broad cross-section of the framework's goals, targets and indicators. See a sample of aid's responsibilities in Chapter 10.

9. See DAC revised mandate in the DAC High Level Communiqué of October 2017:"The overarching objective of the DAC is to promote development co-operation and other relevant policies so as to contribute to implementation of the 2030 Agenda for Sustainable Development, including sustained, inclusive and sustainable economic growth, poverty eradication, improvement of living standards in developing countries, and to a future in which no country will depend on aid." (OECD, 2017[37]).
10. See (OECD, 2018[49]).
11. Ongoing analysis by the IMF of the need for additional spending to achieve selected SDGs – education, health, roads, electricity and water – in 49 low-income developing countries was about USD 520 billion in 2016 or about USD 300 billion net of increased tax revenues (Gaspar, 2018[44]).
12. Historically, major rethinks of ODA have coincided with conditions of falling budgets and a rapidly changing development context, often diluting what is fundamental to ODA: having "the economic development and welfare of developing countries" as its "main objective" and being concessional (Hynes and Scott, 2013[41]).
13. Analysis of aid fragmentation and aid orphans up to 2014 can be accessed at: *http://www.oecd.org/dac/aid-architecture/fragmentation-orphans.htm* (OECD, 2014[45]).
14. Under-aided countries are defined by the OECD on the basis of whether they are underfunded by need relative to others. This is assessed on the basis of multiple aid allocation models: the Egalitarian, Performance-based allocation (PBA), UNDP, and Collier-Dollar poverty allocation (CD) model. Countries defined as the top under-aided countries by the OECD are those which were identified as underfunded on the basis of three or more of the allocation models. Under-aided countries are assessed annually from 2006 to 2016. The data can be accessed and viewed in dynamic charts at: *https://ourworldindata.org/grapher/top-underaided-countries*, based on data provided by the OECD. Aid figures for 2000-16 are based on reported aid; 2017-19 figures are projections based on countries' forward spending plans for CPA.
15. SDG indicator 4.1.1 is a Tier III indicator and has not yet been fully developed; therefore, the authors looked to UNESCO data on out-of-school children as an approximation of primary school needs, drawing on 2011–16 averages (UNESCO Institute for Statistics, 2016[46]). In descending order of magnitude, the countries are: Pakistan, India, Ethiopia, Sudan, United Republic of Tanzania, Indonesia, Niger, Kenya, South Sudan, Mali, Angola, South Africa, Burkina Faso, Côte d'Ivoire, Brazil, Uganda, the Syrian Arab Republic, Mozambique, Chad, Yemen, Senegal, Ghana and Thailand. It is interesting to note that these include some middle-income countries for which ODA might be quite small relative to the overall education budget. On the other hand, some of the countries for which data are not available (such as Nigeria and the Democratic Republic of Congo) might have relatively high populations of out-of-school children.
16. New Zealand is moving towards a twin-track approach, building a core of programming that specifically targets gender and human rights alongside a wider integration that moves towards an aspirational, capability- and incentives-driven approach (Chapter 9).
17. See the case study from Switzerland presenting its guidance note on leave no one behind for Swiss Development Co-operation. The publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.
18. For example, the 2018 Special Eurobarometer 476 on EU citizens and development co-operation found that just over eight in ten respondents (81%) agree tackling poverty in developing countries is in the EU's own interest, with 32% saying they totally agree, while 76% agree tackling poverty in developing countries is a moral obligation for the EU (European Commission, 2018[43]).
19. There are growing concerns that when trade and international investment negotiations are conducted between governments – with limited overall transparency and accountability, and limited insight from social partners and civil society organisations – the negotiation process risks being captured by powerful interest groups and leading to unequal outcomes (ILO, 2017[48]).

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PART I

Setting the Scene

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PART I

Chapter 2

Why leaving no one behind matters

by
Elizabeth Stuart, Overseas Development Institute

This chapter examines the origins and imperatives of the leave no one behind commitment, explores how it resonates with wider social and political considerations currently rising up the global agenda, and asks why it is so central to development co-operation today and in the future. In doing so, it reviews understandings of the commitment as an instrumental part of the Sustainable Development Goals, as an anti-discrimination agenda, and as a call to account for the limited reach of past development progress. It introduces some of the notable critiques of leave no one behind and the challenges it faces, but also presents evidence that it can be achieved.

This chapter also includes an opinion piece by Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20, on "Why it is imperative today to make growth more inclusive".

Why leave no one behind matters

KEY MESSAGES

Leave no one behind is central to achieving the 2030 Agenda. Put simply, if the lives of the poorest and most marginalised people are not improved dramatically, the entire set of sustainable development goals will not be achieved.

Leave no one behind can be defined as a three-part imperative: to end absolute poverty in all its forms, to stop group-based discrimination that results in unequal outcomes for disadvantaged populations and to take action to help the furthest behind first.

Reaching the furthest behind first is a question of prioritising and fast-tracking progress for the poorest and most disadvantaged people across all SDGs and policies.

Leaving no one behind is challenging. Success requires political will to undo institutionalised discrimination, to manage trade-offs and to allocate resources to the worst off in areas that are hardest to reach – and it needs public support and demand, especially when middle classes may have just emerged from poverty and remain vulnerable.

In *Long Walk to Freedom* (1994[1]), Nelson Mandela wrote: "A nation should not be judged by how it treats its highest citizens, but its lowest ones." Leaving no one behind is the moral challenge of our age. And as the unequal nature of society around the world has led directly to social fracturing, what might have remained an axiom has become an urgent political imperative.

The years since Mandela published his autobiography have been a time of enormous progress in reducing extreme deprivations. Nevertheless, that progress has been unequally distributed, with significant numbers of people – often identity-based groups, such as young people, older people and women – making fewer gains. Average consumption has risen markedly since 1980, but the minimum consumption floor[1] experienced by the poorest stratum of society – approximately USD 1.00 in 2011 purchasing power parity – has changed only modestly (Ravaillon, 2018[2]). And in an analysis of health status in 64 countries between 1990 and 2011, World Bank researchers found that in about a quarter of these countries, the poorest 40% of people had regressed in absolute terms (Wagstaff, Bredenkamp and Buisman, 2014[3]). Just as life for so many people has gotten better, for millions of others it has gotten worse.

Focusing on these people at the bottom of society, and on closing gaps between the "highest citizens" and the "lowest ones", is the unfinished business of the MDGs. Adopted in 2000 to be achieved by 2015, the MDGs shared a blind spot with wider policy making of their time and now: that of inequality (other than in the MDG target on gender equity in access to primary and secondary education) and its relationship to poverty reduction. Amiel and Cowell (1998[4]) in ther seminal work *Thinking About Inequality* make the point that academic economists did think about inequality, but they failed to consider what the reference group was, i.e. to answer the question: equal with whom? Nonetheless, it was clear that inequality was not then a fashionable concept among policy makers. The MDGs were a product of their times in that they focused on absolute measures of improvement, but were agnostic as to whose lives were improving – a consideration that to be fair, policy makers did not have sufficient data to track, and were not even attempting to measure. The goals were only ever supposed to be global measures of progress – therefore gross aggregations.

Yet a situation where millions of people are structurally locked out of progress is morally untenable – it is not acceptable for development to focus on the relatively easier wins, to the detriment of the people who are suffering the worst levels of deprivations.

Already in 2012, Jan Vandemoortele, who was one of the architects of the MDGs but soon became one of their most vocal critics, wrote:

> *Achieving the MDGs requires fundamental transformations in any society that transcends techno-fixes so that the most disadvantaged and vulnerable people receive higher priority – e.g. illiterate women, low-caste children, single mothers, slum dwellers, subsistence farmers, the unemployed, disabled persons, households at the bottom of the ladder, ethnic minorities. Such transformations will never result from the application of standard recipes that often engender those discriminations in the first place. (Vandemoortele, 2012[5])*

This perspective was reflected in views from civil society, including Save the Children, who explicitly discussed left-behind groups (Espey et al., 2012[6]) and helped popularise the expression. Growing out of a serious omission in the MDGs, the concept of leave no one behind came to occupy the transformational heart of their successor, the Sustainable Development Goals (SDGs).

Defining leave no one behind in the 2030 Agenda

While most people have an instinctual understanding of what it means to leave no one behind (and that this is a good thing), it is worth unpacking in detail exactly what the concept means, and carefully examining the inferences contained therein.

The 2030 Agenda for Sustainable Development's (UN, 2015[7]) level of ambition is no less than creating a vision for the best future of humanity; when the bar is (rightly) set so high, it is all the more imperative to prioritise efforts where they are needed most. Hence, the intrinsic importance of leaving no one behind in achieving the SDGs is crystal clear.

Leave no one behind is also a lightning rod issue for the 2030 Agenda, because if it is not achieved, the entire set of global goals themselves, and their vision for a shared future, will not be achieved either. Several of the goals are "zero" ones: they aim to end extreme poverty, eliminate hunger and ensure healthy lives "for all at all ages". Even if specific targets are less absolutist (for instance, the child mortality target is to reduce deaths under five years of age to "at least as low as 25 per 1 000 live births", rather than achieve literally no deaths), the definition of many of the goals ensures that leaving no one behind is a core part of the agenda. If it is not attained, many of the goals cannot possibly be reached, and certainly the spirit of the goals will not have been realised.

In this sense, then, leaving no one behind also has a key instrumental importance: it underpins the success of the entire 2030 Agenda. As such, progress on the leave no one behind agenda will also serve as a useful proxy for progress towards the SDGs, in developing and emerging countries as well as in OECD member countries, overall. Put simply, if the worst off have not seen their lives improved dramatically, then the job will not have been done.

A close reading of the 2030 Agenda suggests that the call to leave no one behind has three interrelated, but still distinct, implications.

The first implication is to end absolute poverty – in all its forms – and ensure that those who have been left behind (in relative or absolute terms) can catch up with those who have experienced greater progress. While being left behind is typically associated with marginalisation, this is far from being a marginal issue: in several sub-Saharan African countries, the majority of people live in extreme poverty (Stuart et al., 2015[8]).

The second implication is to stop the group-based discrimination that has resulted in unequal outcomes for so many disadvantaged and marginalised populations. The 2030 Agenda sets out an illustrative list of such groups: "… all children, youth, persons with disabilities (of whom more than 80% live in poverty), people living with HIV/AIDS, older persons, indigenous peoples, refugees and internally displaced persons and migrants" (UN, 2015[7]). This perspective of group-based – also known as horizontal – inequality also brings a focus on intersectionality, whereby people face double or triple disadvantage and discrimination based on their identity. In Ethiopia, for instance, Somali girls living in rural areas have only a 15% chance of finishing school, compared to 77% for girls from other ethnicities living in urban areas (Lenhardt and Samman, 2015[9]).

Third, and it is here perhaps that the radical heart of leave no one behind lies, the 2030 Agenda states that "… we will endeavour to reach the furthest behind first" (UN, 2015[7]). Thus, it defines leave no one behind as a question of prioritising and fast-tracking every form of action for the poorest and most disadvantaged. This has profound implications for all governments, from resource allocation to planning, and from costing to measuring and evaluating (Stuart and Samman, 2017[10]).

Therefore, leave no one behind is an anti-poverty as well as anti-discrimination agenda – and it is, furthermore, one that recognises the naivety of expecting progress to trickle down the socio-economic scale. Instead, it necessitates explicit and proactive attempts to ensure that the populations whom progress has left out are now not only included, but placed at the front. It does this at several levels, as Klasens and Fleurbaey (2018[11]) have set out: the 2030 Agenda impels us to consider which countries

are left behind; which groups are left behind within a country; and who is left furthest behind within that group, that is, down to the level of the individual.

Why is leave no one behind significant now?

In many ways leave no one behind finds a natural home in the SDGs, which are intended to be universally applicable and – in contrast to the MDGs, which were solely focused on social progress – are relevant across the economic, social and environmental agendas. Leave no one behind, too, is inherently integrated. The poorest and most marginalised need better access to services such as health, education and social protection (social); they need higher quality and better-paid employment to increase their productivity and incomes (economic); and they also need to live free from the burdens of environmental degradation, climate change and climate-related disasters (environmental).

It is quite possible, however, that the phrase was given such prominence in the 2030 Agenda, and without much member state debate, because its truly radical nature – the absolute priority explicit in endeavouring "to reach the furthest behind first", and the implications this has for policy implementation and resource allocation – was not fully appreciated.

But the phrase may also have gained traction in the context of the 2030 Agenda because it resonates with other social and political concerns. In this context, it is imperative to make growth more inclusive, according Gabriela Ramos (see the "In My View" piece). It is no coincidence that it has taken root in a time of backlash against globalisation and austerity policies; in the aftermath of the 2008 global financial and economic crisis; and amid a rising awareness of the pernicious effects of inequality, both in literature (such as Wilkinson and Pickett's *The Spirit Level*, (2009[12]), and Piketty's *Capital in the Twenty-First Century* (2014[13])) and wider discourse (from the Pope and the managing director of the International Monetary Fund to taxi drivers around the world). This is the decade that has produced the #MeToo movement; has spawned bestsellers such as Reni Eddo-Lodge's book *Why I'm No Longer Talking to White People About Race* (2017[14]); and has led commentators in the United States and Europe to conclude that political discontent and populist movements are being propelled by people's sense that social mobility is no longer available to the majority of them.

Critiques

Naturally, like all important concepts, leave no one behind has also attracted serious critiques. The first is that it has nothing to say about the people at the top of the wealth distribution. This may be because tackling the pernicious effects of extreme wealth is a politically toxic challenge, although it is arguably one that the 2030 Agenda should have tackled.

Another, closely related, critique is that the broader context of the SDGs does not challenge in any fundamental way the aforementioned idea of trickle-down growth. This means that the basic realignments that would be necessary to achieve leave no one behind in a lasting way – such as fully committing to decouple growth in gross domestic product from increases in resource use – are also omitted from being explicitly mentioned in the SDGs, although they are hinted at (Chapter 3).

Some gender activists, meanwhile, worry that they have spent years convincing the world that women are not vulnerable, only to have them cited here among the vulnerable and marginalised groups (Chapter 3).

Finally, a key concern in the 2030 Agenda negotiations was that leave no one behind should not eclipse the concept of leaving no country behind, which is a wider question of development co-operation. This would require a fundamental redistribution of official development assistance, as well as tackling illicit financial flows, inequitable trade rules and other forms of regressive distribution. These are all vital to improve global outcomes.

In my view: It is imperative to make growth more inclusive – an OECD perspective

by Gabriela Ramos,
OECD Chief of Staff and Sherpa to the G20

We live in turbulent times

For decades, globalisation has helped drive development by spreading ideas and technologies around the world, facilitating economic growth and productivity gains and lifting millions out of poverty. But development in rich and poor countries alike has not always resulted in improvements in general well-being as, in many countries, the benefits of globalisation have become concentrated on an increasingly narrow elite.

Top incomes continue to rise: the richest 10% now command around ten times the income of the poorest 10% on average across the OECD, up from seven times 25 years ago. In my own country, Mexico, it is around 20 times. Corporate profits are at historic highs in many countries with profits rising from 7.6% of global GDP in 1980 to 9.8% in 2013. And shareholder payouts hit a new record this year as global dividend payments neared the $500bn mark. The concentration at the top is not only about income, but also of opportunities and outcomes.

Meanwhile, median wages and living standards stagnate in too many countries and large shares of our populations are unable to fully contribute or benefit from economic prosperity. Our economic system continues to wreak environmental destruction, the costs of which fall mainly on the poor and vulnerable, in addition to the other flora and fauna with which we share this planet. The systemic effects of these forces cannot be underestimated, to which the ongoing migration crisis attests.

This has eroded trust – the glue that holds our societies together. Trust between different groups of people, trust between countries, trust in certain business sectors, and trust in institutions has plunged to record lows, with public trust in governments in the OECD standing at just 42% in 2016. This fall in trust has manifested itself in the rise of populism and return of protectionism in many countries, and a general malcontent with the process of globalisation itself.

This is clearly unsustainable, in all senses of the word.

If we are determined to improve these outcomes and to deliver on the SDG's, we must rethink the way we measure economic success, and broaden the definition from GDP to include a set of dimensions that matter for people. Well-being, inclusion and sustainability become key words in this effort. It will take countries to both pursue inclusive growth policies domestically but also co-operate internationally to ensure "no one is left behind". The OECD's recently launched Policy Framework for Action on Inclusive Growth provides countries with a blueprint for how to do this. The Framework helps governments sustain and better share the benefits of growth by promoting dynamics in three key areas including:

- establishing equal opportunities for all by investing in early childhood education and care and lifelong learning, promoting regional catching up and investing in communities' well-being and social capital;
- enabling strong, inclusive markets that prepare people and firms for the future of work by promoting inclusive labour markets, updating social protection systems and boosting productivity growth and business dynamism;
- and re-building trust in government by embedding inclusiveness in policy-making and using data and digital technologies to design citizen-centred policies.

Gender is an important part of the Framework and should be central to governments' domestic and development co-operation policies. Despite recent progress, women are still less likely to be in the workforce than men: on average across OECD countries, 67% of women were in the labour force compared to nearly 80% of men in 2015. What's more, the gender pay gap has remained stubbornly static over recent years at 15% on average across OECD countries. Governments should implement the OECD Gender Recommendations, implementing family friendly policies, offering equal and shareable parental leave, and various policies aimed at gender pay equality, such as pay transparency legislation. The OECD is further shaping global dialogue in this area by supporting the G20's "25 by 25" target to reduce the gender labour force participation gap by 25% by 2025. Ultimately, promoting female economic empowerment is the greatest lever we have for achieving more inclusive and sustainable development.

The inclusive growth agenda is too broad and ambitious to be achieved by governments alone and will require close cooperation with the private sector and civil society to be realised. Through new and innovative initiatives such as the OECD's Private Finance for Sustainable Development Platform Engagement we can help forge those partnerships. By working together – across countries and sectors – we can reinvigorate people's trust and build a new era of inclusive growth that puts the well-being of people and the planet at its heart.

Challenges

Even accepting the legitimacy of the concept, there remains the scale of the challenge. The key political-economic challenge is what to do about governments that institutionalise discrimination and marginalisation to suit their own ends, such as, for example, when they wish to supress particular racial groups that would likely support opposition parties. Many governments have legal or constitutional provisions that actively discriminate against particular groups, while in other cases they tacitly endorse traditional norms that marginalise women or sexual minorities.

It may also be the wider electorate that does not want its government to put the worst-off first, particularly if it means that resources will be directed away from the middle classes, who may themselves have only recently emerged from a situation of vulnerability. This may mean that demand to fulfil the leave no one behind commitment remains weak.

Other formidable obstacles come with questions of measurement and data. In an already data-challenged context, marginalised communities are the very people on whom there is the least – official, anyway – data. For instance, household surveys omit by design the homeless, people in institutions, and mobile nomadic or pastoral populations, and tend to under-represent in practice people who live in urban slums, dangerous places, and fragile or transient households (Carr-Hill cited in Stuart et al. (2015[8])). For a variety of reasons, data gaps also exist around older people, women, people with disabilities and ethnic minorities. Data initiatives are flourishing in the SDG era, and some of these gaps are starting to be filled. Nonetheless, for the time being it is often very difficult or impossible to count those who are left behind, let alone measure whether they are making progress (Chapter 5).

In addition, donors have voiced concerns that it is too difficult programmatically or, particularly, financially to reach that last person (Chapter 8).

Box 2.1. **Who is left behind in climate change?**

The climate aspect of leave no one behind has been largely neglected by commentators to date, perhaps because development and climate communities still speak different languages. This is a serious omission for the obvious reason that climate change may have the greatest impact on the poorest relative to other kinds of shocks, because these groups tend to be more dependent on ecosystem services than relatively better-off (in all senses of the term) populations (IPCC, 2015[15]); (World Bank, 2012[16]); (Chapter 3). In turn, disasters frequently exacerbate social inequalities and existing power dynamics, constraining people's ability to escape poverty, and leaving those who are poor and the most marginalised at even greater risk of being left behind (Diwakar et al., forthcoming[17]) (Lovell and Le Masson, 2014[18]). Leave no one behind must also be thought of in terms of not leaving future generations behind – it is, in other words, a dynamic concept.

Leaving no one behind is feasible

While these critiques and challenges highlight the complexity of the task, they should not be reasons why it is not taken up by governments or the donor community.

The political-economic questions are undeniably thorny. It will take a considerable normative shift to reverse entrenched attitudes and positions. But it is here that the global nature of the SDGs may be particularly helpful. The international scrutiny and pressure that they bring will, it is to be hoped, make it harder for governments to overlook the needs of significant percentages of their populations. Donors can support this by building the capacity of civil society and supporting decentralised levels of government (Chapter 6).

As for the questions of feasibility: the answer is yes, it can be done. Some countries are already striving to leave no one behind and are achieving results fast. For example, Ethiopia launched a Productive

Safety Net Programme in 2005. By 2009 it was already the largest programme of its kind in sub-Saharan Africa, reaching 7.5 million extremely poor people (Stuart et al., 2015[8]). The programme, which is supported by a range of development partners – is well targeted, with 80% of transfers going to the poor, and is credited with lifting 1.4 million people out of extreme poverty and enabling Ethiopia to avoid famine during the severe 2010/11 drought. Plans are in place for it to double in size to reach 10 million beneficiaries by 2020 and to lift nearly half of these out of extreme poverty (Manuel et al., 2018[19]).[2]

In 2007, the Eritrean government, in conjunction with the United Nations Chidren's Fund (UNICEF), launched a programme to ensure the children of nomadic herders – often excluded from formal education because of seasonal migration patterns – attend primary school. Within two years, more than 5 000 children from the ages of 9-14 were enrolled in 57 specialised learning centres (Stuart et al., 2015[8]).

Aiming efforts at the desperately poor, at rural minorities or at nomadic populations is likely to cost more than serving people who are already better geographically and socially connected. Yet there is some evidence that prioritising outcomes for those left behind may be more efficient as well as more equitable. A recent UNICEF report has shown that every USD 1 million invested in the health of the worst-off children prevented nearly twice as many deaths, on average, as the equivalent spent on the same interventions for non-poor children (UNICEF, 2017[20]). For example, following a successful pilot in 14 districts, in 2005 the Government of Nepal mainstreamed the Welcome to School Initiative, which included an enrolment drive focusing on girls and disadvantaged groups and a push to improve teaching/learning environments so that children would complete primary school. Mechanisms involved community-level mobilisation, economic incentives (school supplies and scholarships) and expansion of capacity to meet demand (Shanker, Marian and Swimmer, 2015[21]). It led to a net increase in enrolment of 500 000 children in its first year alone, against an anticipated 160 000 and the campaign – supported by UNICEF - became a national annual event (UNICEF, 2007[22]).

Finally, it is worth pointing out that leaving no one behind is an issue everywhere. Inequality is just as central a political issue in rich countries as it is in poor ones. One way that donor countries can promote change is by demonstrating that they take the 2030 Agenda and its commitment to leave no one behind seriously at home.

And it should be done precisely because it is hard: breaking through to the next level of improvements in global well-being for humanity will be challenging. Leaving no one behind is integral to it.

Notes

1. The minimum consumption floor is the "typical level of living of the poorest stratum" of society (Ravaillon, 2015[23]).
2. Although it should also be noted that even with the planned scaling-up, this programme will reach only a third of those living in extreme poverty and the average transfer will be only half the amount needed to lift the typical poor household above the poverty line (Manuel et al., 2018[19]).

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PART I

Chapter 3

What does it mean to leave no one behind?

This chapter brings together evidence, data and analysis on what it means to be left behind in relation to eight critical issues that need to be tackled to achieve the Sustainable Development Goals (SDGs) for all. These are ending extreme poverty, tackling rising income inequality, enabling the greatest potential rewards from addressing fragility; enabling inclusive governance; the imperative of climate action to leave no one behind; making progress towards gender equality and women's economic empowerment; including the world's 1.2 billion young people in sustainable development; and ensuring persons with disabilities are no longer left behind.

This chapter also includes opinion pieces by: Winnie Byanyima, Executive Director of Oxfam International, who asks "How can we leave no one behind in a world so unequal?; Katja Iversen, President and Chief Executive Officer of Women Deliver, who stresses that "When the world invests in girls and women, everyone wins"; and Ulla Tørnæs, Minister for Development Cooperation of Denmark on the need for "New ways of working across the humanitarian-development-peace nexus so no girl is left behind."

Introduction

The pledge to leave no one behind is a universal one; it bears on all aspects of sustainable development and encapsulates the need for policies and investments to be people-centred for current and future generations. However, when it comes to understanding what it *means* to leave no one behind, looking at national averages is not enough: they mask diverse situations and needs as well as the drivers of discrimination, disadvantage and exclusion. The following analyses, take subject-specific perspectives to consider what it means to leave no one – no woman or no man, no young person, no person with a disability, no voter, no citizen, no inhabitant of a particular country or fragile context – behind. While there is no magic bullet or one-size-fits-all answer to the pledge, contributions to this chapter demonstrate that there are vital, intersecting commonalities to being left behind.

Poverty

By Geoffrey Gertz and Homi Kharas, Brookings Institution[1]

Key messages

- Global extreme poverty declined at the fastest rate in human history over the past 20 years thanks to high average growth in some highly populated countries.
- Pathways to end the remaining 10% of extreme poverty will depend on progress in 31 severely off-track countries that will have poverty headcount ratios of at least 20% in 2030. Twenty-three of these countries are in sub-Saharan Africa.
- Donor strategies need to evolve to a new reality of extreme poverty. Sixty-six per cent of the global population living in extreme poverty live in severely off-track countries – just 22% and 24% of bilateral and multilateral allocations of country programmable aid went to these countries in 2016.
- Aid effectiveness is reduced in severely off-track countries by year-on-year volatility of aid flows, making long-term development strategies difficult to implement.
- Evaluations show that projects in challenging contexts are as successful as in other developing countries. Donors should scale up successful individual projects in these countries to achieve greater impact and sustainable, transformative progress.

The nature of the global poverty challenge is changing. Over the last 20 years, global extreme poverty declined at the fastest rate in human history. The first Millennium Development Goal (MDG), to halve the extreme poverty rate between 1990 and 2015, was achieved several years ahead of schedule. Building on this progress, in 2015 the world united around the goal of ending extreme poverty by 2030, the first of the Sustainable Development Goals (SDGs).

If we simply extrapolate based on past progress, this goal appears within reach. Between 1990 and 2015, the share of the world's population living in extreme poverty fell by about one percentage point a year. The World Bank estimates that, as of 2015, about 10% of the world lived on less than USD 1.90 a day. Thus, if previous trends continue, we could expect to see the end of extreme poverty sometime around 2025.

Such back-of-the-envelope calculations, however, are misleading. Indeed, the nature of the fight against extreme poverty is evolving, and the pathway to achieving the poverty SDG will be qualitatively different from that which worked during the MDG period. Success during the MDG era was propelled by high average growth in a number of economies that accounted for the bulk of the world's

poor – including the People's Republic of China ("China"), India, Indonesia, Bangladesh, Viet Nam and Ethiopia. But many of these countries are close to eliminating extreme poverty, and thus their impact on global aggregate poverty figures is rapidly declining. Today extreme poverty is increasingly concentrated in a set of countries that have achieved only limited development success in recent decades, and whose prospects for rapid growth appear slim.

The MDG poverty target was met despite many of the poorest countries making only minimal progress. Success during the SDG era, on the other hand, will depend precisely on what happens in these poorest countries, the countries that are most at risk of being left behind. These are the places where bilateral and multilateral development partners must focus their efforts if they are to maximise the likelihood of ending extreme poverty everywhere in the world by 2030.

Thirty-one countries are severely off track to end extreme poverty

In this chapter, we refer to the places most at risk of being left behind as severely off-track countries (SOTCs). To identify SOTCs, we focus on countries expected to have poverty headcount ratios above 20% in 2030. There is, of course, nothing magic about the 20% threshold, and we do not mean to suggest there are substantial differences between countries just above and just below this line.[2] Yet we believe this is a reasonable starting point for identifying countries that are severely off track to meet the poverty SDG. The threshold is very conservative, as it excludes many countries that will bring their poverty headcount ratios under 20% while still falling short of ending poverty by 2030. Yet it draws attention to the countries that, based on a business-as-usual scenario, will not even come close to ending poverty – the countries that need to fundamentally shift their poverty trajectories.

To project poverty headcounts up to 2030 we combine household poverty surveys and estimates of future household consumption growth; the methodology is described in full in Gertz and Kharas (2018[1]). While the quality and timeliness of household surveys has improved in recent years, we must acknowledge that statistical capacity is lowest in countries with overall weak state capacity or in conflict situations – precisely the places we are most interested in. And some countries choose not to do surveys at all or not to reveal the data; for these countries, we model estimated poverty headcount ratios based on gross domestic product (GDP) per capita and regional effects.

We also estimate future household consumption growth through 2030 using a combination of International Monetary Fund forecasts and historical experience. As with all long-term forecasts, there are considerable uncertainties, especially in a world where trade wars, conflicts, natural disasters and other shocks seem to be on the rise. Finally, again based on historical experience, we do not forecast any changes in within-country inequality. While this is an extreme assumption, we do wish to note that changes in distribution play a minor role in poverty reduction compared to economy-wide growth.

Our projections suggest that, based on current trajectories, 31 countries will have extreme poverty headcount ratios of at least 20% in 2030 (Figure 3.1). Of the 31 countries, 23 are in sub-Saharan Africa. Perhaps unsurprisingly, many of the SOTCs feature prominently on lists of fragile states. For instance, 10 of the 15 countries classified as "extremely fragile" in the OECD's Fragility Framework (Figure 3.5) are severely off-track for meeting the poverty SDG, while another 15 SOTCs are among those countries classified as "fragile" (OECD, 2018[2]). Yet it is also worth noting that not all fragile states have particularly high extreme poverty (see, for instance, Iraq and Sudan), and similarly there are some countries with high poverty that are relatively stable (Lesotho, for example).[3]

The list of SOTCs includes some countries where poverty is falling, but from extremely high initial levels. For example, Togo's development prospects have been improving in recent years, and between 2011 and 2015 the share of the population living on less than USD 1.90 dropped by five percentage points. However, Togo remains one of the poorest countries in the world, with just under half of its population living in extreme poverty. Our projections suggest that the country will continue to see impressive progress in the coming years (assuming recent political tensions are resolved), but even so, we estimate that nearly one-third of the population will be extremely poor in 2030.

Figure 3.1. **Severely off-track countries**

Note: The SOTCs are Afghanistan, Angola, Benin, Burundi, Central African Republic, Chad, Congo, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Equatorial Guinea, Eritrea, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mali, Marshall Islands, Mozambique, Niger, Nigeria, Papua New Guinea, Solomon Islands, Somalia, South Africa, South Sudan, Eswatini, Timor-Leste, Togo, Yemen and Zambia.

Source: Authors

The list of SOTCs also includes countries with moderate poverty, but that are expected to make only minimal or no progress in the coming years. For instance, South Africa is included in our list of SOTCs, despite being a middle-income country with a sizeable middle class. This is because the rate of extreme poverty has been increasing in the recent past, from 16% of the population in 2010 up to 19% in 2015. Moreover, South Africa's projected economic expansion will only barely keep up with population growth, leaving per-capita incomes flat. Thus our results suggest that, based on current trajectories, South Africa will have an extreme poverty headcount ratio just above 20% in 2030.

Some simple arithmetic underlines why SOTCs are the front lines in the fight against extreme poverty. We estimate that today these 31 countries are home to 371 million people living in extreme poverty, accounting for 59% of the global total. Our analysis suggests that between now and 2030 the total number of poor people in SOTCs will increase by 22%, while the number of poor people in all other countries will decrease by 66%. At this point, SOTCs will account for 84% of the world's total population living on less than USD 1.90 a day. While other countries are marching toward eliminating extreme poverty, the SOTCs are being left behind.

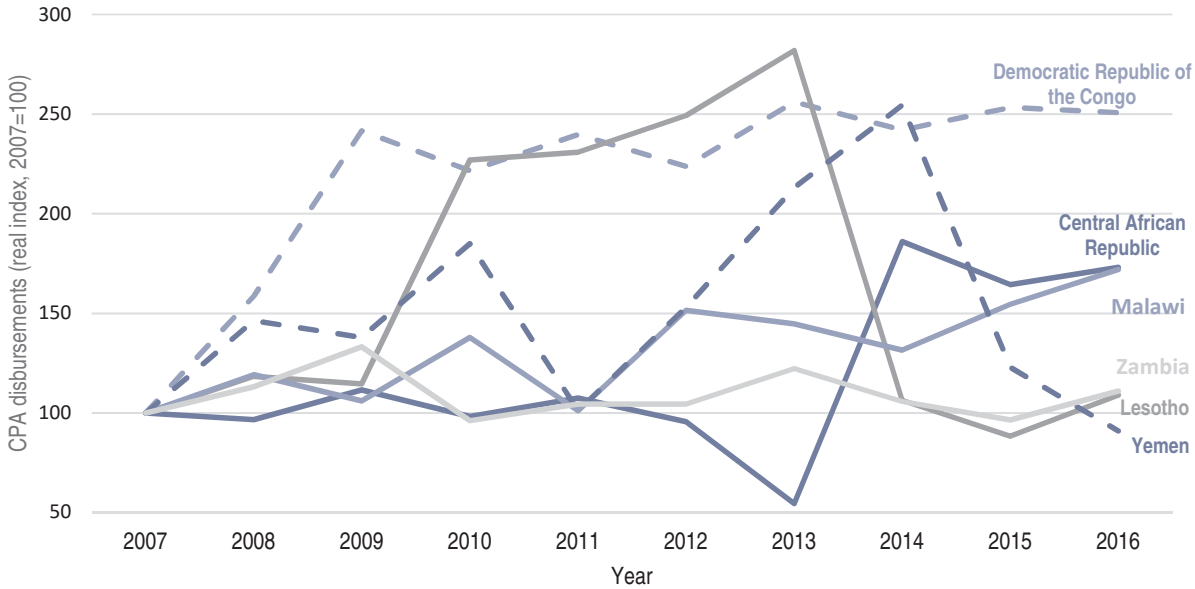
Donors need to adapt to the new geography of poverty

Given that SOTCs are the heart of the poverty challenge, we would expect all donors to pay special attention to the volume and quality of aid they provide to SOTCs. In reality, only 22% of country programmable aid (CPA) from bilateral Development Assistance Committee (DAC) donors, and only 24% from multilateral donors, goes to SOTCs.[4] The implication is that the volume of aid per poor person is much lower for SOTCs than for other countries. Moreover, even though the SOTCs' share of global poverty continues to rise, their share of total CPA remains flat, and indeed for bilateral DAC donors this figure has been decreasing in recent years. In other words, despite the rhetoric of the New Deal for Engagement in Fragile States (International Dialogue, 2011[3]) and declarations that DAC donors plan to scale up assistance in these contexts (OECD, 2018[2]), so far there is no indication that donors are actually shifting their budgets in line with the new geography of poverty in the world (Chapters 10 and 13).

Aid to SOTCs has also been highly volatile from one year to the next, reducing its effectiveness. Many SOTCs have seen year-on-year increases and decreases in CPA of 25% or more, making long-term strategies difficult to implement (see Figure 3.2). This is a particular problem in SOTCs given the timeframes needed to improve institutions. In some instances, aid volatility is linked to political instability in recipient countries, but in many other instances volatility is generated by domestic donor politics and unstable aid programming. Finally, recent research shows that there is substantial within-country geographic variation in aid spending, and that in general aid flows disproportionately to areas with wealthier people (Briggs, 2017[4]) (Briggs, 2018[5]).

To be sure, a few SOTCs have received very large amounts of aid per capita: Afghanistan, Liberia and Lesotho are "donor darlings." But others – such as Eritrea, Angola and North Korea – are "donor orphans", largely neglected by the aid community. About half of the total country programmable aid to SOTCs goes to just four countries: Afghanistan, Nigeria, Mozambique and Democratic Republic of the Congo.

Figure 3.2. **Aid to severely off-track countries is very volatile (select countries)**



Source: Authors

StatLink http://dx.doi.org/10.1787/888933880052

Why are donors not targeting their assistance to off-track countries?

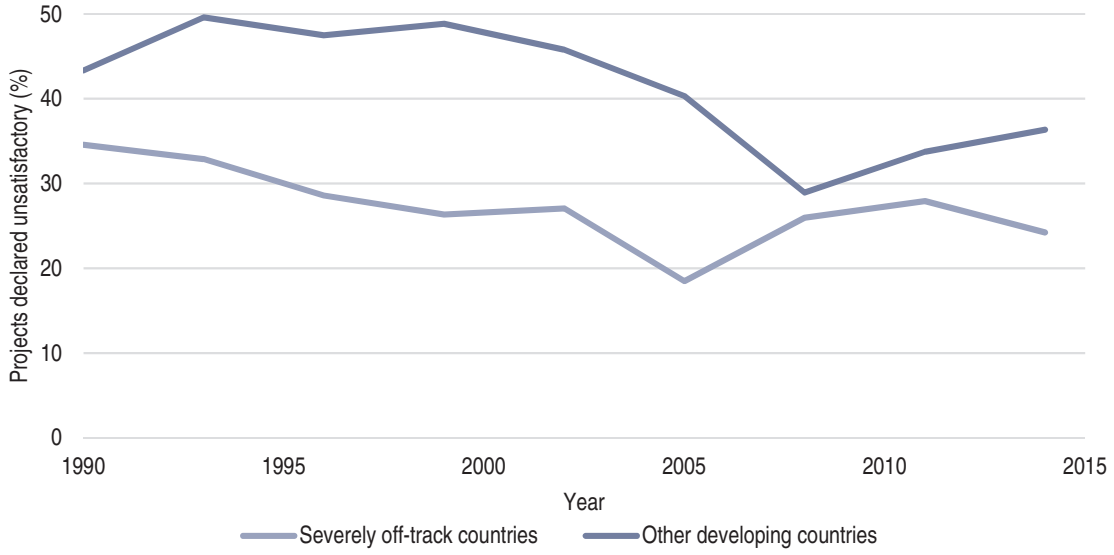
There are two potential exculpatory arguments for why donors might choose not to target their assistance to SOTCs, despite these countries' central importance for poverty reduction. One is that donors are pulled in many directions today, and as a consequence must lessen their focus on absolute poverty. A second is that implementing development projects in fragile environments is too difficult, and thus interventions are unlikely to be successful.

We find neither argument persuasive. First, while donors are taking on a broader agenda – from climate change to blended finance – there is a reason that ending poverty remains the first of the SDGs, and is enshrined as the overarching mission of many development agencies. The presence of multiple priorities should not imply a lessened focus on absolute poverty. Indeed, integrated development assistance strategies – those that attack poverty and other development challenges simultaneously – are likely to be the most effective. For example, Sweden manages to target nearly a third of its CPA to SOTCs, while simultaneously integrating priorities such as climate change and gender into its development assistance strategy.

Second, although SOTCs present donors with challenging contexts, evidence from World Bank aid project evaluations suggests that, on average, the odds of project success are now about as good in SOTCs as in other developing countries (Figure 3.3).[5] While during the 1990s a much higher share of projects in SOTCs received unsatisfactory evaluations, relative to those in other developing countries, since the early 2000s this gap has narrowed considerably. These findings suggest it is not the case that it is simply too difficult to execute development projects in SOTCs. Donors do not necessarily face a trade-off between aid effectiveness and allocating their funding where needs are greatest.

This is not to say that achieving developmental successes in SOTCs will be easy. Indeed, even where individual projects are successful, the broader challenge of spurring transformative change in SOTCs is daunting, and will play out over decades, not years. In particular, interventions to help build state capacity - arguably the most important ingredient for long term development success in SOTCs - require extensive experimentation, adaptation, and iteration (Andrews, Pritchett and Woolcock, 2017[6]). This work often conflicts with incentives in donor agencies to clearly demonstrate value-for-money through achieving measurable results within short time frames and with minimal administrative costs. Similarly, it can be easier for donors to generate the political will to respond after a crisis or conflict has erupted than to invest in resilience and crisis prevention beforehand - even though the latter is far less expensive in the long run. A real commitment to partnering with SOTCs will require donors to re-evaluate some of their risk management practices, which too often focus on minimising the potential political and reputational costs of 'failed' projects rather than investing in endeavours that could have the most transformative long-term impact.

Figure 3.3. **Evaluation scores for projects in severely off-track countries are similar to those in other countries**



Note: Data are first averaged at the country level using three-year rolling averages, then averaged across countries.

Source: Adapted from World Bank Group (2017[7]), "IEG World Bank project performance ratings", *https://datacatalog.worldbank.org/dataset/ieg-world-bank-project-performance-ratings*

StatLink http://dx.doi.org/10.1787/888933880071

Conclusion

We are moving from a world where poverty was concentrated in large, rapidly growing economies to a world where poverty is increasingly concentrated in economies facing deeper structural challenges and dimmer development prospects. These countries are severely off track to meet the goal of ending extreme poverty by 2030, and – unless something changes dramatically – are likely to be left behind in the push to end global poverty.

To date, donors do not appear to have adjusted their strategies to reflect this evolving reality. Over the last decade, assistance to SOTCs has remained essentially flat; as a share of global aid to developing countries, assistance to these countries is lower now than it was in 2009. Donors are neither targeting their aid to the countries with the largest populations living in extreme poverty, nor targeting projects within countries to the places with greater poverty.

We suggest that donors can and should provide greater assistance to SOTCs. The good news is that micro-scale evidence – from both public-sector aid projects and private sector investments – reveals that development interventions in these contexts can be successful and profitable, just as they are in other developing countries.[6] The challenge, however, is to achieve impact at scale: to move from successful individual projects to sustainable, transformative progress. This is arguably the most important question in development today.

Income inequality

By Alexandre Kolev, OECD Development Centre

Key messages

- Economic inequality within countries has increased massively, leading to fragmented societies. Wealth inequalities are most pronounced in countries where assets have been transferred from the public to the private sector.
- Today, the poorest 50% of the world's people are estimated to receive less than 9% of global *income*, while the richest 1% receives more than 20%.
- The scale of *wealth* inequality is bewildering: 50% of the world's wealth is now owned by the richest 1% of the global population.
- Increases in income and wealth inequality has coincided with an increase in wage inequality, leaving more and more low-paid employees behind economically.
- Developing countries operate in an international system influenced largely by OECD countries and multinational companies.
- Development co-operation strategies should focus more on income inequality, which threatens social cohesion, while continuing to invest in reducing groups-based inequalities of opportunity and access.

The adoption in 2015 of the SDGs, with a standalone goal on income inequality (SDG 10) and specific reference to social, economic and environmental links under the goal of sustainable consumption and production (SDG 12), provides a strong rationale for development partners to be actively engaged in the fight against inequality (OECD, 2001[8]) (OECD, 2001[9]) (UN, 2016[10]). The pledge of leaving no one behind is a broad concept of inclusion that includes, for the first time, a commitment to reduce all forms of inequality within countries, whether between individuals or households (vertical inequalities) or between groups with common characteristics (horizontal inequalities).

Over recent years, there has been some progress in overcoming income inequality between countries and horizontal inequality within countries (especially gender inequality). However, the same cannot be said for vertical economic inequality within countries, which has increased tremendously in many parts of the world. This increase in income and wealth inequalities results in more fragmented societies, unequal opportunities and less social mobility, and represents a formidable development challenge.

This Chapter focuses on the sharp increase in economic inequality within countries. It seeks to shed light on why is it so difficult to reverse the current trend, and what development co-operation can do to help.

Where is economic inequality most pronounced?

The rise in income and wealth inequality is an indisputable threat to sustainable development, and is affecting countries at different speeds and levels (Milanovic, 2012[11]) (Bourguignon, 2015[12]) (Klasen et al., 2016[13]). It is largely driven by wage disparities and the unequal ownership of capital (World Inequality Lab, 2018[14]).

Where is income inequality?

Since 1980, income inequality has increased rapidly in North America, China, India and the Russian Federation ("Russia") (Keeley, 2015[15]). In contrast, inequality has grown moderately in Europe; and has stabilised – although at very high levels – in Latin America and the Caribbean, probably through the cushioning effect of relatively inclusive education, labour market and social protection policies (Tornarolli, Ciaschi and Galeano, 2018[16]) (Bergh, Kolev and Tassot, 2017[17]) (Cornia, 2014[18]).

Today, the poorest 50% of the world's people are estimated to receive less than 9% of global income, while the richest 1% receives more than 20% (World Inequality Lab, 2018[14]). The majority of the world's poor lives in Africa and Asia (not including China).

Where is wealth inequality?

Accompanying the rise in income inequality is a spread of wealth inequality around the globe. The scale of this inequality is bewildering: 50% of the world's wealth is now owned by the richest 1% of the global population (UNDP, 2014[19]). To a large extent, the rise in wealth inequality has resulted from unequal ownership of capital and a shifting balance between private and public wealth, leading to the concentration of economic power among fewer people.

Figures show that in recent decades, the total value of wealth controlled by individuals in a country increased dramatically as very large amounts of funds and assets were transferred from the public to the private sector in nearly all countries, whether rich or emerging (World Inequality Lab, 2018[14]). Meanwhile, net public wealth (that is, public assets minus public debts) has declined in almost all countries since the 1980s. In China and Russia, for example, net public wealth declined from 60-70% of national wealth to 20-30%. Net public wealth has even become negative in recent years in the United States and the United Kingdom, and is only slightly positive in Japan, Germany and France.

In most regions of the world, an increase in income and wealth inequality has coincided with a decline in the labour share of GDP and an increase in wage inequality, leaving more and more low-paid employees behind economically. On the one hand, most of the post-financial crisis period has seen an overall decline in wage growth: from 2.5% in 2012 to 1.7% in 2015 globally, and from 6.6% in 2012 to 2.5% in 2015 in emerging and developing countries in Asia and the Pacific. On the other hand, in most countries, wages jumped sharply over the same period for the top 10% and especially for the highest paid 1% of employees (ILO, 2016[20]). In Europe, the highest-paid 10% now receive on average 25.5% of total wages paid to all employees in their respective countries. The share of the top 10% is even higher in some emerging economies: 35% in Brazil, 42.7% in India and 49.2% in South Africa, for example. Inequalities in these and many other countries is also affecting the potential of social mobility (Box 3.1).

Why has economic inequality increased?

Policy makers and economists tend to refer to skills-biased changes in the workplace – towards computer technology for example – as one of the main drivers behind the rise in economic inequality. There is indeed evidence that some of the observed increase in earning inequality has been caused by a workplace preference for some skills over others (OECD, 2015[22]). In particular, trade and investment liberalisation may have contributed to increased income inequality in the majority of countries since the 1980s through a disproportionate pressure on less educated workers (ILO, 2017a[23]) (Bergh, Kolev and Tassot, 2017[17]). As a result, closing the skills gap has received a lot of attention in the policy discourse on inequality.

Wages vary greatly between and within enterprises

However, a large body of evidence shows that skills disparities are only part of the picture when it comes to the rise in economic inequality. Research findings show that wage growth is lagging behind growth in labour productivity, and that wage inequality arises not only from differences in workers' skills, but also from differences in average wage rates between enterprises and wage inequality within enterprises (ILO, 2017a[23]).

The gap between gains in labour productivity and wage growth is particularly pronounced in firms taking part in international trade. Recent evidence indicates that although exporting and importing firms appear more productive than other companies, and tend to pay higher wages than their non-trading counterparts, their productivity premiums outweigh their wage premiums – by 13 percentage points for exporting firms and 5 percentage points for importing firms (ILO, 2017[24]). Hence, although some workers have become increasingly productive around the world, the benefits of their work tend to be accrued to capital income and to those at the top of the income distribution.

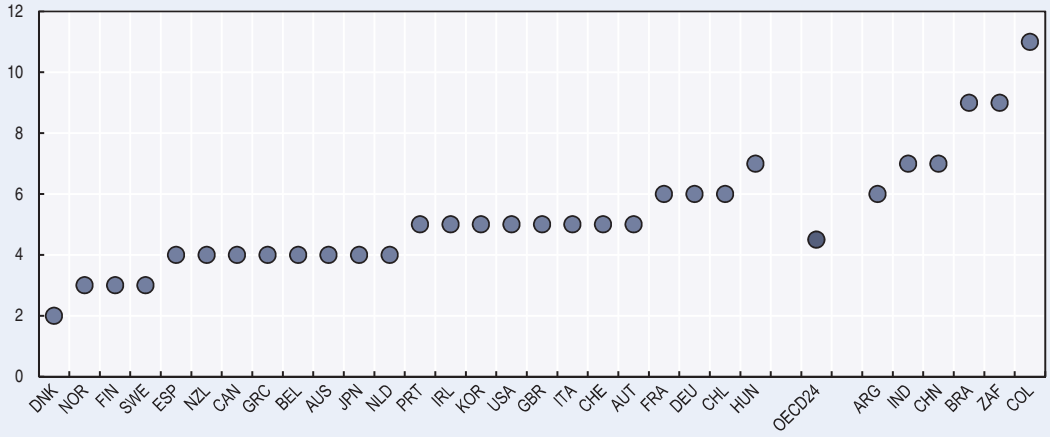
Box 3.1. **Inequality and social mobility: A broken social elevator?**

Today's inequalities in economic and social outcomes shape tomorrow's inequality of opportunities, thereby affecting the potential for social mobility. While there is no general consensus across countries on the desirable level of inequality of outcomes, there is widespread agreement on the need to promote equality of opportunities – i.e. that all should have the same life chances, regardless of their initial conditions.

A recent OECD report "A Broken Social Elevator? How to Promote Social Mobility" (OECD, 2018[21]) shows that social mobility is limited, indeed. In many countries, people at the bottom of the income ladder have little chances of moving upward, while those from well-off families are almost guaranteed to retain their privileged positions – the social elevator is broken. This has harmful economic, social and political consequences. Lack of upward mobility implies that many talents are missed out, which undermines potential economic growth. It also reduces life satisfaction, well-being, and social cohesion. Finally, mobility prospects also matter for social cohesion and democratic participation.

In terms of earnings mobility across generations, it would take around four to five generations for children from the bottom decile to attain the mean (Figure 3.4). There are, however, very large variations in such mobility. In low-inequality and high-mobility countries such as the Nordic countries it would take at least four generations for those born in low-income families to approach the mean income in their society. But in high-inequality and low-mobility countries such as some of the emerging countries – Brazil, Colombia and South Africa – this would take even nine generations or more, if these probabilities of earnings mobility are not to change, some 300 years.

Figure 3.4. **It could take on average four to five generations for the offspring of a low-income family to reach the average income**



Note: These estimates intended to be illustrative and are based on earnings persistence (elasticities) between fathers and sons and the current level of household incomes of the bottom decile and the mean, assuming constant elasticities. Low-income family is defined as the first income decile, i.e. the bottom 10% of the population.

Source: OECD (2018[21]), "A Broken Social Elevator? How to promote social mobility." *https://doi.org/10.1787/9789264301085-en.*

StatLink *http://dx.doi.org/10.1787/888933880090*

The low degree of social mobility makes the high levels of income inequality in many OECD countries socially less acceptable. Intergenerational mobility is usually *lower* in countries where income inequality is high. This negative correlation between inequality and social mobility is explained to a large extent by how inequalities affect human capital accumulation. In more unequal societies, low-income parents find it harder to make costly investments in their children's education and health. Meanwhile, high-income parents more often live in neighbourhoods with good schools, they can afford to pay high tuition fees, and they can rely on their professional networks to support their children's school-to-work transition.

There is nothing inevitable about socio-economic advantage being passed from one generation to another. Large differences in mobility across countries suggest that there is room for policies to make societies more mobile and protect households from adverse consequences of income shocks. Policies that strengthen key dimensions of welfare such as equity, security, redistribution and inclusion are needed, as well as individual empowerment and capacity building to alleviate the burden of unfavourable starting conditions in life. These include policies to grant equal opportunities and policies to smooth the consequences of adverse income shocks.

Design and marketing make more money than production

Other analysts have attributed inequality to the distribution of value added from global value chains (ILO, 2017[25]). While global value chains offer a number of potential benefits to firms and countries, including the potential for output and export growth and, most importantly, productivity spillovers (OECD, 2015[26]), empirical evidence shows that profits are largely captured by firms responsible for the design and marketing of a product, often in the most advanced countries. According to the OECD–WTO Trade in Value Added database, 67% of the value created under global value chains accrues to lead firms from OECD countries, while 25% goes to firms from emerging countries and 8% to firms from low-income countries, where most workers live (Banga, 2013[27]).

Cross-border mergers and acquisitions inhibit economic growth in target countries

Another driver behind economic inequality is the recent surge in very particular forms of foreign direct investment. Global estimates indicate that over recent decades, most of the growth in foreign direct investment has been via cross-border mergers and acquisitions rather than through new greenfield operations built from the ground up (OECD, 2007[28]). Evidence indicates that foreign direct investment via cross-border merger and acquisitions tends to have no positive effect on economic growth (Nieto, Brandão and Cerqueira, 2008[29]) (Ekholm, 2017[30]). There are additional concerns that cross-border mergers and acquisitions do not generate employment and can aggravate economic inequality in the target country, for the obvious reason that no new production capacity is created (Nieto, Brandão and Cerqueira, 2008[29]). Another downside is that cross-border mergers and acquisitions tend to concentrate economic power in host countries and lead to anti-competitive results for developing countries. Cross-border mergers and acquisitions may even be used deliberately to reduce or eliminate competition (UNCTAD, 2000[31]).

Economic and political factors are key drivers of the recent rise in economic inequality

Recent literature on inequality has documented many drivers of vertical and horizontal inequality within countries. What is becoming increasingly clear is that a number of economic and political factors, which relate to and reinforce each other, have played a key role in the recent rise in economic inequality. These factors are outlined below.

1. *Policy choices that rely excessively on GDP as a measure of economic performance have been detrimental to equity*

GDP per capita continues to be favoured by politicians, macroeconomists and the media as a means of assessing the performance of a country. As a result, governments in developing countries tend to prioritise GDP growth in national development strategies. This preference for GDP growth over well-being outcomes in policy choices can have adverse effects on broader socio-economic progress: GDP does not capture the depletion of natural resources and neglects changes in income distribution (Boarini, Kolev and McGregor, 2014[32]), (Antal and Bergh, 2014[33]).

Such a focus on GDP growth over social equity is supported by the widely applied Kuznets hypothesis, which advocates the belief that inequality is meant to first increase and then decrease during the development process. It is only recently that studies have shown that there is no systematic and automatic relationship between economic growth and inequality (Deininger and Squire, 1998[34]), (Beegle et al., 2016[35]) (Beegle et al., 2016[35]). This confirms that it is the policy chosen that will determine whether growth performance associates with falling or rising inequality.

2. *Tax policy demonstrates how the inability to effectively correct for market failure and negative externalities fuels the rise of inequality*

Taxation can be a powerful instrument for tackling inequality and poverty by correcting for negative externalities and ensuring sustainable funding for social policy and public investments (Philippon, 2010[36]), (Piketty, Saez and Stantcheva, 2011[37]), (Rothschild and Scheuer, 2011[38]). However, the

effectiveness of taxation in promoting equality in developing countries remains limited by several factors. These include a low tax base, a high contribution of indirect and regressive taxes that tend to subsidise a reduction in trade taxes, a reluctance to tax high incomes, and a low contribution of taxes on property (Martorano, 2018[39]).

There are, however, some successful tax reform experiences in developing countries. In some countries, with the support of international co-operation, tax reforms have led to an increase in tax revenues that have been used to fund development needs – whether education, health, or the overall development budget. In Rwanda, for example, increased mobilisation of domestic funds enabled the country to finance the health sector (ITC and OECD, 2015[40]). Indonesia is another example where regressive energy subsidies were reduced and reallocated for social and infrastructure spending (OECD, forthcoming[41]).

3. Company practices can, when not guided by responsible principles, lead to unequal outcomes

Research shows that the causal mechanisms that link business practices to inequality take different forms. One form of practice relates to remuneration and includes prioritising shareholders' interests, linking managerial compensation to financial markets, perpetuating a disconnect between managerial compensation and long-term value creation, and decoupling wages from workers' productivity (Beal and Astakhova, 2016[42]), (Keeley, 2015[15]), (ILO, 2016[20]).

Another form relates to the tax avoidance and evasion practices of multinational enterprises, that limit the ability of developing countries to invest in public policies to reduce inequality (Fuest and Riedel, 2009[43]), (Johannesen, Tørsløv and Wier, 2016[44]), (OECD, 2013[45]), (UNCTAD, 2015[46]). The type of investment strategies pursued by multinational corporations also impact on inclusive growth outcomes, and there are concerns that particular forms of foreign direct investment, such as cross-border merger and acquisitions, may not be growth-enhancing and may have adverse effects on employment and market competition (UNCTAD, 2000[31]), (Ekholm, 2017[30]) (Nieto, Brandão and Cerqueira, 2008[29]).

4. The capture of politics by powerful groups – elite capture – is another driver of inequality

There is a persistent contradiction between social equity as part of a global sustainable development agenda and the reality of the development process in many countries. Recognising this disparity, analysts are increasingly assessing the role of incentives and the relative power that visible and invisible actors can have in creating and implementing public policy (Acemoglu, Johnson and Robinson, 2002[47]), (Engerman and Sokoloff, 2005[48]). Evidence throughout the world shows that the concentration of economic power among the very wealthy creates elites that directly influence policies and may prevent governments' ability to regulate the economy, redistribute income, and overcome a rise in inequality (World Bank, 2017[49]).

Many studies argue that governments find it difficult to engage in policy reforms that could tackle asset inequality (e.g. land reforms, education and health reforms), improve returns to the poor (e.g. wage policies) or increase the redistributive role of the state (e.g. fiscal and social protection policies) because such reforms would reduce the net gains accruing to a small interest group (Khemani, 2017[50]). There are also growing concerns that when trade and international investment negotiations are conducted between governments – with limited overall transparency and accountability, and limited insight from social partners and civil society organisations – there is a risk that the negotiation process is captured by powerful interest groups and leads to unequal outcomes (ILO (2017[24]) and the "In My View" piece by Winnie Byanyima.

In my view: Can we leave no one behind in a world so unequal?

by Winnie Byanyima,

Executive Director of Oxfam International

To say that the world's poorest people are simply being left behind can sound like an unbearably polite understatement at times, designed not to offend the rich and the powerful.

I think of the girls I grew up with in Uganda who have worked hard all their life, paid their taxes and supported their communities, only to see themselves and their children remain poor, without essential services. I think of women in poverty like Dolores, who works in a chicken factory in the United States. She and her co-workers wear diapers because their employer denies them toilet breaks (Oxfam, 2016[51]).

These women aren't just left behind but trapped and exploited at the bottom of a global economy.

The 42 richest people now have the same wealth as the poorest 50% — 3.7 billon people. Last year, the top 1% reaped 82% of all new wealth (Oxfam, 2018[52]). That bottom half — who helped create the wealth — received nothing. The majority of the world have not been left behind, they are being deliberately held back to enable a fabulously rich and unaccountable elite to march away into the distance.

Global wage growth has slowed; gender inequality, inextricably linked to economic inequality, stubbornly persists. Women dominate the least secure and least paid jobs. The unequal impact of climate change is trapping more people in poverty.

Inequality and deprivation are not inevitable. They are the result of missed opportunities, and wrong-headed political choices that hardwired inequality into our economic model.

This is why Oxfam is focusing relentlessly on building a more human economy that realises and respects human rights. We know the tools proven to reduce inequality from living wages, tackling harmful social norms to fighting with citizens for universal, high quality healthcare and education.

Governments have considerable policy space to reduce inequality. They can raise the wages of workers as they did in Brazil. They can tax the richest more, as they have done in South Korea. They can spend more on health and education to ensure every woman and man have opportunity. Applying these lessons, together with Development Finance International, we developed the Commitment to Reduce Inequality index (Development Finance International and Oxfam, 2017[53]), which measures action on social spending, taxes, and workers' rights in 157 countries.

Aid, used strategically, can help to build a more human economy. It can help end poverty and fight inequality in poor countries. It has the potential to deliver transformative finance from rich to poor nations, helping close the inequality gap between and within them. If aid needed a renewed calling, the crisis of economic inequality is it.

How? Through predictable assistance to build effective states, support for government budgets that pay teachers and nurses (OECD, 2015[54]) (Oxfam, 2014[55]) and humanitarian assistance. Through the adoption of a feminist aid approach to tackle economic and gender equality together.

This "inequality-busting aid" needs DAC donors to support the people on the frontlines, be they in NGOs, unions, women's rights movements or journalism, pushing governments for fairer policies. DAC donors must also help protect their civil and political rights, which are under threat worldwide.

In the long-term aid needs to write itself out of a job. Helping governments to mobilise domestic revenues to deliver essential services, and ensure taxes are raised progressively and spent accountably, is shrewd. Yet in 2016, DAC donors only invested 0.18% of official development assistance (ODA) in domestic revenue mobilisation (Oxfam, 2018[56]). And on all of this, DAC donors can give more — ODA accounts for 0.31% of their GNI, less than half of their 50-year-old pledge of 0.7%.

We know about how not to use aid too. Donors should never instrumentalise aid to stop people fleeing from their homes for safety. As former UN High Commissioner for Human Rights Zeid Ra'ad Hussein said, "People don't lose their human rights by virtue of crossing a border without a visa." Privatising health and education, based less on evidence of effectiveness than blind faith in markets, pushes people further behind. Talented girls in poverty consistently lose out when education comes with a fee.

In years past, life-saving aid was pivotal in the child survival revolution, closing the school enrolment gender gap and promoting environmental sustainability. Donors must now use aid strategically to help build a more human economy and leave poverty and inequality behind by 2030.

5. Fiscal and trade policies show how lack of coherence and failures in implementation often restrict the promotion of equitable outcomes

A particular challenge in developing countries is that many governments do not have the administrative, technical or financial capacity to implement effective sustainable development policies and programmes. For instance, a state's limited administrative capacity to collect taxes and deal with highly complex tax avoidance practices can lead to underinvestment in key areas, such as education, health or social protection (ILO, 2017[25]).

Moreover, a policy is more likely to fail when the chain of responsibility for its implementation is unclear or when there is a lack of coherent co-ordination. For instance, a state's ability to achieve legitimate objectives for social equity may be undermined by non-labour elements of trade agreements, such as provisions for investment protection (ILO, 2016[20]). This is further exacerbated if the system for settling investor-state disputes is made up of corporate arbitrators whose independence is compromised by conflicts of interest. For instance, in 2013, the French transnational company Veolia sued the Government of Egypt because of an alleged loss of expected profits caused by Egypt raising the minimum wage (UN, 2015[57]).

A difficulty in reconciling tax and social policy objectives is another example where a lack of policy integration may lead to disappointing policy outcomes. While in advanced OECD countries, fiscal policies (both taxes and transfers) reduce the Gini coefficient (the most commonly used statistical measure of inequality) by 15 points on average (OECD, 2011[58]), in developing countries, fiscal policy tends to reduce inequality only slightly and often increases poverty (Lustig, 2017[59]), largely through indirect taxes.

How can development co-operation tackle income equality within countries?

The nature and drivers of economic inequality discussed in this brief bring into question the role of development co-operation. Can financial and technical assistance help reverse the trend towards greater inequalities within countries? And can reversing this trend help reduce poverty worldwide? Certainly, SDG 1 – to end poverty in all its forms everywhere – will not be achieved unless inequality within countries is substantially reduced.

The SDGs provide a strong rationale for development partners to be actively engaged in the fight against inequality. Within an overall framework to promote economic prosperity while protecting the planet and ensuring that no one is left behind, tackling inequality features throughout the 2030 Agenda, both directly in SDG 10 and indirectly in many other goals and targets. Building on the research findings summarised above, this final section suggests how development partners can reach SDG targets and enhance their impact on sustainable development.

Provide better diagnostics and tailoring of responses

Reducing income inequality should become more central in the country strategies of development partners. Rising economic inequality poses a particular threat to social cohesion within many developing countries and beyond. At the same time, more cohesive societies can be an engine for sustainable development (OECD, 2011[58]). Many development agencies are already seeking to reduce horizontal inequalities by helping the most vulnerable groups, such as women and young people, access basic services (Chapter 9). However, more action is needed to counter vertical inequalities.

Development co-operation should therefore factor in the nature and range of deep-rooted obstacles that developing countries face in their efforts to pursue economic equity. It should also provide a coherent response that reconciles actions at different levels of intervention (national, regional, global) and in different policy areas (official development aid, trade and investment policy, foreign policy). An analysis of the political economy may help to identify forces standing in the way of equitable economic outcomes, and provide greater clarity on which actions can help unlock existing or potential drivers of progress (World Bank, 2016[60]).

Development partners should tailor their responses based on well-informed country diagnoses of inequality challenges. Diagnostic tools, such as the OECD Social Cohesion Policy Review (see Box 3.2 on social cohesion in Viet Nam), help development partners and countries improve national economic and social policies in a way that fosters social cohesion, including economic equity. Such reviews aim to bring together different stakeholders for a broad-based dialogue on social cohesion.

Box 3.2. **Assessing social cohesion in Viet Nam: OECD Social Cohesion Policy Review in action**

Viet Nam's economy has seen sustained growth over the past decade, accompanied by impressive poverty reduction and the emergence of a large middle class. These achievements are largely attributed to the Doi Moi policy – an economic reform process initiated in 1986. This policy led to a series of structural changes which transformed the country into one of the fastest growing economies in the world but has also created challenges for social cohesion. There are concerns that gaps in employment, social, education and fiscal policies still exist, and may put social cohesion at risk.

The aim of the OECD's Social Cohesion Policy Review was to inform the on-going policy dialogue on social cohesion in Viet Nam, and the formulation of public interventions. Key findings include:

Social cohesion is at a crossroads in Viet Nam

There are concerns about the extent to which growth has been inclusive. In Viet Nam, absolute and relative income mobility are high, implying the presence of both winners and losers. The prospect of an upward change in status between generations of the same family (inter-generational mobility) also appears to be limited.

Structural transformation has had a negative impact on social capital in Viet Nam– it has affected the way people relate to and trust each other and the government, while traditional social support networks appear to be weakening. There are opportunities for civic engagement but citizens are not necessarily able play an accountability role in relation to the government or influence government policy. Social norms also appear to have an adverse impact on gender equity.

Improving social cohesion through employment-friendly policies

Employment intensity (how employment varies with economic output) in Viet Nam has remained low despite a large increase in labour productivity and real wage growth. There is also a skills mismatch as labour demands rapidly change under structural transformations. While years of public investment in education have helped build human capital and fuel economic growth, equity is still a concern and education and training policies are not sufficiently preparing the work force for employment in a fast-growing economy.

Building an inclusive social protection system

Viet Nam's social protection system has mitigated risks during the structural reform, helping to narrow inequalities. Still, social coverage varies depending on the type of social protection, while widespread tax avoidance undermines the development of more inclusive schemes. Programmes targeting vulnerable groups tend to be successful: The main challenge is to extend access to unregistered poor people. In contrast with pro-poor assistance programmes, social insurance schemes are concentrated disproportionately among the better off. There are also large inequalities in access to healthcare services between ethnic groups and between income categories among the elderly.

Fiscal policy and the social contract

While there is trust in fiscal institutions in Viet Nam and tax morale is high, enterprises are under-reporting wages to evade social security contributions – this tends to undermine fiscal legitimacy and the social contract. Personal income tax in Viet Nam appears to have very limited redistributive effects. If fully enforced, however, the existing regime for personal income tax could help reduce inequality. Public transfers also reduce income inequality - more effectively than taxation. Fiscal transfers from the central to local governments in Viet Nam are meant to be progressive but the pro-poor nature of these transfers does not automatically translate into improved satisfaction with public service delivery.

Source: (OECD, 2014[61]), *Social Cohesion Policy Review of Viet Nam*, *http://dx.doi.org/10.1787/9789264196155-en*.

Support and engage in international regulatory mechanisms such as tax schemes to reduce global inequality

In many ways, developing countries are operating in an international system largely dictated by the policy choices made in OECD countries. Such a system comes with both costs and benefits in terms of economic inequality, but development partners can respond by supporting international processes that help minimise some of the costs and maximise the benefits.

One relevant initiative in the fight against rising economic inequality is the OECD/G20 Base Erosion and Profit Shifting (BEPS) package that incorporates measures to reduce tax evasion by wealthy individuals and multinational corporations. BEPS is of major significance for developing countries given their governments' heavy reliance on corporate income tax, particularly from multinational enterprises.

Another related initiative is the OECD/UNDP Tax Inspectors Without Borders (TIWB) programmes that support countries in building capacity for tax auditing. TIWB programmes complement the broader efforts of the international community to strengthen co-operation on tax matters and contribute to the efforts of developing countries to mobilise domestic resources.

Development co-operation should help developing countries engage in the international tax agenda by providing support that answers their specific needs. Development co-operation should also work with the private sector to help implement the OECD Guidelines for Multinational Enterprises, which are the most comprehensive set of government-backed recommendations on responsible business conduct in existence today. Governments adhering to these guidelines aim to encourage multinational enterprises to act responsibly. In so doing, they can reduce the risk that such enterprises contribute to negative human rights, labour and environmental impacts in their operations or through their supply chains.

Fragility

By Rachel Scott, OECD Development Co-operation Directorate

Key messages

- Fragility and being left behind go hand in hand. More than 80% of the world's poorest people might be living in fragile contexts by 2030. Barriers are high to reaching the sustainable development goals in these contexts.
- Fragility is a single label for a complex and multidimensional phenomenon. The OECD's fragility framework looks at a combination of risks and coping capacities in five dimensions: economic, environmental, political, security and societal.
- Tackling fragility in all its dimensions takes commitment and focus from all actors, who must target root causes and work towards inclusive, peaceful and equitable societies – starting with the most vulnerable people.
- ODA to fragile contexts is growing. In 2016, fragile contexts received USD 68.2 billion in ODA but just 2% of this aid was directed to conflict prevention and 10% for peacebuilding.
- Development finance for the drivers – not just the symptoms – of fragility is limited, prompting calls for a new principle to invest in development wherever possible and humanitarian aid only when necessary.

When it comes to delivering on the 2030 Agenda's aspiration to leave no one behind, nowhere is the risk so great, or the reward so potentially game changing, as in fragile contexts. Fragility matters – for the well-being of people, for the stability and development prospects of societies, and for its flow-on effects on neighbouring regions and on OECD countries.

Fragility matters because it is here, in fragile contexts, that people have already been left behind. The Sustainable Development Goals (SDGs) provide an opportunity to redress the failures of the Millennium Development Goals to lead to more profound and widespread development progress in fragile contexts. Thus far, however, fragile contexts are lagging behind on the path to achieving the SDGs. While most fragile contexts are on track to meet goal 13 on climate change and goal 17 on global partnership, great challenges remain regarding progress on the other SDGs, particularly goal 1 on poverty; goal 2 on food and nutrition; goal 3 on health; and goal 16 on peace and justice (Sachs. et al., 2017, pp. 15-19[62]). Out of 157 countries for which data on SDG progress are available, fragile contexts consistently rank in the lower third. The extremely fragile countries of Central African Republic, Chad and the Democratic Republic of the Congo are at the bottom of the rankings, in 157th, 156th and 155th place (Sachs. et al., 2017, p. 11[62]).

Based on projections for the OECD's annual *States of Fragility* report (OECD, 2018[2]), by 2030, more than 2.3 billion people, or about 27% of the world's population, will live in fragile contexts – up from 1.8 billion today. If no action is taken, the number of people living below the international poverty line in fragile situations is estimated to rise to 620 million in 2030 from 513.6 million in 2015. This means that more than 80% of the world's poorest people could be living in fragile contexts by 2030. These extremely poor people will be mostly concentrated in four countries, all of which appear in the OECD 2018 fragility framework: Nigeria, with a projected 130 million extremely poor residents in 2030; Democratic Republic of the Congo, with 80 million; United Republic of Tanzania ("Tanzania"), with 30 million; and Madagascar, with 28 million (OECD, 2018, p. 99[2]).

ODA to fragile contexts is significant because fragility matters. Allocations to fragile contexts, which are more aid dependent, is growing faster than ODA to other developing countries. In 2016, fragile contexts received USD 68.2 billion in ODA. DAC donors spent 35.8 billion of this amount; other bilateral donors spent USD 9.9 billion, and the remaining USD 22.4 billion was channelled through actors including development banks and UN agencies. Overall, ODA to fragile contexts increased by 6.4% between 2015 and 2016, more than double the rate of overall ODA growth. Indeed, ODA to fragile

contexts has been on the rise since the end of the global financial crisis, growing by 26% in real terms from 2009 to 2016. Finally, ODA is an important source of development finance in fragile contexts, finance that – at least in the short and medium term – will not be accessible in significant quantities through other means.

Box 3.3. **Factors of fragility**

Poverty is not the only reason that people are at risk of being left behind in fragile contexts. In fragile contexts well-being of people and sustainable development are undermined by several factors, including for example:

- **Inequality**. According to the Gini Index, countries considered extremely fragile, among them Haiti and Central African Republic, are also among the countries with the most unequal income distributions (Sachs. et al., 2017, p. 436[62]).
- **Gender inequality**. Eight of the ten most gender-unequal societies in the world in 2015 were also contexts considered fragile in the OECD 2018 fragility framework, among them Yemen, Chad, Niger, Mali, Côte d'Ivoire, Afghanistan, Democratic Republic of the Congo and Sierra Leone (UNDP, 2016, pp. 214-217[63]).
- **Life expectancy**. The countries and contexts in the 2018 fragility framework have some of the lowest life expectancies in the world (WHO, 2017[64]). According to 2015 data, Sierra Leone had the lowest average life expectancy at birth (50.1 years), closely followed by Angola (52.4 years) and Central African Republic (52.5 years) (WHO, 2017, p. 55[64]).
- **Disaster risk**. For the combined period 1996-2015, six of the top ten countries for disaster deaths in absolute numbers also figure in the 2018 fragility framework: Afghanistan, Haiti, Honduras, Myanmar, Pakistan and Somalia (UNISDR and CRED, 2016, p. 15[65]). Disasters have particularly devastating effects in fragile contexts, which have heightened exposure to risk and insufficient coping capacity to manage, absorb or mitigate those risks.
- **Forced displacement**. In 2016, 55% of all refugees worldwide originated from Afghanistan, South Sudan or the Syrian Arab Republic ("Syria") (UNHCR, 2017, p. 3[66]) – all three classified as extremely fragile in the OECD framework. Similarly, six of the top ten countries hosting refugees in 2016 (UNHCR, 2017, p. 15[66]) were considered fragile: Democratic Republic of the Congo, Ethiopia, Iran, Kenya, Pakistan and Uganda. Fragile contexts are also disproportionately affected by internal displacement. Eight of the ten largest populations of internally displaced persons are in fragile contexts (UNHCR, 2017, p. 36[66]).
- **Urban fragility**. Cities in fragile contexts are especially vulnerable to the effects of heightened fragility, and in turn they risk pushing contexts further into fragility. This is due to the speed of population growth, high levels of unemployment, income inequality, lack of access to basic services, homicide rates, terrorism and exposure to natural hazards – especially climate change related disasters. Three of the four most fragile cities - Kismaayo, Merca and Mogadishu - are in Somalia. Six of the 25 most fragile cities are in Iraq; five are in Yemen; and four are in Afghanistan (Muggah, 2017[67]).

Who is left behind in fragile contexts?

Fragility is a complex phenomenon. Different contexts are fragile, at different levels of intensity, for different reasons. All societies and contexts, in fact, are fragile at some point and to some extent. A multidimensional framework is therefore the best way to understand how and where people living in fragile contexts are at risk of being left behind. Such a framework can also help spur new thinking about how to achieve sustainable results in fragile contexts, for this generation and the next and new ways of working by all actors across the humanitarian-development-peace nexus as stressed by Ulla Tørnæs, Denmark's Minister for Development Cooperation in her "In My View" piece.

In my view: We need new ways of working across the humanitarian-development-peace nexus so no girl is left behind

by Ulla Tørnæs,

Minister for Development Cooperation, Denmark

While we have witnessed great progress in the fight against poverty and inequality, too many people – the most impoverished, disadvantaged, and at risk of violence and discrimination – still face significant inequalities when it comes to accessing resources and rights. Women and girls all too often are at the top of that list.

The commitment to leaving no one behind entails prioritising the progress of the most marginalised. It urges us to address the structural causes of inequality and marginalisation that affect them, so they can unfold their potential. This is guiding the Danish strategy for development policy and humanitarian action.

Being exposed to conflict or fragile situations tends to deepen structural inequalities. This is certainly true for gender inequalities. In conflict situations young girls are 2.5 times more at risk of not attending school than boys, and 9 out of the 10 countries with the highest child marriage rates are considered fragile or extremely fragile states.

Unfortunately, recent trends indicate that many are likely to continue to live in fragility or displacement for years to come. We therefore need to ensure that our response is designed from the outset to deliver sustainable outcomes over time for those most in need. Development thinking has to be present from the emergency phase and we need to address the underlying inequalities and gaps that are clearly interlinked. This requires a holistic approach that includes health services, education and livelihoods. Sexual and reproductive health and rights for women and girls must be protected; to save lives and to protect the fundamental right of all women and girls to decide over their own bodies. The education of girls needs to have priority, also in humanitarian settings; girls who receive seven years of schooling tend to marry later, have better economic possibilities and have fewer children.

My vision is that by 2030, all women and girls have the ability to enjoy their rights, fulfil their potential and make their own choices in life. No Sustainable Development Goal is met unless it is met for everyone, including vulnerable women and girls. This will not be easy. Those furthest behind are the hardest to lift. It will require collective efforts, from policy makers, civil society, humanitarian actors, development agencies, private sector partners and the donor community.

In my view, the new way of working sets the course. Collectively, we can reduce short-term and long-term needs, risks, and vulnerabilities in a sustainable way. If only we are all ready to work and collaborate across the humanitarian-development-peace nexus.

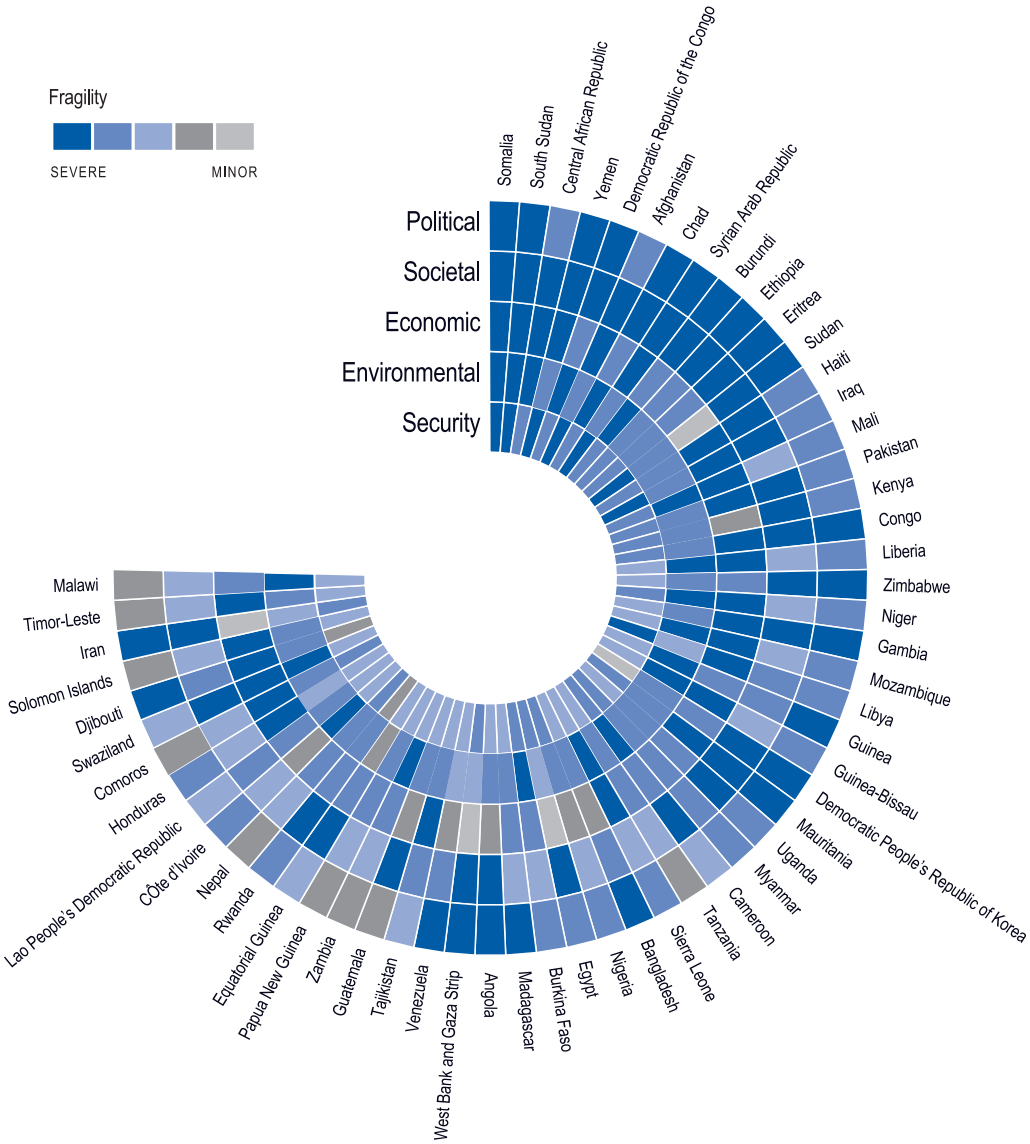
The OECD's multidimensional fragility framework frames the phenomenon as a combination of risks and coping capacities in five dimensions: economic, environmental, political, security and societal (Whaites, 2017[68]).

Figure 3.5 shows the results of applying this fragility framework in 2018. Contexts are listed counter-clockwise by increasing levels of fragility. However, the ordering is only indicative; inherent in the concept of multidimensionality is the fact that contexts next to each other in this visualisation face different types of fragility and thus should not be directly compared to one another.

Economic fragility

The economic dimension of fragility aims to capture the vulnerability to risks stemming from weaknesses in economic foundations and human capital, taking into account factors including exposure to macroeconomic shocks, unequal growth and high youth unemployment.

Figure 3.5. **The OECD fragility framework 2018**



Source: (OECD, 2018[2]), *States of Fragility 2018*, *https://doi.org/10.1787/9789264302075-en*.

The first group at risk of being left behind under the economic dimension of fragility are, of course, the very poor. As noted earlier, projections show that 620 million people living below the international poverty line – 80% of the world's poorest people – will be living in fragile contexts by 2030.

The second group at risk are those that have been excluded from the benefits of economic growth. As highlighted in *States of Fragility 2018*, impressive economic growth and its attendant expectations generate serious new risks when they fail to bring commensurate progress in income distribution, job creation, or increased voice and accountability (Whaites, 2017[68]). This means that greater attention is required not only to growth, but also to the quality and distribution of its economic benefits. Higher income status is not a guaranteed way out of fragility, either: 30 of the 58 contexts on the 2018 fragility framework are middle-income countries (OECD, 2018[2]).

A third, less understood, group at risk of economic fragility is people living in countries that are neighbours to fragile contexts. Neighbours may see a drop in their economies when physical and human capital are destroyed; when they become less attractive for foreign direct investment and trade; or when resources are diverted towards less productive sectors such as defence, border control

and refugee management (Dunne and Tian, 2015[69]) (DFID, 2016[70]). This is why, for example, the UK Department for International Development includes "neighbouring 'high fragility' states" as a category in its list of fragile states and regions (DFID, 2016[70]).

Finally, people living with the daily scourge of corruption are also at risk of being left behind. All countries experiencing fragility in the 2018 OECD framework, with the exception of Rwanda, also ranked high in corruption perception scores on the 2016 Corruption Index (Transparency International, 2017[71]). Corruption hampers economic growth and increases poverty, depriving people of access to vital services such as healthcare, education and water and sanitation – and further increasing their risk of being left behind.

Environmental fragility

The environmental dimension of fragility aims to capture vulnerability to environmental, climatic and health risks affecting citizens' lives and livelihoods. This includes vulnerability to natural disasters, pollution and disease epidemics (see also the section in this Chapter on Climate Change).

Climate is a significant factor that increases people's risk of being left behind in fragile contexts. Its impact is seen in political instability, food insecurity, weakening of economies and large-scale movements of people. It can compound tensions, catalyse violence or threaten fragile peace in post-conflict contexts (Peters and Vivekananda, 2014[72]). Violent conflict, in turn, leaves communities poorer, less resilient and less equipped to cope with the impact of climate change – creating a vicious cycle that is hard to break.

Disasters disproportionately affect those left behind in fragile contexts. There are two reasons for this: people living in fragile contexts are often exposed to higher disaster risks, and they often have lower coping capacity. Between 2004 and 2014, 58% of deaths from disasters occurred in the 30 most fragile states worldwide (Peters and Budimir, 2016, p. 5[73]).

In 2016, 24.2 million people were displaced because of sudden-onset natural hazards (IDMC, 2017, p. 31[74]). If greater and more strategic actions are not taken with foresight in the environmental dimension, people living in fragile contexts who are exposed to natural hazards and climate shocks are at significant risk of being trapped in a cycle that will keep them behind for the foreseeable future.

Political fragility

The political dimension of fragility aims to capture vulnerability to risks inherent in political processes, events or decisions. These include risks to political inclusiveness (in the form of elites), to transparency (in the form of corruption), and to societies' abilities to accommodate change and avoid oppression.

Reducing inequality and exclusion, particularly of women and young people, is a fundamental requirement for sustainable peace (UN/World Bank, 2018[75]) and thus for reducing the risk of being left behind. Political inequality can be one of two types: vertical or horizontal. Vertical inequality between individuals or households – the "haves" and the "have nots" – can lead to unequal access to power, and thus to political instability. Horizontal inequality between different ethnic, regional or religious groups creates the perception of inequality and injustice, and thus creates grounds for grievances and conflict (UN/World Bank, 2018[75]).

Interestingly, however, those left behind in the political dimension can also include wealthy elites – not usually targets of development programming. This is particularly the case during transitions towards political inclusion, such as following the signature of a peace agreement. In these key periods, the risk of instability and violence can increase – especially when aggrieved elites, demanding or resenting a change in their relative status, mobilise groups to act on their perceptions of injustice (UN/World Bank, 2018[75]).

Addressing the risk of being left behind in the political dimension is thus complex. Traditional development approaches that focus solely on vertical state-society relations, with the state usually

embodied by central government, underplay the importance of horizontal society-society relations and local/municipal dynamics. Similarly, emphasising institution building can skew the perspective too narrowly towards the central, formal state, obscuring the impact of people and societies in shaping the foundations on which institutions are built (OECD, 2018[2]). Ignoring this wider picture increases the risk of programming that does not meet the needs of those left behind.

Security fragility

The security dimension of fragility aims to capture the vulnerabilities of citizen security emanating from social and political violence. As such, it includes indicators of citizens' exposure to direct political and social violence.

Insecurity is a major driver of the risk that people will remain left behind. This risk can manifest in different shapes and forms, including violence that leads to injury or death; human suffering, including from forced displacement; the destruction of key infrastructure required for basic services; and insecure environments that prevent humanitarian access to those most in need.

It is, thus, good news that conflict prevention is high on the international policy agenda. However, resources to build security do not appear to share this high priority. In 2016, just 2% of ODA that went to fragile contexts – about USD 1.7 billion – was directed to conflict prevention. About 10% – USD 7.5 billion – went to peacebuilding (OECD, 2018[2]).

Insecurity also has an increasing influence on the type of ODA that fragile contexts receive – and this is creating perverse incentives that hamper efforts to fix the multiple dimensions of fragility. From 2015 to 2016, in all fragile contexts, humanitarian assistance increased by 38%, whereas development assistance available for programming (also known as country programmable aid or CPA) did not increase (Chapter 13). In the 15 extremely fragile contexts, where the security risks create the greatest challenge for international actors, the split between CPA and humanitarian assistance was, in 2016, almost equal, with CPA at USD 16 billion and humanitarian finance at USD 15 billion. This means that the development finance available to work on the real drivers – not just the symptoms – of fragility is limited, prompting calls for greater development investment in fragile contexts, following the principle of development wherever possible and humanitarian [aid] only when necessary.

Societal fragility

The societal dimension of fragility aims to capture vulnerability to risks that affect societal cohesion, including factors such as vertical and horizontal inequalities and social cleavages.

Fragility rises or declines with the ability of different groups in society to work together. When this is not possible – and society is rarely a cohesive entity in fragile contexts – then members of the more marginalised groups are at major risk of being left behind. Factors that increase societal fragility include lack of mutual trust; differing perceptions of history; different concepts of the legitimacy of rules; and different levels of respect for public authority (OECD, 2018, pp. 42-44[2]).

Democratic processes and elections are often promoted as a solution towards an effective social contract; however, if not handled properly they can also do harm and increase the risk of marginalisation. In Sri Lanka, for example, the Sinhala majority has repeatedly prevented the kind of compromise that would satisfy the minority Tamils (Uyangoda) (OECD, 2018[2]). In Kenya, Nigeria and Ukraine, electoral competition for political power has repeatedly increased social divisions rather than healed them. In Guatemala, democracy has repeatedly failed to empower disadvantaged groups (OECD, 2018[2]).

In addition, the recent shrinkage of civil society space in many countries has reduced its scope to have any influence on strengthening – or weakening – social cohesion (Chapter 6). The restrictions facing civil society, therefore, hold back its full potential to reduce the numbers of people left behind in fragile contexts.

Finally, in fragile settings inequitable gender relations can fuel conflict and violence, while women's active participation can contribute to sustainable peace and resilience (see also the section on Women

and girls in this chapter). These dynamics have a significant impact, either negative or positive, on those left behind. Recent research by OECD Gendernet and the International Network on Conflict and Fragility, however, has shown that policy and programming in fragile settings tends to approach gender as a technical add-on, viewing women's issues as somehow separate from the concerns of the general population, and backed by stereotypes of women as vulnerable and non-violent, versus men as violent and resilient (OECD, 2017[76]). This is of course leading to sub-optimal results.

Delivering ambitious actions to fix fragility

States of Fragility 2018 sets out seven collective ambitions – for governments in fragile contexts, regional organisations, bilateral and multilateral actors, civil society and the private sector – to fix fragility wherever possible, and thereby reduce the risk of people being left behind while promoting their prospects for sustainable development and peace. These ambitions are:

1. We must address fragility if we want a better world – and if we want to leave no one behind.
2. We will accept complexity and address all dimensions of fragility – understanding and using a multidimensional approach to policy and programming and working across the full spectrum of issues, even those that are difficult and sensitive.
3. We will invest more and smarter aid in fragile contexts – knowing that ODA matters immensely in fragile contexts, and is the only investment flow that leads to more inclusive growth, and peaceful and stable societies.
4. We will step up our efforts on prevention, peace and security – matching our investments to the international community's rhetoric.
5. We will invest in the data to better understand, anticipate and respond to multiple states of fragility – collecting data about lesser-understood areas like informal systems, and integrating this evidence into programming decisions.
6. We will support the capacity of governments to deliver inclusive solutions to their own states of fragility – acknowledging that exiting fragility must be a partnership, where both partner governments and the international community have work to do.
7. We will never lose sight of the end goal of delivering hope and better lives for all people in fragile contexts – acknowledging the need to support people in building a better future, and providing hope for their dreams and aspirations, and for better lives.

These are high ambitions, and in pursuing all of them we can name another, which is not additional but essential to exiting fragility: we must target the furthest behind first.

Governance

By Catherine Anderson and Marc de Tollenaere, OECD Development Co-operation Directorate

Key messages

- Inclusive governance is likely to contribute to more equitable development outcomes when interventions are tailored to the context, iterative and adaptive, and when these serve to shift institutional, social and behavioural outcomes.
- To support the development of inclusive governance, practitioners need to embrace politics with a good understanding of the local political settlement.
- Trends in women's political participation and women's empowerment in the least developed countries show that progress on empowerment is slower than progress on participation.
- Democratic participation in the least developed countries has increased steadily between 1990 and 2017. Data on the distribution of power by socio-economic position show that the wealthy class has strengthened its hold on political power over the same period.

Long before the advent of the SDGs, inclusive participation, citizen engagement and social justice actions were among the measures adopted to address power asymmetries, social and political exclusion and problems of inequality in development. In the context of the SDGs, the principle of leaving no one behind reinforces the role of inclusion, both as an instrument and an attribute of sustainable development. The development community is reflecting on what inclusion potentially encompasses, and the conditions under which it may be most effectively accomplished, in light of empirical experience about the prerequisites for sustained growth, security, stability and poverty reduction.

Governing in inclusive ways

Hickey et al. (2015[77]) define inclusive development in a way that can also serve to define inclusive governance "*the process through which social and material benefits are equitably distributed across societal divides, income groups, genders, ethnicities, regions, religious groups and others*". It covers a broad range of benefits: economic and material gains and enhanced well-being and capabilities, as well as social and political empowerment, and suggests a focus on marginalised and vulnerable groups.

Multiple SDGs refer to inclusion, although inclusive governance is most closely associated with SDG 16, which broadly seeks to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Two particular targets of SDG 16 focus on inclusive governance - 16.6: Develop effective, accountable and transparent institutions at all levels and 16.7: Ensure responsive inclusive, participatory and representative decision making at all levels.

Understanding the context of exclusion

A particular constraint for governments and development partners in effectively programming for inclusive governance is that it can be difficult to assess exactly *who* is left behind and *how*, as this depends on and requires an understanding of the country context. For example, people can be excluded from decision-making processes but still be included in development outcomes. Lekalake and Gyimah-Boadi (2016[78]) have shown that in many African countries, youth are significantly under-represented in governance processes but can still benefit from improved health and education services. As a further example, several authoritarian East Asian states historically pursued a range of inclusive outcomes such as employment-generating industrialisation and universal social protection schemes, which benefitted broad swathes of their societies (Teichman, 2016[79]).

Attention to context prompts questions about how geography, history, social and political ideas or narratives and the prevailing political economy might impact on the inclusivity of social structures, political pacts and settlements. The core capability of the governing regime to make government administration broadly inclusive and accessible is also of central importance (Hickey et. al. 2015).

Given that inclusive governance takes many shapes and forms, and is strongly influenced by the socio-economic and political context, there is no blueprint approach for ensuring it *leaves no one behind*. Different and divergent pathways are necessary. Understanding the conditions (institutional/structural, social, political etc.) and norms (social, cultural) through which exclusion happens, and the reasons *why*, will be an important basis for effective programming.

Enabling inclusive governance is difficult

It is easy to assume that if more citizens and groups in society are represented in governance processes and can influence decision making, they will also benefit from the outcomes. Yet, practical experience from existing governance initiatives supported by ODA has highlighted the difficulties associated with accomplishing inclusive governance effectively (OECD, 2018[80]; Rocha Menocal, 2017[81]; Hickey et. al., 2015[77]). Some of these are discussed below.

First, states that try to become more inclusive often *need to implement multiple transformations simultaneously*: for example, from violence to peace; from personalised rule to rules-based institutions; and from elite accumulation to shared opportunities for income, employment and economic growth. These multiple transformations do not necessarily go hand-in-hand but rather tend to generate tensions (Rocha Menocal, 2016[82]).

Second, difficult choices and trade-offs need to be made and *progress can often happen alongside suboptimal results and setbacks*. Pathways towards inclusive governance are often non-linear and some forms of inclusion may progress faster than others. For example, political inclusion may advance more quickly than economic or social inclusion and vice-versa, or some groups (such as women) may be more readily included than others. Rwanda, for example, has made tangible progress on inclusive outcomes, with vastly improved primary education enrolment, and on women's representation, but political pluralism remains limited and the Batwa minority continues to be excluded (Beswick, 2011[83]).

Third, *many pitfalls exist, including tokenism, inclusion under unfavourable terms, non-performative inclusion, and the potential for new exclusions* (Cookson and Fuentes, 2018[84]). More inclusive governance can slow down decision making or result in unproductive compromises, which can make progress seem less effective (e.g. long and broad consultations on public sector reforms that are subsequently not implemented). Inclusive governance interventions can also have unintended effects. Botswana is often hailed as a beacon of political stability and democracy in Africa and tops regional governance rankings. However, some analysts argue that the country's post-independence constitution has institutionalised a political system of exclusion where political power and access to it are limited to a small part of society (Maundeni and Suping, 2013[85]; Molutsi and Holm, 1990[86]). Consultations are tokenistic and fail to represent key sections of society. Similarly, in South Africa, while formal political inclusion has been achieved, large segments of the black population continue to experience social and economic exclusion (Marais and Davies, 2014[87]; Dudouet, Lundström and Rampf, 2016[88]).[7]

Fourth, *some of the greatest progress in reducing poverty and/or inequality has come about in undemocratic or disruptive ways*. Scheidel (2017[89]) argued that economic inequalities are usually narrowed most effectively by cataclysmic events: war, revolution, the collapse of states and natural disasters (Scheidel, 2017[89]). China has achieved unprecedented levels of poverty reduction in the absence of a multiparty system, suggesting that elite commitment to inclusive development matters. In fragile or conflict states, in particular, the literature suggests that less inclusive governance may be necessary in the short term to enable political stability, and can be more effective for achieving development results, spurring growth and accelerating poverty reduction (Rocha Menocal, 2017[81]). The lessons from these experiences suggest that the extent of possible inclusive developmental changes is determined by whether elites (political, economic or social actors) use their power and influence to encourage progressive change or to entrench their privileged position (Rocha Menocal, 2017[81]).

Finally, *the links between inclusive processes and inclusive outcomes are not yet clear*. More participation, representation and accountability do not automatically produce more equitable services, economic opportunities or empowerment. South Africa has some of the highest rates of female representation in governing bodies, but it also has one of the highest rape rates in the world, showing that the presence of women in governance bodies does not automatically translate into the protection of women's rights (Statistics South Africa, 2018[90]).

The difficulties associated with enabling inclusion also belies the central concern that we know very little about how and under what conditions the evolution from limited inclusion to open inclusion can take place (Hickey et. al., 2015[77]). For example, although on a downward trajectory today, the democratisation process in the Philippines was the result of the "People Power" social movement and was based on a cross-class coalition of religious elites, economic elites and the middle classes demonstrating the importance of broad-based coalitions across society in contributing to inclusive development (Slater, 2010[91]). In the Plurinational State of Bolivia ("Bolivia"), institutional reforms driven by the combination of a women's movement, involving elite, urban rural and indigenous women, and affirmative action measures in the form of gender quotas resulted in an increase in female MPs from 6.9% in 1997 to 53.1% in 2014 (Inter-Parliamentary Union, 2018[92]). There was also an upsurge in electoral participation from 71.36% in 1997 to 91.86% in 2014 thanks to political mobilisation at a grassroots level (International IDEA, 2018[93]). The Philippines and Bolivia have experienced some regression in recent years, showing that change is not linear and can be subject to reversals. Ultimately, however, the evidence shows that more open and inclusive states and societies are more resilient, democratic, wealthier and less unequal in the long run (Rocha Menocal, 2015[94]). Walton (2010[95]) and Khan (2010[96]) are among those pointing to a "central channel of causation, from underlying social, economic and political processes through social contracts and institutions to human development outcomes".

Measuring progress and monitoring trends is work in progress

There is currently no standardised, accepted way to measure progress towards inclusive governance, and proxy measures are most often adopted. Participatory democratisation, increasing civic engagement and inclusion of marginalised populations in governance institutions all suggest some progress, but the results of these efforts are difficult to quantify or measure. Data can also be contradictory, with some indicators showing progress, while others show a negative trend: for example, more countries than ever enjoy universal suffrage (and thus political inclusion), and yet the number of citizens that abstain from voting is on the rise (Solijnov, 2016[97]).[8]

Measures to assess trends and monitor progress under SDG 16, where inclusion is explicitly referenced, are consequently incomplete or partial (Table 3.1). There have been no official progress reports on the indicators linked to SDG targets 16.6 and 16.7, which are specifically focused on inclusive governance.

Table 3.1. **Measuring SDG targets 16.6 and 16.7**

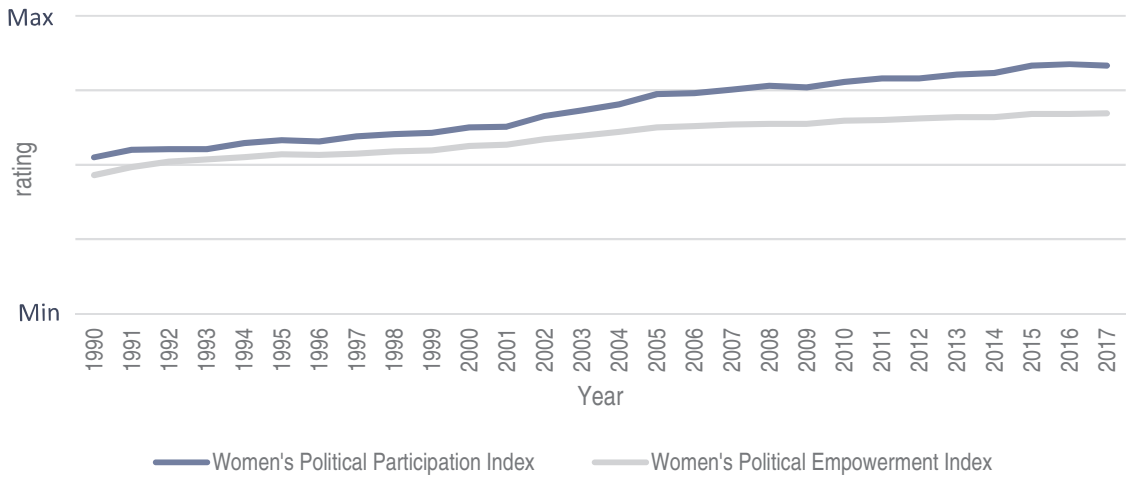
Target	Indicators	Data
16.6 : Effective, accountable and transparent institutions	1. Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) 2. Proportion of population satisfied with their last experience of public services	- Public Expenditure and Financial Accountability (PEFA) indicator measuring expenditures against original budgets - Gallup World Poll (to be confirmed; no data available yet) - World Bank Global Indicator on Regulatory Quality (World Bank, 2017[98])
16.7: Responsive, inclusive, participatory and representative decision making	1. Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service and judiciary) compared to national distributions 2. Proportion of population who believe decision-making is inclusive and responsive by sex, age, disability and population group	- Women in parliament tracked by International IDEA-Power distributed by social group tracked by V-Dem

Notes: The data sources and indicators listed in this table are not officially approved and are not currently used for reporting on 16.6 and 16.7.

Proxy measures, such as ODA flows to government and civil society, the World Governance Indicator on Voice & Accountability and the Varieties of Democracy (V-Dem) indices, shed light on commitment to promote inclusive governance as well as progress in participation and empowerment, but they have their limitations. The World Governance Indicator on Voice & Accountability, for example, points to a strong correlation between income levels and inclusion, but does not tell us the extent to which that participation also translates into actual influence over decision making (World Bank, 2017[98]). An equally interesting finding is that although low-income countries have made progress towards improving their political freedoms and participation in the past two decades, higher income countries have either shown a regression, as is the case in non-OECD countries or demonstrated uneven performance, as in the case of high-income OECD countries.

V-Dem looks beyond measures of participation such as elections, gauging for example the extent to which political elites give public justifications for their decisions based on the common good (Coppedge et. al. (V-Dem), 2018[99]). V-Dem indices generally show progress on representation, consultation and accountability. They also show that the exercise of power remains restricted to particular social groups and socio-economic positions. For example, a comparison of trends in women's political participation and women's empowerment in least developed countries shows that progress on empowerment is slower than progress on participation (Figure 3.6).

Figure 3.6. **Trends in women's political participation and empowerment 1990-2017**



Source: (Varieties of Democracy, 2018[100]), V-Dem Updated Datasets, *www.v-dem.net*.

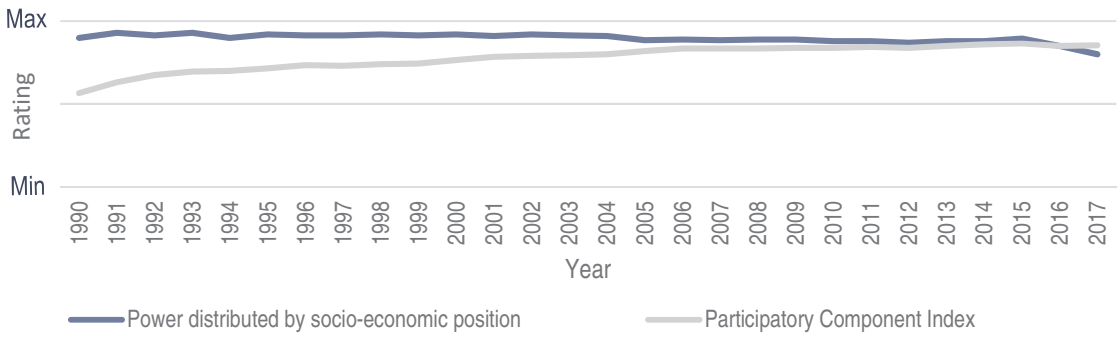
StatLink *http://dx.doi.org/10.1787/888933880109*

Indices measuring participation in least developed countries show a steady progress between 1990 and 2017, but indices looking at the distribution of power by socio-economic position show that during the same interval the wealthy class has strengthened its hold on political power (Figure 3.7) (Coppedge et. al. (V-Dem), 2018[99]).

Progress on citizen participation in governance processes, as identified by V-Dem, aligns with traditional ODA interventions even if V-Dem data also show that these measures have not necessarily made political power more inclusive (Figure 3.8). While the volume of ODA allocated to governance related projects and programmes, referred to as Government and civil society in OECD DAC reporting directives, has declined from a peak in 2009, approximately one quarter of these ODA flows target democratic participation and civil society and women's equality organisations.[9]

Current data and evidence do not reveal the conditions under which inclusive governance might contribute to inclusive development, at least not in a way that would inform and guide development co-operation programmes for inclusive governance. Given these empirical gaps, assessing and monitoring inclusive governance will require out-of-the-box thinking, and reliance on cross country analytical research and learning, generated across an array of developmental contexts.

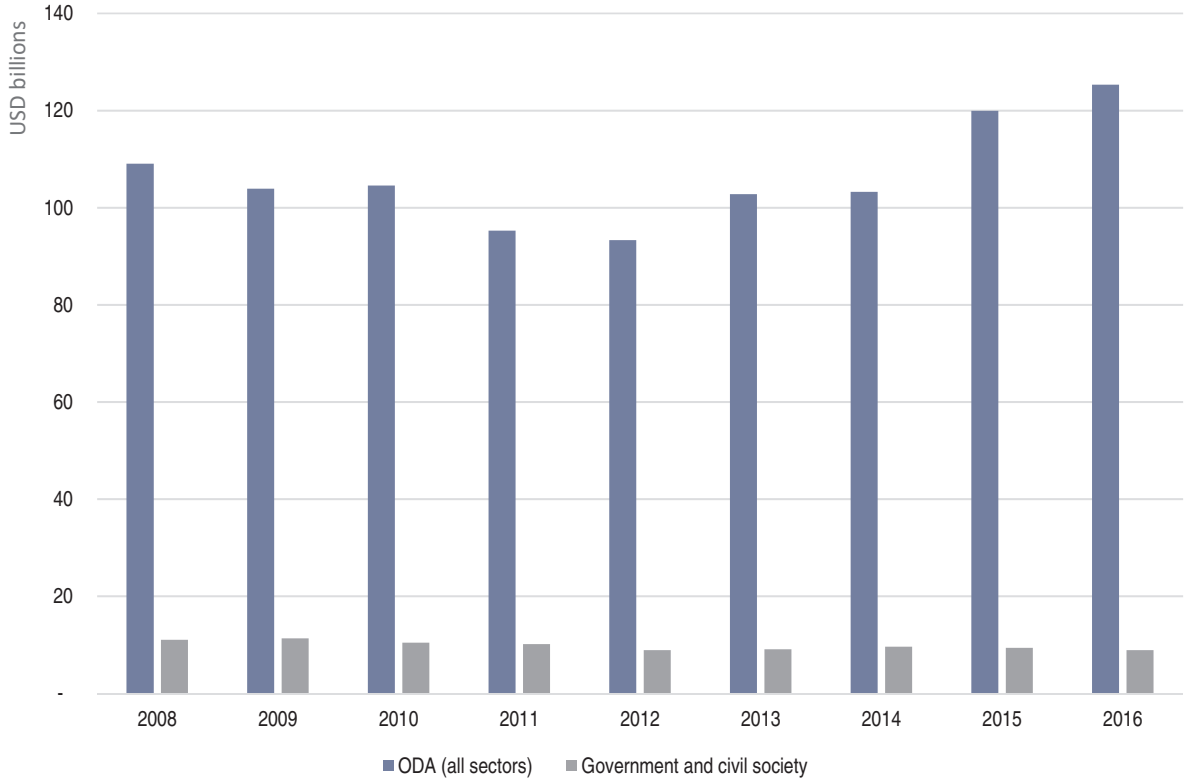
Figure 3.7. **Trends in participation and power distributed by socio-economic position 1990-2017**



Source: (Varieties of Democracy, 2018[100]), V-Dem Datasets, *www.v-dem.net*.

StatLink http://dx.doi.org/10.1787/888933880128

Figure 3.8. **Official development assistance to government and civil society, 2008-2016**



Source: Adapted from (OECD, 2018[101]), "Creditor Reporting System" (database), *https://stats.oecd.org/Index.aspx?DataSetCode=crs1*.

StatLink http://dx.doi.org/10.1787/888933880185

Lessons from experiences of inclusive governance

Some of the drivers that can bring about positive change for inclusive governance are known. These include:

- political struggles
- organised protest and social contestation
- improved coverage and quality of education[10]
- advocacy campaigns
- institutional reforms (such as introducing the right to vote, or quotas for women's representation)

However, these drivers alone do not determine change, what makes a difference is the way they connect with the broader domestic political economy. Dan Slater (2010[91]) illustrates how coalitions of actors can either effectively block more inclusive governance or make it happen, depending on a particular context.

A recent OECD-DAC Governance Network survey found that inclusive governance interventions produce the most effective results when they are problem-driven, adaptive and locally-led, with the necessary feedback loops built in to allow for incremental adjustments (Cookson and Fuentes, 2018[102]). This corroborates with earlier research findings from the Overseas Development Institute (Wild et al., 2015[103]).

A major conclusion from a first phase of research (2012-2016)[11] carried out by Effective States and Inclusive Development (ESID) is that positive change (democracy, inclusive governance, sustainable development) seldom happens simultaneously in developing countries and that trade-offs need to be made among "the good developments" and in terms of sequencing. While this data is perception based and thus subject to some limitations, it is gathered through a network of more than 3 000 experts and is recognised as a credible, robust source of information. In addition, Various V-Dem indices on participation, gender and the division of power were confirmed by the results of two GovNet surveys on inclusive governance, in 2017.

For governments and donors opting for more inclusive governance is one, but not the only option, or can be partial (political inclusion without economic development; inclusion in social service provision only). Multiple approaches may be warranted. Finally, making progress on inclusive governance requires development practitioners to embrace politics. This requires a good understanding of the political settlement in which one acts, but also to think beyond aid-based interventions as the only or best conduit to make governance more inclusive (Kelsall, 2016[104]).[12] Less conventional actions such as brokering strategic alliances or coalitions, or facilitating contacts and knowledge exchange could prove equally helpful, but such long-term and less tangible (compared to governance projects) interventions can be difficult to align with donor pressures for short-term measurable results. These approaches also require different skills to those used for programme management and may not be compatible with the visibility needs of many donors.[13]

Conclusion

Leaving no one behind through advancing inclusive governance is a complex endeavour. More inclusive governance does not automatically lead to inclusive outcomes because these outcomes can be reached through non-inclusive processes. Progress on political representation can go hand-in-hand with reducing civil liberties.

Based on development experiences to date, a commitment to leaving no one behind will require development actors to cast aside their hubris and better understand what inclusive governance might entail in practice and the conditions under which it could effectively be accomplished, across a diverse range of country contexts. Better programming for results will involve dealing with incongruities and making realistic assessments of the "space for change" to identify the potential for effective interventions. The pathways for change may be non-linear, but ultimately societies that are inclusively governed are more resilient, more equal and more peaceful.

Climate change

By Bérénice Lasfargues, OECD Development Co-operation Directorate

Key messages

- Climate action is imperative to realising the 2030 Agenda's ambition to leave no one behind. Failure to deliver on ambitious collective climate action will leave millions further behind.
- Climate change is a global challenge whose impact is felt locally. Poorer populations are harder hit and have lower coping abilities.
- Forecasts of climate change-induced migration vary from 25 million to 1 billion migrants by 2050, with 200 million being the most widely cited estimate.
- Development co-operation plays a critical role in supporting developing countries in transitioning to low-emission, climate-resilient development pathways.
- To prevent more people from being left behind, development co-operation needs to scale up support for climate adaptation and create an enabling environment for just and inclusive climate-informed policies.

Climate change is a defining challenge of our time. It will impact everyone, and poses a threat to the realisation of the 2030 Agenda. Its effects, which are already being felt, will impede or even reverse hard-fought development gains and prosperity. Climate change is also the ultimate "threat multiplier", putting a strain on existing systems of governance and potentially aggravating population displacement, food insecurity, political instability and conflict (Rüttinger et al., 2015[105]) (Box 3.4). While climate change is inherently a global problem, its impacts are distributional in nature, unevenly felt between and within countries and populations. Similarly, not all geographies or segments of societies are equal in dealing with the structural changes implied by moving away from high-emission development pathways. Disparities in how particular groups are affected is often due to one or a combination of intersectional factors such as geography, gender, power, social status, and access to and control over resources.

In 2015, the Paris Agreement and 2030 Agenda heralded a new era, one that strongly emphasises the interlinkages between the climate and pro-poor development agendas – as well as the critical need for these agendas to leave no one behind. In its preamble, the Paris Agreement explicitly recognises "the needs and special circumstances" of the most vulnerable to climate change, and stresses the importance of taking "into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities" (UNFCCC, 2015[106]). It acknowledges, on an equal footing, the impact of climate change and the "impacts of the measures taken in response to it".

The benefits of climate action in terms of higher growth and sustainable development are well-established (OECD, 2017[107]). Without ambitious global climate action, large swathes of populations and places – often those who have done least to cause climate change – risk falling further behind. Consequently, it has been a growing area of interest by development actors and features prominently in the portfolios of development co operation providers. However, the ability of climate action to fulfil its promise – for all rather than a few – will depend on the capacity of development actors to reach those furthest behind in their efforts to respond to climate change.

Who does climate leave behind?

Climate change harms poor and vulnerable populations most

The effects of climate change are uneven and unevenly felt, with specific geographies and segments of societies disproportionately hit. In terms of populations, the poorest suffer more from and are more vulnerable to climate change hazards, to which they are also often more exposed. While

the well off may have a greater value of assets at risk, they are also much better placed to deal with the effects of climate change. The reasons are manifold: poorer populations generally depend more on climate-sensitive livelihoods, have diminished adaptive capacity, operate with weaker safety nets, and are more strongly affected by potential health issues stemming from climate change (Hallegatte et al., 2015[113]).

Box 3.4. **The nexus between climate change and other wicked problems**

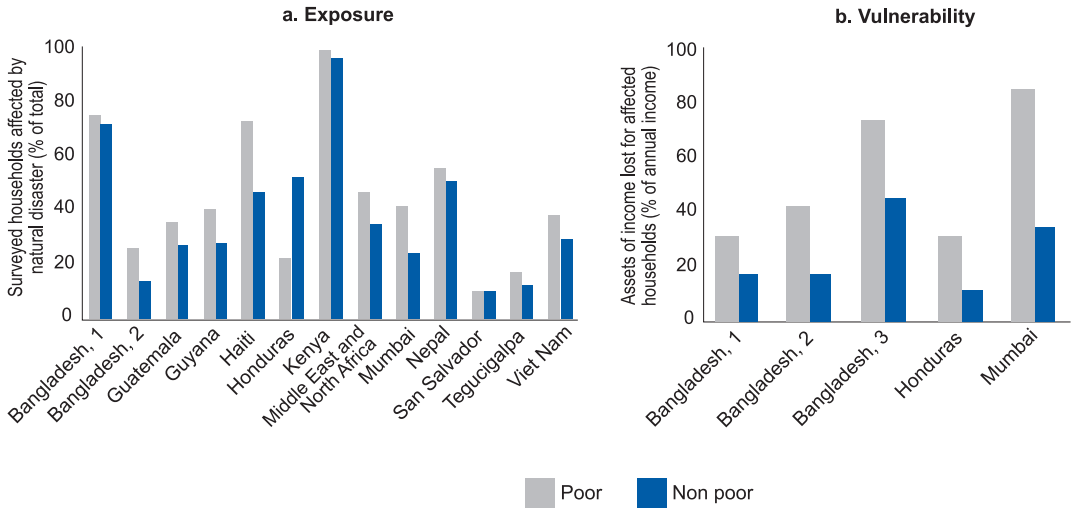
As climate change worsens, the question of its interplay with other development challenges is receiving increased consideration. Several studies have tried to assess the link between climate change and wicked problems such as migration, food security and conflict.

- *Climate change and migration:* Climate change will lead to sea level rise, affect water availability, contribute to food and resource scarcity, and increase the frequency of extreme weather events. These effects will have negative consequences on the livelihoods and well-being of populations, thereby triggering population movements within and between countries. Forecasts of climate change-induced migration vary from 25 million to 1 billion environmental migrants[1] by 2050, with 200 million being the most widely cited estimate. This figure is on par with the estimate of current international migrants worldwide (IMO, 2018[108]).
- *Climate change and food security:* Changing climate patterns and extreme climate-related events (e.g. hurricanes, flooding), both have direct and indirect impact on the quality and availability of viable growing land and food productivity overall. This will in turn have adverse consequences for food security and global food supply value chains. It is expected that climate change will result in declining crop yields, with decreases of 20% and above widespread by 2050 (FAO, 2016[109]). The most recent IPCC report also predicts a drop in CO_2 micronutrients (e.g. iron and zinc) in food leading to limited protein availability, causing up to 150 million people to have protein deficiency by 2050 (IPCC, 2018).
- *Climate change and conflict:* Several studies have argued for a relationship between climate change and conflict (See also the section in this chapter on Fragility). However, there is no consensus in the literature on the causality or linearity of this association, or even on its existence (Adams et al., 2018[111]). Evidence seems to suggest that under specific circumstances climate change can influence parameters that contribute to or aggravate conflict, but there is as yet no evidence of any conflict being caused by climate change, even indirectly. The extent to which this will hold true in the future is difficult to predict, as climate shocks will grow in frequency and magnitude (SIDA, 2018[112]).

1. "Environmental migrants are persons or groups of persons who, for reasons of sudden or progressive changes in the environment that adversely affect their lives or living conditions, are obliged to have to leave their habitual homes, or choose to do so, either temporarily or permanently, and who move either within their territory or abroad" (IMO, 2018[108]).

Climate shocks result in higher relative losses for poorer populations, who are less equipped to recover from such extreme incidents (Figure 3.9). Furthermore, it is expected that the losses generated by climate-related weather shocks will continue to increase in the future, due to a combination of the further accumulation of people and assets in high-risk areas; shocks that are more frequent and greater in magnitude; and the lack of adequate financial protection tools (Campillo, Mullan and Vallejo, 2017[114]). Financial protection is itself distributional: poor people receive less support from their relatives and have less access to the plethora of financial and welfare tools that could help them cope with climate change than their wealthier counterparts (World Bank, 2013[115]). Socio-economic, political and other factors such as gender inequality or fragility often intersect with poverty, thereby exacerbating existing vulnerability to climate change among those already left furthest behind by it. As a result of the disproportional effect of climate change on already vulnerable populations, climate-related disasters can further exacerbate growing structural economic inequality between and within countries, and contribute to a decoupling of growth and poverty alleviation.

Figure 3.9. **Poor people are more likely to be affected by climate-related disasters and likely to lose more**



Source: (Hallegatte et al., 2015[113]), *Shock Waves: Managing the impacts of climate change on poverty*, *http://dx.doi.org/10.1596/978-1-4648-0673-5*.

With regard to geographies, vast discrepancies are observed between and within countries. For instance, small island developing states (SIDS) make up two-thirds of the countries with the highest relative annual losses due to climate-related disasters (OECD, 2016[116]). Every year, the *Global Climate Risk Index* analyses the extent to which countries have suffered losses from climate-related weather events (e.g. storms, floods, heat waves). Haiti, Zimbabwe and Fiji were the countries most affected world wide in 2016; SIDS represented 25% of the top 20 countries that same year (Eckstein, Künzel and Schäfer, 2018[117]). As the frequency and magnitude of these extreme weather events increase and the effects of climate change are more keenly felt in concomitance, this will lead to new developmental pressures on already constrained public budgets, which if they are frequently depleted, could compromise the growth of SIDS and push them into cyclical challenges. There is growing evidence on this topic for other countries too. In Peru, it was shown that the occurrence of one additional natural disaster per year caused a regional poverty rate increase of 16-20% (Glave, Fort and Rosemberg, 2008[118]). In Bolivia, floods in 2016 caused a 12% poverty increase in its city of Trinidad (Perez-De-Rada and Paz, 2008[119]).

The shift towards low-emission and climate-resilient economies will have profound socioeconomic implications for communities reliant on stranded assets[14]

The transition to low-emission, climate-resilient development pathways implies opportunities and challenges for societies and economies. Climate policies which stimulate an economy-wide transformation, with significant overall benefits, can create tensions between those likely to benefit from reform and the legacy benefactors of fossil fuel based production and technology (OECD, 2017[107]). Even as various growth models show that the transition will have a modest net positive impact on employment (ILO and IILS, 2012[120]), it can result in significant negative net changes in employment at the local level at a particular given time, as jobs created by the transition may be insufficient or created too slowly in the locations where jobs were lost (UNFCCC, 2016[121]). Regions with a high dependence on a single fossil fuel industry and limited capacity for diversification and innovation will be more vulnerable. It is estimated that half of the global workforce is in sectors that are critical to climate stability (Table 3.2). At the same time, only a small share of these jobs will be in direct jeopardy from climate action. Conversely, the sustainability of some of these very sectors, and the jobs they provide, depends directly on containing climate change. For others, technological change, such as the advent of artificial intelligence and self-driving cars in the transportation sector, is likely to have a greater impact on the number and nature of jobs in a given industry.

Table 3.2. **Global direct employment in sectors critical to climate stability**

Sector	Employment
Agriculture	1 billion
Forestry	44 million
Energy	30 million
Manufacturing	200 million
Buildings	110 million
Transport	88 million
Total	1.472 billion

Source: (UNFCCC, 2016[121]), *Just transition of the workforce, and the creation of decent work and quality jobs. https://unfccc.int/sites/default/files/resource/Just%20transition.pdf*

However, not all countries will be affected equally by the transition to low-emission, climate-resilient development pathways. The countries most affected will be those with established fossil-fuel-intensive infrastructure, the majority of which are high or middle income. In those countries that are eligible for official development assistance, development practitioners will need to pay special attention to the political-economic dimensions of the transition in order to enable effective and efficient climate action. However, for those countries with a nascent infrastructure not yet reliant on fossil fuels, the transition to a low-carbon economy presents a unique opportunity to leapfrog high-emission infrastructure development for the adoption of cleaner and more energy-efficient technologies. In a context of falling levelised costs of electricity for renewables – with some auctions now on par with or cheaper than fossil fuel alternatives – this option makes both economic and environmental sense. This is the thinking behind several initiatives, such as the African Renewable Energy Initiative, which works to make the African continent generate 3 000 GW of renewable energy by 2030.

Finally, it is worth putting the transition to low-emission, climate-resilient development in perspective with other historic transitions. Economic evolution and transformation have entailed structural changes that are disruptive to economies and societies and have, at the same time, driven development, progress and welfare. For example, New Climate Economy estimates the economic net benefit of transitioning to low-carbon, climate-resilient economic pathways at USD 26 trillion between 2018 and 2030. Some have argued that the transition to low-emission and climate-resilient development pathways is a component, potentially small, of a "Fourth Industrial Revolution" also marked by the rise of artificial intelligence and high levels of automation (New Climate Economy, 2018[122]). In working toward the transition, facing the challenges posed by these changes will be important to enable and accelerate progress towards low-carbon economies, as an essential condition for safeguarding global well being.

Climate change and leaving no one behind: Towards more inclusive and just policies

Embedding the leave no one behind principle in responses to climate change and efforts to achieve the low-carbon transition will be key because those left behind will be hardest hit by the consequences of climate change. It will mean scaling up climate action and putting a greater focus on adaptation and ensuring that the shocks of climate change and the transition itself do not disproportionally affect particular segments of societies. First, this entails a stronger policy focus on the needs and capacities of the populations most affected by climate change, granting them access to the tools they need to adapt and cope with climate-related disasters (Box 3.5). Disaggregated data on the anticipated local impacts of climate change and on the potential socio-ecological effects of responses to climate change (e.g. maladaptation risk) is foundational to effective policy making in this area.

Second, leaving no one behind entails managing the transition in a manner that supports stranded workers and communities, as economies shift away from fossil fuels, so as to make sure that everyone benefits from the transition to low-emission, climate-resilient economies. This also includes minimising any unintended spillover effects of core climate policies.

Box 3.5. **Financial protection tools: Helping the most vulnerable financially cope with climate-related disasters**

Financial protection tools and instruments – such as insurance and social protection schemes – can reduce the vulnerability of people and places to climate shocks, through the conservation, sharing or transfer of financial losses in the occurrence of an extreme event (Table 3.3).

Table 3.3. **Overview of financial protection tools**

Tool	Scope	Benefit	Limitations
Insurance mechanism	National Private sector Households	Immediate transfer of risk to third party Premiums may reflect underlying risk Potential for bringing in private sector expertise in risk management	Cost of premiums, including transaction costs Delays in receiving payments Requires developed financial infrastructure and data
Catastrophe bonds	National	Minimal counter-party risk Immediate transfer of risk to third party	Cost of interest payments Basis risk for parametric products Fixed costs and technical capacity requirements
Post-disaster credit/ Contingent credit	National	Speed of payment Lost cost in absence of extreme weather event	Only suitable for countries that can take on further debt Holding fees for beneficiaries
Savings or reserve Funds	National Private sector Households	Immediate disbursement Funds still available even if no disaster occurs Lower cost than insurance, if risk neutral May be the only available instrument	Opportunity cost of holding funds in reserve Takes time to build up sufficient levels of reserves Pressure to use funds for other purposes
Ex-ante social Protection	Households	Suitable for poor and vulnerable people as no upfront costs for beneficiaries Predictability	Fiscal liability for government Potential delays in expanding coverage following an extreme event
Humanitarian relief and compensation payments	Private sector Households	No upfront costs for beneficiaries May be only instruments available	Uncertainty about payments received Delays in reaching beneficiaries

In addition to increasing the resilience of the most vulnerable populations to negative shocks, these tools are instrumental in keeping the costs of recovery and reconstruction down and can contribute to further risk reduction. Unfortunately, these tools are not as readily available or used in the places or by the people that need them most – those most vulnerable and left behind. For instance, evidence shows a strong correlation between gross domestic product per capita and insurance penetration: according to OECD (2015[20]), between 2005 and 2014 insurance covered 10% of disaster losses in low- and middle-income countries, compared to approximately 51% in high-income countries.

Reasons for limited insurance-coverage uptake in developing countries include weak financial markets, high transaction and entry costs for the sums insured, lack of affordability, and lack of basic market infrastructure such as data to help set premiums. Development co-operation has a key role to play in removing these barriers and improving the availability, quality, variety and suitability of tools available for managing climate risks. It is also critical to ensure that financial protection instruments are deployed in a more effective manner, through a holistic and integrated approach – one that links financial protection instruments to broader disaster risk reduction and adaptation support. One major international initiative in this area is the G20-backed InsuResilience Global Partnership, which seeks to expand on existing insurance facilities, develop new disaster risk finance and insurance solutions, and integrate risk financing within broader frameworks on disaster risk management and humanitarian financing, including in-country systems.

Source: (Campillo, Mullan and Vallejo, 2017[114]), (OECD, 2015[123]) (InsuResilience Global Partnership, 2018[124])

Policy makers could benefit from applying the lessons learned from their previous experience in structural reforms to ensure that climate-related policies are designed and implemented in a way that is just and inclusive. Targeted support to compensate for economic loss could be needed to manage concentrated losses. Structural reforms such as ensuring flexible labour markets and strengthening social protection schemes could also be instrumental in facilitating the transition. Political-economic analysis could be used to understand who stands to gain and lose in the short term from the transition,

and inform the design of policies which aim to reskill stranded workers and increase buy-in to the transition from all segments of societies. Long-term greenhouse gas emission strategies are a tool that could be particularly effective in managing and creating buy-in for the transition. These create policy signals for all stakeholders that a transition is necessary, while offering them a space to hold dialogue, engage on these issues and expose vested interests (Box 3.6).

Box 3.6. **Principles for a just transition**

Recognising the imperative of a transition to low-emission, climate-resilient economies, the ILO (2015[125]) established "Guidelines for a Just Transition towards Environmentally Sustainable Economies and for All". OECD (2017[107]) summarises the principles on which these guidelines rest:

- Strong social consensus on the goal and pathways to sustainability.
- Policies that respect rights at work.
- The recognition of the strong gender dimension of environmental challenges and opportunities, and the consideration of policies to promote equitable outcomes.
- Policy coherence between economic, environmental, social, education, training and labour portfolios to generate an enabling environment for the transition.
- The anticipation of impact on employment, social protection for job losses and displacement, skills development and social dialogue – including the right to organise and bargain collectively.
- The need to take into account the specific conditions of countries, including their level of development, economic sectors and sizes of enterprises – no "one size fits all" solutions.
- The importance of fostering international co-operation among countries.

Source: (OECD, 2017[107]), "Investing in Climate, Investing in Growth", *http://dx.doi.org/10.1787/9789264273528-en*

What role for development co-operation?

Development co-operation has a significant role to play in making sure climate change leaves no one behind. First, it should drive and enable ambitious global climate action. It should be fully aligned with the Paris Agreement, by adequately supporting policies and strategies to implement the transition to low-carbon, climate-resilient development pathways in developing countries. Development co-operation, should also support partner countries in their efforts to identify, manage and minimise the differential effects of climate change and the necessary transition to low-emission, climate-resilient development. This includes support for the development of an enabling environment conducive to the design and implementation of just and inclusive climate-informed policies; for capacity development of all stakeholders in adapting to climate change and engaging in the transition; and for mobilising finance, including for resilience, to those most in need.

Climate action is essential to prevent severe impact on the most vulnerable populations, and to avoid leaving more people behind. Furthermore, if done right, the low-carbon transition provides an opportunity to build more just and inclusive societies. While these links between climate change, the transition and leaving no one behind are apparent, they are not always taken into account by governments and development co-operation providers, which often fail, for example, to capture distributional effects in designing or implementing climate programmes or policies. Ensuring these effects are taken into account in mitigation and adaptation programming is especially important given the critical role development co-operation plays in providing support for those countries that are most vulnerable. However, there are encouraging signs.

An analysis of bilateral and multilateral adaptation-related development finance commitments shows that the highest share of this finance is provided to least developed countries and other low income countries, both in volume and as a share of total development finance to each income group

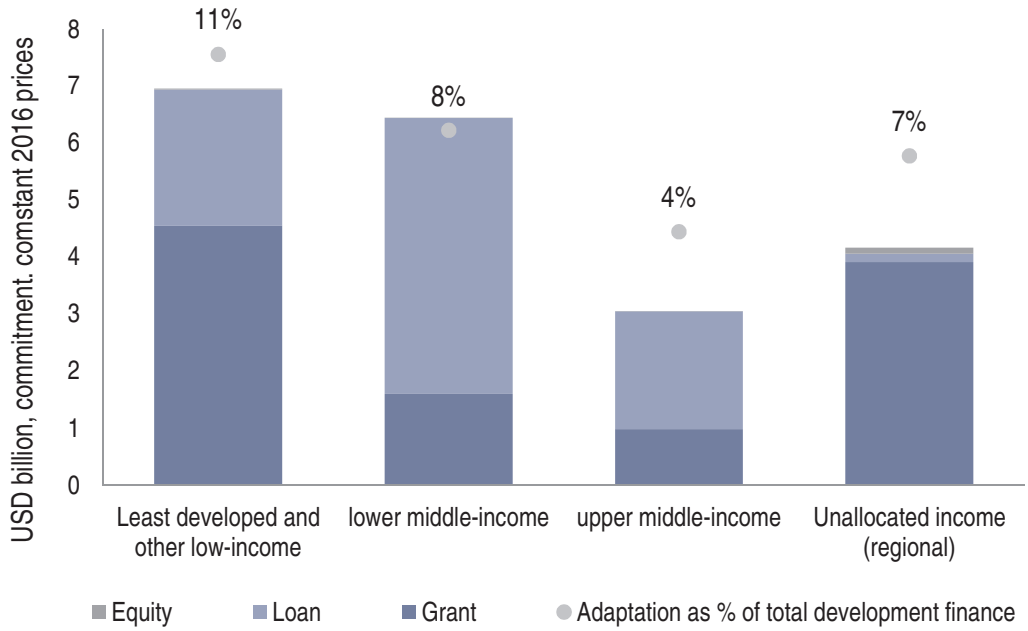
(Figure 3.10). Most of the finance to these countries is in the form of grants, while the majority of finance to higher income groups is in the form of loans. This seems to indicate that concessional resources for adaptation are indeed targeting those countries that are furthest behind in relation to investments in economic development. Of course, this is just one dimension and further analysis could examine how this support fares in targeting those with disabilities, girls, or youth or the extent to which it is aligned with countries' expressed adaptation needs.

Providers should explicitly include and target those most left behind in designing policies and programmes for climate action and the transition and track progress and impact for the poorest and most vulnerable. That includes linking more explicitly commitment to climate change action, including adaptation in the poorest affected countries, with the leave no one behind principle, as well as increasing support for climate and transition projects that include marginalised groups in decision-making at all levels and raise awareness of their rights.

Expertise from development co-operation providers in gathering, analysing and interpreting data, and providing platforms to share knowledge on climate programming that leaves no one behind, can help countries to define inclusive strategies for climate action and transition. This will include scaling up support for better and more granular data and statistics regarding the distributional impact of climate-related disasters and the low-carbon transition (Chapter 5). Potential categories of disaggregation could include geography, gender, ethnicity, disability, religion and socio-economic status.

Figure 3.10. **Adaptation-related development finance by income group and instrument**

2015-16 average



Note: In 2015-16, around USD 29 million was anonymised by instrument and income group

Source: (OECD, 2018[101]), "Creditor Reporting System" (database), *https://stats.oecd.org/Index.aspx?DataSetCode=crs1*.

StatLink *http://dx.doi.org/10.1787/888933880147*

Additionally, technical support for undertaking assessments of the social impact of climate change programmes by international climate funds, bilateral and multilateral donors can help capture co-benefits of climate action for marginalised and vulnerable groups. These assessments could, in turn, create a knowledge base that generates political will to improve climate programming to leave no one behind. Meanwhile, providers should strengthen their in-country co-ordination to avoid duplication of efforts and capitalise on their respective comparative advantages to address different parts of the leaving no one behind value chain from disaggregated data collection on who is left behind to the formulation of policies that deliver the pledge.

Women and girls

By Jenny Hedman and Lisa Williams, OECD Development Co-operation Directorate

Key messages

- Sustainable development will not be possible if one half of humanity continues to be denied human rights and opportunities for sustainable livelihoods. Many women are still unable to voice their concerns in the political space, to shape policies, or to access high-quality healthcare.
- To make progress towards gender equality, policy makers need to recognise the central role of gender equality and of sexual and reproductive health and rights to development, and take them into account across national policies and programmes.
- Policy makers must combine gender-responsive analysis, budgeting and auditing, as well as a gender-responsive public financial management framework to improve the lives of girls and women, and beyond.
- Donors need to invest in dedicated support for women's empowerment – gender mainstreaming is not enough.
- Only 4% of total bilateral aid is currently dedicated to gender equality and women's empowerment is insufficient. In 2018, the Gender Equality Council for Canada's G7 Presidency recommended a target of at least 20%.

The 2030 Agenda for Sustainable Development recognises that realising gender equality and empowering women and girls is crucial for progress across all the SDGs. However, many women are still unable to voice their concerns in the political space, to shape policies, or to access high-quality health care (UNDP, 2016[63]). Sustainable development will not be possible if one half of humanity is being denied its human rights and opportunities for livelihoods.

According to Sánchez-Páramo and Munoz-Boudet (2018[126]), for every 100 men aged between 25 and 34, 122 women of the same age group live in poor households. Despite recent progress, girls also continue to face significant disadvantages in education. When considered globally, gender parity has been achieved at all levels of education except the tertiary level; however, this is not true across all regions, country income groups or individual countries (UNESCO, 2018[127]). In some regions, 48% of girls are not in school (UN Women, 2018[128]). Moreover, one in three women will experience gender-based violence in their lifetime. The responsibilities of unpaid care and domestic tasks also fall largely on women, undermining their health and well-being and limiting the time they have available for economic activities outside the home.

A lack of education, limited opportunities for livelihood development and restricted access to land, justice or protection for their fundamental rights all contribute to women and girls suffering disproportionately from poverty. As stated by the former Deputy Executive Director of UN Women, the fight to end poverty through the 2030 Agenda also constitutes "a call to arms against gender-based discrimination and violence that has led to an increase in the feminisation of poverty in both developed and developing countries, whether in rural or urban areas. Moreover, gender-based discrimination and violence have also thwarted well-intentioned attempts to make poverty history once and for all" (Puri, 2017[129]).

Today's global political leadership on gender equality and the empowerment of women and girls is encouraging. For example, the Charlevoix G7 summit in June 2018 recognised that gender equality is fundamental for the fulfilment of human rights and is a social and economic imperative. Leaders committed to "work to remove barriers to women's participation and decision-making in social, economic and political spheres" (G7, 2018[130]).

At the same time, however, more attention is needed on the women and girls who are part of poor, marginalised or vulnerable groups. In addition to gender inequalities, these women face other forms of inequality, positioning them as the most disadvantaged in their society (Kabeer, 2016[131]). This chapter focuses on these women and sets out some suggestions for what donors might do to better support them and to realise their rights.

Women and girls are more likely to be left behind than men and boys

Being a girl or woman intensifies the disadvantages that can be associated with other types of inequalities, such as class, race, sexual orientation, age, ethnicity, language, ancestry, religion, ability, culture, geographical location or health status. The following sections provide evidence of the intersecting disadvantages experienced by women and girls.

Inequality through disability

Women with disabilities are twice as likely to experience domestic violence and other forms of sexual and gender-based violence as those without a disability (Ortoleva and Lewis, 2012[132]). For many women and girls with disabilities, violence and abuse have become a normal part of their lives to the point that, often, they do not consider turning to the judicial system. When they do report a crime, they are often discredited (Humanity & Inclusion, 2018[133]). Women with disabilities also have greater unmet health needs and reduced access to health information (Vaughan C., 2017[134]) (See also Box 3.7).

Inequality through sexual orientation

Another example is how societies overlook the specific issues facing lesbians and bisexual women. Attention is usually focused on the discriminations faced by men who have sex with men (Armisen, 2016[135]). Research shows that, in West Africa, there is an underrepresentation of women in the queer movement, making it challenging for lesbians to make their voices heard.

Discrimination against lesbians often hampers their access to sexual and reproductive health services (Astraea Lesbian Foundation for Justice, 2017[136]). Also, lesbian women can become a particular target for sexual violence. In South Africa, for example, hate crimes against lesbian women occur in all population groups (Gontek, 2009[137]).

Box 3.7. **Involving women with disabilities in facilitating access to sexual and reproductive health care**

The "W-DARE" project in the Philippines ran from April 2013 to June 2016. It was organised by researchers at the University of Melbourne in Australia and the De La Salle University in the Philippines, in partnership with the Likhaan Center for Women's Health, the Center for Women's Studies Foundation at the University of the Philippines, and two national disabled people's organisations, Women with Disabilities LEAP to Social and Economic Progress and Persons with Disability Advocating for Rights and Empowerment.

The project explored access to sexual and reproductive health services for women with disabilities. Many health facilities were reported to be physically inaccessible to women with different types of disability. When facilities were accessible, women often received poor treatment. Some service providers displayed prejudiced attitudes and discriminatory behaviours towards women with disabilities.

In response, the project worked to increase awareness of sexual and reproductive health programmes. This included training groups of women with disabilities to facilitate peer support groups. In parallel, it also worked with health facilities, service providers and those responding to violence to increase access to services by addressing communication, attitudinal and physical barriers faced by women with disabilities. The project team worked with local government departments to create a supportive environment for these interventions, to link women with disabilities into existing organisations in their communities and to foster continued support among local decision-makers. The women engaged in the peer support groups were successfully involved in awareness raising and in advocating to government and donors for appropriate policies and resources, ensuring their voices were heard.

Source: (Vaughan C., 2017[134]), "Women with disability taking action on reproductive and sexual health", *https://wdare.wordpress.com/*.

In my view: When the world invests in girls and women, everyone wins

by Katja Iversen,
President and Chief Executive Officer, Women Deliver

Earlier this year in Kenya, I met Elizabeth. The workshop room where we met was filled with flip charts, sticky notes, and drawn life journeys on the wall. They illustrated the conversations teenage mothers had in a process of healing from past challenges, which, for many included violence, poverty, and living with HIV. Elizabeth is a Women Deliver Young Leader who works with the non-profit organisation Trust for Indigenous Culture and Health (TICAH), and on this day she was working with young women who came from five different slum areas outside of Nairobi to build their self-esteem and develop specific goals to continue their journeys, maybe get back to school, and raise strong, healthy children all the while.

When I met with Elizabeth, and spent time with these courageous young women, I saw a lot of strength, resilience, and power. Even with the odds stacked against them, these women fight for a better future for themselves and for their families. This snap shot, and countless others, only reinforces a narrative I know to be true – women are powerhouses and change makers. And when the world invests in them, there is most often a ripple effect that propels families, communities, and even entire countries forward as well. Women are indeed powerful agents of change, but to fully unleash their power, and to move the needle forward, we must invest in gender equality and their health, rights, and well-being. How?

First and foremost, when girls and women are able to decide if, when, and with whom to have children, they more readily take the reins to their future. Yet, women still face daunting unmet needs when it comes to their sexual and reproductive health and rights. For instance, 214 million women of reproductive age in developing regions, who want to avoid pregnancy, have an unmet need for modern contraception; and unsafe abortion is still one of the leading causes of maternal death.[1] From an economic standpoint, research shows us that when women's contraceptive needs are met, it improves their agency, education, lessens the burden of unpaid care they shoulder relative to men, and enhances their participation in the workforce.[2] To make progress, it is essential that policy makers recognise the central role of gender equality and of sexual and reproductive health and rights to development writ large, and take them into account across national policies and programmes.

Making change for girls and women will often require accurate, gender-disaggregated data. For girls and women to count, they need to be counted - and counted in. It is critical, for example, to use age - and gender-disaggregated data to identify practical policy guidance to reduce the disproportionate burden of unpaid care that women endure. Data can help demonstrate the importance that sexual and reproductive rights have to the reduction and redistribution of unpaid care work. Equipped with this powerful data, national authorities, development actors, and advocates alike, can make informed decisions about policies and programmes and monitor their implementation. Women Deliver is inspired by OECD's innovative Gender Data Portal which examines barriers to gender equality in education, employment, and entrepreneurship, and highlights key points for action.

Sound data can lead to sounder investments. And when the world invests in girls and women, the impact goes way beyond the individual person. For example, if another 600 million women had access to the internet, annual GDP could increase by as much as USD 18 billion across 144 developing countries.[3] Within education, an extra year of secondary schooling for girls could increase their future wages by 10 to 20%.[4] Fully closing gender gaps in work could add up to USD 28 trillion in annual GDP by 2025 – roughly equivalent to the size of the combined Chinese and United States' economies today.[5] Policy makers must combine gender-responsive analysis, budgeting and auditing, as well as a gender-responsive public financial management framework to improve the lives of girls and women, and beyond.

Whether we are talking about sexual and reproductive health and rights, getting and using solid data, or mobilising gender-based budgeting and investments – we all have a role to play in when it comes to girls and women realising their rights and their full potential. Women Deliver is proud to stand with OECD and many other great partners to make progress toward gender quality. We encourage policy makers, investors, and other influencers across the globe to stand with us along this journey, because when the world invests in girls and women, everyone wins.

1. *https://www.guttmacher.org/sites/default/files/factsheet/adding-it-up-contraception-mnh-2017.pdf.*
2. *https://www.prb.org/womens-economic-empowerment/.*
3. *https://www.intel.com/content/dam/www/public/us/en/documents/pdf/women-and-the-web.pdf.*
4. *http://www5.worldbank.org/mdgs/education.html.*
5. *https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-canadd-12-trillion-to-global-growth.*

Inequality through age

Women live longer than men. Yet, because of a lifetime of economic disadvantage, older women end up with lower incomes than men and less access to land, housing and other assets that would help them maintain an adequate standard of living. In addition, in most countries, women are less likely than men to receive a pension, or if they do receive one, they have lower benefits (UN Women, 2015[138]).

A study of 250 older women from 19 countries highlighted the discriminatory, harmful and ageist attitudes and practices against older women (HelpAge International, 2017[139]). These attitudes are particularly entrenched against widowed or single older women, including harmful traditional practices such as wife inheritance. Some societies perceive older widows as bringing "bad luck", and they may be excluded from family and other social events or religious ceremonies. Similarly, young women face particular challenges, often linked to access to reproductive health services and rights. Katja Iversen gives a lucid overview of this topic in her "In My View" piece.

Inequality through conflict

Conflict and fragility affect women and men differently, and place significant burdens on women and girls. In conflict-affected situations, women need to cope with the overlapping disadvantages of gender inequalities and living in a fragile context (See also Box 3.8). Eight of the top ten most gender unequal societies in the world in 2015 were also contexts considered fragile in the OECD fragility framework (OECD, 2018[2]).

Box 3.8. **Conflict widens the gender gap in education, intensifies health problems and increases exposure to sexual and gender-based violence**

In conflict and post-conflict settings, maternal mortality rates are nearly twice the global norm (1 in 54) (WHO, 2015[140]), and girls are two-and-a-half times more likely to be out of school than in developing countries overall. Women living in fragile contexts who are also part of a marginalised group will be subject to these intersecting inequalities.

OECD research in Ethiopia, the Democratic Republic of the Congo, Nepal and Bangladesh shows that donor programming to support women's economic empowerment in conflict and fragile settings has been weak (OECD, 2017[76]). For example, some programmes provided livelihood development training that took limited account of the beneficiaries' real economic opportunities and challenges, and did not offer any follow-up support.

However, work to enhance food security and nutrition in Bangladesh has been a positive exception. The programme was implemented in Cox's Bazar, where approximately 200 000 unregistered Rohingya refugees had settled since the early 1990s after fleeing religious and ethnic persecution in neighbouring Myanmar. Food insecurity and poverty have been exacerbated for both the host and Rohingya populations, but the prioritisation of men and boys in food consumption, women's restricted decision-making power in the home, and other unequal gender norms, have further aggravated food insecurity for women, girls and households.

The programme responded to these dynamics with an integrated approach. It explicitly supported women's economic empowerment and livelihoods to help build household resilience, including in the face of shocks such as natural disasters. It combined resource transfers to, and livelihood development for, female household members with behavioural change communication and activities aimed at shifting the unequal gender norms that perpetuate food insecurity and malnutrition, such as early marriage and women's lack of household decision-making power. It also supported women in strengthening their social networks, and facilitated ongoing monitoring and support following their graduation from the programme.

The programme design was conflict-sensitive. It targeted ultra-poor communities but ensured inclusivity in terms of other characteristics (e.g. caste, ethnicity, Bangladeshi/host community or Rohingya). Furthermore, it engaged with local leaders, male relatives and mothers-in-law to ensure that women were not made more vulnerable or subject to violence against them as a result of the interventions.

Source: (OECD, 2017[76]), *Gender equality and women's empowerment in fragile and conflict-affected situations: A review of donor support*, *https://doi.org/10.1787/b75a1229-en*.

Action to turn pledges into results: More dedicated funding and better-informed programming are needed to reach the women and girls furthest behind

Donors need to explicitly recognise the overlapping inequalities experienced by women, especially those who are part of a marginalised or vulnerable group, and redouble the support for women in realising their rights and their importance as agents of change. For example, women's participation in peace processes contributes to sustained peace and resilience (OECD, 2017[76]).

It is encouraging that official development assistance focused on gender equality in fragile countries is increasing, but more remains to be done. Both dedicated funding and well-informed programming in development policies and strategies are needed to ensure that no one is left behind.

Donors need to invest in dedicated support for women's empowerment: Gender mainstreaming is not enough

Donors need to invest to ensure that women and girls are not left behind, particularly those who are facing multiple forms of discrimination. This implies a significant increase in funding for dedicated programmes focused on gender equality and women's rights as their primary objective (OECD DAC GENDERNET, 2018[141]). The Gender Equality Advisory Council for Canada's G7 presidency in 2018 recommended that at least 20% of aid should target gender equality as a principal objective. While it is challenging to identify an exact figure that would be "enough", it is certain that *the mere 4% of total bilateral aid currently dedicated to gender equality and women's empowerment is insufficient* (Box 3.9).

Increased support for dedicated programmes focused on women's empowerment and rights may allow donors to better identify and address the needs of women and girls who are also part of marginalised groups. For example, a programme set up with the explicit aim of improving access to women's and girls' sexual and reproductive health and rights could also include the objective of reaching women living with disabilities, LGBTQI women or older women.

Dedicated funding is also more likely to address structural and cultural challenges to gender equality. A 2018 evaluation of Swiss international co-operation in the field of gender equality found that structural gender equality changes were better achieved by projects dedicated to gender equality and women's empowerment than by projects in which gender equality was a cross-cutting theme (SDC, 2018[142]).

Funding gender equality and women's empowerment through a mainstreaming approach alone risks putting the emphasis on the women who are the easiest to reach, unless the overall target group of a programme is people living with disabilities or another group. For example, a health programme that integrates gender equality dimensions may have met its objectives by reaching the same number of women as men, but without having made the effort to reach women living with disabilities, LGBTQI women or younger/older women.

Ensuring effective programming

To achieve a world in which women's rights are realised and that genuinely involves women and girls – including those who are also part of a marginalised group – development partners need to design programming approaches that:

- Support women's empowerment and rights through targeted actions; and
- Help create a conducive social environment for gender equality. This means that laws, regulations, beliefs and customs recognise and support women's right to make their voices heard and participate in the decision-making process on equal footing with men.

Box 3.9. **Aid targeting gender equality and women's empowerment**

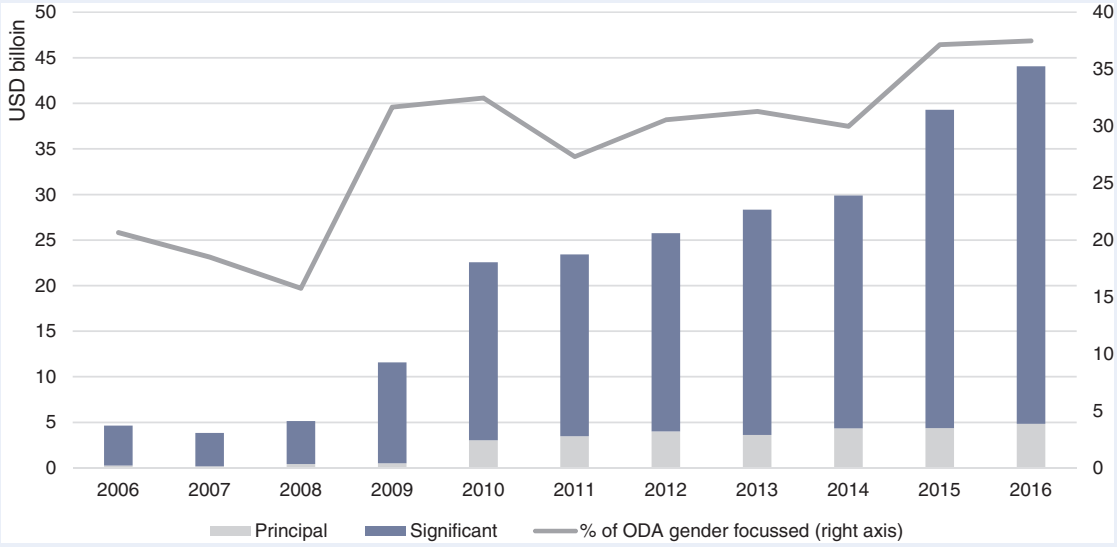
In 2015-16, 37% of bilateral aid from Development Assistance Committee (DAC) members was targeted to gender equality as either a principal (dedicated) or significant (mainstreamed) objective. While it is positive that this share has increased in recent years and by 2016 had reached an all-time high of USD 41.7 billion, the proportion of dedicated support specifically for gender equality programmes remains consistently low.

Only 4% of DAC members' bilateral aid, corresponding to USD 4.6 billion, was dedicated to supporting gender equality and women's empowerment as a primary objective in 2015-16 (OECD DAC GENDERNET, 2018[141]). Examples include programmes with the main objective of empowering girls and reducing inequalities between boys and girls, such as those focusing on girls' access to and performance in education.

In fragile and conflict-affected countries, the share of dedicated support for gender equality was slightly higher, at 5%. However, when looking only at the economic and productive sectors, less than 1% of bilateral aid was allocated to dedicated programmes that target gender equality as a primary objective.

To address this lack of specific support for gender equality programmes donors could significantly increase long-term support for women's rights organisations based in developing countries: in 2015-16, only USD 225 million of bilateral aid went directly to women's civil society organisations based in developing countries.

Figure 3.11. **Bilateral official development assistance to gender equality and women's empowerment, trends 2006-2016.**



Source: (OECD DAC GENDERNET, 2018[141]), "Aid to gender equality and women's empowerment: An overview", *www.oecd.org/dac/gender-development/Aid-to-gender-overview-2018.pdf*.

StatLink *http://dx.doi.org/10.1787/888933880204*

So, what can donors do? Donor institutions first need to develop their own capacity and systems so that they are equipped to understand the context and to empower and support the rights of women and girls who also belong to marginalised groups. This will include working across areas and teams within the donor agency to ensure a well-informed approach. Translating ambitious policy pledges into results requires not only the presence of dedicated gender equality advisors but also non-specialist peers who have the knowledge and commitment required to address gender inequality in their own areas of responsibility (OECD DAC GENDERNET, 2014[143]).

Practically, specific actions to support women's empowerment and rights, and to help create a conducive social context for gender equality, include:

- Undertaking policy and political dialogue with governments on rights and legal frameworks, and supporting legal and policy reform to recognise disadvantaged groups and gender-based violence. The needs and strategies will differ significantly from country to country, and this type of effort should be designed in collaboration with local women and men.
- Training women and men about women's rights, and facilitating women's leadership and decision making, including women who are also part of a marginalised or vulnerable groups (Global Disability Summit, 2018[144]). These women should be involved in programme development, diagnostics, such as political economy analysis, and implementation. No decisions about women should be taken without women.
- Engaging with men and boys, and with local and traditional leaders, creating spaces for young men to share their thoughts and concerns about existing gender stereotypes and social norms, and supporting exchanges with local and traditional leaders about these norms.
- Empowering national women's rights organisations (OECD DAC GENDERNET, 2016[145]) who are familiar with the local context and actors, and who can reach the most marginalised groups of women (Morrison and et al, 2017[146]).
- Supporting training for participants in judicial and health systems to ensure that the rights of women and girls who are also part of a vulnerable or minority group are respected.
- Deepening evidence-based research and improving the collection of more granular data about the various factors that lead to poverty and inequality for women and girls.

To monitor and evaluate the results of development programming and ensure that efforts make a difference for the women and girls furthest behind, data must consistently be disaggregated by sex but also by categories such as age, ethnicity and disability. Donors can support countries' statistical systems.

The OECD DAC Network on Gender Equality (GENDERNET) provides a unique space for analysis, learning and exchange on financing and programming approaches for gender equality and women's rights in development. GENDERNET will continue to support development actors in identifying effective approaches to help ensure that no woman or girl is left behind.

Youth

By Ji Yeun Rim, OECD Development Centre

Key messages

- The global youth population is expected to reach 1.3 billion by 2030 with the projected number of youth in Africa increasing by 42%, posing challenges for access to education and jobs.
- Rural young people, in particular young women and the self-employed, are the most disadvantaged youth in developing countries. Self-employed youth are often pursuing subsistence activities for lack of other employment options.
- Rural and low-educated youth are generally left out of civic and political processes while legal frameworks to protect youth rights are inexistent or not enforced.
- New forms of youth-led social movements are emerging world-wide making it easier for youth to engage in public dialogue.
- Multi-dimensional approaches to youth well-being are needed to leave no youth behind by creating decent jobs, investing in agriculture and local agro-food economies and including the voice of disadvantaged youth.

Right now, there are an unprecedented 1.2 billion young people in the world – between 15 and 24 years of age – starting out on the path to adult and working life. Eighty-eight per cent of these youth are living in developing countries in Africa and Asia. The global youth population is expected to reach 1.3 billion by 2030 with the projected number of youth in Africa increasing by 42%. In Africa, the youth population has not yet peaked and will continue to increase until at least 2050 (UNDESA, 2015[147]). This generation of young people face the highest risk of being left behind in large numbers. The challenge of employment is particularly pressing in countries where demographic pressures are strong, wage employment opportunities are scarce, and formal job creation is insufficient to give most youth access to decent work.

Between 2014 and 2018, the OECD worked with nine developing countries to get a comprehensive understanding of young people's aspirations and the determinants of employment, health, education and civic engagement outcomes. The objective was to improve national youth policies. This chapter draws on the findings of this Youth Inclusion project which informed the European Union's youth empowerment strategy (Box 3.10).

Box 3.10. **The European Union's strategy for youth empowerment: sustainable and decent jobs and a vocational education and training toolbox**

The New European Consensus on Development (European Parliament, 2018[162])identifies youth as one of the key drivers with great cross-cutting transformative potential that need to be taken into account in planning and implementing external development co-operation actions. The External Investment Plan is an innovative instrument to provide guarantees to private investors with a view to creating sustainable and decent jobs for the most vulnerable, such as women and youth. These instruments and other interventions will mainstream employment, decent work, skill development, and entrepreneurship in key sectors such as private sector development, rural development, energy and agri-business.

Recognising that a main driver of employment is education, and particularly vocational education and training (VET), the European Union has also launched the VET Toolbox, a new international facility that provides partner countries with expertise and tools on themes such as VET policy and reform, labour market intelligence, private sector engagement in VET, and inclusiveness of disadvantaged groups. The initiative aims to enhance labour market relevance and employability for all (EU, 2018[163]).

The challenges of being a young person in a developing country

1. Unmet aspirations: job opportunities

Based on current trends, the overwhelming majority of young people in developing economies face uncertainty in job opportunities and are unlikely to get the jobs they aspire to. Our analysis of school-to-work transition data in 32 developing countries shows that 80% of students currently enrolled in school wish to be in high-skilled jobs, as identified in the International Standard Classification of Occupations (ISCO) (Figure 3.12). At the same time, only 20% of young workers in these countries hold such jobs. This gap is particularly pronounced in Africa and Latin America, and persists even among tertiary-educated youth. The study shows that around half of the tertiary-educated young people in developing countries are unlikely to work in high-skilled jobs as per their wish (OECD, 2017[148]).

2. Skills mismatch and early school drop-out

Aspiration gaps mirror both demand-side factors (insufficient formal job creation) and supply side factors (demographic pressure, skills mismatch). Many of these youths do not finish school, and they often struggle to find decent jobs in a context of high informality, insufficient formal job creation and weak enforcement of labour standards. The OECD analysis of 32 developing countries shows that 55.3% of young people are in jobs that do not match their qualifications, and 36.4% are underqualified (OECD, 2017[148]).

Many young people leave the formal education system early without acquiring sufficient and relevant skills to transition into productive jobs in the labour market. Financial constraints are by far the most frequently cited reason for such early school dropout. Therefore, employment outcome determines whether young people continue education or not. In many developing countries potential for greater employment outcomes and wages do not provide an incentive to stay in school in light, also, of low educational quality. A study comparing employment outcomes in Cambodia between graduates and dropouts of primary and secondary schools shows little difference in terms of wages and working conditions (OECD Development Centre, 2017[149]). This pushes parents to opt out of school for their children to have them join the labour force. In sub-Saharan Africa, 58% of 15-17 year-olds have already left school (UNESCO, 2018[150]).

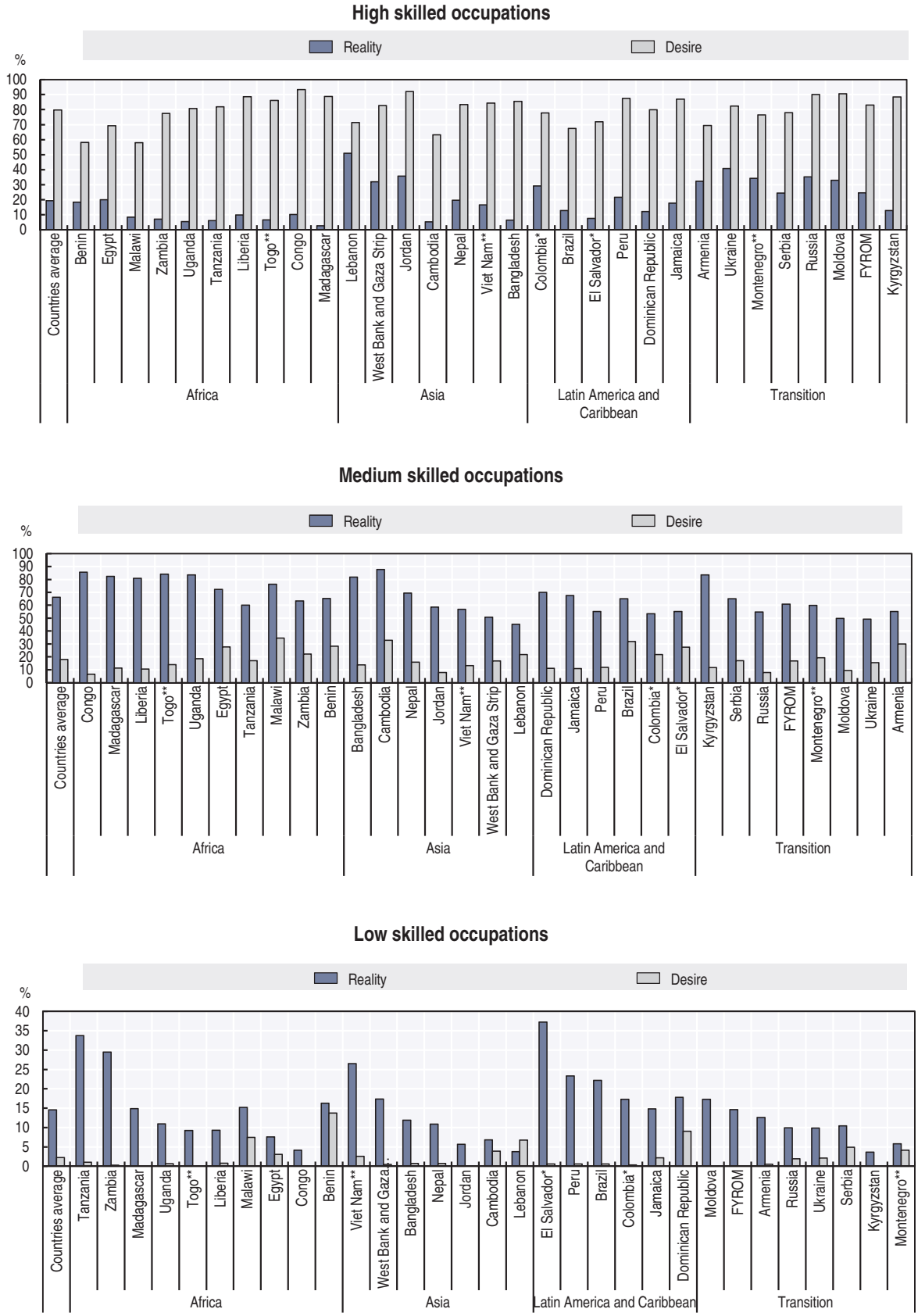
3. Early pregnancies and sexually transmitted infections

In developing countries, sexual and reproductive health issues receive much less attention than employment when it comes to youth programmes. Yet globally, more than 2 million young people aged 10-19 live with HIV and 42% of all new HIV infections happen among adolescents and youth (UNFPA, 2013[151]). In the context of poor educational and employment outcomes, girls are particularly vulnerable to early pregnancies and boys to drug and alcohol abuse. In nine developing countries studied by the OECD between 2014 and 2017, adolescent birth rates were highest in countries like Côte d'Ivoire, Togo and Malawi where employment outcomes were also limited (with high levels of vulnerable employment, skills mismatch and informality). Street children and adolescent drug use were also fast-rising phenomena in Côte d'Ivoire and Togo (OECD Development Centre, 2018[152]) (OECD Development Centre, 2017[153]) (OECD Development Centre, 2017[154]).

4. Disenfranchised from civic and political life

Participation in civic and political life is an important dimension of youth well-being. Civic engagement allows people to express their voice and to contribute to the political functioning of their society (OECD, 2011[155]). Yet in many developing countries, civic and political activities are led and practised by only a minority of elite and educated youth. Rural and low-educated youth are generally left out of these processes. Often the legal frameworks to protect youth rights are lacking or not enforced. Nevertheless, new forms of participation are emerging and making it easier for youth to engage in inclusive dialogue. Worldwide, student movements through youth councils or social media have been instrumental in supporting major social and political changes (OECD Development Centre, 2018[156]). Much remains to be done, however, to ensure inclusive dialogue and representation of youth in decision-making processes.

Figure 3.12. **Youth aspirations and the reality of jobs**



Source: (OECD, 2017[148]), *Youth Aspirations and the Reality of Jobs in Developing Countries*, *http://dx.doi.org/10.1787/9789264285668-en*.

StatLink *http://dx.doi.org/10.1787/888933880166*

Who are the most disadvantaged youth?

Rural young people make up 54% of the global youth population, and in developing countries this share is often much bigger (OECD, 2018[157]). Rural youth face age-specific vulnerabilities in addition to the challenge of living in underdeveloped areas. They suffer from limited opportunities to receive quality education and vocational training, poor access to land and finance, and a lack of voice in decision making. OECD analysis using data from 24 developing countries shows that one in five rural youth never attended school and almost half of them have at best completed primary education. Rural youth who complete tertiary education are only a small proportion (10.5%, compared to 18.1% for their urban peers). Rural youth in sub-Saharan African countries and in low-income economies have the lowest educational attainment levels. Despite having lower levels of education, rural youth have the same level of job aspirations as their urban peers. The OECD study finds that 76% of the rural youth in school aspire to work in high-skilled occupations, although in reality, only about 12% will likely end up in such jobs (OECD, 2018[157]).

The majority of young people in developing countries are self-employed. They are sometimes referred to as entrepreneurs, but in reality only a tiny portion of young entrepreneurs prove to be successful, whether in terms of profits or job creation. Most youth businesses remain in subsistence activities. The greatest challenge is that the majority of youth in developing countries are held back by low levels of education, informality, poor physical infrastructure and limited access to finance. They choose to be self-employed for lack of better wage job options; young women entrepreneurs tend to be even more disadvantaged (OECD, 2017[158]). Top performers have a specific profile: They are highly educated, they have access to finance and social networks, and they operate with good physical infrastructure. The majority of youth in developing countries do not match this profile.

Finally, young women in developing countries are more disadvantaged than young men, while young women living in rural areas face additional challenges compared to their urban peers such as access to information, jobs, education and health services. Discriminatory social norms often plays a big part in the employment and overall well-being outcomes of these women. High teenage and adult fertility rates are linked to greater gender inequality in social norms as measured by the OECD Social Institution and Gender Index (SIGI) (OECD Development Centre, 2014[159]). For example, in Côte d'Ivoire, early pregnancies, which have been on the rise since 2005 have had a negative impact on education outcomes and employment prospects of young (OECD Development Centre, 2017[153]), who end up dropping out of school early and in low-skilled jobs. The lower the education level, the higher the probability of early pregnancies, turning this phenomenon into a vicious cycle.

Policies to serve 1.3 billion youth by 2030

Policy makers are starting to respond to the needs of young people. Nearly two out of three countries in the world have adopted a national youth policy (Youthpolicy.org, 2018[160]). There is, however, scope to do more to improve the efficiency and inclusiveness of youth policies and ensure that public and private investments target the most vulnerable and disadvantaged youth who constitute the majority of young people in developing countries.

The OECD Youth Inclusion project identified eight key actions to make progress:

1. Adopt a multi-dimensional approach to youth well-being

The OECD has long promoted the measurement of well-being, and developed the youth well-being policy review methodology to look at the situation of youth in five dimensions deemed to be especially relevant for young people: health, education and skills, employment, participation and empowerment, and some subjective measures linked to life and job satisfaction (OECD, 2017[161]). Comprehensive national youth strategies will be needed to ensure mainstreaming of youth issues in sectoral policies.

2. *Narrow the job aspiration gap*

Addressing the misalignment between youth employment preferences and the reality of the labour market is necessary to enhance youth well-being, but also to raise labour productivity and to manage risks of social unrest generated when the aspirations of young people are not met. National policy makers should focus on a two-pronged strategy of: 1) helping young people shape career aspirations based on relevant labour market information so that they do not build unrealistic expectations; and 2) improving the quality of jobs and the working conditions that matter for young people. To be realistic, this strategy also needs to be tailored to specific country contexts and recognise that the process of narrowing the gap between youth employment preferences and the reality of jobs may take time (OECD, 2017[148]).

3. *Promote comprehensive programmes to support youth entrepreneurs*

Bearing in mind the difficulties of promoting successful entrepreneurship programmes, a number of actions at programme and policy levels have been known to help youth businesses. What appears to work well, based on impact evaluations of youth entrepreneurship programmes, are comprehensive packages offering multiple services. Business development services have an established track record of contributing effectively to business performance and employment generation, especially if businesses are accompanied over the mid to long term. At policy level, entrepreneurship education, when integrated in formal schooling, teaches young people the different sets of competencies, including technical, non-cognitive and life skills, needed to be an entrepreneur. More attention should also be paid to business development skills and real-world practice through vocational training, mentors and internships (OECD, 2017[158]).

> *Without trying we never have a shot at succeeding. "Failure", should be seen as an experience that allows us to rise and go even further. Young entrepreneurs need to understand that we are now in an era of information: We have to dare, innovate and engage in key sectors that contribute to the development of our countries.*

Awa Caba, co-founder of e-market platform Sooretul.

4. *Invest in agriculture and rural infrastructure*

Many rural youth move to cities hoping for better pay and working conditions, but most of them end up in poorly paid and informal jobs. Rapid urbanisation and slow structural transformation keep a large portion of urban labour trapped in low-productivity informal service activities, with little access to public services. Current urbanisation patterns, especially in Africa, are unstainable, and non-agricultural sectors will not be able to absorb these newcomers. New jobs will have to come from agriculture or related sectors. Indeed, the United Nations Conference on Trade and Development's survey of investment promotion agencies in developing and transition economies found that agricultural and agribusiness industries have potential for youth employment in rural areas (UNCTAD, 2015[164]). While the majority of youth in developing countries live in rural areas, many youth programmes are urban biased, accessible only in big cities or to educated youth. Massive investment in rural infrastructure and public services will be needed to keep young people happy in rural areas.

5. *Promote the development of local value chains in the agro-food economy*

More vibrant, sustainable and inclusive domestic food systems may well be a sustainable solution for employment. The agro-food economy – the local production, transformation and marketing of domestic agricultural products – holds considerable job-creation potential for young people in

developing countries, and especially those living in rural areas. Agro-food industries are labour intensive and can create jobs in rural and urban areas as well as ensure food security in developing countries. Turning this potential into real jobs requires substantial new investment in national and regional food systems – from regulatory mechanisms to infrastructure to improved production, processing and packaging and access to markets. Food processing is particularly relevant for job creation in rural areas because agro-industries are more likely than other sectors to locate themselves in small towns and rural areas, providing wage job opportunities for the current large number of low-skilled rural youth in developing countries (OECD, 2018[157]).

6. *Promote comprehensive sexual and reproductive health programmes in schools and communities*

Young people have very specific health and developmental needs and challenges. Poor health conditions limit access to education and employment and have life-changing consequences, particularly for girls. School curricula should be revised in order to integrate sexual and reproductive health education with appropriate training and awareness-raising for teachers and parents. Peer-to-peer education programmes have proven effective in raising awareness among adolescents about risky behaviours and overcoming social stigma (IPPF, 2014[165]).

7. *Use a youth-lens when designing programmes for youth*

Programmes and policies should be youth-sensitive. Some successful approaches include peer-to-peer learning, mentoring, setting role models, raising awareness among youth about labour market and training opportunities, basic literacy and numeracy skills and soft skills training, ensuring physical proximity of programmes, and facilitating access to land and financial capital. First and foremost a detailed youth profiling is necessary as youth is not a homogeneous group. Understanding the nature and conditions under which the different youth groups (gender, ethnicity, wealth, disability) are engaged or excluded will help identify the bottlenecks to be addressed when designing youth-sensitive programmes. Age is also an important factor as younger youth aged 15-17 face different challenges from older youth aged 18-24.

8. *Raise the voices of disadvantaged youth in policy dialogue*

The participation of young women and men in the design and implementation of policies is an important part of ensuring that their needs and aspirations are taken into account. There are different levels of participation: providing information; decision-maker-initiated consulting; youth-initiated consulting; shared decision making or co-management; and autonomy (DFID-CSO Youth Working Group, 2010[166]). Meaningful consultations allow sufficient time for young people to express themselves and for decision makers to analyse, integrate and give feedback (OECD, 2011[155]). Youth, and in particular disadvantaged youth (rural youth, young women, youth at risk), will need to acquire skills in communication and leadership in order to participate actively in policy dialogues. These skills are also important within youth groups and youth organisations (e.g. national youth councils) to build trust and a common voice among youth (European Youth Forum, 2014[167]).

> *The best way to engage young people in national or local policy development is to provide critical thinking skills and political education at school. When young people have these skills they know how to find solutions for their communities and countries… Governments should open spaces for political education and dialogue in schools in order to promote participatory culture among students.*

Ou Ritthy, co-founder of Politikcoffee, an informal political discussion forum for youth in Cambodia.

Strong institutions and political will are fundamental to deliver on these actions. The track record of youth specialised ministries and agencies is so far disappointing. National youth strategies are sprouting but their implementation fall short of commitments. Countries with a good track record of effectively improving the lives of young people, and their contribution to the development of their communities, are those where overall, broad-based and inclusive policies support economic growth. For specialised ministries to turn national youth strategies into an effective driver of youth well-being across all areas of government action, greater policy coherence, adequate funding and stronger institutional capacity are needed.

Disability

Elizabeth Lockwood, CBM International

Key messages

- Persons with disabilities comprise around 15% of the world's population. More than 80% are living in poverty, with an estimated 800 million in developing countries.
- Excluding persons with disabilities from education, employment, healthcare and other services comes at an economic cost of 3–7% of GDP in developing countries.
- Inclusive societies foster self-sufficiency among persons with disabilities and bring economic and social benefits at every level.
- Development co-operation policy and practice needs to deliver on commitments by investing, collecting and using meaningful data to ensure that the needs of persons with disabilities are considered and by making disability inclusion a deliberate and explicit policy priority.
- All donors should report on the new OECD DAC disability marker to track financing for disability and ensure it contributes to making services accessible to everyone.

The 2006 United Nations Convention on the Rights of Persons with Disabilities (CRPD) resulted from a global movement for disability rights, which responded to the decades-long exclusion of persons with disabilities from global policies, process and development. The CRPD represented a shift towards a human rights approach with regard to persons with disabilities - away from a medical. It is unique in providing both a human rights platform and a development framework disability.

Indeed, the Convention paved the way for disability rights organisation to advocate for including persons with disabilities in the 2030 Agenda for Sustainable Development and the SDGs. The 2030 Agenda recognises persons with disabilities as active contributing members of society while the pledge to leave no one behind puts persons with disabilities at the centre of development. With 11 explicit references to persons with disabilities, the 2030 Agenda, like the CRPD, has opened the door to equal participation. It has enabled persons with disabilities to address the institutional, attitudinal, and legal barriers that inhibit their full participation within human rights and development dialogues.

Progress on including persons with disabilities is still limited

The meaningful inclusion and participation of all stakeholders in the implementation, monitoring and review of the 2030 Agenda is essential to ensure that the rights of all are upheld. A key challenge, despite strong commitments and policy efforts, is that persons with disabilities continue to be left behind because they are invisible in global and national monitoring. For example, although the SDG indictor framework includes 11 disability indicators, disability data are not yet being collected by national statistical offices for SDG monitoring (UN, 2017[168]) (Chapter 5).

This chapter explores the consequences of society leaving the most marginalised behind, particularly persons with disabilities and makes practical recommendations for providers of development co-operation to step up action to ensure that persons with disabilities are included in sustainable development.

Box 3.11. **United Nations definition of disability**

The United Nations Convention on the Rights of Persons with Disabilities defines disability as "an evolving concept, and that disability results from the interaction between persons with impairments and attitudinal and environmental barriers that hinders full and effective participation in society on an equal basis with others." In addition, Article 1 of the Convention states that "persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others" (UN, 2006[169]).

Persons with disabilities in society: Costs of exclusion and benefits of inclusion

Persons with disabilities comprise around 15% of the world's population; more than 80% of these people are living in poverty (UN, 2015[170]), with an estimated 800 million in developing countries (World Bank, 2018[171]). Persons with disabilities encounter widespread exclusion from all areas of economic, political, social, civil, and cultural life, including employment, education and healthcare. Research indicates that the cost of excluding persons with disabilities from access to education, employment, and healthcare in developing countries amounts to a loss of 3–7% of gross domestic product (GDP) (World Bank, 2018[171]).

Exclusion from education

Exclusion from education may lead to fewer employment opportunities and a lower earning potential for persons with disabilities in developing countries, making individuals and their families more vulnerable to poverty and limiting national economic growth. Many children with disabilities living in low or middle-income countries do not go to primary school (CBM, 2018[172]). In particular, girls with disabilities are far less likely than either boys with disabilities or girls without disabilities to attend primary school. If the girls do attend, they are less likely to complete primary school, progress to secondary education or undertake vocational training all of which increases the chance of becoming economically self-sufficient (Leonard Cheshire Disability, 2014[173]).

Access to education could help close the poverty gap for persons with disabilities and the rest of the population. It can also decrease crime rates, control population growth, improve health outcomes, increase citizen participation, and foster gender empowerment (Banks and Polack, 2015[174]). Consequently, realising the rights of children with disabilities is both an investment in the future and critical for sustainable development (UN, 2012[175]).

Exclusion from employment

Globally, persons with disabilities experience disproportionately high levels of underemployment and unemployment as well as lower pay scales for performing the same work as individuals without disabilities (World Health Organization and the World Bank, 2011[176]). Eight out of every 10 persons with disabilities in low- and middle-income countries are denied their right to employment. Unable to earn an income, they are locked into a cycle of poverty and disability. Persons with disabilities are also often denied the training and financial support so important for starting a business and becoming employed. It is thus essential to empower persons with disabilities so they can earn an income to support themselves and end the cycle of poverty (CBM, 2018[172]).

Exclusion from healthcare

Across the world, persons with disabilities encounter barriers in accessing healthcare, but this is especially the case in developing countries. For example, 85% of people with mental health problems in developing countries do not have access to appropriate mental health services (CBM, 2018[172]) and only 5–15% of persons in low- and middle-income countries who require assistive devices or technologies receive the equipment they need (World Health Organization and the World Bank, 2011, p. 29[176]). Persons with disabilities living in low or middle-income countries are often denied access to healthcare because of inaccessible locations, expenses, lack of information and communication (e.g. in sign language), and negative attitudes toward persons with disabilities.

The failure to include persons with disabilities in public health interventions can impede the effectiveness and efficiency of healthcare programmes as they may experience avoidable medical and/or productivity costs. Consequently, governments can end up spending more money overall in parallel care and treatment programmes. Moreover, consistently poor health can lead to lower educational attainment, which in turn is strongly linked to a lower lifetime earning potential (Banks and Polack, 2015[174]). To address these challenges, healthcare services should be more flexible in location, provide

accessible information, develop a fee structure to include all persons, be designed with input from persons with disabilities, and provide accessible reproductive healthcare services to women with disabilities (CBM, 2018[172]).

Exclusion from service infrastructure

Globally, persons with disabilities are often denied access to basic urban services, such as information, housing, roads, public spaces, transportation, water and sanitation, and emergency and disaster responses. Yet, it is generally feasible to meet accessibility requirements at just 1% of the total infrastructure cost, if accessibility and universal design principles are integrated into new structures. In contrast, retrofitting for accessibility is more expensive, costing up to 20% of the original cost (World Health Organization and the World Bank, 2011, p. 173[176]).

Overall benefits for all in an inclusive society

Economic benefits from including persons with disabilities in middle- and low-income countries include financial gains for economies as a whole, advantages for businesses that adopt diverse practices, and benefits for persons with disabilities themselves (ILO, 2015[125]). Additional benefits include greater economic self-sufficiency and less demand for social assistance, if available, which subsequently decreases the overall demand on financially strapped social protection programmes.

Additionally, increasing participation in the labour force for both persons with disabilities and their caregivers increases a country's potential tax base, which can increase government revenue. Companies in high-income countries have found that employees with disabilities have greater retention rates, higher attendance, and better safety records while productivity matched the levels of employees without disabilities (Banks and Polack, 2015[174]).

What next for development co-operation to ensure persons with disabilities are no longer left behind?

The following recommendations for providers of development co-operation build on recent achievements. With the right commitment and resources these actions can be achieved in the short term, helping to step up efforts to include the most marginalised people, particularly persons with disabilities.

Policy makers should invest in, collect and analyse the right data so that policies and decision making are informed of needs

> *Policy makers must collect data disaggregated by disability using the short set of questions developed by the Washington Group while also consulting with persons with disabilities and their representative organisations on the design, implementation, and monitoring of SDG plans (UN, 2006[169]).*

At the global level, while persons with disabilities are increasingly represented within human rights and development arenas, key data are missing (Chapter 5). The lack of data on persons with disabilities, both at the national level and in international development, is still a major barrier for inclusion – even though Member States called for global SDG indicators to be disaggregated by disability (UN, 2017[168]) (IATF, 2017[177]).

The OECD Development Assistance Committee disability policy marker should be used and reported on frequently, consistently, and systematically

The OECD DAC finalised a voluntary disability policy maker in 2018. The OECD developed this marker in response to the pervasive exclusion of persons with disabilities and the lack of effective measurement of investments in disabilities in development co-operation. Considering the additional

costs of inclusion for development programmes, the decision to uphold a voluntary disability policy marker is positive. However, the voluntary nature of the marker weakens its contribution to upholding the principle of leaving no one behind. To ensure that persons with disabilities are included systematically, the needs of this marginalised group needs to be mainstreamed in development programmes and projects, including in calls for funding, in a similar way as gender equality and the environment.

Despite its voluntary nature, the disability marker can, as more countries report against it, serve as an incentive to increase financing for disability and the quality of ODA investments in it by giving more credit and visibility to this type of development finance.

Build on and learn from good practice

To highlight some good practices, Finland has contributed to the promotion of the inclusion of persons with disabilities in humanitarian settings and promoted multi-stakeholder collaboration (DFAT, 2017[178]). In the United Kingdom, the Department for International Development (DFID) introduced its first Disability Framework in 2014 (Meeks, 2016[179]) and its current vision for disability inclusion is "to ensure people with disabilities are consistently and systematically included in international development and humanitarian assistance." On July 24, 2018, DFID, along with co-hosts the International Disability Alliance and the Government of Kenya hosted the first-ever Global Disability Summit to galvanise the global effort to address disability inclusion in the poorest countries in the world and act as the starting point for major change on this neglected issue (International Disability Alliance, 2018[180]). In addition, the United States Agency for International Development (USAID) committed to including persons with disabilities in its programmes (Shah, 2011[181]).

Challenges remain, especially when it comes to integrating the needs and priority of persons with disabilities systematically into project cycles and accountability mechanisms. Australia, for example, is tackling such challenge. An evaluation of its efforts found that by influencing international agreements and the policies and programmes of other donors, Australia has both increased the benefits of its assistance and achieved greater, more far-reaching impact. These positive findings demonstrate that Australia's leadership has effectively contributed to recent progress in disability policies and programmes (DFAT, 2017[178]). Other countries can learn from and replicate this good practice for greater collective impact.

The evaluation also indicated that partner governments must create and expand opportunities for persons with disabilities through policy and legislative frameworks and better service delivery on the ground. Support and advocacy from donors, institutions, non-governmental organisations, and activists at the global level helps create a platform for change. But it is the inclusion of persons with disabilities in all policies and programmes at the country level that, ultimately, makes the greatest difference (DFAT, 2017[178]).

Conclusion

To deliver on the pledge to leave no one behind, and for the benefit of all of society, the most marginalised people, including persons with disabilities, must be included in all processes at all levels, in line with global commitments such as the UN Convention on the Rights of Persons with Disabilities.

Collecting data on persons with disabilities is a crucial starting point to achieve inclusion and enable greater accountability. By taking action to carry out the recommendations outlined above, those working in development policy and practice can help achieve an inclusive society in which diversity and inclusion are celebrated, and infrastructure, services and support are accessible to all.

Notes

1. This chapter is adapted and updated from Gertz and Kharas (2018[1]). We would like to thank Brina Seidel for excellent research assistance on this project.
2. Indeed, in updating our figures using new poverty surveys and GDP forecasts released over the first six months of 2018, we find some small shifts in the composition of SOTCs relative to when we completed the same analysis in late 2017. This highlights that the list of SOTCs is not forever fixed, and can and should be updated over time.
3. Cuba and Democratic People's Republic of Korea are other examples of stable countries with high poverty. In our analysis we use estimates from the Maddison Project Database, which suggest that real incomes in these countries are far lower than official estimates.
4. This is based on an analysis of country-allocated CPA, and excludes regionally-allocated assistance.
5. We also tested a similar analysis using project evaluation scores from a broader range of donors, using the data presented in Honig (2018[182]), and found similar results.
6. See analysis in (Desai, Kharas and Amin, 2017[188]) and related discussion in (Gertz and Kharas, 2018[1]).
7. This finding was derived from a six-country case study of attempts to negotiate inclusive political settlements in post-conflict settings found that positive trends in political inclusion did not necessarily translate to progress in socio-economic inclusion or shifts in deeply entrenched exclusionary cultural and political norms.
8. Worldwide abstention was at 24% in the 1980's, rising to 34% in the period 2011-2015. At the same time the number of countries where direct national elections are held increased from 114 to 194.
9. OECD CRS data show a slight increase from 24% to 25.4% between 2008 and 2016 on the two concerned topics against the total ODA to government and civil society in general.
10. Education changes relationships of power within society and within households. Education enables groups that were once considered subordinate to acquire voice and confidence (World Bank, 2013[187]).
11. Blogs and presentations on the first phase of the research available at: *www.effective-states.org/blog/*.
12. Tim Kelsall proposes a 3-D framework that can assist development practitioners to better understand the type of political settlement they are working in.
13. For example, a visible association with external support can subject local actors to criticism that they are advancing a foreign agenda.
14. Stranded assets are assets that have suffered from unanticipated or premature write-downs, devaluations or conversion to liabilities. They can be caused by a range of environment-related risks. These risks are poorly understood and regularly mispriced, which has resulted in a significant over-exposure to environmentally unsustainable assets throughout financial and economic systems. Current and emerging risks related to the environment represent a major discontinuity, able to profoundly alter asset values across a wide range of sectors.

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PART II

Leaving no one behind in practice: Policies, actors and lessons

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PART II

Chapter 4

Delivering the Sustainable Development Goals for all: Policy priorities for leaving no one behind

by
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Drawing on successful examples, this chapter explores how to meet three challenges to meeting the Sustainable Development Goals (SDGs): investment, policy and data. Sections discuss financing for leaving no one behind, how to co-ordinate planning and budgetary processes to make more efficient use of resources, how to encourage long-term, cross-sectoral planning and build the necessary data systems to enable targeted and efficient interventions. The chapter then uses a good practice example from the Millennium Development Goal (MDG) period (2000-15) focused on the health sector, where access to treatments for malaria, AIDS and tuberculosis improved significantly, including for the most vulnerable population groups in low-income countries, to illustrate how investment, policy and data challenges can be met in the context of the SDGs. In particular, it discusses the role that development co-operation can play in generating and scaling up innovations to improve health, education and other societal outcomes.

Delivering the SDGs for all: Policy priorities for leaving no one behind

KEY MESSAGES

Cross-sectoral, whole-of-government planning is needed to prioritise actions that benefit multiple SDGs. A study of interactions between the 17 SDGs found that there are 316 target-level interactions overall, of which 238 are positive or reinforcing interactions, 66 are negative or hindering, and 12 are neutral.

SDG 2 (no hunger) and SDG 3 (good health and well-being) are both key enablers for the SDGs overall and critical outcomes of sustainable development.

Institutional structures dedicated to co-ordinating policies and budgets behind the SDGs have great potential; the process of bringing diverse experts from across government together, and collectively reviewing policies and investments across sectors, is starting to have a powerful impact in some countries.

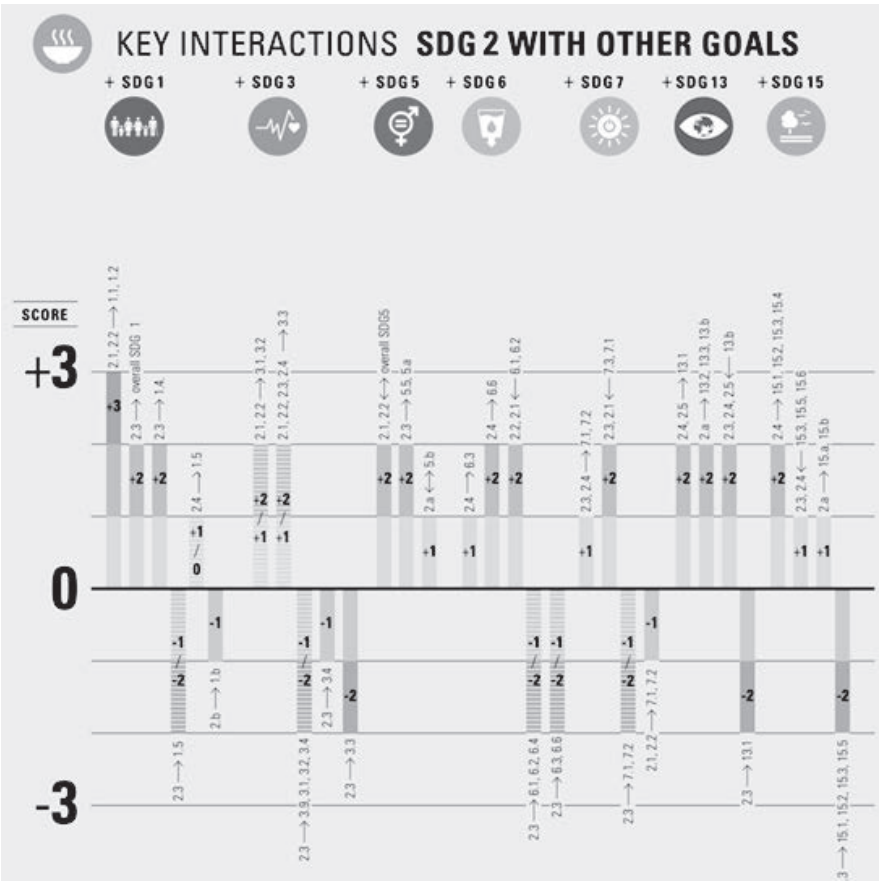
National governments and the international community need to address three strategic challenges to ensure that policies and plans positively reinforce each other to meet all SDGs and leave no one behind: mobilising finance, co-ordinating budgets and making government action more coherent.

Seventeen interdependent goals…

The 2030 Agenda provides an opportunity to transform public policy making and strengthen international co-operation to achieve more equitable outcomes. Integrated and coherent approaches are needed to achieve the Sustainable Development Goals (SDGs) as a whole by 2030 and are essential to tackle the multiple dimensions of inequalities, which are intersecting in nature and stem from exclusion from economic opportunities, social services and natural resources (Chapter 3). A first science-based assessment of interactions between the 17 SDGs found that there are 316 target-level interactions overall, of which 238 are positive or reinforcing interactions, 66 are negative or hindering, and 12 are neutral (ICS, 2017[1]) (Nilsson, Griggs and Visbeck, 2016[2]). The nature of these interlinkages varies depending on country context, geography and governance arrangements.

In particular, SDG 2 (no hunger) and SDG 3 (good health and well-being) are both key enablers and critical outcomes of sustainable development (Figure 4.1). The relationship is bidirectional: poor health can reduce the ability of individuals and households to farm and produce food, resulting in malnutrition (including undernourishment and poor eating habits), which can have a long-lasting impact on mental and physical health. At the same time, monocultural crop production, genetically modified organisms, forest clearing and irrigation have the potential to increase production and reduce undernourishment in deprived areas, but they may also have a detrimental impact on the environment and adversely affect future food security. The recently released report by the World in 2050 Initiative provides additional insights on such interactions (IIASA, 2018[3]), and clearly demonstrates the importance of co-ordinated cross-sectoral government planning to achieve outcomes that benefit multiple SDGs.

Figure 4.1. **Positive and negative interactions of SDG 2 (no hunger) and SDG 3 (health and well-being) with other Sustainable Development Goals**

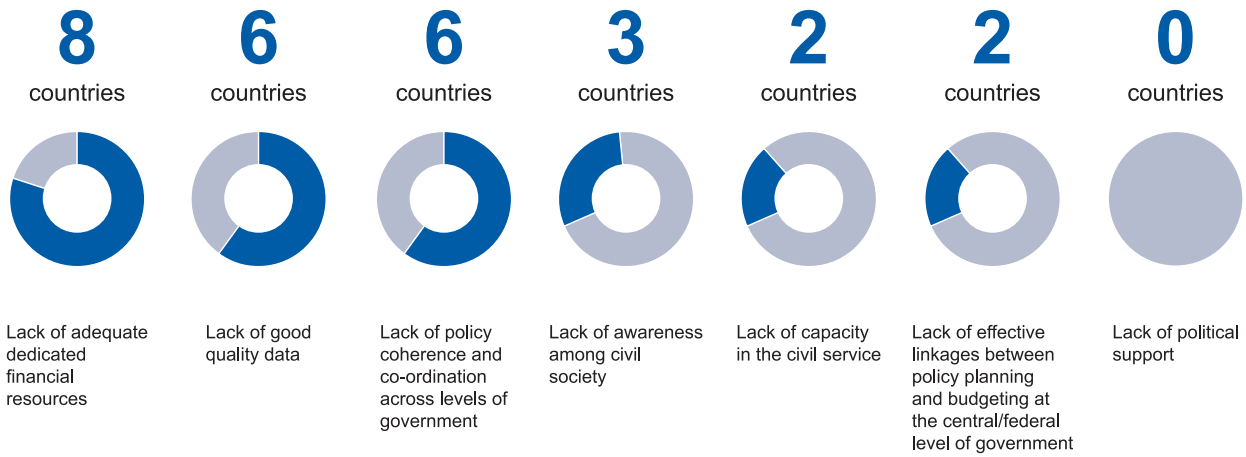


Source: (ICS, 2017[1]), "A guide to SDG interactions: From science to implementation", *http://council.science/cms/2017/05/SDGs-Guide-to-Interactions.pdf*.

...three strategic challenges: Investment, policies and data

National governments and the global community need to address three strategic challenges to ensure that policies and plans positively reinforce each other to meet all SDGs in a way that leaves no one behind (Figure 4.2) (SDGC/A and SDSN, 2018[4]). First, there is an investment challenge, especially in low-income countries, where increasing access to basic infrastructures and services will require mobilising additional national and international financial resources. Second, there is a policy challenge, since implementing the agenda in the context of the SDGs requires deep transformations of economic, social and environmental systems to ensure fair and redistributive policies (IIASA, 2018[3]). Integrated approaches to policy making and concrete measures to enhance policy coherence will be essential to maximise synergies and minimise trade-offs between economic, social and environmental policy objectives. Third, there is a data challenge, since more disaggregated and timely data are needed to inform policies and reforms and evaluate their impact on various population groups.

Figure 4.2. **Key challenges for implementing the Sustainable Development Goals: Responses from government officials in 11 African countries, 2018**



Source: (SDGC/A and SDSN, 2018[4]), "Africa SDG index and dashboards report 2018", *http://unsdsn.org/wp-content/uploads/2018/07/AFRICA-SDGS-2018-Report-FINAL.pdf*.

Costing, co-ordinated budgeting and coherent government action to leave no one behind

Delivering on the SDGs as an integrated and indivisible package and ensuring no one is left behind is costly in terms of financing but also because it requires complex, co-ordinated and long-term planning across governments. This is especially true for countries where basic social systems and infrastructures are not yet in place. Given the tight fiscal environment in many developed and developing countries, governments need to find more effective and efficient ways to raise, leverage and direct their investments (Box 4.1 and Chapter 10). Governments worldwide are starting to put in place institutional mechanisms to help facilitate co-ordination between budget departments, sectoral policy makers, and agencies responsible for their implementation and evaluation, as highlighted by the 2016 and 2017 voluntary national reviews on progress presented to the United Nations (UNDESA, 2017[5]).

Costing and whole of government planning and budgeting

To estimate accurate costs and design the right mix of policies to meet the SDGs as a whole, government departments need to work together when considering trade-offs, to identify and reinforce synergies between goals and, ultimately, integrate actions. Using modelling techniques and scenarios, the World in 2050 Initiative findings (IIASA, 2018[3]) suggest, for instance, that lessening resource impact

and waste (SDG 12) allows not only the reduction of environmental burdens and the furthering of the goals of related SDGs on water (SDG 6), climate (SDG 13), oceans (SDG 14) and biodiversity (SDG 15), but also stands to free the resources for ending poverty and aiming at a more equitable distribution of material well-being.

Box 4.1. **The estimated cost of implementing the Sustainable Development Goals is in the trillions**

Altogether, the United Nations Conference on Trade and Development (UNCTAD, 2014[6]) estimates that achieving the SDGs will take between USD 5 trillion and USD 7 trillion, with an investment gap in developing countries of about USD 2.5 trillion. Estimates of the annual cost of eradicating extreme poverty in all countries (measured as increasing the incomes of all people to at least USD 1.90 per day) are about USD 66 billion annually (UNDP, 2018[7]). The World Health Organization (WHO, 2017[8]) estimates, under an "ambitious" scenario, that achieving the SDG health targets (including universal health coverage) in 67 low- and middle-income countries that account for 75% of the world's population would require new investments increasing over time from an initial USD 134 billion annually to USD 371 billion, or USD 58 per person, by 2030.

Institutional structures and mechanisms can facilitate more integrated policy making and budgeting (Box 4.2). While institutional structures specifically dedicated to the SDGs are nascent, the simple process of bringing diverse experts from across government together, collectively reviewing policies and investments across sectors has already had a powerful impact. In Afghanistan, for example, the Council of Ministers and Ministry of Finance have decided that national SDG targets and indicators will be incorporated into the budget planning process at the national and subnational levels; to this end, the relevant line ministries have been requested to submit an account for the SDGs in their budget proposals, thereby helping to highlight how resources are being allocated to meet the SDGs and which investments will have the most profound impact upon national development.

Further to developing long-term plans and pathways, governments need to work across sectors and departments to streamline leave no one behind considerations (such as measurements of income inequalities, poverty distribution, gender equity and so on) into public sector processes (such as budget, regulatory management, procurement and audits) to ensure that synergies and trade-offs between various policy objectives and sectors are carefully considered. Early evidence collected by the SDSN in the G20 and some African countries shows that there is wide variation in government efforts to institutionalise the SDGs (Sachs et al., 2018[9]). For example, although many African countries have put in place some form of co-ordination or planning mechanism for SDG implementation, not one of the countries covered by the survey has made a quantitative assessment of incremental financing needs for the SDGs (Box 4.2).

Back-casting from the goals to the right policies and investments

In addition to establishing co-ordinated institutional arrangements on financing, countries need to determine how to achieve long-term development objectives as part of overall development planning. This requires working backwards from the goals ("back-casting") to identify the investments and policies required to build infrastructure, strengthen human resources, deliver services and undertake other interventions to achieve the SDGs. Such long-term planning can help lay out potential operational pathways that demonstrate the feasibility of achieving complex, ambitious goals, and can help to mobilise stakeholders around shared strategies and innovation. This is particularly relevant for countries missing basic social infrastructure, where single policy measures and incentives (fiscal policies, in-kind benefits, employment policies, etc.) are largely insufficient.

Box 4.2. **Policy coherence to deliver the Sustainable Development Goals: OECD building blocks to support coherence**

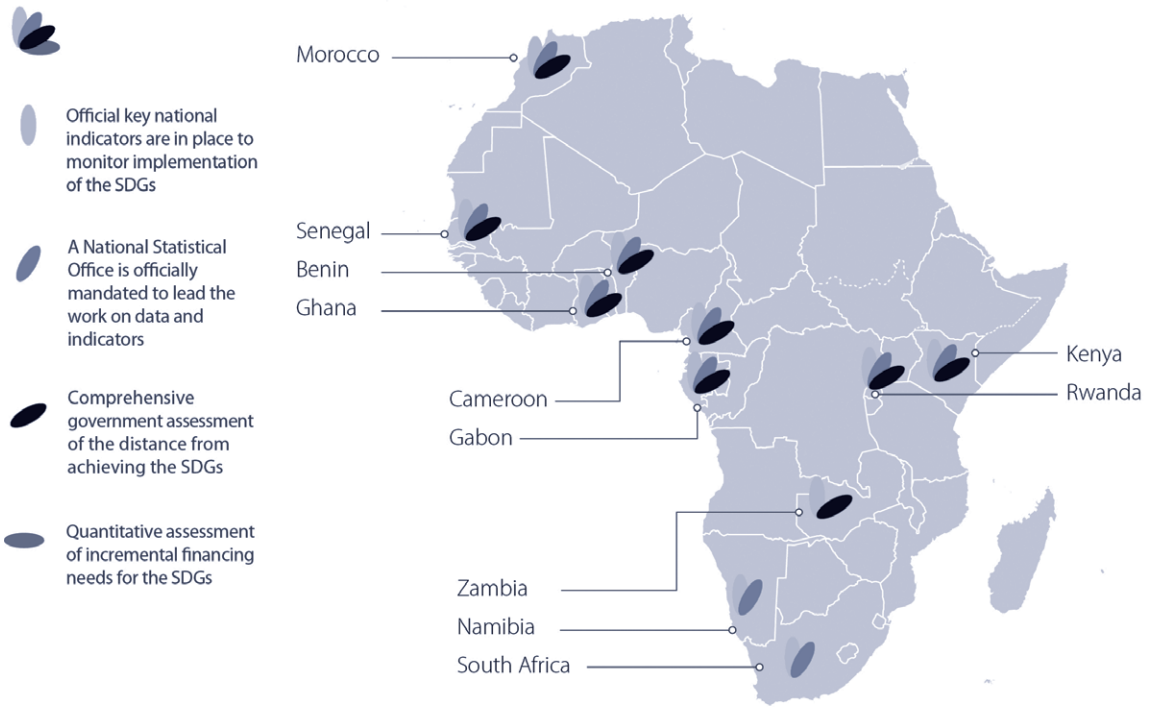
According to most voluntary national reviews presented to the United Nations, policy coherence needs to be enhanced to deliver the SDGs but progress is slow and challenging. The OECD has been working to unpack the complex topic of policy coherence and translate it into concrete action. It sees policy coherence as an approach to understand the barriers to, and the drivers for, sustainable development; and as a policy tool to integrate the economic, social and environmental dimensions of sustainable development at all stages of policy making. Experience in promoting policy coherence for development over the past two decades has led the OECD to identify eight building blocks: institutional mechanisms which can help enhance policy coherence in governments from different political and administrative traditions (see below). There are encouraging country examples applying these eight building blocks that have made progress in improving the institutional architecture to support coherence in SDG implementation (OECD, 2018[10]).

1. Political commitment and leadership – to guide whole-of-government action and translate commitment on the SDGs and policy coherence into concrete measures at the local, national and international levels.
2. Policy integration – to consider systematically interlinkages between economic, social and environmental policy areas as well as ensure consistency with international engagement before taking decisions.
3. Intergenerational timeframe – to make informed choices about sustainable development considering the long-term impact of policy decisions on the well-being of future generations.
4. Analyses and assessments of potential policy effects – to provide evidence on the potential negative or positive impact on the well-being of people at the domestic level and in other countries, and inform decision making.
5. Policy and institutional co-ordination – to resolve conflicts of interest or inconsistencies between priorities and policies.
6. Local and regional involvement – to enact the economic, social and environmental transformation needed for achieving the SDGs and ensure that no one is left behind.
7. Stakeholder engagement – to make sure that SDGs are owned by people, diverse actions are aligned, and resources and knowledge for sustainable development mobilised.
8. Monitoring and reporting – to inform policy making and ensure that sectoral policies can be adjusted in light of progress, new information and changing circumstances.

Source: (OECD, 2018[10]), Policy Coherence for Sustainable Development 2018: Towards Sustainable and Resilient Societies, *https://doi.org/10.1787/9789264301061-en*.

The Deep Decarbonization Pathways Project provides a useful example of back-casting (Box 4.3). The project support national pathways for deep decarbonisation of energy systems, consistent with the 2°C limit and national development objectives. Following deep technical analyses, extensive consultations with stakeholders, and problem solving with other country teams, these national pathways show how decarbonisation can be reconciled with economic and social development. On the basis of these pathways, several governments undertook much deeper commitments and more integrated policies to achieve complex development objectives. These lessons can be applied in areas where people are leave no one behind, including income inequalities, gender parity and access to key services for vulnerable groups.

Figure 4.3. **Institutional mechanisms in place for implementing the Sustainable Development Goals in 11 African countries, 2018**



Source: (SDGC/A and SDSN, 2018[4]), "Africa SDG index and dashboards report 2018", *http://unsdsn.org/wp-content/uploads/2018/07/AFRICA-SDGS-2018-Report-FINAL.pdf*.

Box 4.3. **Deep decarbonisation pathways and social benefits**

Deep decarbonisation pathways accommodate the expansion of energy services needed to meet countries' economic growth targets and social priorities. The set of pathways created by the Deep Decarbonization Pathways Project aims to decarbonise 16 national energy systems in a context of economic growth and development. They were designed to ensure that crucial domestic socio-economic objectives are met in each country and, notably, that energy services through 2050 would meet national objectives; allow citizens of developing countries expanded access to energy; and enable economies to continue transporting passengers, shipping freight, providing similar or better housing and public amenities, and supporting high levels of industrial and commercial activity.

The pathways show that deep decarbonisation supports sustainable development provides multiple economic and environmental benefits and opportunities for raising living standards. These include improved air quality (as in the Chinese and Indian pathways); enhanced energy security (as in the Japanese pathway); less energy poverty (as in the United Kingdom pathway); improved employment, reduction in basic poverty and improved income distribution (as in the Indian and South African pathways). For all countries to fully realise these benefits, low-carbon technologies must be made affordable and energy planning must integrate social priorities.

Source: (DDPP, 2015[11]), "Pathways to deep decarbonization 2015 report", *http://deepdecarbonization.org/wp-content/uploads/2016/03/DDPP_2015_REPORT.pdf*.

Supreme audit institutions can incentivise government co-ordination for the Sustainable Development Goals

Supreme audit institutions (SAIs) play an institutional role in promoting effective policy implementation and accountability. Traditionally SAIs have focused on financial and compliance audits, but they are increasingly incorporating other aspects, such as performance and value-for-money audits (OECD, 2017[12]). The International Organization of Supreme Audit Institutions (INTOSAI, n.d.[13]) and recent reports produced by SAIs in Canada, Ecuador, Peru, Sudan, United Republic of Tanzania and West Bank and Gaza Strip, demonstrate the positive role that performance auditing can play in promoting a whole-of-government approach to implementing the SDGs and in highlighting shortfalls, including in issues related to access to and quality of public services across population groups and regions. The reports also find that the machinery of government is not sufficiently prepared to implement the SDGs, whether in relation to strategy setting, co-ordinating agencies and levels of government, stakeholder engagement, and data monitoring systems. Several barriers still prevent SAIs from playing a greater role for the SDGs, including lack of capacities as well as independence in some countries. Furthermore, in a number of countries, their mandates do not cover audits of policy effectiveness and efficiency, including cross-sectoral policy effectiveness (UNDESA, 2017[5]) (G.Vries, 2016[14]). As the role of SAIs evolves, countries might need to revise the legislative provisions and mandates for SAI audits.

Data for monitoring, data for management

To support costing, co-ordination and coherence and to guide evidence-based policy to leave no one behind, governments need to invest in and use timely, disaggregated data. The SDGs emphasise the importance of data for leaving no one behind, requiring that monitoring and tracking of the SDGs be disaggregated "where relevant, by income, sex, age, race, ethnicity, migratory status, disability and geographic location, or other characteristics, in accordance with the Fundamental Principles of Official Statistics" (UN, 2015[15]).

Data are central for monitoring, tracking and understanding progress as well as policy making and management. Data for management requires functional administrative data systems and performance metrics, which enable governments to register their populations, track vital events, report on service performance, identify who is accessing the services, and so on. These data are lacking in the majority of low- and middle-income countries where statistical capacities remain low and funding for statistics is in short supply (Chapter 5). In fact, the 2010 World Population and Housing Census found that 7% of the world population – approximately 48 million people from 26 countries in Africa and Asia – were not counted at all (UN, 2015[16]). As many as 83% of Africans live in a country without a complete and well-functioning birth registration system (UNECA, 2016[17]). But this problem is not confined to low-income countries. Even in the United States, there are almost no comparable city-level records on the state of maternal and neo-natal mortality – a fundamental indicator of health and social well-being (Espey, Dahmm and Manderino, 2018[18]).

Innovative sources of data, coupled with a supportive policy and regulatory environment, can also be used to fill SDG data gaps rapidly. For example, population estimates that not only rely on household counts but also satellite imagery and telecom data may be able to fill gaps in current census records. The POPGRID Data Collaborative[1] has catalogued a huge array of high-resolution population estimation techniques drawing on satellite imagery, mobile telecommunications data, and other data sources. With a supportive infrastructure to match supply-side data innovations with data demands, population estimates can be improved worldwide while governments and policy makers will have access to more timely and granular data on to improve social and economic challenges and to target services and interventions more effectively.

International action to target the most vulnerable: Lessons from global health

As countries develop their strategies and approaches to leaving no one behind, it is useful to consider lessons from the MDGs. While many MDGs, including in health, were not fully met, progress towards health goals was fastest in some of the poorest countries, notably in sub-Saharan Africa (McArthur and Rasmussen, 2017[19]). The global partnership for health which set operational targets underpinned by global back-castings; conducted evidence-based advocacy; invested substantially in strengthening evidence and data and closing technology gaps; and developed funding mechanisms that promoted innovation and learning, played a key role in this success.

This partnership transformed access to care and treatment with lessons that can inform new partnerships for the SDGs and leave no one behind. Critically, faster progress in controlling and treating infectious diseases (malaria, AIDS, tuberculosis) and combating other causes of child and maternal mortality required reaching vulnerable and often marginalised groups, such as the poor; ethnic minorities; lesbian, gay, bisexual, and transgender (LGBTI) individuals; sex workers; injecting drug users and others (Jamison et al., 2013[20]). We will briefly consider the four key features of the partnership and explore lessons for non-health SDGs.

First, international organisations and civil society organisations proposed aggressive, time-bound targets for improving health and developed global back-castings to achieve them.[2] These global back-castings focused attention on the practical challenges of scaling up successful interventions and empowered countries to put forward ambitious national strategies. In particular, the global targets and back-castings helped shift the international consensus towards new and more expensive treatments for malaria, AIDS and tuberculosis, even though poor countries lacked the domestic resources to finance their scaling up.

Second, a large number of evidence-based advocacy organisations sprang up or expanded their advocacy for goal-based strategies and vastly increased funding volumes (Behrman, 2008[21]).

Third, the back-castings were supported by a rapidly growing evidence base which helped to identify key technology gaps, which became the focus of targeted research[3] and development programmes through investments from businesses, science funders and foundations. In a short period of time, long-lasting insecticide-treated bed-nets, rapid diagnostic tests for malaria, artemisinin combination therapy, new antiretroviral therapy and other technologies were developed and deployed at large scale.

Fourth, and greatly facilitated by evidence-based advocacy organisations, several new major funding mechanisms for health were launched, including Gavi, the Vaccine Alliance; the Global Fund to Fight AIDS, Tuberculosis and Malaria; the US President's Emergency Plan for AIDS Relief; and the US President's Malaria Initiative. These mechanisms help to scale up funding and to generate high-quality national disease programmes and knowledge sharing between countries (Box 4.4).

In summary, the global partnership for health enabled rapid and profound improvements in country programmes and promoted innovation, particularly to meet the needs of marginalised populations. It is perhaps the most impressive illustration of how a combination of global goals, strong advocacy, rigorous analysis, co-ordinated implementation and mass mobilisation can make progress in leaving no one behind. Other challenges under the SDGs, such as education, smallholder farming and gender equality, face similar challenges: back-casting from complex, long-term development challenges; reaching vulnerable and marginalised populations; innovating programme design and implementation; advocating for resources; and focusing on the marginalised. As a result, lessons from health are highly relevant to each leave no one behind priority area.

Box 4.4. **Enabling country ownership and co-ordination: The case of the Global Fund to Fight AIDS, Tuberculosis and Malaria**

Experience from the Global Fund to Fight AIDS, Tuberculosis and Malaria shows that country co-ordination mechanisms and independent country-led project approval processes contributed to increasing the quality of national diseases control programmes and in spreading innovation quickly between countries.

All eligible countries were required to establish country co-ordinating mechanisms (CCM) involving governments, civil society, business, international organisations and persons living with the diseases. In many countries this was the first time that governments and civil society discussed how the needs of the some of the most vulnerable populations could be met. Following an initial period where CCMs were often seen as disruptors (McKinsey, 2005[22]), they became a central mechanism for fighting the diseases (Sachs and Schmidt-Traub, 2017[23]).

Funding proposals to the Global Fund were country-led. While countries were free to request as much funding as they felt necessary, they also need to make rigorous proposals. Each proposal underwent a rigorous technical review by an independent panel which informed funding decisions and served to safeguard decisions from country-specific political considerations (Schmidt-Traub, 2018[24]). The standards were tough, and during the first years, more than half of all proposals were rejected by the Global Fund. In the end, this process created incentives to refine their proposals and design more successful programmes (Sachs and Schmidt-Traub, 2017[23]).

Conclusion

Making significant progress in leaving no one behind as part of the 2030 Agenda will require raising additional resources, but also focusing on innovation and learning, so countries know how to target their resources most effectively. Strong institutions and a capable and co-ordinated public sector are crucial in this endeavour. Similarly, understanding successes in international development co-operation such as the global partnership for health is vital. Lessons from the global partnership for health during the MDG period can be applied to other investment challenges under the SDGs, such as access to schools and equity in learning outcomes, access to basic infrastructure, or support for smallholder farming.

Notes

1. More information available here: *https://sites.google.com/ciesin.columbia.edu/popgrid*
2. Examples are the plans to stop tuberculosis (Stop TB Partnership, 2000[25]), the goal to put 3 million people on anti-retroviral treatment by 2005 (WHO, 2003[26]), or the initiative to roll back malaria (Roll Back Malaria Partnership, 2008[28]). The Commission on Macroeconomics and Health chaired by Prof. Jeffrey D. Sachs played a critical role in shifting the consensus towards greater action (WHO, 2001[27]).
3. The Lancet and other leading medical journals devoted substantial publishing space to cross-disciplinary implementation research, particularly through the Lancet commissions, which helped achieve better country programmes.

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PART II

Chapter 5

Data and diagnostics to leave no one behind

by
Rolando Avendano, Carolyn Culey and Charlotte Balitrand*

Ensuring progress on the leave no one behind commitment set out in the 2030 Agenda for Sustainable Development requires a new approach, one that is based on counting people, and takes into account the factors that contribute to their exclusion. This chapter examines the data challenges posed by the leave no one behind agenda and considers the potential of new and existing data sources to meet them. It makes the case for increased data disaggregation and assesses the tools available for country diagnostics and improving the targeting of resources to those at risk of being left behind. It highlights data success stories, considers the potential for scaling up new data initiatives, and urges greater investment in data and national statistical systems as prerequisites for meeting and monitoring the pledge to leave no one behind.

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Data and diagnostics to leave no one behind

KEY MESSAGES

The 2030 Agenda demands data that are, at the very least, disaggregated by income, sex and gender, geography, age and disability.

When available, disaggregated data can allow for more effective anti-poverty and inclusion policies, but billions of people are uncounted: the poorest 20% of the global population account for 55% of unregistered births.

Counting everyone means that national statistical systems need more sophisticated data disaggregation strategies; existing statistics typically capture national averages which often mask disparities at the subnational, community and household levels.

Scaling up investment in national data systems must be prioritised if policies and resources are to benefit those who need them most; the UN finds that only 56 of the 102 countries with statistical plans have secured adequate financing.

The principles of mainstreaming leave no one behind call for building national capabilities for data disaggregation and rethinking the skills and capacities that statistical systems need to harness the benefits of data, to engage with diverse partners, and assess trade-offs in cost, coverage and data privacy.

Counting the invisible: The case for disaggregated data

The 2030 Agenda's leave no one behind commitment presents a series of data challenges, starting with the need to ensure that everyone is counted. At present, many countries lack basic data such as comprehensive civil registration and vital statistics systems. Those living in poverty are most likely to be excluded; the poorest 20% of the global population currently account for 55% of unregistered births (Development Initiatives, 2017[1]). Governments cannot ensure that everyone is included in progress if they do not know they exist in the first place. Better data are fundamental for targeting resources at ending poverty and delivering better public services and goods for all.

Counting everyone as individuals means that national statistical systems will also need to pursue more sophisticated data disaggregation strategies. Existing statistics typically capture national averages, but they often mask disparities at the subnational, community and household levels. Implementing the Sustainable Development Goals (SDGs) requires a radically different approach. To this end, the data community has been charged with ensuring that data are disaggregated by income quintile, gender, geography, age and disability. For example, disaggregation of income is needed because, while poverty is multidimensional, income remains a key predictor of well-being and is the most widely used indicator of poverty. Data on daily income shows the 1.4 billion people who make up the poorest 20% earn on average USD 1.75 day, well below the USD 24.9 for the rest of the world. Globally and within most countries, the gap between the poorest 20% and the rest of the population is growing. Still, today's measurement of progress is largely reliant on survey data, which suffer from several shortcomings in relation to the leave no one behind agenda (Box 5.1).

Box 5.1. **Shortcomings of survey data in measuring leave no one behind**

- Many surveys do not record information on marginalised and excluded groups.
- Countries without data are often those most affected by conflict and insecurity, where people are at risk of being left behind.
- Data are often based on prevalence estimates and rely on national averages.
- Poverty measurement is affected by multiple factors, including survey implementation and sampling frames.
- Survey data are mostly collected at the household level, and risk ignoring intra-household disparities.

Having disaggregated data makes a difference in the way public policy is delivered. A lack of disaggregated data has prevented countries from putting leave no one behind into practice. In Nigeria, for example, it hampered the allocation of resources to prevent the surge in HIV infections. As a result, the government is now working on a survey regrouping 36 states to fill this gap.[1] When available, disaggregated data can allow for more effective anti-poverty and inclusion policies, as Box 5.2 illustrates. The ability to create and implement effective policies strongly depends on the quality of these data.

Delivering effective policies on leave no one behind requires greater investment in data. To reduce existing data gaps and improve the production of disaggregated data, national statistical systems need further investment and increased capacity. Today, only 56 of the 102 countries with statistical plans have secured adequate financing to implement those plans (UNDESA, 2018[4]). Scaling up investment in national data systems is an essential first step in directing policies and resources to those who need them most.

Box 5.2. **Examples of where disaggregated data have made a difference**

Bolsa Familia, a conditional cash transfer programme in Brazil, has had a proven impact in reducing extreme poverty among 24 million families. An important element of its success has been the quality of disaggregated data on beneficiaries. Using per capita family income as declared in the *Cadastro Único* (Single Registry), the programme targets families living in poverty at the municipality level.[1] Specific groups are also prioritised: *quilombola* families, indigenous families, families living off recycling and families in which there is child labour (Gazola-Hellmann, 2015[2])

Data availability can also improve public service delivery. In Lanet Umoja, Kenya, a community-generated data project revealed the existence of 4 500 more households than previous records indicated. The collected data helped 12 000 residents gain access to clean water for the first time (Developement Initiatives and Open Institute, 2016[3])

1. An estimate on the number of families living in poverty is established at the municipality level, based on data from the Demographic Census and the National Household Survey.

Strategies and tools for disaggregating data

Undertaking the leave no one behind agenda raises some important challenges in data disaggregation. At a minimum, data have to be disaggregated by income quintile, sex and gender, geography, age, and disability. Many of the standardised measurement tools currently in use must be rethought to capture unseen disparities and fundamental aspects of identity, such as intra-household inequalities in asset ownership by gender (Asian Development Bank, 2018[5]). And when gathering information on small groups, survey data may need to be collected from a disproportionally large sample to be trustworthy. Improving coverage and including a disaggregation perspective into current methods is therefore important.

Challenges for disaggregation: Income, sex and gender, geography, age, and disability

Disaggregating data according to the dimensions of income, sex and gender, geography, age, and disability is challenging and there is no one size fits all survey tool or data set as outlined in Table 5.1.

Table 5.1. **Disaggregated data are missing from major global datasets**

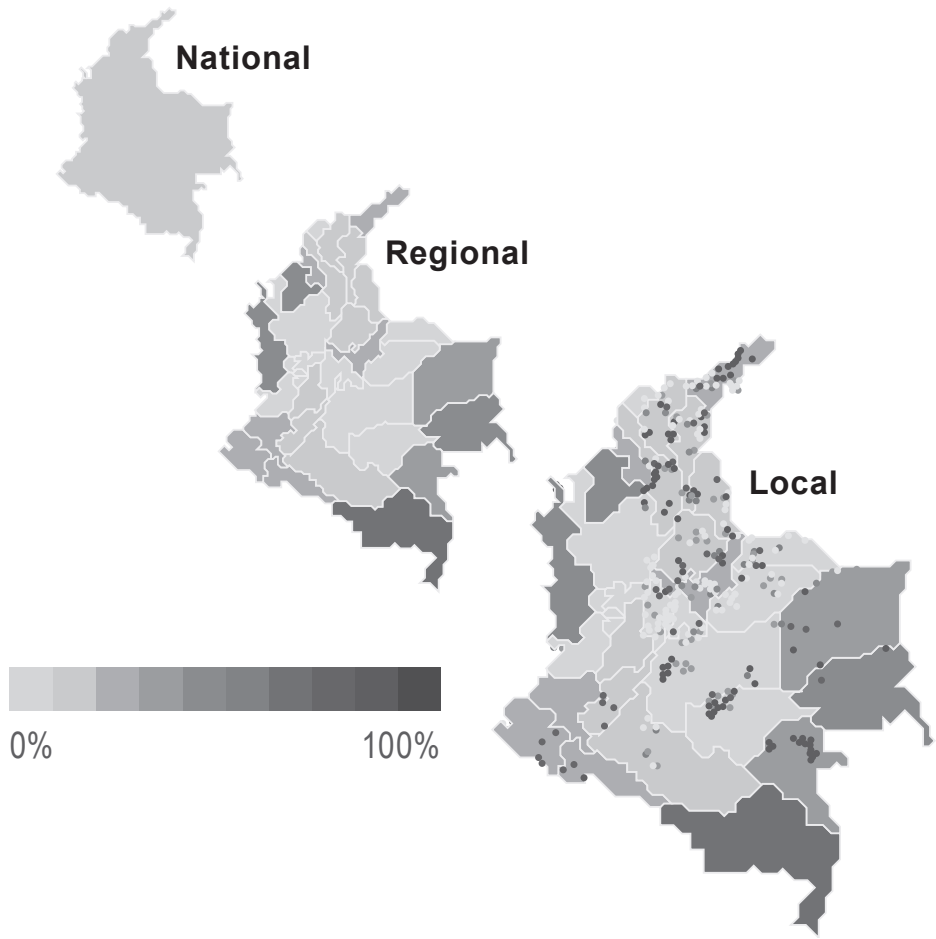
Data source	Income quintile	Sex and gender	Geography	Age	Disability
PovCalNet[1]	Yes, with great precision; however, income and consumption are treated the same	No	People's Republic of China, India and Indonesia show urban/rural split but no countries have provincial data	No	No
Demographic and health surveys[2]	Wealth but not income	Yes, but wealth defined at household level; most questions focus on women and children; and most questions focus on sex, not gender identity	Yes, almost all countries provide geographic co-ordinates	Yes, for education; few questions on people ages 5-14 and over 49	11 of the 56 surveys in our sample have some questions on disability
Multiple indicator cluster surveys[3]	Wealth but not income	Yes, but wealth defined at household level; most questions focus on women and children; and most questions focus on sex, not gender identity	Yes	Yes, for education; few questions on people ages 5-14 and over 49	5 of the 41 surveys in our sample have some questions on disability

1. A World Bank interactive computational online tool to monitor global poverty. It provides harmonised data on poverty from different surveys.
2. A data collection programme providing policy makers with demographic and health information.
3. A UNICEF survey generating data on equity to track progress towards elimination of disparities and inequities.

Source: (Development Initiatives, 2017[1]) *P20 Initiative: Baseline report, http://devinit.org/wp-content/uploads/2017/03/P20-Initiative-baseline-report.pdf*

Geographic disaggregation is an essential element for understanding how policies are implemented and their distributional impact. However, there is no statistical harmonisation today for the definition of urban and rural concepts (UNDESA, 2017[6]). Still, as in the case of Colombia (Figure 5.1), geographic disaggregation highlights a far more complex picture when considering national and subnational (i.e. clustered household level) poverty rates, with poor households also present in the wealthiest areas.

Figure 5.1. **Geographic distribution of the poorest 20% of the population in Colombia**



Source: (Development Initiatives, 2017[1]), *P20 Initiative: Baseline report*, *http://devinit.org/wp-content/uploads/2017/03/P20-Initiative-baseline-report.pdf*.

The SDG agenda encourages the collection of gender-disaggregated data to monitor policies on inequality and access to decent work, as well as a diversity of sectors ranging from sanitation to financing, education and health (UN Women, 2016[7]). Exclusion and marginalisation go beyond gender, but most major surveys do not provide much information on gender identity or sexual orientation.

For age disaggregation, while data can be obtained from major surveys (e.g. demographic and health surveys, multiple indicator cluster surveys, living standards measurement surveys) and the data are usually publicly available, existing survey methodologies tend to focus on the 15-49 year-old age group. Data on age disaggregation, however, show that the very old and the very young are disproportionately represented among the poorest 20%.

Disability is referenced in five of the SDGs, seven of their targets and numerous indicators. A major challenge faced in collecting disability data is the way in which a person's disability status is determined (Chapters 3 and 11). More emphasis is being put today on identifying the impact of disability on people's

lives rather than their status. Sustained advocacy for more and better disability data has started to pay off; the UN Statistical Commission's city group (The Washington Group on disability statistics) has developed a standard module to be applied in different contexts.

Understanding how these different dimensions of disaggregation can combine and reinforce each other is essential in designing policies to promote social and economic inclusion. Clear standards and classification criteria need to be developed for disaggregation dimensions such as age and geographic location following, for example, the standard developed for collecting data on disability.

Smart and alternative sources for disaggregating data

The surge in new data sources from digital technology is stimulating new thinking and methods to fill gaps in disaggregated data. Gradually, national statistical systems are adapting to the new technological environment, exploring the smart use of existing and new sources such as administrative data, citizen-generated data and geospatial data.

Administrative data hold potential for increased disaggregation at the individual level. A more systematic use of administrative registers could complement traditional sources (censuses, demographic and household surveys, etc.) with more disaggregated data. Other administrative sources, such as firm-level data, provide valuable, sometimes untapped disaggregated data. As a first step, a mapping of existing administrative registers could inform the future use of these data sources. Understanding legal barriers is also crucial, and advocacy is needed to mainstream the use of administrative records (Ploug, 2016[8]). Countries like Ecuador and Viet Nam see the opportunity of such registers to improve statistical production (Ploug, 2016[8]). Survey modules, such as DFID's Guide to disaggregating programme data by disability, are also being integrated into administrative systems (DFID, 2015[9]).

When it comes to citizen-generated data, new tools have the potential to fill data gaps and improve micro-data on general living conditions. Pilots from DataShift (CIVICUS, 2017[10]) to the Humanitarian OpenStreetMap Team (GPSDD et al, 2016[11]) provide disaggregated data for the SDGs on gender, social justice inclusion, access to public services and the environment. Although some concerns exist on the coverage, comparability, capacity and sustainability of citizen generated data, its relevance and contribution to SDG is increasingly recognised (Chapter 6).

Geospatial data produced using the Global Positioning System (GPS), satellite imagery, remote sensing and cartography are used to improve population coverage and provide accurate geographic boundaries for field surveys and censuses. Organisations such as Open Data Cube are providing free open sources of geospatial data to facilitate the use and analysis of satellite imagery. Integrating geospatial data with census or survey data is needed to produce spatially disaggregated population estimates which can then be aggregated for national or administrative purposes. For this, quality control and supervision across different levels of national statistical offices (NSOs) are important.

Using disaggregated data for better policies and planning

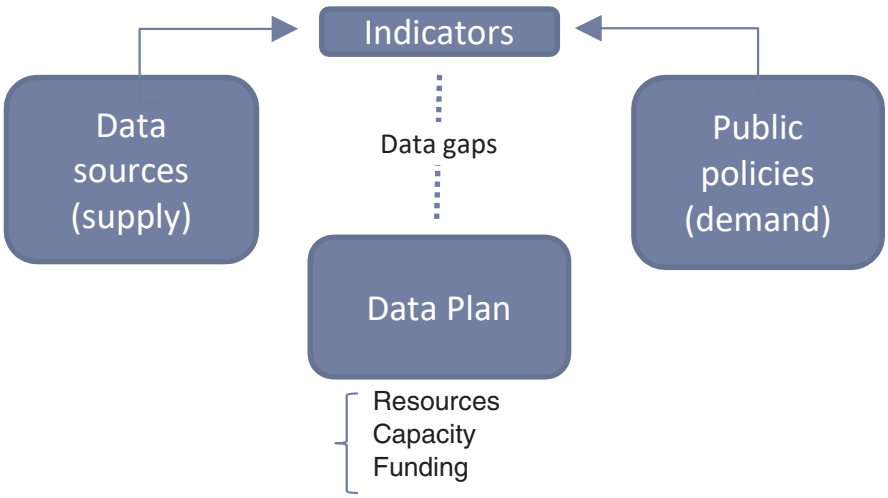
While having and using disaggregated data is crucial for policies and investments to deliver on the pledge to leave no one behind,[2] a recent assessment of demand for these data from national decision makers found that the demand was weak due to lack of specification of population groups (Serajuddin et al, from the World Bank, 2015[12]). Policy makers can make the most of the data revolution through improved data planning and by making links between use of data for policy design and its use for better targeting of policies.

Improving disaggregated data planning and production

Innovative tools that link available disaggregated data to policy formulation are needed. The goal of producing more granular data requires that national policy frameworks, and in particular national development plans, incorporate, systematically, the need to produce disaggregated data in order to

deliver and evaluate the effectiveness of policies and programmes. National statistical and data strategies and national development plans are often designed separately despite the interlinkages and synergies between them. PARIS21's (2018[13]) Advanced Data Planning Tool (ADAPT) could help reinforce these synergies (Figure 5.2).

Figure 5.2. **The advanced data planning tool: Linking data and policies**



Source: (PARIS21, 2018[13]), "Advanced Data Planning Tool (ADAPT)", *http://www.paris21.org/node/2905*.

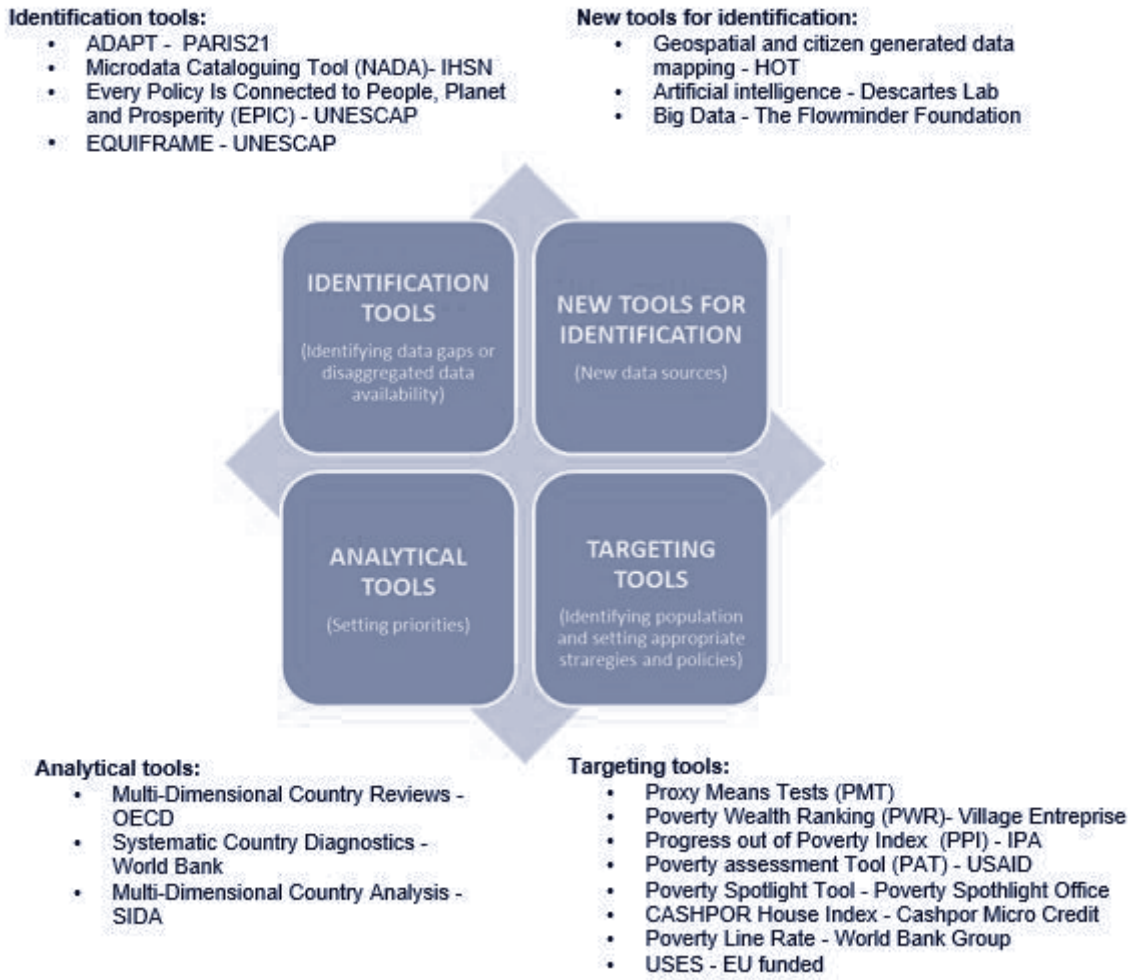
Compatible with methodologies such as the Generic Statistical Business Process Model and the Generic Activity Model for Statistical Organizations, the tool assesses gaps between data supply (e.g. data inventories) and data demand (e.g. demanded indicators) at different levels, including sectors and subnational policies. This and similar tools can be instrumental in identifying untapped data sources and incorporating disaggregated data into monitoring and evaluation frameworks.

From identifying needs to designing better policies

Identifying those who are excluded by their income or condition – and improving the targeting of policies to support them – are intertwined (Figure 5.3). Pre-existing data sources (e.g. household surveys or census information) or on-demand surveys, which could exclude some people, can inform policy making to leave no one behind. Indeed proxy means tests have been used extensively for policy interventions that aim to benefit the poorest people.[3] At the same time, the proxy means test poses some challenges from a statistical perspective: they demand capacity and co-ordination; priority populations groups may be excluded from the sample; there is a risk of arbitrary selection of beneficiaries based on a limited group of variables; and a risk of overlooking progress or decline in household conditions over time.[4] Still, while imperfect the method is considered to be effective when compared to other tools for identifying groups in need.

Better tools for identifying needs can bolster policy design, whereas better tools to identify target groups can improve policy delivery. Investing in both is necessary. Better targeting could also improve the monitoring of policies, align development agendas, and encourage accountability. A good identification system that informs existing targeting tools allows planners to better understand the trade-offs associated with the commitment to reach the furthest behind first, to determine those who are more excluded and more vulnerable, and to decide what policy support can be provided.

Figure 5.3. **Examples of data tools for leave no one behind**



Notes: 1. Acronyms: Advanced data planning tool (ADAPT); Microdata Cataloguing Tool (NADA) – International Household Survey Network (IHSN); Every Policy Is Connected to People, Planet and Prosperity (EPIC) – United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); Humanitarian OpenStreetMap Team (HOT); Swedish International Development Cooperation Agency (SIDA); Innovations for Poverty Action (IPA); United States Agency for International Development (USAID); European Union (EU).

Source: Authors

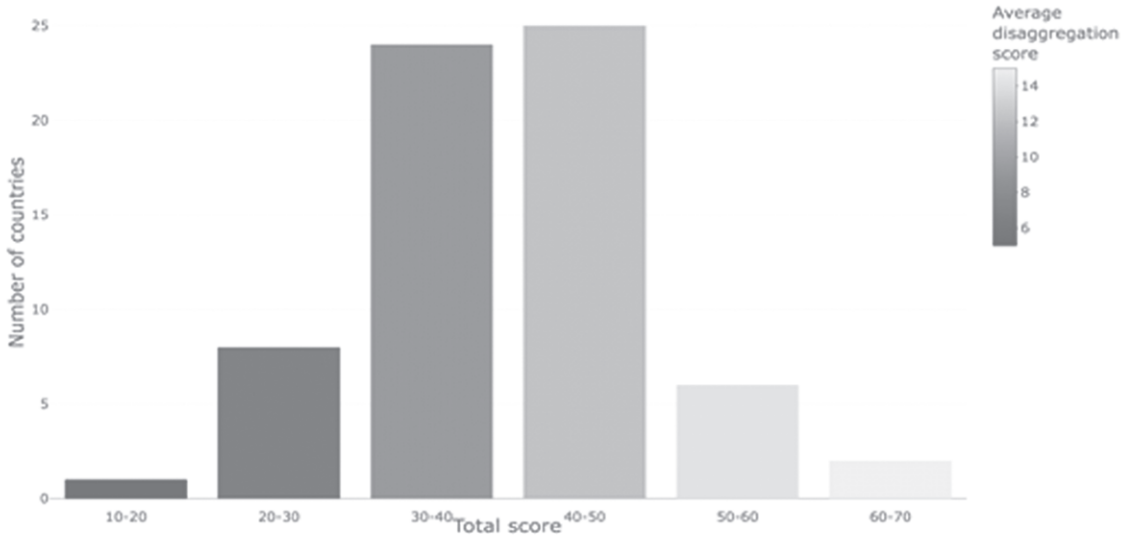
Integrating leave no one behind into national development plans

To be effective, monitoring of progress of the leave no one behind agenda should be compatible with national monitoring tools, in particular national development plans. While there is a consensus within the international and donor community on its importance, achieving full disaggregation across all social groups will be a complex and a long-term endeavour. However, an estimate of the degree to which disaggregated data are referred to in national development plans or equivalent national policy documents (Figure 5.4) shows that these data are only minimally incorporated in national policy frameworks. Systematically including a disaggregated perspective into national planning is clearly in the starting block.

The leave no one behind agenda goes hand-in-hand with assessing the distributional impact of policies. As more and better disaggregated data inform the implementation of national plans, they also inform of the impact of policies in different dimensions. In recent years, development co-operation providers have made efforts in exploring the effects of poverty reduction and inclusion policies by

designing better quality country assessments. With the underlying idea that the poorest and most vulnerable populations should benefit most, country diagnostics help set policy and programme priorities and examine their distribution between different sectors of the population. From job quality among women to educational attainment of indigenous groups, disaggregated data can provide a subtler description of the sometimes heterogeneous effects of policy.

Figure 5.4. **Distribution of PARIS21 data disaggregation index scores among National Development Plans**



Notes: Based on the PARIS21 Use of Statistics in Policy Making Index. The figure represents the distribution of PARIS21's disaggregation score. This score provides an estimate of the use of disaggregation-related terms and concepts in 199 national development plans and poverty reduction strategy papers between 2001 and 2017.

Source: (Avendano et al, forthcoming[14]) "Proposing a use of statistics indicator in national development plans".

Box 5.3. **Systematic Country Diagnostics: Identifying data gaps for a multidimensional approach to policy**

Implemented in more than 90 countries, the World Bank's Systematic Country Diagnostics (SCD) is a policy diagnostics tool to identify key constraints for a country to achieve its development objectives. The SCD puts strong emphasis on assessing data quality and identifying data gaps, which can be critical in providing a multidimensional assessment and formulating policy.

Good quality disaggregated data have been essential for the assessments and recommendations in the SCDs. In Bangladesh, the SCD focused on improving job quality and availability. Sex disaggregation data allowed it to examine how young women are rapidly shifting towards the manufacturing sector and young girls gaining access to education.

In Panama, information on ethnic disaggregation revealed that the country's indigenous groups are reported to have the lowest levels of electricity coverage out of 12 Latin American countries. However, important data gaps on income disaggregation and educational attainment hindered a better assessment of these communities. In Uruguay, data disaggregation by age and occupational status allowed for the identification of unemployed youth and estimates of spending by the social protection system on this vulnerable population.

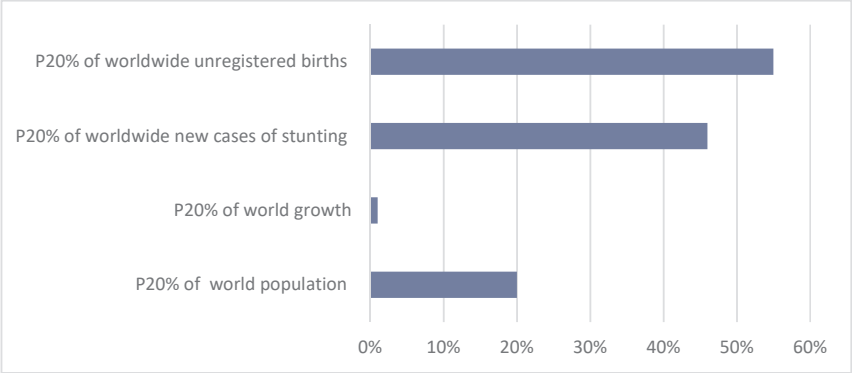
While disaggregation is not the only objective, the SCD's data diagnostic tool provides support to the leave no one behind agenda by improving assessments of data gaps and linking them to the World Bank's areas of intervention.

Sources: (Washington, 2015[15]); (The World Bank, 2015[16]) and (The World Bank, 2015[17])

Disaggregation: The challenge of working out where to start

Countries seeking to implement the leave no one behind agenda face problems in knowing where to start. The P20 initiative, designed by Development Initiatives, proposes that decision makers at all levels should focus their attention on the poorest 20% of people and investing in better data about these people. This poorest quintile includes everyone currently in, or vulnerable to, extreme poverty as well as those who by reasons of their identity (age, disability, belief, ethnicity, sexual orientation) are most vulnerable to poverty or exclusion. The P20 initiative uses three bellwethers drawn from the SDG framework and based on income, nutrition and civil registration. The state of the global P20 (Figure 5.5) confirms that the poorest 20% of the world's population receive 1% of global income, account for 46% of new cases of stunting and have 55% of all unregistered births. The same approach can be applied at the national or subnational level (Chapter 8).

Figure 5.5. **The state of the world's poorest 20% - the P20**



Source: (Development Initiatives, 2017[1]) *P20 Initiative: Baseline report*, *http://devinit.org/wp-content/uploads/2017/03/P20-Initiative-baseline-report.pdf*.

Scaling up data initiatives

There is still much work to be done in convincing governments of the importance of investing in more disaggregated data. And in the absence of solid evidence of how governments and development partners are addressing leave no one behind there is a risk that the pledge will become little more than a slogan or a hashtag. For example, from the 42 countries who submitted voluntary national reports in 2017, only 14 provided an indication of the availability of data to leave no one behind, and the majority (11) noted that additional disaggregated data is needed (CCIC, 2018[18]). From a data perspective, mainstreaming the leave no one behind agenda requires resources, partnerships, building capacity and securing political commitment.

Building national capabilities for data disaggregation

The leave no one behind agenda calls for rethinking the spectrum of skills and capacities needed to fully harness the benefits of the new data ecosystem (OECD, 2017[19]). Information technologies, the emergence of new data providers and users, and the increasing complexity of the data ecosystem point towards a new way in which national statistical systems can support evidence-based policy making. As a first step, upgrading technical and organisational capacities within national statistical systems to exploit existent and new data sources for data disaggregation will be mandatory. In this direction, improving co-ordination between NSOs with other agencies and the private sector is critical: more than 40% of NSOs report being interested in establishing partnerships to access geospatial data, but are lacking sufficient knowledge to pursue them (PARIS21, 2018[20]).

Improving NSO capacities for supervision and quality control, as in the case of geographic disaggregated data, will be important. National statistical systems will also be challenged to explore new and innovative financing mechanisms to complete the disaggregation agenda, engaging with a new range of actors. In the long term, other skills, including legal expertise and communication, will be essential to mainstream the outcomes of improving data disaggregation maps.

Principles for diverse and new data partnerships

As data ecosystems of producers and users become more complex and involve diverse players and data sources, the vision and principles of the Inclusive Data Charter and guide partnerships for more granular data about people. While there are technical and methodological challenges to improving data disaggregation, some of the largest barriers are political. Founding members of the Charter have drawn up detailed action plans for implementing it (Box 5.4).

Box 5.4. **The Inclusive Data Charter principles**

Principle One: All populations must be included in the data.

Principle Two: All data should, wherever possible, be disaggregated in order to accurately describe all populations.

Principle Three: Data should be drawn from all available sources.

Principle Four: Those responsible for the collection of data and production of statistics must be accountable.

Principle Five: Human and technical capacity to collect, analyse and use disaggregated data must be improved, including through adequate and sustainable financing.

Source: (GPSDD, 2018[21]), "Inclusive Data Charter", *http://www.data4sdgs.org/sites/default/files/2018-08/IDC_onepager_Final.pdf*.

Assessing and managing trade-offs related to costs, coverage, privacy

Recent studies have focused on the estimated cost of producing data for the SDGs, rather than considering the specific costs of having data to leave no one behind. The annual funding gap for monitoring the SDGs is estimated to be USD 200 million per year (GPSDD et al, 2016[11]) and (OECD, 2017[19]). In 2016, aid commitments for statistics reached USD 623 million, an increase of 6% compared to the last two-year average (PARIS21, 2018[22]). However, current estimates are largely based on expanding existing methodologies to measure SDG progress, with many indicators relying on prevalence data. Leaving no one behind requires a new approach to costing, with an emphasis on counting people, and on collecting data that are sufficiently disaggregated to identify groups and individuals who are marginalised. Currently, no cost estimates are available, and it is likely the costs for disaggregation will be higher than current estimates.

In particular, making data anonymous and guaranteeing coverage when producing disaggregated data is central, and can be costly. While digital technologies can be an effective way to collect certain forms of disaggregated data, the need to anonymise those data prior to publication may incur significant costs (Johnson et al, 2017[23]). In the case of geospatial data, the provision of maps from satellite imagery relies on having spatial data infrastructure, which remains too costly for many developing countries.

There are also potential risks and trade-off between increasing data disaggregation and ensuring data confidentiality at a time when big data, artificial intelligence and algorithms are increasingly used for policies and marketing by private sector (Rieland, 2018[24]). While disaggregation by ethnicity, personal situation and location may be an essential part of a national statistical office's remit, legislative and regulatory frameworks as well as systems for storing and anonymising date need to protect citizens rights to privacy and guarantee that disaggregated data are not used for discriminatory purposes.

Conclusion

In their efforts to leave no one behind and deliver the 2030 Agenda, the data and statistics community will need to address two key challenges with urgency: counting everyone and producing data that go beyond national averages and reflect peoples living conditions so that development policies can tackle the multidimensional causes of poverty and vulnerability.

Going forward the statistical community, governments and development partners should focus on:

1. Expanding the use of untapped data sources (e.g. administrative data) and involve new actors (e.g. citizen-generated data, geospatial data providers) to provide a more accurate picture of who is excluded.
2. Integrating leave no one behind principles into the tools used to design and implement national development policies.
3. Strengthening national statistical systems through a new and holistic approach to capacity development (PARIS21, 2018[25]). National statistical systems require comprehensive sets of individual skills and organisational practices, recognising leadership, management and communication skills as effective vehicles for strengthening data systems and responding to their challenges.
4. Tailoring national SDG results framework to the pledge to leave no one behind with providers of development co-operation aligning to these results frameworks.
5. Stepping up global co-ordination, investment and understanding of what it will take to meet growing demand for disaggregated data.[5] The planned data disaggregation guidelines to be shared at the 50th session of the United Nations Statistical Commission in March 2019 should provide useful reference and basis for mobilising the necessary financing to have and use the right data about individuals and there needs and to monitor progress for the furthest behind.

Notes

1. The Institute of Human Virology accessible at: *www.ihv.org/news/2018/Institute-of-Human-Virology-IHV-Will-Undertake-Largest-HIV-Survey-Ever-Conducted-in-a-Single-Country.html*.
2. The IAEG-SDGs is intensifying its work for a more common framework and operationalisation on data disaggregation. The IAEG-SDGs group defines disaggregation as the breakdown of observations within a common branch of a hierarchy to a more detailed level to that at which detailed observations are taken.
3. The method provides a reliable income estimate based on household characteristics using different variables such as "type of house wall" or "livestock ownership" to estimate household wealth. To confirm accuracy of proxies, multiple regression models are used as a way to evaluate relationships between the variables and the level of household welfare, both derived from household surveys.
4. In Indonesia, as of 2017, the proxy means test survey had not been repeated in the past four years, while in Mexico it had not been repeated in more than ten years (ILO and Development Pathways, 2017[26]).
5. The IAEG-SDGs data disaggregation work stream is engaging with custodian agencies to establish collaboration mechanisms.

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PART II

Chapter 6

Putting the last first? Civil society's role in leaving no one behind

by
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Civil society organisations already play pivotal roles in identifying who is being left behind, in undertaking programmes to support them, in filling data gaps, and in advocating for groups that are not otherwise seen or heard. This chapter recognises the necessity of civil society in the effort to leave no one behind and sets out an agenda to enable this role. It identifies the obstacles that prevent civil society from fulfilling its potential to serve and stand up for the marginalised – including restrictions on civic space and ineffective funding structures. The chapter explores how governments, donors and civil society itself can create an enabling environment where all voices are heard and no one is left behind.

This chapter also includes an opinion piece by Kumi Naidoo, Founding Chair of African Rising for Justice, Peace and Dignity movement and by Coumba Toure and Muhammed Lamin Saidykhan, Co-Movement Co-ordinators, on "The role of African civil society organisations in leaving no one behind".

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Civil society

KEY MESSAGES

Civil society organisations (CSOs), with their links to different types of communities, are uniquely placed to identify who is being left behind.

Civil society is under threat: 3 billion people live in countries where civic space is repressed or closed

Governments, donors and civil society itself should promote an enabling environment for civil society, pushing back against shrinking civic space and restructuring civil society funding.

Greater investment in subnational initiatives will lead to better chances for airing and answering the concerns of marginalised groups including through voluntary national reviews.

Shift power towards the poorest of the poor, to enable empowerment and dignity in development. For northern CSOs, this may include sharing more roles and decision making with southern partners and being prepared to let local civil society take over the job.

Protect, nurture and resource CSOs and civic initiatives that are closer to the ground, as these tend to be at the front line of supporting marginalised groups.

The commitment to leave no one behind is arguably the best reminder of the central role that civil society needs to play in the delivery of the SDGs. This pledge to put people at the centre of the 2030 Agenda plays to the strengths of civil society: its connections to communities, its ongoing work to identify who is being marginalised or excluded, its commitment to amplifying unheard voices, and its focus on advocacy and accountability.

Despite impressive progress in some parts of the world, an estimated 736 million people remain in extreme poverty, living on less than USD 1.90 per day.[1] Fragile and conflict-affected countries, states and contexts typically have the highest poverty rates, and in the future, extreme poverty is likely to be concentrated in fragile countries (OECD, 2018[1]) (Chapter 3). Poor and marginalised people face daily exclusion, violence and discrimination because of their social characteristics. However, not all exclusion is poverty related; people can face stigma, discrimination and limited opportunities due to other structural or societal obstacles and differences.

Civil society is already committed to leaving no one behind

In the three years since the SDGs were agreed, many in civil society have already been focusing on this commitment to put the first last. For example, the Leave No One Behind Partnership, which involved CIVICUS, Development Initiatives, Project Everyone and civil society partners within the Action for Sustainable Development platform, mobilised thousands of stakeholders in over 30 countries during 2016 and 2017. These partners convened national dialogues and conducted research to identify what it means to leave no one behind in different countries and contexts. The initiative provided an opportunity to mobilise citizens around those who were most at risk of being left behind in their communities and build momentum for civil society to engage in and monitor SDG implementation (Box 6.1). It also gave governments policy proposals on how to better serve those left behind as national partners and coalitions shared insights from the national dialogues.

Box 6.1. **Civil society organisations in the 2017-18 voluntary national reviews in five countries**

Civil society organisations (CSOs) report positive outcomes from their dialogues and co-operation with governments in the Sustainable Development Goal (SDG) voluntary national review processes in Bangladesh, India, Kenya, Nepal and Viet Nam. For example, the government of Kenya invited CSOs and other development partners to work on the country's SDG progress review and included CSOs' contributions, along with a comprehensive leave no one behind analysis, in the official progress report. The CSO platform SDG Kenya Forum included numerous national CSOs as well as international CSOs like ActionAid and Voluntary Service Overseas. It co-ordinated civil society's input and produced a CSO voluntary review report that was accounted for in Kenya's official report and presented as an annex. CSOs were also part of Kenya's official delegation to the United Nations High-Level Political Forum on Sustainable Development.

The following lessons emerged from the dialogues in the five countries:

- including the perspective of marginalised communities in the dialogues is essential, but an area for improvement in many countries;
- a national-level analysis of leave no one behind requires more inclusive and evidence-based approaches to account for the voices of marginalised communities and groups at the local level; and,
- data contributions of communities and volunteers must receive official recognition.

Other examples have included the national campaigning organisation to hold the government accountable for the promise to end poverty and discrimination in India, "Wada Na Todo Abhiyan"; the P20 Initiative of Development Initiatives; and the Leave No One Behind Project of the International Civil Society Centre.[2] Inter-sectoral dialogues, participatory processes, and the increased application of the principle of social accountability, i.e. the direct involvement of citizens in decision making, are key drivers in this context.

Civil society can reach the most marginalised

CSOs, with their links to different types of communities, are uniquely placed to identify who is being left behind. Civil society often reaches areas that are forgotten or left behind by government agencies. In some cases, national censuses only collect a limited set of information to guide policy frameworks, which can be complemented with civil society and citizen-generated data that reflects grassroots communities and hidden populations. In other cases, governments do not recognise certain marginalised groups, or even render them illegal. For instance, homosexuality is criminalised in over 70 countries, including 40 of 53 Commonwealth member states (Kaleidoscope Trust, 2015[2]). If marginalised groups are not recognised or are even criminalised, they are not able to access services and support to alleviate their community challenges. Civil society can play a key role here in recognising these groups, and in providing services and advocating on their behalf to avoid direct legal implications for the community. This is especially true in fragile states where corruption, disregard for the rule of law and weak infrastructure provide little support for most citizens, let alone marginalised communities (OECD, 2018[1]); (Jones and Howarth, 2012[3]); (Taylor and Taylor, 2016[4]).

Civil society also plays an important role in encouraging active citizenship, particularly among marginalised groups who need help to express and advocate their views. Moreover, by working directly with marginalised communities, civil society can provide services – including humanitarian assistance – that not only complement the state's, but also showcase innovations that the state can scale up. Indeed, because of their marginalised status, local communities often find highly innovative and flexible responses to adverse conditions; CSOs can help development actors (including governmental ones) target such community-based innovations.

Civil society also plays a central role around accountability for governments and other decision-making bodies. In this role, civil society can not only act as a watchdog, but can also present policy alternatives and innovations. When government agencies include civil society (most often in the form of national platforms) in policy development, the policy trajectory becomes more sustainable and easier to implement across different sectors. This has been demonstrated in the voluntary national review process at the High-Level Political Forum each year (CCIC, 2017[5]). Countries that included civil society in the creation of their plans to achieve the SDGs and leave no one behind produced more concrete and sustainable policy recommendations than countries that did not include civil society in the drafting process, and marginalised communities were represented at a higher rate with civil society's input. Having civil society engage with national policy implementation provides an immediate accountability mechanism to see if plans are in fact being implemented to reach those furthest behind and if these plans are effective.

The SDGs call on civil society to tackle social and political, as well as economic, marginalisation; to amplify the voices of those who are not ordinarily heard; and to create a system in which people are empowered to shape their own communities. Civil society has a critical role to play in mobilising to make these global goals relevant, useful and powerful for local actors.

An agenda to enable civil society

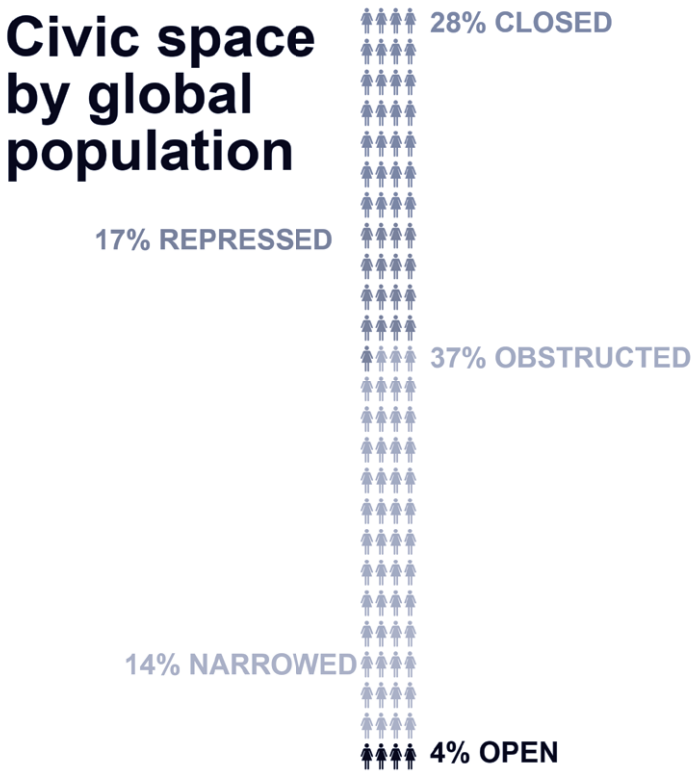
Although civil society plays a critical role in the delivery of the leave no one behind agenda, there are many factors that hinder its potential impact. Most of the obstacles can be attributed to challenges in the environment for civil society: legal and regulatory parameters; spaces for civil society engagement in policy dialogues; funding structures; and civil society's own development effectiveness, accountability and transparency.

Push back against shrinking civic space

A functioning civil society relies on the freedoms of association, assembly and expression. Together, these freedoms define the parameters of civic space: the arena in which civil society can exist and the bedrock of any open and democratic society. When civic space is open, citizens and CSOs are able to

organise, participate and communicate without hindrance; they are able to claim their rights and to influence the political and social structures around them. A free, vibrant civil society, operating within open civic space, plays a critical role in stemming tides of extremism, intolerance and exclusion – yet often it is something appreciated only when it starts to disappear. Worryingly, in far too many countries and in all regions of the world, civic freedoms are under increasing pressure (Figures 6.1, 6.2 and 6.3). The freedom of citizens to protest, mobilise and speak out is being contested and restricted. Data from the CIVICUS Monitor shows that more than 3 billion people live in countries where civic space is repressed or closed, and in March 2018 the monitor reported 109 countries having closed, repressed or obstructed civic space (CIVICUS, 2018[6]).

Figure 6.1. **Civic space by global population**

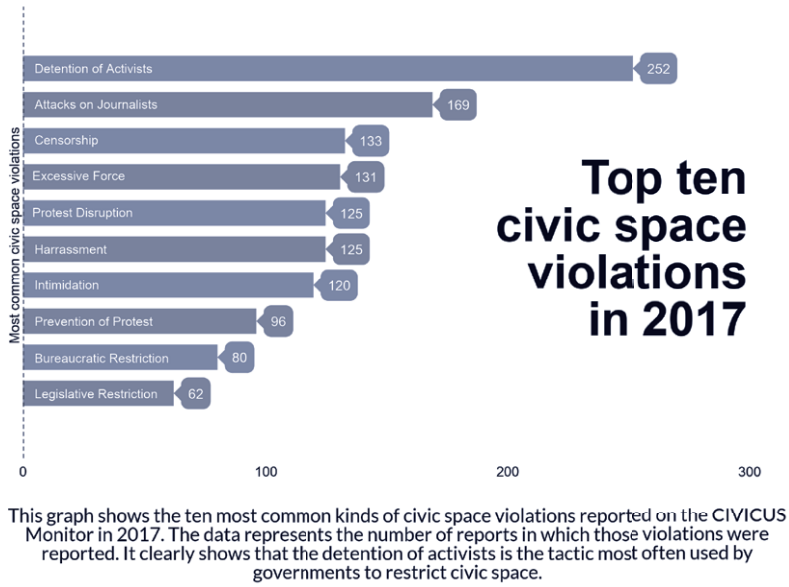


Source: (CIVICUS, 2018[6]), "State of civil society report 2018", *http://monitor.civicus.org/SOCS2018*.

Figure 6.2. **109 countries have closed, repressed or obstructed civic space**

Source: (CIVICUS, 2018[6]), "State of civil society report 2018", *http://monitor.civicus.org/SOCS2018*.

Figure 6.3. **Top ten civic space violations in 2017**



Source: (CIVICUS, 2018[6]), "State of civil society report 2018", *http://monitor.civicus.org/SOCS2018*.

Note: This graph shows the ten most common kinds of civic space violations reported on the Civicus Monitor in 2017. The data represents the number of reports in which these violations were reported. It clearly shows that the detention of activists is the tactic most often used by governments to restrict civic space.

Space for multi-stakeholder dialogue is a key element of civic space. To benefit from civil society's insight and experience, CSOs must have access to multi-stakeholder dialogues where they can contribute to defining and monitoring public policies. Giving CSOs access to policy dialogue furthermore supports people's empowerment and democratic ownership over the policies and development initiatives that affect their lives. Evidence, however, shows that although many governments consult CSOs on the design, implementation and monitoring of national development policies, the quality of engagement varies. The factors that diminish the effectiveness of consultations in influencing national policies include difficult or polarised political contexts, fragility and conflict, ad hoc consultation mechanisms, and a lack of co-ordination mechanisms to ensure broad-based CSO representation (OECD/UNDP, 2016[7]); (CPDE, 2016[8]).

Much of the critical role that civil society will need to play in implementing the SDGs depends on the ability to push back against the narrowing of civic space around the world. It is heartening to see efforts to defend civil society rights from a variety of actors, including some governments, multi-stakeholder initiatives and even some businesses.[3] A key objective in the push-back will be to develop strong, accessible messaging around why civic space matters and the roles citizens can play in defending it. Civil society and its supporters will need to engage in international processes to support norms and structures that uphold civic space, and work to see the same standards applied at national levels. Equally, at a time when the role, independence and importance of civil society is being questioned in many countries, civil society itself will need to maintain the highest standards of integrity, developing its own capacity to demonstrate transparency and accountability so that it is in a position to rebut any criticisms that undermine its legitimacy.[4]

Change funding structures

To enable civil society to push back against the narrowing civic space and develop its own capacity to demonstrate transparency and accountability, existing funding structures should be revisited and reconstructed. Current funding tends to be donor-driven; to encourage civil society to compete with

itself for the resources available; and to favour international and donor-country-based organisations. Donor-directed programmes are inclined to partner with organisations that can roll out the vision and plans of a donor through their capacities and networks. In 2016, Development Assistance Committee (DAC) members reported 12% of their official development assistance (ODA) as aid **through** CSOs, and only 2% as aid **to** CSOs, i.e. aid for programmes initiated by the CSOs themselves (OECD, 2018[9]); (OECD, 2018[10]). This limits civil society's momentum, creative control, ownership and impact and entails a top-down approach to development. Additionally, providing funding to some aspects of civil society over others creates competition that can inhibit or distort co-operation between CSOs operating in the same space for the same goals of leaving no one behind. Private and government donors also tend to favour donor-country-based or international organisations. In 2016, these CSOs in the global North received 11 times as much ODA as Southern CSOs (OECD, 2018[10]).

Building a diverse and resilient civil society that serves marginalised communities will require a shift of these resources towards initiatives that are locally anchored and nourish civil society at ground level. For example, an honest and comprehensive overview of the relative advantages of direct and indirect funding to CSOs is required, avoiding the risks of undermining CSO-CSO relationships or creating unnecessary competition, but taking account of the current reality of the state and aspirations of civil society in every country (Wood and Fällman, 2013[11]). Moreover, as pointed out by the OECD, supporters of civil society should strive to increase the share of core support aligned with CSOs' own systems and priorities, and make capacity development of civil society in the South a key condition (OECD, 2012[12]). The OECD is currently conducting a study of DAC members' work with civil society in view of developing good practice guidance for more effective and efficient funding structures and relations with civil society.

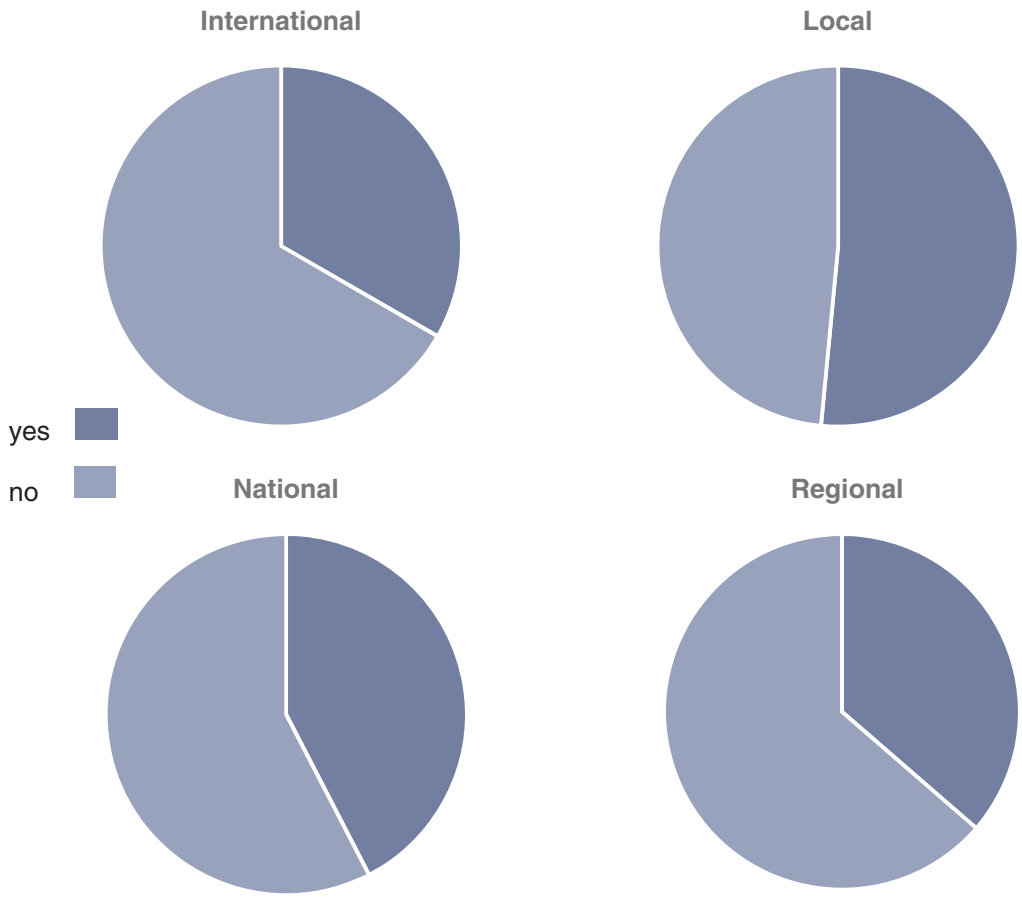
Support local-level interventions

An important tactic identified in national consultations for overcoming geographic inequalities is to empower local-level interventions and connect directly with marginalised groups in their communities. According to a recent CIVICUS survey and round of national dialogues, most mobilisation and engagement of marginalised groups is found at the local community level. This indicates that when it comes to empowering and engaging marginalised groups in country-level SDG strategy and implementation, civil society and its supporters should target people and organisations at the community level to build on the influence and momentum already at their disposal, as well as to ensure that the effects are sustainable, have local impact and reach those most in need.

Civil society has roles to play in both delivering services and in promoting long-term social transformation. Local resourcing has the potential to tick both boxes. Supporting local CSOs, based in the communities they seek to serve, satisfies many of the technical efficiency criteria that are so important to the allocation of development resources. But going local is also about more than technical efficiency and development impact; it is about a political, transformative power shift. Localisation means distributing a greater share of resources to local actors and giving them greater control over how these resources are spent. There has been no shortage of commitments to localisation in recent years, including the Grand Bargain and the Global Partnership of Effective Development Co-operation. Yet despite these commitments, very few concrete measures have made a difference. Donors and CSOs need to find new mechanisms for channelling resources quickly and flexibly to national and local actors if they wish to strengthen the institutions close to those who are at risk of being left behind.

Indeed, if development actors are interested in building local capacity and long-term impact, investing in new development modalities like community philanthropy and local sub-granting organisations should be a priority (Hodgson and Pond, 2018[14]). This will require a nuanced approach and an honest acknowledgement of the politics embedded in their support. Above all, it will require a willingness to use their power to shift unequal power structures on the ground.

Figure 6.4. **Can marginalised groups influence policy making, and at what level(s) of governance?**



Note: For more information see: *https://action4sd.org/leavenoonebehind*.

Source: Adapted from (CIVICUS, n.d.[13]), "Leave no one behind: Delivering on the Agenda 2030 promise – Insights from civil society around the world", *http://civicus.org/images/LNBReportFinal.pdf*.

Shift powers within civil society

This will be a particular challenge and task for Northern CSOs. They will have to engage in different types of partnerships with local actors which will go beyond sub-granting arrangements to include role sharing and the strengthening of local structures.[5] A shift of power within their (often federated) structures towards the global South, and more inclusive routes to programming decisions, are the ways forward. Northern CSOs should also not shy away from necessary role changes – integrating domestic operations and advocacy more into their core and working themselves out of their job in countries where local civil society becomes ready to take over.

Within this radically changed development context, civil society must embrace a new way of working. The old, or perhaps existing, global campaigns were largely Northern-led and aimed at influencing global targets and Northern governments. New models of campaigning – if they are to align with the SDG era – will need to be networked, bottom-up, decentralised, and more often than not designed, led and owned by local actors.

In my view: The role of African civil society organisations in leaving no one behind

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Africans Rising is a movement that aspires to facilitate the creation and strengthening of multidisciplinary networks of civil society organisations in Africa and in the diaspora, helping these organisations learn from and support each other as they pursue justice, peace and dignity for all Africans. We have followed the global pledge to leave no one behind with interest – through the eyes of African civil society, which has long practised the pledge, under this and other names.

Africans have not only been left behind in the race to development; we were never in the race in the first place. We are expected to run for a trophy that we never asked for. And as we try to find our place in this template of development, we continue to be systematically marginalised.

Only a small percentage of Africans on the continent and in the diaspora can claim to live in justice, peace or dignity. Most do not have access to basic food security in terms of quality or quantity. As we write, famine looms over African farmers who depend on unpredictable rains to cultivate their crops and feed their families. South Africans continue to challenge the vestiges of their country's colonial past, especially when it comes to the massively unjust expropriation of land without compensation. Women in the western region of Cameroon share horror stories of attacks by military officers, amid other ramifications of the insurrections. Young Ugandans are dying in the struggle to protect their constitution. In many countries, including Burundi, Togo and the Democratic Republic of Congo, people are being killed for condemning corruption and demanding good governance.

The legacy of colonialism has left profound scars. Countries continue to be in debt to the global North, with their disadvantages exacerbated by predatory capitalism and the persistence of programmes that have had a clearly negative impact on some or all of their people. The post-colonial era has been marred by recurring examples of governments acting in their own interests and at the expense of marginalised populations – sometimes, at the expense of nearly everyone.

Yet we do not have the luxury of wallowing in our past. Africa has plentiful, youthful human capital with the ability to transform the continent both politically and economically. The call to leave no one behind is a call to acknowledge this, and to recognise that African people deserve dignity and prosperity, whether they are women, LGBTQ, disabled, illiterate, poor, young or old. It is also a call to end the reaping of our continent's natural resources. It means promoting equitable and sustainable development that is designed and owned by African people nationally, regionally and globally.

It is the role of civil society to act for those left behind; to defend human rights and expose injustices. Africans Rising connects, unites and amplifies the voices of Africans who are fighting for democracy, promoting alternative development models and working to ensure access to justice across the continent and in the diaspora. It is our role to change the way history is written, to challenge existing systems for collective benefits and to light new sparks of hope.

We remain committed to supporting the many individuals, movements and organisations courageously working for justice, peace and dignity across communities and countries in Africa. This means connecting people to each other and directly to the resources they need to carry out their work, for it is African people who are on the front lines and at the intersections of struggles. Marginalised people cannot avoid every crisis, but if those affected are already well organised and part of a network of local and transnational civil society organisations, the impact – no matter how catastrophic – can be significantly reduced. Similarly, it will only be possible for Africa and Africans to rise out of marginalisation altogether with a well-organised, connected and cohesive civil society, solidly rooted in our communities.

Conclusion

In order to truly implement the leave no one behind agenda, we need to promote an enabling environment for civil society that includes greater investment in subnational initiatives and a power shift towards the poorest of the poor. Within such an environment, civil society will be able to properly connect marginalised populations with different sectors and government branches and implement practical changes. Civil society is uniquely placed to engage simultaneously in multiple functions that are key to the SDGs (engagement, advocacy, accountability and implementation), at multiple levels (local, national, regional and global) and on multiple fronts (with the public, the media, governments and the corporate world), as is demonstrated through its encouraging involvement in the voluntary national review processes.

Additionally, by shifting existing funding structures to focus more on the poorest of the poor, the development landscape will be able to empower marginalised populations to control their own involvement in national and local policy making. The leave no one behind agenda requires co-operation from multiple actors in multiple sectors to push this global movement forward.

Notes

1. World Bank PovcalNet (*http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx*). In October 2015, the World Bank updated the international poverty line from USD 1.25 a day (at 2005 international prices) to USD 1.90 a day (at 2011 international prices). According to Development Initiatives (2016[15]), "In 2012, (the most recent year of country-comparable poverty data), an estimated 76% of people living in extreme poverty – on less than USD 1.90 a day – were living in countries that were either politically fragile (32%), environmentally vulnerable (32%) or both (12%). This is approximately 677 million people being 'left behind'".
2. Wada Na Todo: *http://wadanatodo.net*; P20 Initiative: *http://devinit.org/topics/p20-initiative*; Leave No One Behind Project: *http://icscentre.org/our-work/leave-no-one-behind*.
3. Examples include the Global Partnership for Effective Development Co-operation (GPEDC, 2016, p. Para 18[16]); the Community of Democracies' Working Group on Protecting and Enabling Civil Society (*http://community-democracies.org/?page_id=592*); and the Multi-Stakeholder Task Team on CSO Development Effectiveness and Enabling Environment (*http://taskteamcso.com*).
4. Recognising that CSOs have a responsibility for accountability to varied stakeholders, including governments in CSOs' countries of operation; development co-operation providers and other funders of CSOs; CSOs' boards; CSOs' constituencies and beneficiaries; and CSO principles and standards such as the Istanbul Principles for CSO Development Effectiveness.
5. See, for example, beneficiary/partner-oriented accountability mechanisms like the CHS Alliance (*www.chsalliance.org*) or the people-powered decision making of Accountable Now (*http://accountablenow.org/future-accountability/people-powered-decision-making*).

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PART II

Chapter 7

The private sector and the catalytic role of micro, small and medium-sized enterprises

by
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Micro-, small and medium-sized enterprises (MSMEs) often employ, and provide goods and services to, vulnerable and underserved segments of the population. In this capacity, MSMEs play a pivotal role in promoting inclusive growth and helping to achieve the Sustainable Development Goals in a way that leaves no one behind. This chapter provides an overview of opportunities and challenges in unleashing the potential of MSMEs to benefit the poor, and explains how development co-operation can help including through blended finance. It describes the variety of constraints facing MSMEs, such as barriers in accessing finance and lack of capacity, which hinder their abilities to act as drivers of inclusive growth. The chapter also highlights challenges in current development co-operation practices regarding MSMEs, and concludes with a set of questions for development partners seeking to have effective private sector engagement.

Private sector

KEY MESSAGES

Micro-, small- and medium-sized enterprises (MSMEs) are key players in local economies, often providing jobs for the poorest in society and much-needed services like education and healthcare in underserved areas.

Small companies face many challenges that prevent them from living up to their full potential such as lack of access to affordable loans.

Development co-operation engagement with the private sector can help connect MSMEs to investors, build capacity, and support genuine partnerships and inclusive dialogue forums.

To ensure accountable and transparent support, the development community could agree on guidelines for effective private sector engagement, especially for those activities supporting MSMEs and micro-entrepreneurs.

Micro-, small and medium-sized enterprises create jobs and provide solutions for the poor

Micro-, small and medium-sized enterprises[2] generate up to 90% of formal employment in some low-income countries (Alibhai, Bell and Conner, 2017[1]). Their significant economic contribution is also evident in figures on aggregate production: MSMEs account for more than 35% of GDP in many developing countries (Alibhai, Bell and Conner, 2017[1]). Micro-, small and medium-sized enterprises have created many business and product innovations in recent decades. This is because MSMEs tend to work outside of prevailing paradigms, and are not firmly attached to existing technologies and products (Lundström, 2009[2]). In developing countries, especially in Africa where economic transformation is geared toward creating new labour-intensive industries, the employment capacity and entrepreneurial spirit of MSMEs provides great potential for positive change.

MSMEs are the primary income provider for people at the "base of the pyramid": the largest, but poorest socio-economic group. In this way, MSMEs are a key contributor in the drive to leave no one behind. According to the United Nations, MSMEs tend to employ a significant proportion of vulnerable people in the global workforce, such as women, youth and marginalised populations.[3]

The International Labour Organization reported that in developing countries, one-third of all micro-enterprises empower women either through self-employment or as workers (ILO, 2015[3]). In Africa, where the informal sector accounts for up to 80% of the labour force in some countries, similar trends exist for smallholder and subsistence farmers living under extreme poverty (AfDB, 2016[4]).

In rural and underserved locations, smaller companies can sometimes be the only source of employment. This is particularly important for young people living in rural areas. The demographic trend is towards high youth unemployment and migration into cities. Small youth enterprises are therefore expected to play an even more significant role in providing job opportunities for young people in their local communities in the future (OECD Development Centre, 2017[5]).

As well as providing jobs, MSMEs contribute significantly towards economic and social well-being through the delivery of services in areas such as health, sanitation, energy or education. This is especially important in regions with limited reach by the public sector. For example, in many remote regions of Africa and Asia, low-cost private schools, or educational MSMEs, remain a key means of providing necessary educational services. These schools aim to improve student performance while minimising costs per student. In some cases, MSMEs also help bridge the gap left by insufficient provision of services such as healthcare and clean energy.[4]

Micro-, small and medium-sized enterprises hit a glass ceiling in a risk-averse lending environment

The operating environment is harsh for many MSMEs, in particular micro-enterprises with fewer than nine employees. Various constraints make it difficult for MSMEs to contribute fully to economic and social well-being. This is reflected in low survival rates of MSMEs, especially micro- and small enterprises (WTO, 2016[6]).

Many micro-enterprises come into life as start-ups that support self-employment, often driven by a lack of other employment opportunities, including among women and youth (AfDB/OECD/UNDP, 2017[7]). In many cases, the incentives offered to such micro-entrepreneurs to keep operating in the informal sector are outweighed by the prospect of a considerable tax and regulatory burden.

Access to affordable finance is a major challenge for MSMEs. This is especially the case in least developed countries, where about 35% of firms identify difficulties in accessing finance as a major constraint; this compares to 24% in the rest of the developing world.[5] A particular problem in these least developed countries is the lack of working capital or long-term financing available for MSMEs (UNCDF, 2018[8]), with domestic banks and other investors perceiving financing risks as too high for the returns

on offer. In these countries, businesses are also constrained by skill gaps (UN, 2018[9]), which may make lenders reluctant to provide funding.

The global credit gap for both formal and informal MSMEs is high, amounting to around USD 2.1 trillion to USD 2.6 trillion (IFC, 2013[10]). As high-risk borrowers, individual MSMEs face credit costs that are often unaffordable. The prudential regulations imposed on commercial banks in the aftermath of the 2008 global financial crisis have compounded these problems by making lending conditions to MSMEs even more stringent.

Credit through local banks is a vital source of support for the private sector but it is usually collateralised (Blue Orchard, 2017[11]). This is especially a problem for the smallest companies, which lack the financial and physical assets that can be pledged as collateral. For micro-enterprises, smallholders and start-ups, obtaining credit from formal creditor institutions in the long run therefore remains a challenge. Instead, these small entrepreneurs often rely on informal sources of external finance such as payday loans and borrowing from moneylenders and pawnbrokers. These sources generally carry unfavourable loan terms resulting in high levels of debt rollover.[6,7]

Legal and regulatory frameworks may discriminate against disadvantaged people who are employed by or run MSMEs, such as youth and women. For example, in many countries, women do not have equal rights when it comes to operating a business: they may not be able to own property or obtain employment without their husband's permission (World Bank, 2013[12]). Several country-level surveys also quote unfavourable legal and regulatory frameworks as a major impediment for young people aspiring to become entrepreneurs (OECD Development Centre, 2017[5]).

Micro-, small and medium-sized enterprises, especially those in rural areas, rarely participate in global value chains and struggle to sustain their businesses (OECD, 2018[13]) (Chapter 3). The most typical route whereby smaller companies can enter global value chains – the sale of goods and services to larger firms and multinational companies – is fraught with risk. It can make these companies susceptible to fluctuations in commodity prices, which in turn influences the cost of goods and services they offer, makes it difficult to set prices, and, as a result, jeopardises their long-term profitability.

In some cases, MSMEs can participate in global value chains in a way that facilitates positive spill-overs or transfer of technical and managerial expertise. Although there are some positive examples of MSMEs working with large and even multinational companies to create sustainable value chains,[8] the scale of this kind of integration remains limited.[9] In its approach to due diligence, the OECD recommends that companies include MSMEs in global value chains in a way that ensures a comprehensive coverage of risks relating to labour, human rights, environment and anti-corruption (see also the case study on Responsible business conduct by the OECD).[10]

Other challenges for MSMEs in today's business climate are more typical constraints. These include a lack of stable market conditions and limited access to skilled labour, business support services and a coherent legal and policy framework, especially one targeted to the needs of small and micro-enterprises.

Co-operatives and social enterprises can help small businesses overcome barriers

Co-operatives and social enterprises, which are MSMEs in themselves, are gaining prominence as players that can help MSMEs overcome the constraints outlined above. Combined with their inclination to address development challenges, this makes co-operatives and social enterprises critical partners in accelerating progress on the Sustainable Development Goals (SDGs). To give a country-level example, in Egypt, 4 million farmers sell their products through agricultural marketing co-operatives (ILO and ICA, 2014[14]).

Credit unions are one form of co-operative that are able to reach out to informal MSMEs. Compared to conventional banks, credit unions can offer flexibility on their lending terms, particularly in relation to collateral. At the same time, co-operatives and social enterprises can help shape an enabling policy

environment, with favourable conditions for MSME operations. In so doing, they can help support financial inclusion, provide access to markets and foster technical innovation.

Co-operatives and social enterprises also have direct impacts for small businesses through the way they operate (and mitigate risks) as powerful partners, suppliers or buyers, and as providers of targeted and affordable services for small-scale entrepreneurs (Box 7.1). As such, co-operatives and social enterprises empower local communities and underserved regions through delivering services such as healthcare, sanitation and education, while often employing local people at the margins of the labour market (Kamal-Chaoui, 2017[15]). They also provide a democratic space for many people who are in danger of being left behind. For example, in India, Mali, Sri Lanka and the United Republic of Tanzania women have formed their own co-operatives, contributing to women's empowerment and social inclusion (ILO and ICA, 2014[14]).

Box 7.1. **Micro-, small and medium-sized enterprises reaching the furthest behind: The case of social enterprises**

M-KOPA is a Kenyan company that provides "pay-as-you-go" solar energy to clients who do not otherwise have access to an energy supply (OECD, 2016[16]).In doing so, it fulfils its mission to make solar products affordable to low-income households. Since October 2012, the company has connected more than 600 000 homes in Kenya, the United Republic of Tanzania and Uganda to solar power; it is now adding more than 500 new homes to its supply each day (M-KOPA, 2018[17]).

Clinicas del Azucar operates in the healthcare sector of Mexico to address the specific needs of patients diagnosed with diabetes (Clinicas del Azucar, 2018[18]).Using rigorous processes and technological developments, the company has been able to make diabetes care available at a low cost. More than 12 million people in Mexico are diagnosed with diabetes, and the low-cost clinics have reduced annual costs for diabetes care by 70%.

The LangLang Learning Potential Development Centre in the People's Republic of China provides professional training and support to children with dyslexia, a learning disability which affects approximately 10% of Chinese children (LangLang , 2018[19]).The centre developed a new education methodology for the treatment of dyslexia – drug-free multi-sensory mental gymnastics. This has yielded positive results for students – reducing reading and writing barriers, as well as boosting self-confidence and self-expression. The centre's programmes have also helped develop parents' and teachers' understanding of dyslexia and have raised public awareness of the condition.

Source: (OECD, forthcoming[20]), *Social Impact Investment Initiative Global report "The Impact Imperative"*.

Development co-operation can help micro-, small and medium-sized enterprises to reach their full potential

Over recent years, both Northern and Southern providers of development co-operation have been investing in public-private collaboration – broadly referred to as private sector engagement.[11] The aim is to encourage the private sector to get involved in development-related activities in which it might not otherwise operate.

Blended finance can fuel development investments

Since the 2030 Agenda and the Addis Ababa Action Agenda were agreed in 2015, mobilising private finance for development co-operation has received much attention from the international community. Between 2012 and 2015, blended finance[12] unlocked at least USD 81 billion from the private sector. Compared to the estimated annual SDG investment gap of USD 2.5 trillion, this amount is small, but growing.

The OECD-DAC Blended Finance Principles, later also endorsed by the G7, address, among other things, the need to leave no one behind (OECD DAC, 2018[21]). They advocate that blended finance should

be anchored in development and tailored to the local context and that this should be achieved through aligning with national development agendas and strengthening local finance capacity.

Attempts to assess whether blended finance is living up to these principles are limited: it is very difficult to access data concerning the end user population of this additional finance mobilised through private sector engagement. What is clear is that blended finance is mainly used in economic sectors, such as infrastructure and banking (Benn, Sangaré and Hos, 2017[22]) (OECD, 2018c[23]).

Blended finance can provide much-needed credit to MSMEs, typically by providing debt financing, guarantees or opening credit lines to financial intermediaries active in the local market. With the growth of pooled funds and facilities, the private sector can now invest directly in MSMEs, thereby allowing a more venture capital type of approach. Funds and facilities are increasingly targeting specific regions, sectors and populations, such as women entrepreneurs.

Blended finance does not tend to benefit least developed countries

Only USD 5.5 billion (7%) of blended finance has been mobilised for the least developed countries (Figure 7.1). This may be because projects in these countries can be very costly to run, while their financing needs are relatively small to start with. MSMEs in least developed countries typically need credit ranging from USD 50 000 to USD 1 million, what is often referred to as the "missing middle". Local banks often find such projects too risky and too expensive to support – or have investment options offering better returns. Evidence also shows that development finance institutions do not directly support projects of this magnitude, often because of the transaction costs involved, although they may use instruments such as credit lines and guarantees to encourage onward lending to MSMEs.[13] This leaves a wide financing gap for MSMEs and calls for more technical assistance and support for project preparation, as well as for a better understanding of the role blended finance can play in helping to fill these gaps (UNCDF, 2018[8]).

Private sector engagement through development co-operation must be more effective

Public resources are increasingly geared towards engaging the private sector in formulating ways to reach the SDGs. At the same time, the private sector is increasingly expected to produce evidence on how its involvement benefits society and sustainable development, thereby offering greater transparency, accountability and a more explicit results focus (OECD, 2018[24]).

The Global Partnership for Effective Development Co-operation is helping to address this challenge. Since 2017, it has collected data on development co-operation projects and partnerships with the private sector. These data are guiding the identification of key areas for future development (Box 7.2) and are helping to inform a global policy debate on how to use public resources to more effectively engage the private sector in the implementation of the SDGs.

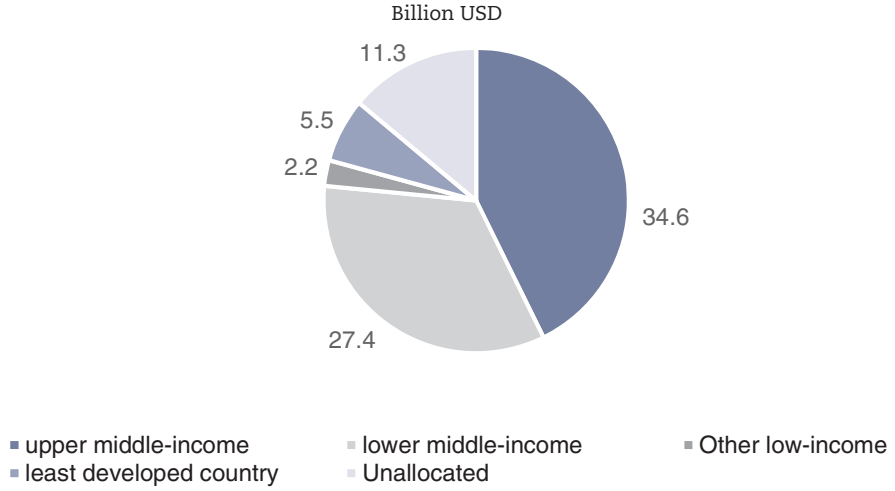
Development co-operation benefiting MSMEs has to consider diverse, often untested impacts and should therefore be carefully deployed. Any support bears the risk of distorting local markets, leading to unintended consequences, such as unfair competition. Project leaders should therefore think about identifying shared and measurable results at the very beginning of the project-planning phase. They should also consider appropriate results frameworks and measurement methodologies.

There is a growing body of research looking at the impacts that private sector engagement through development co-operation is having on MSMEs in the developing world. This research considers how the private sector can help to eradicate poverty, reduce inequality and promote sustainable development by investing in MSMEs. Some emerging, context-specific recommendations include:

- **Support should help connect small and micro-enterprises to investors**. MSMEs, by definition, are not a homogenous group of firms. Policy interventions by international financial institutions on improving access to finance for MSMEs often favour larger over smaller businesses. This signals a lack of risk-taking among development partners with regard to smaller firms or an outsourcing of the risk to on-lenders. To fill this gap, specialised not-for-profit organisations and business associations could provide an interface for micro-enterprises to connect with investors.

- **The private sector can help build the capacity of small and micro-enterprises**. Private investors, such as social impact investors, can provide not only much-needed financial support but also technical support. In particular, social impact investors can help MSMEs grow and bring their businesses to scale (OECD, 2015[25]).
- **Private investors and MSMEs should engage in genuine partnerships**. Given their size and needs, MSMEs are primarily recipients rather than providers of private sector support. So engaging MSMEs from the outset of a project is vital. In this way, they can become true partners, bringing a genuine contribution to the table: for example, expertise in identifying local economic and social challenges.
- **MSMEs should be represented in dialogue forums**. While business operations are their main focus, MSMEs should also consider taking steps to influence the policy environment within which they operate. One way of doing this is to engage in public-private dialogue forums. Actively engaging individuals that represent those left furthest behind in decision-making processes can help create currently absent policies that target the most marginalised, the poor and underserved regions.

Figure 7.1. **Amounts mobilised from the private sector by country grouping, 2012-15**



Source: (Benn, Sangaré and Hos, 2017[22]) "Amounts mobilised from the private sector by official development finance interventions", *https://dx.doi.org/10.1787/8135abde-en*.

Box 7.2. **Making development co-operation work for micro-, small and medium-sized enterprises: Country case studies**

Stakeholder feedback and country studies indicate that effective private sector engagement through development co-operation relies on at least three conditions: 1) harnessing the comparative advantages of the development co-operation community to engage the private sector; 2) making private sector engagement work in programmes at the country level; and 3) achieving sustainable results, impact and accountability with projects that involve private sector engagement.

This initial assessment stems from a mapping of 919 projects involving private sector engagement and a series of interviews in 4 case study countries (Bangladesh, Egypt, El Salvador and Uganda). While the findings are illustrative, the exercise also offers new insights into how development partners can support micro-, small and medium-sized enterprises (MSMEs): from the 42% (or 385 projects) of the sample that involved MSMEs, only a handful of projects involving private sector engagement explicitly benefited underserved regions, marginalised populations and social sectors. Other projects may have provided such benefits, but in a more indirect way. This suggests that development partners need to consider how to target their private sector engagement to MSMEs so that benefits reach those left furthest behind. In addition, few of the mapped projects had the frameworks necessary to monitor results and to assess whether activities helped to ensure that no one is left behind.

Box 7.2. **Making development co-operation work for micro-, small and medium-sized enterprises: Country case studies** *(cont.)*

The findings also signal that local knowledge held by MSMEs is critical for creating decent work opportunities and good quality services for the poor. But MSMEs' engagement in systematic policy exchanges is limited. This seems to be because MSMEs are more concerned with accessing affordable finance and know-how. MSMEs are also wary about dealing with cumbersome donor procedures and receive insufficient information on the opportunities of private sector engagement. Overall, this means that the knowledge and experiences of MSMEs are, in many cases, overlooked.

The four country studies point to good examples of social impact investment, social entrepreneurs and funding mechanisms. These examples include a provision for higher risk taking by development partners in order to create incentives for private sector investment and partnerships to support MSMEs. These examples therefore target underserved communities and the people left furthest behind.

Further analysis and policy debate on how to improve private sector engagement for MSMEs can help to ensure they effectively contribute to the drive to leave no one behind. It can also enable MSMEs to respond to sometimes polarising views on private sector engagement through development co-operation among partner country governments, civil society and some development partners.

Source: (GPEDC, 2018[26]), "Private sector engagement through development co-operation in Bangladesh" *http://www.oecd.org/dac/effectiveness/Bangladesh_Country_Report_FINAL.pdf*.

Are we asking the right questions?

As engagement with the private sector grows, development co-operation will continue to play a myriad of vital support functions – from promoting an enabling environment and responsible business conduct to developing and financing the private sector and building capacity and partnerships. In the long run, the litmus test for development co-operation in private sector engagement will be whether it can help companies with a real "SDG-business case" to address social and environmental challenges while still making a profit.

Many small social businesses are embracing this shift, and are leading the way towards inclusive growth that genuinely shares value between business profit and development impact. It is imperative to identify such champions and better understand their ambitions, needs and concerns – learning from them and putting them in the centre of development discourse. The discourse needs to move beyond dealing with the private sector simply as financiers (investors) or beneficiaries (especially the MSMEs on the receiving end), and instead should see enterprises as leaders and partners. This will be the first step towards creating a convincing, collective narrative on effective partnering for sustainable development.

Reaching those left behind through private sector engagement requires clear principles and guidelines

In this context, the development community would benefit from agreed guidelines that underpin the effective delivery of private sector engagement, especially those activities geared towards supporting MSMEs and, within this bracket, micro-entrepreneurs. Through such guidelines, development partners could address more systematically questions such as: How can we build an approach for targeting disadvantaged groups in the allocation decisions of our programmes for private sector engagement? What data are needed to inform such decisions? How can we better respond to the needs of MSMEs and focus on practical solutions that lead to a better policy environment, greater empowerment of MSMEs and, ultimately, more decent jobs and better services for the poor? How can we raise awareness of opportunities for private sector engagement that benefit those left furthest behind, and identify and match-make with MSMEs at the country level? How can this be co-ordinated with the partner country governments?

The OECD spearheads analysis and policy dialogue to help address these questions and provide answers on how the diverse private sector can best contribute to the 2030 Agenda and the Paris Agreement in policy areas such as responsible business conduct. The OECD's work on the role of development co-operation is particularly important in this regard. The OECD Development Co-operation Directorate is working on measuring the impact of blended finance pulling together the experience of social impact investing. And, under the aegis of the Global Partnership for Effective Development Co-operation, it works with governments, the private sector and civil society in order to agree on principles and guidelines for effective private sector engagement through development co-operation.[14]

In creating clear principles and guidelines for private sector engagement in development co-operation, it is critical to bring together business and development leaders to discuss effective private finance for sustainable development. Diverse forums to discuss the private sector's contribution to the SDGs already exist, but often stop short of discussing the practical details involved in effectively partnering to reach those left furthest behind. To make private finance work for sustainable development, engaging MSMEs in this context is particularly important, as is creating opportunities for Northern and Southern bilateral and multilateral partners to discuss issues amongst themselves, and with partner country governments, the private sector and civil society. Fruitful dialogue in this regard requires a shared agenda, a common objective and simple language, understandable to all.

Notes

1. The authors wish to thank Paul Horrocks, Karen Wilson, Wiebke Bartz and Irene Basile of the OECD Development Co-operation Directorate for their contributions to this chapter.
2. MSMEs are non-subsidiary, independent firms that employ less than a given number of employees – the number varies across countries. The most frequent upper limit designating a MSME is 250 employees. Small firms are generally those with fewer than 50 employees and micro-enterprises have at most 10, or in some cases 5, workers. For a more detailed definition of MSMEs, see: *https://stats.oecd.org/glossary/detail.asp?ID=3123*.
3. See: *www.un.org/en/events/smallbusinessday*.
4. A mapping of development partners' investments in health sector companies in Bangladesh, many of them MSMEs, shows that they focus on: supporting services for poor and underserved areas, such as slums; social marketing to raise awareness and improve access to services; technology transfer to improve services; and developing health networks or franchises (GPEDC, 2018[26]).
5. Enterprise Surveys of the World Bank (*www.enterprisesurveys.org*), as noted in (UN, 2018[28]).
6. Beck, Lin and Ma (2014[29]) show that access to formal financing proxied by financial outreach is a main driver of transition from informal to formal activities worldwide.
7. For a specific example from Malawi on informal loan contracts, see (Bolnick, 1992[30]).
8. For an example from Egypt, see: *http://schools.aucegypt.edu/Business/ABR/Pages/Odd-Couple-Or-Perfect-Match.aspx*.
9. No global figures are available, but there are regional efforts to understand challenges and policy actions. See, for example, (ADB, 2015[27]).
10. The publication "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report" is available at: *https://doi.org/10.1787/9789264309333-en*.
11. Private sector engagement is defined as: "An activity that aims to engage the private sector for development results, which involve the active participation of the private sector." See: *http://www.oecd.org/dac/peer-reviews/Inventory-1-Private-Sector-Engagement-Terminology-and-Typology.pdf*.
12. The OECD defines blended finance as the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries, where additional finance should primarily be commercial finance (OECD, 2018c). Blended finance has the potential to significantly scale up resources for development by crowding in additional commercial finance that is not currently deployed to support development outcomes.
13. See guest piece by Malena Rosman: "The power of guarantees in mobilising private finance" (UNCDF, 2018[8]).
14. See: *http://effectivecooperation.org/our-work/2017-2018-programme-of-work/private-sector-engagement-through-development-co-operation*.

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PART II

Chapter 8

Case studies from developing countries: What works and why

These five case studies show initiatives already in place to deliver on the Sustainable Development Goals for all people in specific countries and regions. In Indonesia, an electronic food voucher programme supports the most vulnerable of households. In Benin, the government is applying a new approach that focuses on the needs of the poorest 20% of the country's people. Around Latin America, financial inclusion is integrated within social protection programmes to help the region's poorest accumulate savings. In Muthithi, Kenya, a multidimensional study on welfare has informed local government interventions to help those furthest behind. And in West Africa, neighbouring countries are working together to improve economies and lives in remote border regions.

Introduction

Leave no one behind is, perhaps, easiest to understand in action. These select cases share findings and lessons from the regional, national and subnational levels based on research and applied experience from Benin's Minister of Planning, Indonesia's National Team for the Acceleration of Poverty Reduction, the International Development Research Centre, the Partnership for Economic Policy in Kenya, the Instituto de Estudios Peruanos and Proyecto Capital and the OECD's Sahel and West Africa club. The strategies, programmes and lessons from these case studies show the high potential for achieving development that serves the poorest, most vulnerable and furthest behind in all countries, irrespective of income category.

Refocusing on the poorest 20% of Benin

By Abdoulaye Bio Tchané, Minister of Planning and Development, Government of Benin

Key messages

- Benin's economy has been growing 2–6% annually since the 1990s, but growth in gross domestic product (GDP) has not benefited the poorest 20% of Benin's population.
- Between 2011 and 2015, Benin's poverty rate, measured at the national poverty line, increased from around 36% to 40%.
- Leaving no one behind is a cardinal principle for all of Benin's public policy and actions, including focusing on the poorest 20%, and collecting and using data to identify and monitor progress among populations at risk of being left behind.
- The objective of Benin's Action Programme 2016–2021 is to reduce poverty for 4 million people by 2021, with four priorities: social protection for all; social safety nets for the most vulnerable; legislation for the most vulnerable; and a balanced distribution of development initiatives.

Benin is a small, heavily indebted country with one of the highest poverty rates in the world: 50% of the population live on less than USD 1.90 per day (measured in 2011 purchasing power parity). The population of Benin is generally young and rural: 57% of people live in rural areas and half are under the age of 18. Much of the population works in the informal sector and in agriculture. Poverty rates are higher in rural areas, particularly in the northern agrarian zones, which are also environmentally fragile and vulnerable to drought and climate change.

As a small nation with limited financial resources, geographical diversity and fragmented populations with different needs, Benin faces challenges that are not unique in Africa. However, the country has a political system more stable than many others in the region.[1] Benin's democratic period has been largely peaceful, with political processes that are inclusive, participative and transparent (Bierschenk, 2006[1]). This provides Benin with a firm basis for innovative policy making that can rise to the challenge of leaving no one behind.

The poorest 20% are being left behind

Since the 1990s, Benin has seen positive economic growth with annual gross domestic product (GDP) increases of between 2% and 6%. Yet Benin's economy and policies have not favoured the poorest or most excluded: between 2011 and 2015, the poverty rate,[2] measured at the national poverty line,

increased from about 36% to 40%. This was despite the implementation of a strategy for poverty reduction characterised by numerous social programmes including microfinance support.

Using the 'P20 approach' to tackle poverty and vulnerability

Growth in GDP has not benefited the poorest 20% of Benin's population. That is why Benin decided to focus on reducing poverty and vulnerability for the poorest 20% of people with support from the Government of Switzerland and informed by the P20 approach[3] designed by the non-governmental organisation Development Initiatives. Through this strategy and approach, the Government of Benin aims to fulfil its commitment to leave no one behind, which was recently declared a cardinal principle of all its public policy and actions. Moreover, an interesting feature of this P20 partnership is that Switzerland is also focusing on the P20 domestically. The two countries are addressing a shared agenda and can share lessons and knowledge.

Collecting better evidence about the poorest 20% of a country's population is fundamental to leaving no one behind. In Benin, our priority so far has been identify and understand characteristics of the P20 and the investment has yielded some major findings. For example, in 2002, average daily consumption for the poorest quintile in Benin was USD 0.90 (measured in 2011 purchasing power parity); by 2013, it had dropped to USD 0.64. In Benin 20% of the population accounted for only 3.2% of the country's daily consumption in 2013.

Of course, leaving no one behind means going beyond income and consumption policy: health, education and standard of living must also be monitored. In this respect, Benin fares poorly. Its Human Development Index for 2015 was one of the lowest 25 globally. Data on Benin's P20 revealed that in 2006, 49% of Benin's children under five years old in the poorest quintile experienced stunted growth due to malnutrition and other factors. Encouragingly, by 2014, this had dropped three points to 46%. But while the trend is going in the right direction, it is not as strong as the national trend, where the percentage dropped from 43% to 34%. The long-term effects of stunting – a child whose growth is stunted today will be affected for life – mean that the development gap for the poorest 20% of the population poses a significant challenge to the ambition of leaving no one behind (Dewey and Begum, 2011[2]).

Evidence that informs policy

Data collection and research on the P20 looks at non-monetary variables – such as possession of a birth certificate – in order to determine the needs of extremely poor people and key vulnerabilities which provides more comprehensive evidence for poverty reduction policies. This research methodology has a comparative advantage over "proxy means testing", which approximates a household's standard of living using only variables correlated to a household's spending level. It is also more easily implemented using survey data and existing administrative data, while proxy means testing involves additional meetings at local and community level. Applying the P20 approach means confronting the reality of whether progress is really working for the poorest people in Benin. It will ensure that future policies are more in tune with this reality, and that they evolve in line with the best available evidence.

Policy interventions to reduce inequality in Benin

Our strategy and partnership for the poorest 20% is one pillar of the government of Benin's broad efforts to ensure that no one is left behind, both economically and in terms of health and well-being. Several of Benin's policies to reduce inequalities have been in place for many years. However, the government is renewing efforts in these policy areas with a stronger focus on the P20, while new programmes are being designed to reduce development gaps and focus on those most at risk of being left behind.

The Government of Benin's social protection strategy illustrates our efforts to leave no one behind. The World Bank estimated that, in 2014, the social protection was reaching only 1.2% of those in poverty. In response to this poor performance the Government Action Programme 2016-2021 set a target of providing social support to 4 million people in by 2021 and set four priorities (Box 8.1). This goal would increase the proportion of people covered by social protection services to more than one third.

Box 8.1. **Benin Government Action Programme for Social Protection 2016-2021**

The Government Action Programme 2016-2021 operates along four principal axes:

1. Social protection for all

The government of Benin has promoted universal healthcare for many years. Recently, there have been improvements in maternal healthcare and healthcare for children under 5. As a result, neonatal mortality rates dropped from 38 per 100 000 live births in 2001 to 23 per 100 000 live births in 2011-12.

The government is now seeking to ensure that healthcare for those without health insurance is also improved. To achieve this, the programme Assurance pour le renforcement du capital humain (ARCH), or Insurance for Strengthening Human Capital, launched in late 2018, will provide pensions and health insurance for those without insurance, with a focus on those in poverty. The ARCH programme also aims to increase the availability of microcredit.

2. Social safety nets for the most vulnerable

The Government of Benin is administering a decentralised project led by local government communes and focusing on social safety nets. As part of this project, the central government has piloted in some villages a conditional cash transfer programme targeting the most vulnerable. Conditional cash transfers are awarded to those who are working in the public interest. Unconditional cash transfers are provided to those with disabilities. The project aims to provide better access to social services and boost resilience. The pilot phase is under way and the project will later be scaled up to the national level.

3. Legislation for the most vulnerable

In 2017, the Government of Benin passed a new law providing protection for people with disabilities. The law commits to providing vaccinations, nutrition, consultation, rehabilitation and treatment for those with disabilities to provide equality of opportunity. To achieve these goals, the government is required to improve access to healthcare, rehabilitation using assistive devices (such as canes and wheelchairs) and financial support. The government is also removing taxes on assistive devices.

Climate change increases the vulnerability of populations – particularly already vulnerable groups – by making their living conditions more precarious. In June 2018, Benin adopted a climate change regulatory law. This law aims to prevent, protect from and manage the consequences of climate changes that could affect Benin in the short, medium and long terms.

4. A balanced distribution of development initiatives

In Benin, the most extreme levels of poverty are concentrated in specific geographic areas, particularly inland regions to the north (Development Initiatives, 2018[3]). To reduce these geographical inequalities, the Government of Benin has focused on increasing the finances available to subnational units. The central government is working with local government communes to ensure that infrastructure is developed to provide potable water throughout the country. This involves developing plans, legal changes and financing to expand potable water sources to all areas.

Improving data collection for the future

Using government partnerships

The Government of Benin favours an approach that involves subnational administrative units in much of its planning, including for social protection. In this context, the central and subnational governments have now signed a number of conventions, whereby the central government commits to take the lead on fundraising to develop water, sanitation and waste management in municipalities.

The advantage of these agreements is that they remove financial constraints for municipalities regardless of their condition and status; the consequence is that people from any municipality, whatever the actual capacities of their territory, can have access to basic public services.

Addressing data gaps

The collection of useful data is an important measure in ensuring that no one is left behind in Benin. For this reason, the country has made significant progress in improving systems for registering births and collecting health administration data, and in its national identification programme.

Improvements to Benin's system for registering births include a new system to manage health information and a network that links with local officials to collect information. As a result, since 2014, 85% of children under 5 have had their births registered.

Another improvement is the pilot phase of the government's national identification programme, the Recensement administrative à vocation d'identification des personnes. In this pilot phase, 10.2 million out of approximately 11 million people were registered. This registration system holds significant potential for identifying and providing support for those most at risk of being left behind.

Despite these improvements, there still are significant groups not included in data systems. These people are generally in geographical regions where the government faces the most significant challenges in providing services. The groups not included in surveys and censuses also include people in institutions, homeless people and migrants.

Conclusion

Although Benin has made some progress on increasing the number of people captured in official data, more remains to be done. Challenges also continue around the quality of the data being collected. Identifying and monitoring the status of those most likely to be excluded from development progress requires data that are disaggregated. However, it is difficult to find data disaggregated by age and disability – two factors along which exclusion frequently occurs. In addition, many indicators are rarely disaggregated by geography, gender or wealth quintile (which would show data for the poorest 20%).

The P20 approach is helping Benin, in partnership with Switzerland, to understand how data can help governments identify and monitor development progress among populations at risk of being left behind. Of course, developing the statistical systems and data administration required to process this data will require investment. This is all relates to the cost of implementing the SDG priority targets, which Benin is also currently assessing. When this process is finalised, Benin will invite development partners like Switzerland to work with the country in mobilising the resources needed to achieve the SDGs.

Beyond the necessary investments in social and productive infrastructure, development partners can help Benin to strengthen its co-ordination, and its monitoring and evaluation framework for policies relating to the SDGs. With this help, Benin will be able to assess the inclusiveness and impact of its new policies, including on the most vulnerable in society.

The road to a successful food assistance programme in Indonesia

By Sri Kusumastuti Rahayu and Elan Satriawan, National Team for the Acceleration of Poverty Reduction, Indonesia

Key messages

- In Indonesia, poor households spend around 65% of their income on food, with rice accounting for 29% of that spending.
- Since 1998, Indonesia has been adapting and fine-tuning its 'rice for the poor' programme as part of its social safety net programme to benefit the poorest and most vulnerable households.
- In 2013, the poverty rate in Indonesia was around 11.5%, with approximately 7 million poor households. The rice programme reached 15.5 million households, meaning that it helped poor and vulnerable populations.
- Electronic food vouchers give people more control over the type, quality and amount of food they purchase while supporting local small businesses. They need to be accompanied by other voucher systems in areas without reliable internet access.

Ensuring access to staple foods is always important in helping to protect the welfare of poor and vulnerable households. In Indonesia, a National Socio-Economic Survey (BPS, 2016[1]) indicated that poor households spent around 77% of their income on food, with rice accounting for 29% of that spending. The Raskin (Rice for the Poor) programme[4] provides poor and vulnerable households with access to subsidised rice. It was introduced in 1998 as part of social safety net programmes[5] designed to cushion the adverse effects of the Asian financial crisis. Since then, the programme has evolved in the ways in which it targets its beneficiaries and distributes rice to them.

In its early years, Raskin provided 10 kg of subsidised rice each month per beneficiary household. Each targeted household paid a subsidised price of about IDR 1 000 (USD 0.2) per kilogram. Since 2002, the programme has provided 15 kg of rice each month per beneficiary household at the subsidised price of IDR 1 600 (USD 0.3) per kilogram. The subsidy amounts to about 80% of the regular price of medium quality rice.

By 2012, 17.5 million households in Indonesia were benefiting from the programme, although coverage reduced to 15.5 million households in 2013. In 2013, the poverty rate in the country was around 11.5%, with approximately 7 million poor households. Therefore, the Raskin programme was supporting more than double the number of poor households, meaning that it helped not only the poor, but also vulnerable populations.

Room for improvement

Despite the programme's importance, monitoring and evaluation by the National Team for the Acceleration of Poverty Reduction (TNP2K) found that its performance and effectiveness were not optimal. Errors were being made in determining which households were eligible for inclusion in the programme. Beneficiary households were also receiving only around one-third of the intended amount of rice and were paying more than IDR 1 600 per kilogram at the distribution point. Although receiving a budget of IDR 18.8 trillion in 2014 – the largest of any of the social assistance programmes – the Raskin programme was not sufficiently effective in supporting poor and vulnerable households.

To improve the programme's performance and help it contribute more effectively to accelerating poverty reduction, the TNP2K has provided evidence-based policy inputs since 2011. These policies have helped improve the programme design and its targeting mechanisms.[6]

Early efforts to improve the Raskin programme included promoting transparency at the village level on which households were entitled to benefit. In 2013, based on details from the Indonesia Unified Data Base (TNP2K, 2017[1]) a list of Raskin beneficiaries for each village was printed on a

poster and sent to the village office through the district-level Raskin co-ordinating team. Posters displaying programme guidelines and a beneficiary list were posted at the village offices where Raskin rice was usually distributed to the beneficiary households, so that beneficiaries and villagers could check who was eligible and provide inputs if the targeting was incorrect.[7] Still, despite these interventions, TNP2K evaluations based on Susenas data indicated that the programme remained ineffective (TNP2K, 2015[1]).

Transforming the programme

In 2016, the Government of Indonesia decided to transform the Raskin programme, changing it to full assistance through the provision of an electronic food voucher. A number of factors, including recommendations from the Executive Office of the President, Bappenas (Indonesia Planning Office) and the TNP2K Secretariat, informed the decision. The reforms aimed to improve the performance of the food assistance programme, including its targeting, so that it contributed more effectively to the alleviation of poverty.

The electronic food voucher programme aims to:

- reduce part of the spending burden on the KPM - *Keluarga Penerima Manfaat*/beneficiary household - in meeting food adequacy
- provide the beneficiary household with more balanced nutrition
- improve the timely delivery of food assistance to the targeted beneficiary household provide the beneficiary household with options and control in meeting their food needs
- encourage the achievement of the Sustainable Development Goals.

The electronic food voucher gives flexibility to the beneficiary household when selecting the type, quality and amount of food they require, as well as in choosing where to buy their food. In addition, it is expected to help small retail businesses increase customer numbers and income by serving beneficiaries. Ultimately, it serves to improve financial inclusion.

To ensure a smooth transition to the new arrangement, the President of Indonesia requested that two pilot trials be carried out before the electronic food vouchers were introduced in 2017. The first pilot trial tested a variety of e-voucher instruments and the programme design, as well as the implementation mechanism. The second pilot trial assessed the preparedness of the banking infrastructure and distribution network for the new programme, evaluated food prices and behaviours of the beneficiary households, tested the implementing mechanism, and recommended improvements with regard to programme expansion.

First pilot: Testing programme design

The first pilot trial was conducted by the TNP2K Secretariat in 2016 in collaboration with three state-owned banks, a regional government-owned bank and a private bank and with a telecommunications company. Implemented in six cities and two districts, the pilot explored the best e-voucher instrument (debit card or SIM card, Near-Field Communication (NFC) sticker[8] or Quick Response (QR) code) and tested the main stages in the programme design, namely:

- preparation of beneficiary (KPM) data and recruitment of merchants (kiosks)
- programme introduction for the KPM and programme implementers, and education for the merchants (kiosks)
- registration and distribution of payment devices (debit card or SIM card and NFC sticker or QR code), as well as activation of the cards
- payment transfers of IDR 110 000 for food assistance and IDR 110 000 for cash transfer to the bank accounts of the KPM
- food purchasing or cash withdrawal at kiosks affiliated with the pilot partners.

The trial also tested other aspects of the implementation process, including: co-ordination with the local government; the commitment of the local government to the programme; the availability and quality of food in the market and at the merchants (kiosks); the recruitment process for merchants (kiosks); food preferences of the beneficiary household; field challenges; and the reporting mechanisms.

Second pilot: Assessing readiness

The second pilot trial was conducted by the TNP2K Secretariat and the Ministry of Social Affairs in 2017 in collaboration with two state-owned banks. It was implemented in seven districts and three cities[9] and, like the first trial, it tested the main stages of the programme design and other aspects of implementation. However, unlike the first pilot, the second pilot used only the debit card for the e-voucher and the non-cash transfer.

This second pilot aimed to test the readiness of remote areas for the expansion of the electronic food voucher programme in 2018. Therefore, the pilot areas were districts and more remote regions. While the first pilot introduced rice, milk and eggs as food commodities that could be purchased by the beneficiary household, the second pilot introduced only two food commodities: rice and eggs. It involved around 5 970 beneficiary households. The payment transfer was also made twice, in June and July 2017.

Lessons and recommendations

Implementation of the pilots was monitored and evaluated so that the lessons learnt could be transformed into sound recommendations for the design of the main programme. Detailed recommendations emerged from both pilots, covering diverse issues encountered at every main implementation stage.

Recommendations from the first pilot covered the use of the three different e-voucher instruments and aspects of the implementation process:

- the programme should not be limited to the use of only one e-voucher instrument, as both the SIM card and debit card had their own advantages and disadvantages
- beneficiary household data can be verified during the registration process to avoid any delay to the subsequent stages
- an introduction to the programme and education on technical matters are essential
- the number of merchants (kiosks) must be adequate (at least two units per village) and each merchant (kiosk) should provide for 250 beneficiary households at most in order to maintain good services, avoid queues, be close enough to where the beneficiary households live, and ensure the availability and variety of foods at competitive prices.

The second pilot generated the following recommendations:

- the programme should be implemented gradually, taking the readiness of the Internet network into account
- areas without a reliable Internet connection should be allowed to use alternative e-voucher instruments (such as mobile phones or tablets with online or offline systems)
- benefits should be transferred to the bank account of the beneficiary household on the same date every month.

The lessons from both pilots were used to draw up programme guidelines and develop policy. During preparations for the initial implementation of the programme, the TNP2K Secretariat, together with related ministries under a steering committee,[10] provided policy inputs and technical assistance through several activities, including: designing the new mechanism for programme implementation; drawing up programme guidelines based on pilot results; supporting programme introduction and education; conducting the monitoring and evaluation; developing a complaint handling mechanism; and providing analyses and policy inputs for expanding the programme implementation area.

Early coverage

The electronic food voucher programme was officially launched in 2017 and was implemented in 44 cities covering about 1.2 million beneficiary households. This early coverage constituted fewer than 10 of the total 514 districts/cities and 15.5 million beneficiary households in Indonesia. However, these 44 cities were selected based on several criteria:

- the readiness of the banks' payment infrastructure
- the reliability of phone connections
- the availability of merchants that were also bank agents.

In districts/cities using the electronic food voucher, the beneficiary households receive a debit card and a transfer of IDR 110 000 every month (on the 25th) for buying rice and eggs at any nearby kiosk affiliated with a partner bank and equipped with an electronic data capture device. In districts/cities not covered by the electronic food voucher scheme, targeted beneficiary households received monthly in-kind transfers in the form of rice, with a value equivalent to the monthly electronic voucher benefit; this is called the Rastra programme.

From 2018 onwards, expansion of the electronic voucher programme is planned to eventually cover districts and cities nationwide by 2020. By the end of 2018, the programme will cover 10 million households in 219 districts/cities.

Moving forward

Early results from field monitoring by the TNP2K show the potential of this new programme: more benefits are being received by beneficiary households, there is greater satisfaction due to flexibility in spending the benefit, and higher profits are being generated by local merchants.

But the monitoring has also found some challenges in the early stages of implementation, such as a lack of understanding among different stakeholders about the programme's mechanism, including among beneficiary households; shortcomings in implementation quality at each stage of the programme; and a shortage of merchants in several areas. The steering committee and implementing agency have discussed and agreed ways to overcome the challenges to help alleviate poverty in Indonesia.

Getting beyond national averages in Kenya: How disaggregated data inform policies and budgets

By Diana Kimani, Jane Mariara, Michael Murigi, Phyllis Machio and Patrick Kariuki, Partnership for Economic Policy, Global Headquarters, Kenya

Key messages

- A community-based monitoring system in Muthithi, Murang'a County in Kenya, gathered sub-national poverty and welfare data for every household, making it easier to identify the households and sub-locations in danger of being left behind.
- The disaggregated data revealed notable differences between sub-locations and genders. Some sub-locations reported higher rates of poverty and hunger, and lower rates of access to safe drinking water and sanitation.
- The research informed the county's strategy and targeting of the national cash-transfer programme to benefit the poorest and most vulnerable households, a new skills-development programme to boost employment, more funding to rehabilitate water infrastructure, and a fund for bursaries and scholarships.
- Partnerships between local communities, local governments and trained local researchers are instrumental to ensuring that poverty reduction programmes target people to leave no one behind.

This section is based on a study[11] that used a Community Based Monitoring System (CBMS) to monitor poverty and other welfare indicators in the location of Muthithi, Murang'a County, Kenya (Kimani et al., 2017[7]).[12] CBMS is a useful tool for local planning, programme implementation and impact monitoring by local and national government agencies as well as civil society organisations. Since it involves carrying out a census of all households in a local area, the system makes it easy to identify the exact households in need of interventions instead of relying on local leaders to identify the poor. Furthermore, with the recent devolvement of government to the county level in Kenya, there is a particular need here for decentralised data to guide planning processes and to implement strategies towards achieving the SDGs. CBMS holds great potential in Kenya to fulfil data needs at the county level, to guide planning processes at the local level and to ensure that no Kenyan is left behind.

The government of Murang'a County has set a mission to transform the county through participative, equitable and sustainable development initiatives for the benefit of all. Their key priorities include gender mainstreaming, security, information and communications technology, youth employment, disaster risk reduction, environmental conservation, and management and poverty reduction. Poverty in the county stands at 25.3% (Murang'a County, 2018[15]) (KNBS, 2018[16]).

Who is left behind in Muthithi? Looking at poverty indicators by gender and sub-location

Disparities in poverty and hunger existed between sub-locations of Muthithi

This CBMS census was carried out in 2016 in all five sub-locations of Muthithi – Kagurumo, Gikarangu, Kiahiti, Munguini and Muthithi – covering 4 163 households.

In the location as a whole, 37.9% of the population lived below the national poverty line in 2016. This was slightly above the national average and well above Murang'a County's average. Yet poverty was not evenly distributed: more than half the residents of Munguini fell below the poverty line (51.7%), while in Muthithi sub-location, which hosts the major local market, only 25.1% were poor. By identifying poor households and their distribution in the location, this study provides data on which the county government can target interventions to end this poverty (SDG 1).

The study revealed that only 0.4% of the households in Muthithi experienced food shortage in the three months prior to the survey. Gikarangu was the most affected at 0.9%, while in Kagurumo no households experienced any food shortage. The hunger situation, though negligible, could be explained

by some households not harvesting enough in the previous season to sustain themselves until the next harvest. Appropriate government interventions would ensure achievement of zero hunger (SDG 2) in the location.

Box 8.2. **What is a Community-Based Monitoring System?**

A Community-Based Monitoring System is an organised way of collecting ongoing or recurring information at the local level to be used by local governments, national government agencies, and non-governmental and civil society organisations for planning, budgeting and implementing local development programmes, as well as for monitoring and evaluating their performance. It has the following distinctive features:

- it is a census of households and not a sample survey
- it is rooted in local governance and promotes community participation
- it uses local personnel and community volunteers as monitors
- it has a core set of simple, well-established indicators
- it establishes a databank at all geopolitical levels

From its base in the Philippines, the CBMS network has spread and supported the implementation of CBMS projects in different countries and regions including Bangladesh, Benin, Botswana, Burkina Faso, Cambodia, Ethiopia, Indonesia, Kenya, Lao PDR, Nicaragua, Senegal, Uganda and Viet Nam. Research teams have been supported to develop indicators relevant to local cultures and conditions, to adapt monitoring and analysis methodologies, and to develop case studies of vulnerable groups. Under the current work programme since 2016, CBMS is being used as a platform to generate data for monitoring the status of achieving the SDGs.

Source: (Partnership for economic policy, 2002[10]), Community Based Monitonring System, *https://pep-net.org/about-cbms*.

Similar numbers of men and women were poor, even though women were more often employed and girls were more often in school

While there were slightly more poor men than women, the difference was not significant. This was despite women's lower rate of unemployment. Men were unemployed at a rate of 7.4%, and women at only 4.1%. As discussed during a validation workshop, there were generally more opportunities for women in the form of menial jobs, such as washing clothes, caring for children, weeding and hairdressing. Women were willing to do jobs that men regarded as inferior, especially household chores. These jobs, however, were low paying, which explained why their lower unemployment rate did not lead to a lower poverty rate. If SDG 8's vision of full and productive employment and decent work for all is to be achieved here, the government will need to focus on the generation of gainful employment over menial jobs which can barely sustain livelihoods.

Girls also did better than boys in terms of school attendance. Between ages 6 and 13, 4.1% of girls were not attending primary school, versus 5.3% of boys. From ages 14 to 17, more girls were also in secondary school (Table 8.1). In Kenya, there has been a lot of emphasis on the need to empower girl children, and a recent national survey has also found that net attendance was higher for girls than boys in pre-primary, primary and secondary school (KNBS, 2018[16]). Policies to keep boys in school will contribute to achieving quality education without gender disparities (SDG 4).

More women than men reported suffering from preventable illnesses

Preventable illnesses identified in the CBMS census included malaria, fever, diarrhoea, tuberculosis, sexually transmitted infections and HIV/AIDS. Women were more affected than men overall, with the exceptions being fever and HIV/AIDS. Between all of the preventable illnesses, 58.3% of instances were reported by women. One of the reasons given for this by respondents was that women report illnesses

more than men; they suggested that sometimes men are sick, but they just endure without telling anybody or consulting a health facility. This notwithstanding, the high rates of reported illnesses need to be reduced in order to achieve SDG 3 – to ensure healthy lives and promote well-being for all at all ages.

Table 8.1. **Proportion of boys and girls aged 14-17 who were not in secondary school**

	Children not in secondary			Children 14-17 years-old			Proportion (%)		
Sub-location	Male	Female	Total	Male	Female	Total	Male	Female	Total
Muthithi	42	41	83	113	130	243	37.2	31.5	34.2
Gikarangu	53	44	97	116	121	237	45.7	36.4	40.9
Kiahiti	33	14	47	66	64	130	50	21.9	36.2
Kagurumo	40	44	84	107	122	229	37.4	36.1	36.7
Munguini	25	24	49	80	91	171	31.3	26.4	28.7
Total	193	167	360	482	528	1 010	40	31.6	35.6

Source: (Kimani, Kariuki and Machio, 2017[11]), "Poverty Profile of Muthithi Location, Murang'a County", *www.africaportal.org/publications/poverty-profile-muthithi-location-murang-county/*.

There were disparities between sub-locations in access to safe drinking water and sanitation

A minority of the location's households had access to safe drinking water in 2016, while 61.2% lacked this basic resource. This is a particularly high rate of households without safe drinking water compared with the national average for rural areas of 45.9% (KNBS, 2018[16]). Only in Munguini was access to safe drinking water comparable to the national figure, while Kiahiti sub-location recorded the worst situation at 78% without access. Across the location most residents get their water from rivers, which are not safe.

Conversely, the location did better than the national rural average in terms of access to improved sanitation; while more than half of rural Kenyan households lack such access (KNBS, 2018[9]), just 47% of households in this location were doing without, instead using uncovered pit latrines, bucket latrines or the bush. Yet this also varied widely by sub-location and some did substantially worse than the rural average (Table 8.2). Achieving access to adequate and equitable sanitation and hygiene for all, and achieving universal and equitable access to safe and affordable drinking water, are the first targets of SDG 6.

County government efforts and priorities for those most in need

Among the interventions recommended by the study were a skills development programme to boost employment and entrepreneurship, a reliable safe water supply, and a scholarship scheme for needy students. The county government has begun implementing these recommendations (See also Box 8.3). In November 2016, a programme dubbed "Ufundi kwa Vijana" was launched to impart technical skills for free to willing residents, mainly youth, to improve their employability and entrepreneurship. The programme has since incorporated linking of the beneficiaries to affirmative action funds such as the Uwezo Fund, Youth Enterprise Fund and Women Enterprise Fund to ease the problem of raising capital for those who decide to set up own businesses. Through this programme, the county government intends to reduce unemployment in the county in line with SDG 8 on decent work and economic growth in an environment characterised by limited white-collar jobs.

The county government has also increased the budget funding to Murang'a South Water and Sewerage Company (MUSWASCO) to rehabilitate water infrastructure and increase piped water connections in Muthithi and other locations served by the company. The budget allocation to MUSWASCO, which is fully owned by the county government, increased by 73% between 2015 and 2018 (Murang'a County, 2018[16]). The improved piped and treated water supply will reduce reliance on unsafe water sources such as rivers, free up the time used by locals in fetching water for other productive activities, and reduce the prevalence of waterborne diseases. This will contribute to the achievement of SDG 6 on clean water and sanitation as well as SDG 3 on good health and well-being.

Table 8.2. **Proportion of households not using improved sanitary facilities**

Sub-location	Households without access to sanitary toilet facilities	Total number of households	Proportion (%)
Muthithi	312	998	31.3
Gikarangu	432	967	44.7
Kiahiti	233	597	39
Kagurumo	542	787	68.9
Munguini	418	814	51.4
Total	1 937	4 163	

Source: (Kimani, Kariuki and Machio, 2017[11]), "Poverty Profile of Muthithi Location, Murang'a County", *www.africaportal.org/publications/poverty-profile-muthithi-location-murang-county/*.

Finally, a Murang'a County Scholarship Fund has been established to offer bursaries and scholarships to bright and needy secondary school and university students. Though secondary and university education in Kenya is subsidised by the national government, parents have to pay for boarding and related expenses, which are beyond the means of many poor parents. Through the fund, the county government promotes the enrolment and retention of needy children in schools, as SDG 4 on access to quality education envisages. The county government plans to increase the fund's annual budgetary allocation from KES 100 million (Kenyan shillings) in 2017 to KES 200 million by 2022 (Murang'a County, 2018[15]).

Box 8.3. **Inua Jamii, a best-practice example of government intervention and impact**

Through the Community-Based Monitoring System census conducted in Muthithi, the local administrators were able to identify potential beneficiaries of the "Inua Jamii" initiative, a cash-transfer programme implemented by the national government since 2014. This initiative targets persons aged 70 years and above, orphans, vulnerable children, and persons with severe disabilities.

Mr Kamande (not his real name) is a resident of Kagurumo sub-location, Muthithi, and his is one such household visited during the CBMS census. He is a widower and living alone. His four sons, who do menial jobs in the city for a living, are not able take care of him. His deplorable living conditions were evidenced by the makeshift house he was living in. In 2016, he was aged over 70 years but was not benefiting from the government cash-transfer programme for elderly persons. Through the CBMS project, his plight was brought to the attention of the county government. The local chief intervened to have his name included on the list of Muthithi's beneficiaries for the Inua Jamii cash-transfer programme. A three-room house was also built for Mr Kamande in 2017 by the county government.

The Inua Jamii initiative is a good example of how to localise the Sustainable Development Goals (SDGs), being consistent with SDG 1's aim to target social protection benefits to the poor and the most vulnerable. This example also shows how CBMS can serve as a tool to identify the targeted beneficiaries for such programmes.

Figure 8.1. **Mr Kamande's house in Kagurumo before and after the Inua Jamii intervention**

The role of partnerships and international co-operation

The key lesson from this case study is that, to ensure no one is left behind, formulating development strategies and successfully implementing poverty-reduction programmes requires partnership between local communities, local governments and local researchers in an institutionalised system of regular data collection, validation and analysis.

The Murang'a case study was carried out with a grant from the Partnership for Economic Policy CBMS Network, supported by the UK Department for International Development and Canada's International Development Research Centre. Through the grant, the project trained the Murang'a county government planning department officials on the use of CBMS as a tool to monitor poverty and progress towards the SDGs. As of 2018, the Kenyan CBMS research team is implementing a second phase of the CBMS project in the location of Gikindu.

So far, CBMS has only been implemented in two counties[13] out of the 47 counties in Kenya: it has potential to be rolled out throughout the country, as has happened in the Philippines where CBMS started.

How access to financial services enhances social protection in Latin America

By Carolina Trivelli, Instituto de Estudios Peruanos, Ivonne Villada, Proyecto Capital, Carolina Robino, International Development Research Centre (IDRC)

Key messages

- In 2017, about 1.7 billion adults globally did not have a bank account – most are women and are living in developing countries.
- Formal financial services can help people reduce their vulnerability and accumulate savings for emergencies, education and other expenses.
- Women face specific gender-based constraints in accessing financial services, including insufficient collateral, lack of financial literacy and restricted mobility.
- In Latin America, social protection programmes reach approximately 110 million out of the 158 million people living in poverty. In Chile and Peru, financial inclusion has been institutionalised as part of social protection programmes.
- Lessons from the regional research initiative Proyecto Capital show key success factors to be trust in the financial system, financial education, capacity to adapt to politics, being research-based, and integrating financial inclusion into social protection programmes at scale.

Social protection programmes, especially cash transfer schemes, provide a safety net for many of the poor and extreme poor around the world. In Latin America, these programmes reach approximately 110 million out of 158 million people living in poverty. In many countries, including Brazil, Chile, Colombia, Mexico, Paraguay and Peru, cash transfers to poor and vulnerable citizens are linked to broader inclusion initiatives, and entrepreneurship and labour training. These initiatives enhance the welfare impact of social grants, and various examples show that these efforts can transform the lives of the very poor in the long run (UNDP, 2015[10]).

One example is the Haku Wiñay programme in Peru (Mi chacra emprendedora), which provides technical assistance and transfers assets to rural households that are also covered by Juntos, Peru's conditional cash transfer programme. Haku Wiñay focuses on the development of productive and entrepreneurial skills to help households generate income, diversify their livelihoods and enhance food security. The financial inclusion component is an addition to the conditional cash transfer programme and does not affect the conditionality. Findings from an impact evaluation (J.Escobal and Ponce, 2016[6]) have showed encouraging results, including a significant increase in family income.

Proyecto Capital is a regional initiative in Latin America that promotes the integration of financial inclusion into existing infrastructure of conditional cash transfer scheme and social protection programmes to make it easier for poor households to open and access bank accounts and accumulate savings.[14] In so doing, it links the development processes of financial inclusion with those of social protection by combining conditional cash transfer programmes with promotion strategies of savings in bank accounts.

Money in the bank increases the welfare impact of cash transfer schemes

Financial inclusion initiatives linked to social grants in Chile and Peru (Villeda, Ramos and Pizarro, 2018[12]) (Clausen et al., 2018[13]) have allowed hundreds of thousands of low-income people, mostly women, to access formal financial services. For example, in Peru, more than 790 000 users of the Juntos programme opened savings accounts in the Banco de la Nación between 2009 and 2015. Between 2013 and 2014, 68% of these people used bank branches and 3% used other service points, such as automatic teller machines, mobile banking and non-bank correspondent agents. In the case of Peru, women receiving a subsidy together with financial training increased their savings rate significantly, from 3% to nearer 20%. This number is more than double the average financial savings rate of Peruvians adults,

despite these women being amongst the poorest in the country. This ability to accumulate savings has translated into increased assets and investment, improved living conditions and reduced vulnerability to financial emergencies (Box 8.4).

Box 8.4. **"A woman who saves is a woman that changes lives": Voices from participants from the Juntos programme**

"I am a woman who saves in the bank; and who goes to the bank to make deposits. I know how to withdraw my money. I know how to save. ... I am a stronger woman than before. ... No one will take my money away from me, and no one can deceive me, either."

Emperatriz Taco, Community of Pumahuasi, Coporaque, Espinar, Peru

"Before [the 'Promotion of Savings' pilot programme], my animals were my savings account. ... I bought and sold pigs, guinea pigs and hens, nothing else. Now I save in the bank. I leave [some] of what I receive from the programme. Sometimes I add what I earn from selling a pig. When I have a little extra, I put it in the bank. I save it. ... In April, I withdrew my savings to buy books, school supplies and uniforms for my children."

Rosa Altamirano, Community of Puiso, San Jerónimo, Andahuaylas, Peru

"The first time I went to the bank, it scared me. I thought they would trick me. 'What's this paper?' I wondered. 'What if they don't return my money to me?' That was my fear. ... When I went to the bank and they gave me my money, then I was sure that they weren't lying to me."

Victoria Quispe, Community of Poltocsa, San Jerónimo, Andahuaylas, Peru

Trust in the financial system is essential

The evidence from Proyecto Capital demonstrates the importance of promoting financial products and the need to build trust in the financial system. Findings in the Savings Promotion Pilot, implemented in Peru from June 2010 to March 2012 with beneficiaries of Peru's Juntos conditional cash transfer programme, show an increase from 1% to 3% in the number of programme participants who know their savings are protected in a bank (Aldana and Boyd, 2015[9]). Also, in an initiative developed in 2015 with Banco de la Nación, the percentage of participants who are able to use the non-bank correspondent "Multired" agent[15] without assistance increased from 26.3% to 99% (Clausen et al., 2018[13]).

Savings lead to increased assets

The most significant impact documented by Proyecto Capital is the increase of assets (human, productive, physical and others) achieved through the use of savings. The Savings Promotion Pilot initiative also show that the number of participants who financed their children's education expenses with savings rose from 6.6% to 21.2%. Productive assets also increased: the number of participants who purchased large animals rose by 11.2 percentage points (Aldana and Boyd, 2015[9]).

Financial education must accompany access to financial services

Evidence also shows the importance of combining access to financial products and services with training in how best to use these tools. In Chile, for example, although access to savings accounts increased,[16] without widespread financial education, debt levels remained very high (Box 8.5).[17] One study shows that 70% of social grants beneficiaries had debts with retail stores and 60% declared that they were not able to cope with an economic emergency (Denegri et al., 2017[10]). Proyecto Capital's pilot projects target these problems by enhancing financial capabilities for women, focusing on the importance of savings and reducing debt levels: that way, householders are informed and can decide whether or not to use financial services and products.

From pilots to public policies: Mainstreaming financial inclusion

Making financial inclusion part of all social protection policies is a challenge. It requires effort from governments, banks and development organisations; political will; co-ordination; and persistency.

The challenge was – and continues to be – how to move from pilots to large-scale and sustainable strategies. It is about making financial inclusion efforts part of social protection policies. Linking social protection and financial inclusion improves social grants beneficiaries' lives. But it also enhances the government social programme effectiveness and transparency. An additional effort by the social protection programme's enhances the impact and opens new opportunities. It is a win-win both for the programme users and for the state.

The process to link social protection and financial inclusion strategies is complex and, as illustrated by the case of FOSIS in Chile (Box 8.5), requires external support. Proyecto Capital has been a key player in providing this support, which requires the following action.

Box 8.5. **Financial education: A force for eradicating poverty in Chile**

The Solidarity and Social Investment Fund (Fondo de Solidaridad e Inversión Social/FOSIS) and Proyecto Capital became strategic allies in 2009. Their joint aim was to bring financial education to the poorest and most vulnerable households in Chile. This started with pilot projects, then led to broadscale programmes and finally became public policy.

With support from Proyecto Capital, FOSIS created in 2012 a financial education programme initially reaching 5 800 users in the country, most of whom are women. This initiative brought the theme of financial education to the forefront within FOSIS, and led to the development of financial education programmes targeting children in schools.

For FOSIS, linking up with Proyecto Capital allowed it to generate national and regional networks, and thereby reach more people. By scaling up, and making financial education part of all FOSIS programmes, the organisation will be able to increase the number of people that receive financial education from 5 800 to 100 000.

The process of scaling up also meant that FOSIS revised its financial education programme. Informed by research and evaluation findings supported by Proyecto Capital, FOSIS launched in 2018 a new methodology taking into account the needs and constraints of women, in particular those that receive government finance through cash transfer programmes.

More broadly, FOSIS has participated in a debate since 2012 that has led to the creation of the Financial Education National Strategy. This was approved in 2018 and prioritises youth and women that are participants of social protection programmes.

The significance of the joint work by FOSIS and Proyecto Capital is demonstrated by each initiative and product that has been developed. But for the long term, there is a more important impact. This is the generation of a community of practice, both at the national and regional level, which firmly believes that people with enhanced financial literacy are more likely to move out of poverty.

Institutionalising financial inclusion is also important: the model is relevant not only for cash transfer programmes, but also for a wider range of initiatives designed to tackle poverty. Incorporating the concept into wide-scale directives, plans and strategic objectives requires continuous support, time and resources (Government of Chile, 2007[10]) (Government of Peru, 2016[11]) and means building capacities within institutions, with employees at different levels.[18] This capacity building should be ongoing, especially for those employees who have direct contact with the most vulnerable. And it should allow for the development of a shared language and common messages so that agreements between institutions or departments are developed with minimal resistance.

Positive results so far: Lessons learnt

Both Chile and Peru, after many years of advocacy and policy influence, have now integrated financial education and inclusion strategies into social protection programmes (Government of Chile, 2018[13]) (Government of Peru, 2015[13]). This is based on a shared approach within the public and private sectors that responds to commitments made with international organisations such as the OECD and the World Bank.

After ten years of advocacy from Proyecto Capital, several lessons have emerged. Firstly, generating trust between institutes is crucial for effective collaboration with government. Also important is the capacity to adapt to a changing political landscape, and to changes in personnel both in the social protection programme and in government.

Secondly, research, carried out by Proyecto Capital and others, plays a significant role in the process of institutionalising financial inclusion as part of social protection policies.[19] Thirdly, targeted communication using existing and familiar networks enables Proyecto Capital to win the trust of those most in financial need. As a result, householders have been willing to participate in financial training courses and open savings accounts.

Conclusion

Following Proyecto Capital's long-term and collaborative approach, the integration of financial inclusion objectives into social protection programmes is becoming the norm in the region. These programmes are not only using the financial sector to more efficiently transfer subsidies, but are also collaborating with institutions to improve access to and foster use of financial services.

To ensure sustainability of this approach, monitoring and research must be ongoing. Social protection programmes must continue to meet the specific needs of vulnerable groups, and to build financial capabilities so that women and other vulnerable groups such as the youth, the elderly and migrants can become full economic citizens.

Regional integration is key to inclusive development in West Africa

By Freerk Boedeltje, OECD Sahel and West Africa Club

Key messages

- Growing awareness of the economic benefits of regional integration in West Africa has brought attention to investing in border regions, which tend to be home to largely isolated and disadvantaged populations.
- Strategies seeking to enhance stability and to reduce vulnerability and inequality in West Africa need to take cross-border dynamics into account.
- Delivering effective border policies is complex in West Africa; they are dependent on regional organisations, national governments and subnational authorities working well together and having the right resources.
- Barriers to cross-border co-operation include absence of clear legal frameworks covering cross-border projects, and lack of financial resources for local and regional authorities involved in implementing the projects.
- Development partners should step up support for territorial authorities through cross-border projects, building capacity, supporting the financial and legal enabling environment and involving local people in design and decision making.

For some time now, African leaders and regional bodies have made regional integration a priority, motivated by intereste in boosting development, integrating markets and infrastructure, and stimulating a freer flow of people and goods around the continent. The African Union Agenda 2063, for example, defines regional integration as central to sustained development and household poverty reduction in Africa and to achieving the Sustainable Development Goals.

The United Nations Development Programme (2011[20]) defines regional integration more broadly than simply trade liberalisation; in order to achieve human development benefits, deeper levels of integration need to involve investments in infrastructure, technological upgrading and policy harmonisation between countries. This can further enhance competitiveness, productivity and employment, especially for young people in a region severely challenged in these areas. Moreover, integration is also about creating the right conditions that allow men, women and children to live lives they value by expanding their freedoms and building their capacities.

Countries can design place-based regional policies to target rural and remote areas and groups, while expanded regional integration creates opportunities for resilience by pooling capacities to respond to vulnerabilities along borders. West African countries are building regional integration into their development strategies, with the rationale of overcoming the constraints of their small and isolated national economies. Regional integration contributes to leaving no one behind in West Africa, and in other regions, for a number of related reasons: The most vulnerable populations (including children, youth, persons with disabilities, older persons, indigenous peoples, refugees, internally displaced persons and migrants) often live in remote areas, along borders and removed from decision-making capitals, with limited access to resources, water, public services and infrastructure.

Broader integration and co-operation would not only support the economic potential of West Africa, but reinforce human development. For example, if countries could enable greater cross-border labour mobility in a way that protects migrants and respects human rights – particularly of women and young workers – this would contribute to better incomes, and empowerment. Simulations undertaken by the United Nations Development Programme ("UNDP") provide strong evidence of this potential and suggest that all African regions are better off with regional integration (UNDP, 2011[20]).

Regional integration is instrumental to development in West Africa

West Africa's rapid population growth is expected to continue over the next two generations, with the population set to increase from 367 million in 2015 to 538 million by 2030 (OECD/SWAC, 2017[19]). Settlement basins will continue to densify and expand, reaching across borders, and there will be more and larger cities like Lagos in Nigeria, which at its current rate grows by 3 000 people every day. Moreover, many of the countries share fragile ecosystems, food systems and natural resources on which millions of people depend (OECD/SWAC, 2009[22]). West Africa faces serious consequences from climate-related risks, varying from an increase in temperature and prolonged droughts in the northern Sahel to an increase in erosion and flooding in coastal areas due to a rise in sea level (World Bank, 2018[23]). As these issues are transboundary, regional co-operation is essential, and tailor-made, place-based policies that cater to the specific needs and challenges of the various West African regions promise to be the best policies to assure a better future for all.

Currently, almost all subnational regions in West Africa lack the financial capacities and institutional infrastructure to invest in and co-ordinate local development which hold back development progress nationally and regionally. For example, only 35% of the population in the sub-Sahel Africa have access to electricity while rates of rural access are less than one-third those of urban regions. Transport infrastructure is likewise lagging with sub-Saharan Africa, overall, being the only region in the world where road density has declined over the past 20 years (World Bank, 2017[24]).

Most national policies in West Africa promote sectors, like industry and livestock, or categories of the population, such as the most vulnerable, without necessarily taking into account the spatial dimensions of regional development. As a result, these policies largely neglect regional disparities, despite the critical role they play at the expense of inclusive growth. The impacts of regional integration on human development is highly dependent on contextual aspects like geography and climate; on the age and gender of people affected by integration; on many contextual aspects, like geography and climatic conditions, but also weak policies that if properly designed and implemented can lead to inclusive growth and human development (UNDP, 2011[20]).

In West African countries, regardless of their level of development, place-based strategies that strengthen the economic potential and competitive advantage of specific regions and contexts, have great potential to assure a better future for all. The OECD Sahel and West Africa Club (SWAC/OECD) promotes such strategies through its mandate and scope of work. Place-based strategies assume that actors and local institutions can be mobilised to support regional integration and development.[20]

In contrast to conventional regional policies that are based on top-down sectoral interventions and which rely on subsidies, place-based policies aim to promote regional integration by investing in infrastructure and public services tailored to the context of each area. For example, the border region between Niger, Benin and Nigeria has progressively transformed into a regional hub for wholesalers because of the liberalisation of international trade. Densely populated border regions like the Niger-Nigeria area or the Lake Chad Basin have different needs from those of sparsely populated areas like the Dori region in Burkina Faso. Coastal and industrial belts such as the Accra-Lagos urban area require policies that are of little use to agricultural regions in northern Ghana. Place-based strategies can also support co-operation between subnational authorities in border regions who have the same interests and constraints but who have been minimally involved in integration efforts thus far.

Cross-border solutions

West Africa is divided by 32 000 km of land borders which, if placed end to end, would equal four-fifths of the circumference of the Earth. These borders, in large part the legacy of colonisation, are often obstacles to regional integration. The costs and delays related to border-crossing can obstruct the movement of people and their goods, undermine income potential, and encourage corruption.

The disruption of trade flows endangers the livelihoods of many and, in particular, affects the coping strategies of households that are vulnerable to food insecurity. Special attention to border areas is, conversely, key to a more regional approach to tackling these issues. Countries co-operating in border areas with a shared sense of responsibility, could find solutions for food insecurity and other problems related to border delays, as it supports a shared sense of responsibility. When trade flows are unobstructed, agriculture and livestock can create new opportunities for households to improve their food security and better prepare for future food crises.

Regional integration with a specific focus on border areas can boost West Africa's economic competitiveness while at the same time addressing development issues (OECD/SWAC, 2017[19]). The mobilisation of political actors and local authorities has already resulted in a number of cross-border initiatives.

Cross-border co-operation can be defined as a local approach through which policies are implemented by actors from two or more countries. It should be based on the agreement and support of the governments concerned, with two objectives: to improve the living conditions of cross-border populations who are often marginalised; and to build regional co-operation. The former President of Mali, Alpha Oumar Konaré, first put forward this innovative approach to regional integration in West Africa was first put forward in the early 2000s promoting the existence of border regions that share common characteristics. Today, the Economic Community of West African States (ECOWAS) uses the concept to encourage local integration, and the African Union explicitly mentions the "geographical areas straddling the border lines of two or more neighbouring states and inhabited by people linked by socio-economic and cultural relations" in its programme dedicated to cross-border co-operation.

Countries in other parts of the world have developed similar types of cross-border solutions to. For example, the United States-Mexico border region that runs along southern California, shares comparable climate change risks with some West African regions. Through regional co-operation, a series of programmes and other measures to provide a comprehensive approach to the worsening of environmental problems along the border resulted in the creation of the Good Neighbor Environmental Board (GNEB), whose purpose is to advise the US government on the need to implement environmental and infrastructure projects along the border (GNEB, 2016[23]).

An ECOWAS Cross-Border Initiatives Programme started in 2004 with a special focus on annual capacity building and support to cross-border co-operation pilot projects. The African Union Border Programme, which began in 2007, developed effective operational support for local, regional and institutional cross-border projects, including setting up joint commissions such as the South Sudan-Sudan Joint Border Commission, created in 2012. In partnership with the UEMOA (Union Economique et Monétaire Ouest Africaine) the PCTL (Programme de coopération transfrontalière locale) the SDC (Swiss Development Cooperation) has been financing an FCFA (franc de la Communauté financière africaine, the West African CFA franc) 3.6 billion grant programme that supports the reinforcement of several cross-border inter-communities and finance studies and investments favouring the dynamics of co-operation within several cross-border areas of West Africa.

These programmes indicate that the Sahel, in particular, holds high co-operation potential, as is visible on the borders of Burkina Faso, Mali and Niger (see below). These regions with their border markets and shared water and agricultural resources encourage the creation of cross-border networks. However, local and regional authorities struggle to provide capacity and, as a consequence, have hardly any access to finance.

To the extent that development is an uneven process, countries should give more attention should be given to the great diversity of regions in West Africa, and tailor projects and institutional structures to the potential of each region. Considering the variety of needs and the unequal

development patterns of West African regions, cross-border co-operation initiatives will work best if policies provide public goods adapted to the specific socio-economic challenges of each region. Translating these place-based policies into effective action, however, requires a detailed understanding of the region and its populations (OECD/SWAC, 2017[20]) while the data needed to serve vulnerable groups are rare. Data collection in regional areas is crucial to understanding who is at risk of being left behind, where and why.

Legal frameworks must be in place to enable cross border co-operation

Despite successful initiatives like the *Programme de coopération transfrontalière locale*, the actual implementation of many other programmes remains a challenge. The difficulties lie in the shortcomings of the legal frameworks and the lack of monitoring mechanisms to measure progress in regional integration. It is seldom clear who is in a position to create a cross-border entity to manage a shared project; how that entity will manage the project under multiple jurisdictions; who can promote co-operation between local authorities from different countries; and just as importantly, who can finance the project.

Countries often respond to these challenges by locating an initiative on one side of the border only. This challenge is common for projects related to livestock markets, which engage local border authorities in order to attract more livestock. Such solutions can be applied in other fields, including education, where border schools are likely to attract pupils from the other side of the border. These initiatives generally arise out of informal discussions with actors from a neighbouring country, while some are sponsored by regional organisations looking for effective ways to boost regional co-operation at a grassroots level (OECD/SWAC, 2017[20]).

Nevertheless, there are very few successful examples of true cross-border projects so far. Given that regional integration still faces many challenges, public policy should aim to push forward legislation that alleviates these. Corruption is one major challenge with significant costs. Policies should therefore aim to end corrupt practices that hinder cross-border flows of goods and people. The success of regional integration will depend on political consensus, effective implementation and regulatory frameworks, cross-border project financing and better structuring of regional projects. It will also depend on a high level of trust between countries. In the absence of agreement, regional integration is fated to remain an uneven and idealistic vision poorly aligned with the priorities of African countries and unlikely to generate the needed investment.

Table 8.3 indicates several barriers to the development of cross-border projects, most of which relate to the absence of a truly cross-border legal framework in place to implement and finance cross-border projects. Delays in implementation risk losing the support of local populations and elected officials who have invested in the formulation of these projects.

A Sahelian pilot for effective place-based regional integration

A recent case study carried out in West Africa under the *Programme de coopération transfrontalière locale* supports the place-based approach to regional integration .Aiming to build healthy communities by improving living conditions for women and men, the PCTL pilot programme funded by the SDC and implemented by UEMOA seeks to enhance accessibility to basic services such as health and education, as well as to counteract an increasing lack of water for livestock in the region. A recent study (Nkwake, Magistro and Horjus, 2014[29]) indicates that the border region between Burkina Faso and Niger has seen a steady secular decline in rainfall since the 1950s, and a notable rise in minimum and maximum temperatures. Impacts on agricultural production (crops, livestock, trees and vegetation), as plant phenology and growth is affected by declines in rainfall and rising temperatures.

Table 8.3. **Barriers to the development of cross-border projects**

Barrier that should be overcome to facilitate cross-border co-operation	Cross-border action required	Administrative levels involved in overcoming the barrier
Barriers in the daily lives of cross-border populations		
Troublesome customs formalities attributable to non-compliance with protocols on the free movement of persons cause unnecessary time delays	Improving the enforcement of existing legislation Better training and remuneration for customs officials	National
Administrative red tape at the border increases the cost of moving goods, and subsequent delays in trade endanger food security	Changing existing legislation for the better Simplifying, adapting and clarifying regulations and informing people about them	National and sub-regional
Lack of access to border areas and basic facilities cause accessibility problems for basic services such as health and education	Developing and constructing cross-border through routes, roads and bridges Developing cross-border services and facilities (health centres, purification plants, markets, etc.)	Local, with support from central government services and technical and financial partners
Barriers to the development of cross-border actions		
Lack of financial resources for local and regional authorities causes difficulties in implementing border-related programmes and projects	Establishing an appropriation specifically for cross-border co-operation within the national budget Inclusion of the cross-border dimension within the overall strategy to eradicate poverty and in state-funding agency partnership agreements Authorising national programmes to intervene in the neighbouring country to support schemes of cross-border interest (with simpler procedures for cross-border intervention by funding agencies) Establishing a sub-regional common fund for cross-border co-operation	National and sub-regional
Lack of a clear legal framework for cross-border projects leads to difficulties in the management of the projects	Cross-border dialogue between local governments and municipalities	Bilateral between African countries

Source: Based on (OECD/SWAC, 2010[26]), "A practical guide to cross-border co-operation", *www.oecd.org/swac/publications/guide.htm*.

The PCTL programme invests particularly in this region of West Africa. Located in the heart of the Sahelian belt on the border between Burkina Faso, Mali and Niger, the perimeter of local cross-border co-operation defined as the *Schéma d'aménagement transfrontalier intégré* (SATI) or integrated transboundary area scheme covers an area of about 200 000 km² with a population of 8.7 million inhabitants. The region faces several development and security challenges, including a poor quality road network aggravated by growing insecurity, the absence of basic public and social services, and increasingly limited access to water for livestock. Post-drought studies have unequivocally shown that cross-border mobility of livestock is crucial to the resilience of pastoral and agro-pastoral communities in the region. Urban border areas like Dori in Burkina Faso and Téra in Niger are important centres in the regional integration process, particularly by facilitating transnational trade. The region also hosts a large number of local initiatives and dense networks of actors working for numerous small and medium-sized decision-making centres. This can help bottom-up integration programmes, especially in livestock rearing, one of the region's main activities

The PCTL development strategy runs through three phases: 1) diagnosis of the current cross-border project spaces; 2) development of the SATI; and 3) definition of priority projects and investment principles, with estimation of their costs. Field visits and consultations with local authorities as well as with social and economic actors accompany each phase.

Conclusion

The commitment of the African Union and its Agenda 2063 to promoting regional integration has already led to the emergence of partnerships like the *Programme de coopération transfrontalière locale*. However, there is scope to reduce the "constraining effects" of borders. Cross-border co-operation can be an effective and affordable way of achieving socio-economic development in rural and remote areas

in West Africa. The current challenge is to get legal frameworks to enable such co-operation and for governments to give it greater priority. Centralised systems of government tend to focus investments on a small number of urban regions, in particular around capital cities, without necessarily implementing regional policies that are likely to encourage cross-border co-operation.

Box 8.6. **Specific actions under the Programme for Local Cross-Border Co-operation, Burkina Faso, Mali and Niger**

Economic cross-border development

- milk industry (Tillabéri-Téra-Sebba-Dori)
- livestock sector (creation of processing units)
- irrigated agriculture sector (hydro-agricultural developments)
- cross-border economic governance (Gourma West and Gourma East).
- Social cross-border development
- cross-border health centres (Tillabéri-Téra-Sebba-Dori)
- training centres.

Governance

- natural resource management
- cross-border co-ordination by local authorities
- promotion of peace and security

In light of experience with the *Programme de coopération transfrontalière locale* so far, and building on other cross-border efforts in West Africa, three necessary directions become clear. First, national and international development partners should strengthen support for territorial authorities in the development of cross-border projects, especially for capacity building, technical support for cross-border joint action, for financial and legal arrangements, and to involve local people. Second, policy makers should incorporate cross-border concerns in national, regional and local policies. They should co-ordinate policies on both sides of the border – especially in planning documents. Finally, more diverse support and financing – programmes, loans and grants – should be made accessible to local and regional programmes, with the direct involvement and leadership of relevant government authorities and communities.

> *"Without any financial means, investment and co-operation is tricky. For young business people like me, it's really hard. If you don't have some money saved, nobody will lend to you. Finding financial support is very difficult."*

Naffisa Hamidou, businesswoman, Niger

Notes

1. Historically, Benin played a major role in the transatlantic slave trade and after several years of independence following French colonial rule, it became a Marxist-Leninist republic. In 1990, Benin held a national conference and transitioned to democracy, thus becoming a frontrunner in the trend towards democracy in West Africa.
2. Benin has a social poverty line, a monetary poverty line and a non-monetary poverty line. These numbers refer to Benin's monetary poverty line, which was established in the 1980s as the cost of a basket of goods which would provide approximately 2 400 calories per day. Price fluctuations in that basket means that the poverty line

will effectively change any time a survey is conducted. Trends at a fixed poverty line, such as the World Bank's extreme poverty line (USD 1.90 per day 2011 PPP) shows slightly different trends, with poverty rates decreasing from 53% in 2011 and 50% in 2015.

3. The P20 approach includes everyone currently in, or vulnerable to, absolute poverty, as well as those who by reasons of their identity (age, disability, gender, religion and so forth) are most vulnerable to poverty or exclusion. The approach proposes that governments, donor agencies and civil society organisations each choose a small number of key indicators in line with their own priorities, and monitor these regularly to show what progress is being made. It is consistent with the universal agenda of the Sustainable Development Goals (SDGs), in particular SDGs 1 and 10, which maintain that responsibility for ending inequality both within and between countries is shared - the P20 approach reflects the shared agenda by focusing attention on the poorest 20% in any given population.
4. Raskin was originally called "Special Market Operations" (Operasi Pasar Khusus/OPK). Since 2002 it has been known as Raskin.
5. Social safety net programmes were launched in 1998 to protect the welfare of poor and vulnerable households in the wake of the Asian financial crisis. In addition to OPK/Raskin, the programmes include: Scholarship for the Poor, Cash for Work, Social Health Insurance and Food/Nutrition Supplementary.
6. For brief description on targeting mechanism of Indonesia Social Protection Programmes, one may refer to several publications on Indonesia's Unified Data Base/Single Registry, for example (Bah, Nazara and Satriawan, 2015[39]).
7. (Banerjee et al.[36]) find that making the beneficiary list public at the village leads to lower rice leakage to non-beneficiaries and improved subsidy value received by the beneficiaries.
8. Near field communication (NFC) is a wireless radio communications standard.
9. Three cities were included in the second pilot for two reasons: (i) as follow up test of the first pilot, and (ii) to provide comparison results with results from districts that represent rural and remote areas.
10. The Steering Committee for Implementing Noncash Disbursement of Social Assistance (Tim Pengendali Pelaksanaan Penyaluran Bansos Nontunai) was set up following Presidential Regulation No. 63 of 2017. The Steering Committee is chaired by the Coordinating Minister for Human and Cultural Development with the TNP2K Executive Secretary as the Secretary with the mandate to ensure that the implementation is according to the design and plan.
11. This work was carried out with financial and scientific support from the Partnership for Economic Policy (PEP), with funding from the Department for International Development (DFID) of the United Kingdom (or UK Aid), and the Government of Canada through the International Development Research Centre (IDRC).
12. A location is the administrative division below a county in Kenya, and is further divided into sub-locations. In this chapter "Muthithi" refers to the location, while "Muthithi sub-location" refers to one of its constituent sub-locations.
13. The first CBMS was done in Tana River County in 2006 by Dr Mary Nyamongo. *https://www.pep-net.org/sites/pep-net.org/files/typo3doc/pdf/files_events/6-CBMS/nchougo-pa.pdf*
14. Proyecto Capital was developed by the Instituto de Estudios Peruanos and Fundacion Capital, and supported by the Ford Foundation and Canada's International Development Research Centre.
15. Multired is a non-banking correspondent agents, developed by the National Bank of Perú (Banco de la Nación).
16. According to data from Global Findex (2014), 63.2% of people have a bank account, placing Chile at the highest average in Latin America.
17. Chile is the most indebted country in Latin America. The global average of indebtedness per 10 000 adults is 2 007, while for Chile it is 3 672 (SBIF, 2013[39]).
18. One example is the financial inclusion course developed by the Pontifical Catholic University of Peru, the Ministry of Economy and Finance, the Institute of Peruvian Studies and the Development Bank of Latin America, CAF (La Republica, 2016[38]) .
19. To democratise access to research knowledge and to improve financial inclusion initiatives, Proyecto Capital launched in 2018 the research repository Repositorio del Proyecto Capital – an open access digital space. See: *http://repositorioproyectocapital.com*.
20. In 2017 and 2018, the Sahel and West Africa Club worked on the role of cross-border urban economies in building regional integration, identifying the levers for developing cross-border poles of attraction and analysing resilience to climate change. More broadly, SWAC provides support for regional and international strategies in order to better anticipate major changes impacting the region, like urbanisation and climate change.

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PART III

Ensuring development co-operation policies and tools are fit for purpose

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PART III

Chapter 9

Development co-operation policies and approaches to leave no one behind

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With the 2030 Agenda is a collective journey for all countries, the contributions of providers of development co-operation, including Development Assistance Committee (DAC) members, are particularly vital in many development contexts where domestic resources are scarce and national capacity limited. So what does the pledge to leave no one behind really mean for DAC members? This chapter, drawing on a recent survey of members, presents an overview of the approaches they are following as they seek to translate their commitment into effective action to achieve the Sustainable Development Goals (SDGs) for all. It acknowledges the political and operational challenges they are encountering, and the need for transformative narratives and development co-operation plans, programmes and partnerships that deliver on the potential of leaving no one behind.

This chapter also includes an opinion piece by Dr Maria Flachsbarth, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development of Germany, on "How the global community must step up its efforts to fulfil the pledge to leave no one behind."

DAC members

KEY MESSAGES

Despite growing commitments, the current development co-operation business model, with its political and operational constraints, is not fit for adopting leave no one behind.

To build political and public support and resist the pressure to focus on quick and easy results, DAC members should build a sound narrative that demonstrates how focusing on those left behind has a development impact and can align with other strategic interests.

DAC members define leave no one behind in multiple ways and favour targeted approaches – focusing on specific groups of people or countries. Only a few members are adopting systematic approaches and mainstreaming leave no one behind throughout their development co-operation programmes.

Targeted interventions focusing on specific groups left behind can bring quick, visible results. However, to obtain long-term and sustainable results, providers need to mainstream leaving no one behind within adaptive, flexible and context-specific programming approaches.

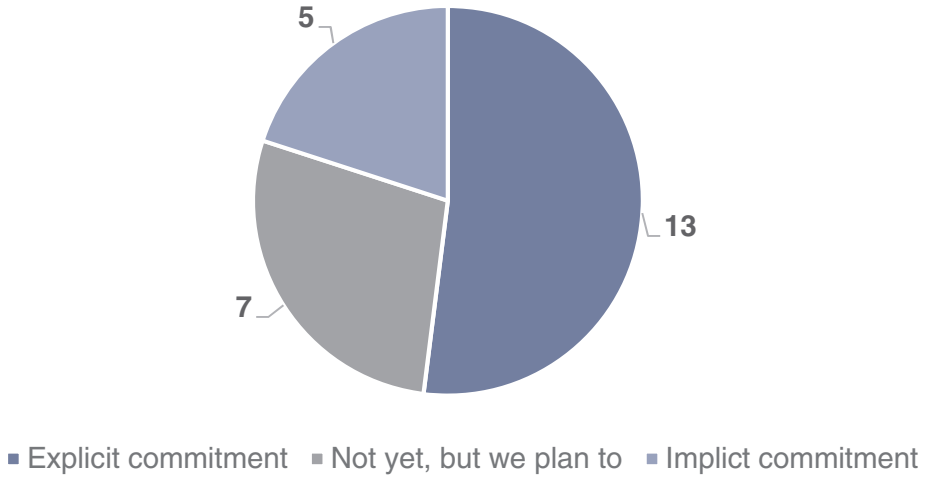
The longer countries take to act, the harder it will be to fulfil the leave no one behind pledge by 2030. Research shows that if sub-Saharan Africa is to eliminate "ultra poverty" (the experience of living on less than USD 1 a day) by 2030, progress on poverty reduction needs to be nearly twice as fast as it was between 2000 and 2015. If no acceleration is seen in the next six years, progress will then need to be more than three times as fast (Stuart E et al, 2016[1]). In other words: every year counts.

Aware of the urgency of the challenge, how are members of the Development Assistance Committee (DAC) responding? While commitment is strong, the survey undertaken for this Development Co-operation Report shows that most of them are struggling to bridge the gaps between vision, policy and implementation. Almost all are making efforts to better target those left behind in their programming, and several have developed innovative projects and approaches that can inspire other stakeholders. However, only a few have gone beyond targeted actions to adopt a systemic approach and mainstream leave no one behind throughout their development co-operation programmes.

Do DAC members recognise and embrace the commitment to leave no one behind?

The vast majority of DAC members are committed to leave no one behind, as shown by their responses to a survey undertaken for this report (Figure 9.1)[1]. DAC members consider that working to leave no one behind is not only necessary for reasons of justice – to improve equity; tackle exclusion, discrimination and inequality; and promote human rights and the social, political and economic participation of disadvantaged groups – but also because a more inclusive society supports social cohesion, governance, security and economic growth, improving quality of life for all and making the Sustainable Development Goals (SDGs) achievable. In her "In My View" piece, to Dr Maria Flachsbarth, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development of Germany stresses, among other things, that "it is time to intensify our efforts to fulfil our pledge to reach those left behind and to create equal opportunities for all."

Figure 9.1. **The majority of DAC members are committed to leaving no one behind**



Source: Adapted from (Di Francesco and Mc Donnell, 2018), "Leave No One Behind: How are Development Assistance Committee members answering the pledge of the 2030 Agenda for Sustainable Development?", *https://doi.org/10.1787/eadd2f8d-en*.

Several members also strive to mainstream leave no one behind in domestic policies with an impact on developing countries. For some this means a general commitment to policy coherence for sustainable development (e.g. the European Union, Ireland, Norway and Sweden), whereas others emphasise specific domestic policies. These include trade policies that promote social and environmental standards within global value chains and create business opportunities for all, including women and indigenous

peoples (Australia, Canada, the Netherlands and New Zealand); climate policies that protect those experiencing the adverse effects of climate change (Canada, the Czech Republic and France); as well as migration policies (Canada) and labour policies that facilitate access to labour markets for certain groups (e.g. New Zealand).

DAC members can also play a critical role at the global level. Keeping leave no one behind in mind when negotiating international agreements can have a big impact on excluded groups and populations. This includes promoting the recognition and protection of climate change refugees under international human rights law (Kamali, 2016[3]); ensuring that free trade agreements enhance rather than undermine social, environmental and human rights standards (Schmieg, 2014[4]); and promoting measures to compensate losers from globalisation (Harrison, 2018[5]).

In my view: We need to step up efforts to fulfil our pledge

by Dr Maria Flachsbarth,

Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development, Germany

With the 2030 Agenda for Sustainable Development now in place, the world is seeing a major transformational shift. The global community has committed itself to end poverty, reduce inequalities and ensure fair and sustainable globalisation. On this path, the leave no one behind principle is a central benchmark for all stakeholders. Leave no one behind turns the spotlight on poor and marginalised people, on those who have not yet benefited from the significant achievements in poverty reduction, and on the young persons and women who are so prominent among these groups. It is a call to fight growing inequalities worldwide. I am convinced that it is only by including those left behind in development progress and addressing their special needs and circumstances that we will be able to reach our goals and create a fair social, economic and ecological environment – for us and for succeeding generations.

Germany takes its responsibility to leave no one behind seriously. We contribute to the principle by promoting policies to reduce poverty and inequality that specifically address the poor and vulnerable. We also systematically integrate human rights into our development co-operation, and encourage good governance such as inclusive decision-making processes and non-discriminatory legal reforms. However, we still have to find more effective ways to reach those who are furthest behind first, and we are constantly trying to fine-tune our policy responses.

For us, development progress in Africa is of particular importance – for achieving the Sustainable Development Goals, and especially for fulfilling the commitment to leave no one behind. This is why we initiated the "Marshall Plan with Africa". Its objective is a co-operative partnership based on three pillars: the Economy, Trade and Employment; Peace and Security; and Democracy and the Rule of Law. By promoting inclusive growth and employment opportunities for poor and disadvantaged people, in particular, we are strengthening the leave no one behind principle.

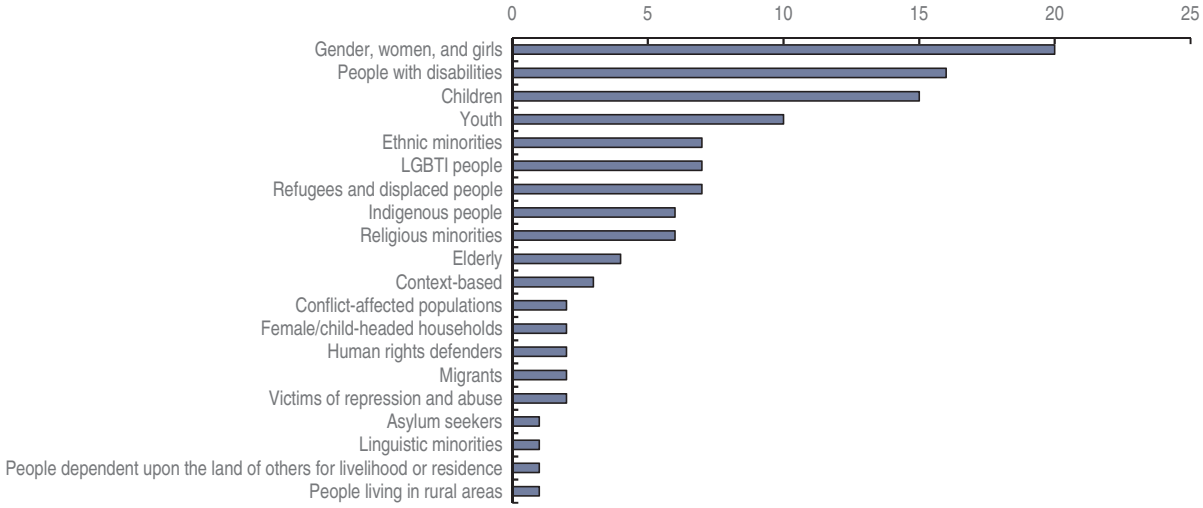
Finally, the global community must address the rising concerns about one-sided, profit-oriented globalisation that leaves the most disadvantaged people behind. Labour conditions in developing countries, for example in the textiles industry, are often disastrous, and workers can barely live on their salaries. We have started to challenge this situation by initiating the Partnership for Sustainable Textiles. This initiative unites some 150 actors from business, civil society and government. The members have pledged to increasingly improve living and working conditions and reduce environmental threats along the whole of global value chains.

It is time to intensify our efforts to reach those left behind and to create equal opportunities for all. If we fail, sustainable development will not be possible. In order to better target the poorest and most vulnerable people, we need to know who is left behind and why. We need more and better data on existing inequalities. We must also hold those who are better off and more privileged to their responsibilities. If everyone just takes a fair share and meets their responsibilities, then – and only then – will a sustainable future for all be within our reach. We are committed to a new and more inclusive development era, and we are motivated to act now, as we listen to the voices of all those girls, boys, women and men who are striving to unlock their potential!

What does leave no one behind mean in practice for DAC members?

In the absence of a common understanding, members define leave no one behind in multiple ways. Their definitions favour specific policy angles ranging from reducing poverty in its multiple facets to diminishing inequalities, fighting discrimination, ending exclusion and promoting human rights-based approaches. Focusing on those left behind drives members to target specific groups. However, with the leave no one behind concept allowing for diverse interpretations, the categories of focus are often broad (gender, women and girls; people with disabilities; children; youth), as shown in Figure 9.2. Ethnic minorities; lesbian, gay, bisexual, transgender/transsexual and intersexed (LGBTI) people; refugees and displaced people are less frequently quoted.

Figure 9.2. **DAC members' targeted groups in leave no one behind approaches**



Source: Adapted from (Di Francesco and Mc Donnell, 2018), "Leave No One Behind: How are Development Assistance Committee members answering the pledge of the 2030 Agenda for Sustainable Development?", *https://doi.org/10.1787/eadd2f8d-en*.

Targeting populations left behind through bilateral channels

Thus far, most members have been focusing their efforts on ensuring that their bilateral co-operation policies target populations that are left behind. Almost all members have set criteria and policy indicators to guide such allocations. Only a few members (e.g. Sweden and Switzerland) do not target specific groups or countries *a priori*, but instead vary their targets depending on contextual analyses, acknowledging the universal claim of leave no one behind. Most members target specific groups as described in Figure 9.2. They also focus on specific types of countries (e.g. Sahel countries, least developed countries, small island developing states and fragile contexts) or remote areas within developing countries. However, the emphasis on countries most in need does not prevent members from pursuing leave no one behind in middle-income countries where high levels of poverty persist.[2]

DAC members identify specific sectors and approaches to direct flows in support of those left behind. The most popular areas are basic social services (health, education, water and sanitation, social protection, access to electricity and food security), promotion of human rights and good governance, gender equality, and climate change. Social protection, in particular, is receiving increased attention, with new instruments being developed and applied in a large variety of low- and middle-income countries (DFAT, 2015[6]) (SDC, 2017[7]). Less often cited are economic sectors (energy, employment and business development), despite their links with inclusion (WEF, 2017[8]). Conflict prevention is also rarely mentioned, even as members frequently name refugees and internally displaced people as groups left behind – often as a result of conflict (see the section in Chapter 3 on Fragility).

Multilateral channel: Three ways to promote leave no one behind

Many DAC members also use the multilateral channel to advance the leave no one behind agenda. They do so using three levers: their allocation policy (levels of funding allocated to multilateral organisations); their engagement in partnerships in countries (multi-bi aid); and their advocacy role on executive boards.

For the first lever of allocation, research shows that members tend to be more selective in terms of poverty criteria when funding multilateral organisations than when using the bilateral channel (Gulrajani, 2016[9]). They also use the multilateral channel to generate global public goods which support the SDGs.

The second lever of partnerships is increasingly exercised as members emphasise the value of engaging multilateral partners in the field. Some members explicitly mention the multilateral channel in the survey as a way to promote leave no one behind (Czech Republic and Greece) and note that discussing leave no one behind is an integral part of their dialogue with multilateral partners (Sweden and Switzerland).

Members, especially those who spend a large volume of ODA through the multilateral channel, are also active on the boards of multilateral organisations, where they apply the third lever by encouraging these organisations to target populations left behind. As an example, the United Kingdom, by far the biggest investor in the Global Partnership for Education (GPE), plays an influential role within the GPE board to ensure its focus on fragile and conflict-affected states (HC, 2017[10]). Switzerland is also actively advocating for leave no one behind in the GPE, both as a board member and as a member of the Grant and Performance Committee, which approves country requests and grants. Similarly, Norway, which channels 43% of its ODA through multilateral agencies, is exercising its power as a member state of these institutions to influence them to focus more on those left behind, in particular in the areas of women's rights and education (Greenhill and Engen, 2018[11]). Replenishments to multilateral development banks also offer strong signals from members pushing for more focus on fragile contexts. For instance, the International Development Association Eighteenth Replenishment (IDA18) concluded in 2016 doubled financing for fragile countries and created windows to support refugees, crisis preparedness and response, and private investment in fragile contexts (World Bank, 2016[12]).

Are donors adjusting their practices to translate their policy commitment into effective action?

ODA allocations do not yet match the needs of the furthest behind

For all the ways of interpreting what leave no one behind means, there appear to be even more ways of putting the commitment into practice. When surveyed on the adjustments they are currently making, DAC members pointed to many actions specifically targeted at the poorest and furthest behind, and to others that aim at systematically mainstreaming a leave no one behind perspective. However, the most immediate and easily available measure of action is in members' commitments of ODA.

While the implicit and explicit commitment to leave no one behind is strong, it has not yet translated into increasing ODA levels flowing to countries most in need, nor into donor sector allocations that are fully guided by country needs (Eger, Olher and Rudolph, 2018[13]) (see Chapter 10). Moreover, the quantity and quality of DAC members' multilateral financing do not match the expectations put on the multilateral system to support sustainable and inclusive development in vulnerable countries. Increased earmarked funding to United Nations organisations, and pressure on multilateral development banks to draw more funding from capital markets,[3] are not in themselves conducive to engaging with fragile contexts or the holistic, long-term perspective that is needed to pursue leave no one behind (OECD, 2018[14]).

DAC members mostly favour targeted approaches

Most DAC members are translating leave no one behind into programming through specific targeting. As part of their context analyses, they use diagnostic tools to identify who is left behind, rely on screening procedures to target programmes and assess any adverse social impact (e.g. Japan). All but one respondent to the survey reported conducting some sort of country assessment. Some members rely on qualitative and quantitative data from local, bilateral or international sources, while others collect their own data. Their analyses cover poverty (e.g. Sweden, Switzerland and the United Kingdom), human rights (e.g. Denmark and Finland) or broader political-economic situations (e.g. Germany and Ireland), with only a few members focusing on specific knowledge gaps. Innovative programmes are being developed as a result of deeper analysis, for instance on social protection (e.g. Australia and New Zealand). Yet only a few members such as Sweden (Box 9.1) and Switzerland[4] have developed specific guidance to help their country offices conduct these diagnostics. Such guidance is critical when country offices' analytical capacities are limited (ICAI, 2017[15]).

Box 9.1. **Sweden's multidimensional poverty analysis**

The Swedish International Development Cooperation Agency (Sida) is employing a multidimensional poverty analysis (MDPA) to identify who is living in poverty, how poverty is experienced and why people are stuck in poverty. The methodology, developed together with teams from pilot countries, was launched in 2018. A dozen country offices are currently working with the MDPA, using guiding tools available on an interactive Poverty Toolbox on Sida's intranet. The MDPA, Sida's comparative advantage and its mandate in a given country inform the choice of target groups or regions in the country.

Source: Adapted from (Sida, 2018[16]), "Poverty toolbox", *www.sida.se/English/partners/resources-for-all-partners/methodological-materials/poverty-toolbox*. See also the case study on the framework for multidimensional poverty analysis by Sida.[1]

1. (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.

Mainstreaming leave no one behind has some way to go

Fourteen of the 27 respondents to the survey indicated that they mainstream a leave no one behind perspective into their development programming. Eight mentioned that they plan to mainstream it, and five that they do not. However, even when the response is positive, members rarely apply leave no one behind systematically to all aspects of programme management (Figure 9.3), and only a few are developing specific tools to enhance and track the impact of development co-operation programmes on those who are left behind. Most of these member countries do so by promoting a cross-cutting human rights-based approach (Canada, Denmark, the European Union, Finland, Germany, Japan, New Zealand, Spain, Sweden and Switzerland) that they combine with a needs- and context-based approach. Some apply the lens of a more specific policy focus, such as Finland's focus on disability.

Meanwhile, other DAC members question whether a focus on leaving no one behind should be mainstreamed in all development co-operation instruments. They consider such an approach more challenging and resource intensive (requiring, for instance, an analysis of vulnerabilities, inequalities and discriminatory structures at the beginning of each planning phase) compared to targeted actions and specific programmes, which they consider just as effective in reaching people left behind.

Targeting and mainstreaming can be complementary to reach the furthest behind. While targeted initiatives can be instrumental in shifting specific issues by giving quick, visible results and empowering the rights-holders, their coverage is often limited, duration short and sustainability low. Mainstreamed approaches – even if they take more effort and time – can build countries' capacities to provide long-term and sustainable results by removing barriers to inclusion and universal access, with better prospects of coverage (Nordic Consulting Group, 2012[18]). Researchers emphasise the need for an overall development co-operation strategy that is conducive to including those left behind – for

instance, promoting labour-intensive growth to support smallholder farmers instead of just targeting interventions at these farmers (Klasen and Fleurbaey, 2018[19]). Several donors recognise that they are on a learning curve (e.g. Finland, Ireland, New Zealand, Switzerland and the United Kingdom). New Zealand is moving towards a twin-track approach, building a core of programming that specifically targets gender and human rights alongside a wider integration that moves towards an aspirational, capability- and incentives-driven approach.

Figure 9.3. **What it takes to mainstream leave no one behind**

Mainstreaming requires sustained action across all management areas

Source: Adapted from (OECD, 2014[17]), "Mainstreaming cross-cutting issues: 7 lessons from DAC peer reviews", *www.oecd.org/dac/peer-reviews/mainstreaming-cross-cutting-issues.htm*.

Taking a pilot approach in a select number of countries to identify what needs to change remains an exception (Box 9.2). So is reconsidering the way programmes are managed – for instance, shifting towards adaptive programming in support of tailored approaches responsive to contexts, as Ireland is starting to do. Members have not set up specific leave no one behind results systems, and rely on existing indicators measuring progress against corporate objectives. Unsurprisingly, an analysis of voluntary national reviews to date found that these reviews give limited information on programmatic and policy efforts made under the leave no one behind agenda (Sarwar and Nicolai, 2018[20]).

Box 9.2. **The United Kingdom's leave no one behind pilot approach**

The UK Department for International Development (DFID) is piloting a leave no one behind approach in four "trailblazer" countries – Bangladesh, Nepal, Rwanda and Zimbabwe – through the introduction of specific action plans and monitoring and evaluation systems. In these countries, DFID prioritises leave no one behind both through targeted programmes – on disability and women's empowerment in Rwanda and Zimbabwe – and mainstreaming, with all programmes screened against a leave no one behind lens and all development partners encouraged to apply this lens. DFID has raised local staff's awareness on leave no one behind through specific training. Early lessons are that high-level commitment, strong leadership, evidence-based and pragmatic prioritisation, and the incorporation of equity considerations into value-for-money assessments are vital for successful leave no one behind approaches.

Source: Interviews with DFID staff in Rwanda and Zimbabwe.

Political and operational challenges: What is missing and why?

Nearly two decades ago, the DAC Guidelines on Poverty Reduction (OECD, 2001[21]) were already highlighting the challenges of addressing the multidimensional aspects of poverty through the integration of economic, social, environmental and governance concerns in a comprehensive approach to development. DAC members are still grappling with finding effective ways of implementing these guidelines. DAC peer reviews have consistently found strong policy statements and political commitment on poverty reduction in their development co-operation policies, but less clarity on how the members plan to put these commitments into action, and a lack of guidance on how to operationalise their policies.

The survey carried out for this report highlights a similar situation. In their responses, DAC members advance both political and technical reasons to explain why progress in reaching the furthest behind is slow.

Political challenges

Gaining and sustaining political support at home

Political will is crucial within donor countries, and this depends on government priorities and the state of public support. Priorities are evolving, with general trends towards a stronger focus on national interests and pressure to show results quickly. Reaching the most vulnerable populations is often more costly and carries a lower probability of achieving quick results. Demonstrating the value of these approaches and their long-term results requires robust cost-benefit analyses. For instance, a recent study on electrification in Kenya showed that providing connections from a centralised electricity grid to under-served areas carried high costs and did not automatically ensure high power consumption from new customers, highlighting the need to look for alternative means of electrification (Taneja, 2018[22]).

Members also feel tension between the pressure to reach groups quickly and the call to work through national systems to support long-term, transformational change. Easing these tensions requires strong narratives for domestic audiences showing the value of living in a more equal world where everybody gains, backed by sound evidence on what works to reach the furthest behind in order to use resources in the most effective and efficient way. The value-for-money narrative needs to evolve into one of long-term social and economic benefits from inclusive societies. This is not out of reach. As an illustration, DFID, a strong advocate for the value-for-money agenda internationally, has now incorporated equity into its value for money assessments, acknowledging that reaching marginalised groups may entail additional – but worthwhile – efforts and costs (ICAI, 2018[23]).

Engaging in sensitive dialogue with partner countries

Engaging national policy makers in a dialogue to promote inclusion of groups and people left behind requires a sound understanding of the political economy of the choices made by governments, and a long-standing partnership on which to build. Strong national leadership is needed to prioritise laws and policies and decide on programmes that will accelerate outcomes for poor and marginalised people. Meanwhile, those left behind often lack a voice; they may be under-represented in political processes; less able to articulate their needs and interests; and discriminated against as religious, ethnic, sexual or other minorities.

Engaging in a dialogue with partner governments around exclusion can be politically sensitive, and several members argue that it is becoming even more difficult to handle such a dialogue, as the role of bilateral donors is changing and space for civil society is shrinking (see Chapter 6). Approaches vary among DAC members. Some place respect for partner ownership up front and refrain from taking unilateral decisions (e.g. Norway), while others are proactive in pushing for inclusion. They highlight the need to question power structures and strengthen the capacity of groups advocating for poor and marginalised populations at all levels, while engaging in dialogue with partner governments.

Political sensitivities can also influence data collection and availability, exacerbating already limited statistical capacities (OECD, 2017[24]). Targeting populations for development programmes can also put some groups, such as religious minorities, ethnic groups or LGBTI people, in danger or at least raise tensions. For instance, one review of donor support showed that "singling out conflict-affected women and ex-combatants in women, peace and security work in Nepal risked causing local tensions", and provoked sentiments "that a wider range of marginalised women with similar needs (e.g. migrants and women from socially excluded groups) should have been included" (OECD, 2017[25]). The reality of political situations sometimes requires pragmatic choices, such as targeting less politically sensitive vulnerabilities (e.g. disability) or sectors (e.g. water and sanitation) in order to build trust and open up intervention pathways to more sensitive areas.

Operational challenges

Members also identify a number of operational issues that affect their capacity to programme, carry out and track results of development co-operation programmes from a leave no one behind perspective. Building such internal capacity takes time. Meanwhile, in the absence of guidance on how to translate leave no one behind into actual programming, some members are concerned that this agenda adds another layer of complexity on top of their other priorities, without clear gains.

Members note in particular that a lack of disaggregated data makes it difficult to identify gaps – which is critical to target groups, design programmes for their needs and report progress – and that filling these gaps is costly.[5] Mobilising enough resources for identifying and monitoring the complex multidimensional and inter-related determinants of social, economic and political exclusion in a given context is an additional challenge. This requires co-ordinated and partner-led approaches (Chapter 11), and here good practices exist. One example is the support provided by Germany to Cambodia's Ministry of Planning since 2005 to create a poverty identification mechanism. This mechanism, called "Identification of Poor Households" or "IDPoor", serves as a single basis for all support programmes targeting the poor. IDPoor has developed from a small-scale project to a nation-wide programme that will reach full national coverage in 2019.[6]

Finally, managing programmes and tracking results for leaving no one behind require flexible and adaptive approaches, Many donors emphasise performance information to demonstrate how well they conduct development co-operation, rather than focusing on achieving development results (Zwart, 2017[26]). They tend to use top-down and predictive approaches along with time-bound results metrics. Research, however, shows that these often prevent front-line workers from using skills, local knowledge and creativity to solve problems (Honig, 2018[27]). Time-bound metrics may also be inappropriate for activities supporting the transformational changes that are required to eradicate poverty, as these changes require time[7] (Gertz and Kharas, 2018[28]).

What will it take to ensure that development co-operation embraces leave no one behind?

Adopting a leave no one behind approach that aligns with other strategic interests requires a strong narrative on development co-operation, backed by a solid theory of change that articulates the long-term benefits of leaving no one behind – and the risks of leaving some behind. This narrative should not shy away from demonstrating that meeting the needs of the furthest behind requires time. But it should also show the potential of consistent, joined-up approaches at various levels, including on the executive boards of multilateral organisations, in international negotiations, when engaging the private sector and in partner countries. Such a narrative will help to build political and public support and resist the pressure to emphasise quick and easy results, leaving space to focus on the transformational interventions needed in many contexts.

Targeted approaches are useful to draw attention to and catalyse efforts for a particular group left behind. Yet alongside evidence-based, targeted programmes, DAC members should seek to apply a leave no one behind lens to the other parts of their programmes. While requiring consistent leadership, this can be an incremental approach, accompanied by the development of appropriate capacities and incentives. More than ever, this also requires a deliberate move towards strengthened collaboration in partner countries, in particular to build partner country capacities, draw on existing diagnostics and data gathering, and share knowledge and best practices on what works and what does not.

DAC members will need to adopt adaptive, flexible and context-specific programming approaches. With each context being different, donors need to be agile. Adaptive management practices can help to reach the furthest behind while contributing to learning through iterative approaches (USAID, 2018[29]). They can help to seize new opportunities as they arise and recognise how innovations can benefit the left behind. And they can broaden accountability to encompass donors, partners and beneficiaries. Working to leave no one behind also requires the development of results indicators and monitoring and evaluation systems that can measure the distance to stated objectives and how effective development interventions are in pursuing these objectives.

Finally, as much as it requires a new mindset, this new vision should not translate into another layer of administrative constraints. The shifts should, rather, benefit development co-operation systems as a whole – increasing their overall performance with the most impactful use of resources possible and a strengthened results orientation.

Notes

1. For a comparative snapshot to DAC member approaches to leave no one behind see here: *http://www.oecd.org/dac/DCR2018-Leave-No-one-Behind.PDF*.
2. As an illustration, in Indonesia, where 100 million people live on less than USD 2 per day, Australia helped the government to improve its targeting of social protection programmes and supported its reform of electricity subsidies to benefit the poorest 40% of households (Commonwealth of Australia, 2018[32]).
3. This provides an incentive to increase loan provision on harder terms, but allow donor contributions to decrease in IDA18.
4. See the case study on institutional guidance for leaving no one behind by SDC in the publication (OECD, 2018) "Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018" is available at: *https://doi.org/10.1787/9789264309333-en*.
5. Populations left behind can be overlooked when progress is measured in averages across the whole population (Samman, 2017[30]). Disaggregated data are, however, lacking in many partner countries. Out of the 42 countries that reported voluntary national reviews to the High-Level Political Forum in 2017, only 14 provided an indication of data on no one left behind, 11 of which noted that additional disaggregated data by sex, region, ability, age, social status or particular groups were needed (CCIC, 2018[31]).
6. For more information see: *http://idpoor.gov.kh/en/home*. See also the case study on the IDPoor poverty identification mechanism by Germany in the publication "Development Co-operation Report 2018: Case studies on leaving no one behind", available at *https://doi.org/10.1787/9789264309333-en*.
7. This might also lead donors to review their internal risk management strategies.

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PART III

Chapter 10

How is financing for development helping to leave no one behind?

by
Eric Bensel, OECD Development Co-operation Directorate, with support from Giorgio Gualberti and Cecilia Piemonte, OECD Development Co-operation Directorate

The 2030 Agenda requires a mobilisation of finance commensurate with its ambitious scope, which includes the bold pledge to leave no one behind. This chapter describes the twofold challenge for development financiers: scaling up finance to implement all 17 of the Sustainable Development Goals; and ensuring that the implementation of these goals benefits even the most marginalised people on the planet. The chapter examines the progress that financiers - public and private, domestic and international - have made towards both objectives and offers suggestions on how to accelerate progress. It highlights specific actions to mobilise greater volumes and more targeted allocations of finance, with a particular emphasis on external private investment, domestic public resources and official development finance.

This chapter also includes an opinion piece by The Right Honourable Keith C. Mitchell, Prime Minister of Grenada, which calls for "All partners to join forces to leave no small island developing state behind."

Development financing

KEY MESSAGES

To fulfil the 2030 Agenda and leave no one behind, development financiers must scale up funding and make sure that it is targeted towards the countries and people most in need.

ODA remains a vital source of financing, particularly in the least developed countries, where it accounts for over two-thirds of external finance.

External private finance and domestic resources raised through taxation have a central role to play.

Total external financial flows disproportionately benefit upper and lower middle-income countries, while low-income countries are being left behind financially.

Trends in ODA allocations suggest they have some way to go to be fit for purpose: bilateral ODA to countries most in need dropped considerably for many from 2011 to 2016. ODA to least developed countries was only 0.09% of gross national income in 2017 – far from the 0.15–0.2% commitment.

Better tracking is needed to ensure ODA reaches the left behind and can be enabled by more granular data on aid activities.

Science fiction writer William Gibson affirmed that "the future is already here – it's just not very evenly distributed."[1] He first expressed this sentiment long before agreement of the Millennium Development Goals and was referring specifically to the unequal access to technology throughout the world. But Gibson's point is equally applicable to development in general. The fact that political leaders felt it necessary, in the 2030 Agenda, to pledge to leave no one behind validates his conclusion.

To live up to this pledge, the global community must mobilise adequate financing and deliver it to the most remote and underprivileged people of the world. The sums of finance spent on development are vast, but their collective reach, as this chapter will demonstrate, has to date fallen short of the mark.

Mindful of the inability of any single resource to finance the full development framework, signatories to the 2030 Agenda called for efforts to mobilise multiple sources: domestic revenues, official development assistance, private investment and "additional financial resources" (UN, 2015[1]). With such a wide array of financing mechanisms and actors, leaving no one behind will require that development programming adapt to a variety of political and socio-economic environments. Chapter 9 considers that issue, while the present chapter focuses specifically on whether donors are living up to their financial commitments.

More specifically, this chapter attempts to determine: 1) the extent to which the major sources of financing for sustainable development are filling the funding gap; and 2) if these sources are reaching those countries and sectors most in need. In the absence of a commonly agreed definition for leaving no one behind, and in the interest of brevity, this chapter limits its scope to finance flowing **to** countries and selected sectors. And in the absence of robust data, it focuses more on needs **across** countries and less on the needs of specific groups at risk of being left behind **within** countries. The chapter closes with some suggestions on how to improve the mobilisation and allocation of finance.

Scaling up development finance – all hands on deck

The 2015 Addis Ababa Action Agenda provided a new vision for development finance. It recognised that the ambition of the Sustainable Development Goals (SDGs) necessitates an equally ambitious financial underpinning (UN, 2015[2]). The United Nations Conference on Trade and Development estimates that the annual investment needed to finance the SDGs in developing countries ranges from USD 3.3 trillion to USD 4.5 trillion, with a USD 2.5 trillion annual shortfall in key sectors (UNCTAD, 2014[3]). While differing figures exist for this funding gap, the common theme running through all such estimates is the same: the financing challenge is formidable. Consider the donor community alone: the SDGs specifically single out international co-operation and official development assistance (ODA, although often referred to simply as "aid") to feed into a very broad cross-section of the framework's goals, targets and indicators (Table 10.1).

But, although ODA is important, comprehensive implementation of the SDGs requires a holistic approach to rally contributions from the full gamut of financing sources – not just aid, but also external private finance, domestic public resources, remittances and philanthropy. Table 10.2 provides 2016 estimates for these flows, with the exception of domestic public resources. Regarding the latter, the ratio of tax revenue to gross domestic product (GDP) is more relevant. In 2016, the median ratio among low-income countries was just 13% (IMF et al, 2016[4]) – that is, below the 15% threshold recognised as the minimum level necessary to sustain development outcomes. For comparison, the median ratio in OECD countries stood at 34.3% in 2016 (OECD, 2017[5]). Encouragingly, donors and partner countries participating in the Addis Tax Initiative[2] have pledged to scale up the mobilisation of domestic revenue, including by doubling support through technical co-operation.

The caveats, assumptions and explanations (outlined in the notes below) for the data in Table 10.2 temper any premature elation over the USD 1.6 trillion total. However, the figures do paint an overall picture of the available finance and therefore hint at the scale of the challenge to fill the remaining gap.

So how far has total financing for sustainable development progressed over the years?

Figure 10.1 illustrates the combined contribution of the various financing sources (excluding domestic public resources), which grew considerably between 2000 and 2016. One cannot easily assess what percentage of external private finance and remittances is attributable to development objectives, but the collective trend is reassuringly upward. Nevertheless, the international community still has significant ground to cover in harvesting the finance required to implement the SDGs.

Table 10.1. **Sustainable Development Goals/targets and indicators explicitly referencing aid**

SDG /targets	Indicators
1.a	
2.a	2.a.2
4.b, 4.c	4.b.1
6.a	6.a.1
7.a	7.a.1
8.a	8.a.1
9.a	9.a.1
10.b	10.b.1
11.c	11.c.1
12.a	12.a.1
13.a	13.a.1
15.a, 15.b	15.a.1, 15.b.1
17.2, 17.9	17.2.1, 17.3.1, 17.9.1

Source: (IAEG-SDGs, 2017[6]), "Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development"

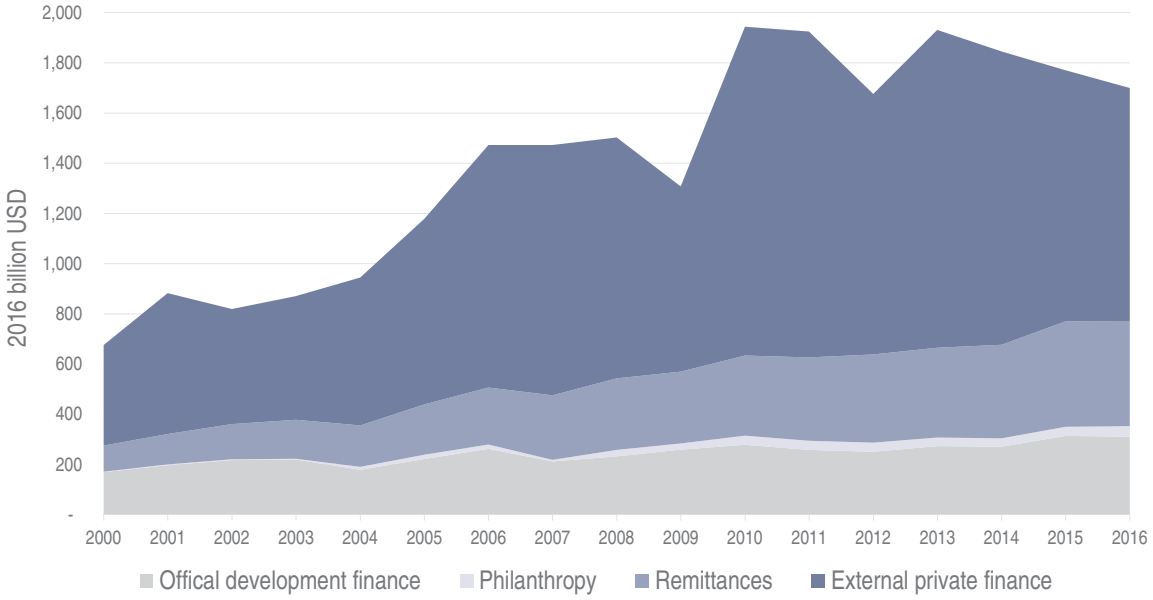
https://unstats.un.org/sdgs/indicators/indicators-list.

Table 10.2. **Cross-border finance to developing countries, 2016**[3]

Type of flow	Total (billion USD)
External private finance[1]	930
Remittances[2]	423
Official development finance[3]	
- Bilateral, concessional	134
- Bilateral, non-concessional	54
- Multilateral, concessional	33
- Multilateral, non-concessional	68
- Non-OECD Development Assistance Committee	22
Philanthropy[4]	8
Total	**1 672**

Source: (OECD, 2018[7]) Development finance statistics, *www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm.*

Figure 10.1. **Cross-border finance to developing countries**



Source: (OECD, 2018[8]), *Global Outlook on Financing for Sustainable Development*.

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Targeting development finance to countries and sectors most in need

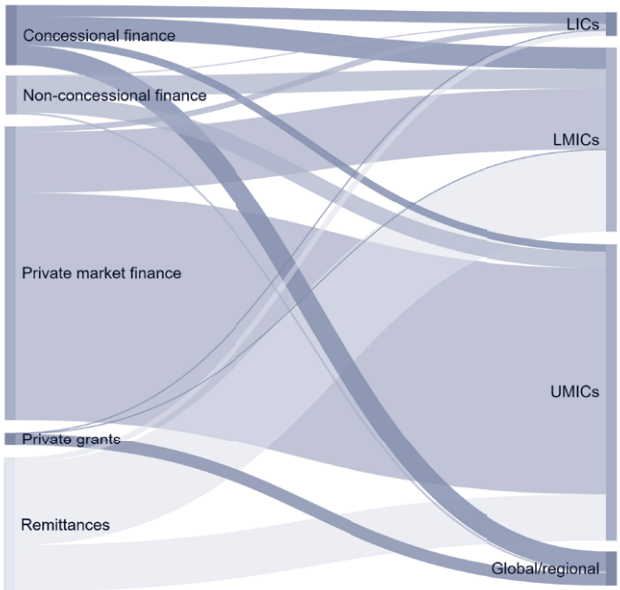
Few dispute the urgency to increase overall volumes of development finance. But in parallel with this drive to increase funding "from billions to trillions" (Development Committee, 2015[9]), development actors must also "shift the trillions" to make demonstrable progress in the neediest countries and sectors. This shift is central to delivering the agenda to leave no one behind.

Although the overarching objective of the OECD Development Assistance Committee (DAC), as expressed in its mandate, is to contribute to implementation of the 2030 Agenda, the committee does not have a definition for "leaving no one behind". However, the DAC has committed to scaling up its efforts for "countries most in need," which include least developed countries (LDCs), low-income countries (LICs), small island developing states (SIDS), land-locked developing countries (LLDCs), and fragile and conflict-affected contexts (FCAC) (OECD, 2017[10]). It is worth noting that these country groupings include around 70 middle-income countries, which are home to a large share of the world's poor and high levels of inequalities (World Bank Group, 2016[11]).

To determine if the neediest or poorest countries are attracting the largest share of finance, Figure 10.2 illustrates the relative volumes and to which country groupings some financing sources directed their flows in 2016, including to LICs, lower middle-income countries (LMICs) and upper middle-income countries (UMICs). The figure demonstrates that these flows disproportionately benefit upper and lower middle-income countries over low-income countries. Furthermore, Chapter 3 identifies 31 countries that are severely off track to meet the headline SDG target (1.1) to end extreme poverty. Eighteen of these 31 countries are low-income countries, which Figure 10.2 suggests are being financially left behind. Recent OECD research on blended finance mirrors this finding: 77% of private finance mobilised by interventions of official development finance went to LMICs and UMICs (OECD, 2018[12]).

As for official development assistance (ODA), DAC members have recently reaffirmed their commitments to allocate 0.15-0.20% of their gross national income (GNI) as ODA towards the least developed countries (OECD, 2017[10]). However, while bilateral aid to the LDCs increased by 4% in 2017 in real terms, this uptick followed several years of decline and, at 0.09%, is still below the GNI target. In fact, Chapter 13 demonstrates that bilateral ODA to many of the countries most in need dropped considerably from 2011 to 2016.

Figure 10.2. **Destination and relative volumes of external financing in 2016**



Source: (OECD, 2018[8]), *Global Outlook on Financing Sustainable Development 2019*, *http://www.oecd.org/development/financing-sustainable-development/development-finance-topics/global-outlook-on-financing-for-development.htm*.

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Those most in need do not necessarily live in the poorest countries

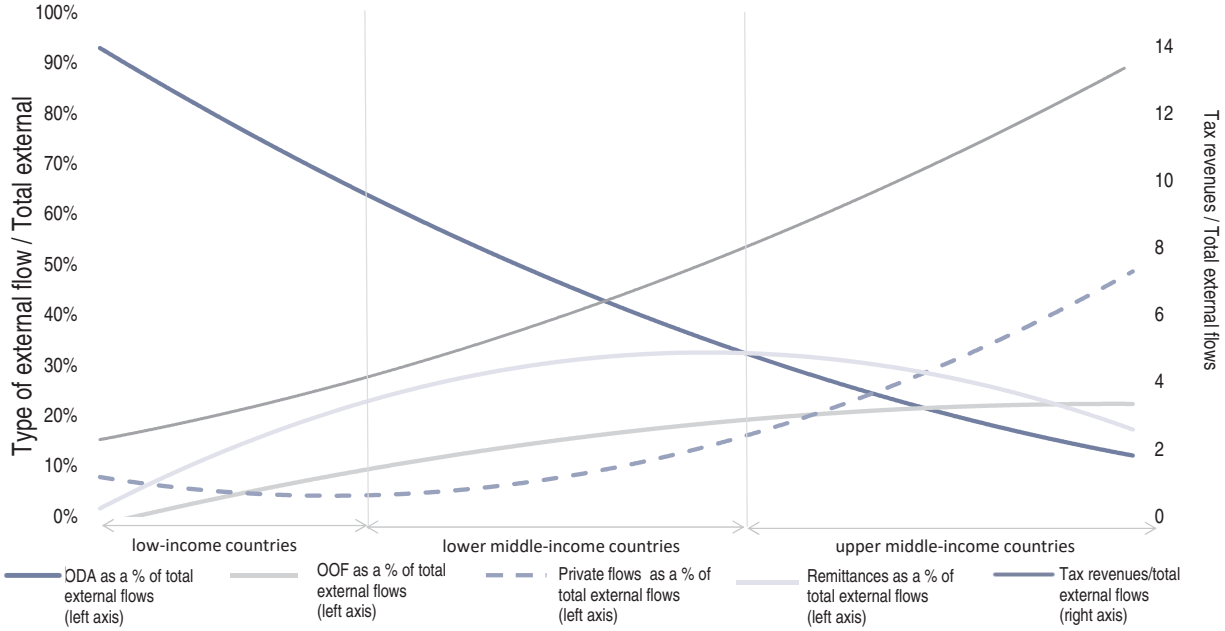
That poorer countries should be the primary beneficiaries of development finance seems self-evident, and yet development challenges do not magically vanish the moment a country ascends above an arbitrarily defined rung of the income ladder. In 2013, around 181 million more of the world's global poor lived in lower middle-income countries than in low-income countries, despite the former's higher income levels per capita (World Bank Group, 2016[11]). So, while development finance can do a better job in supporting the poorest countries, the slightly richer countries still require assistance.

In response to this phenomenon, the OECD is currently conducting research into the behaviour of various financial flows as countries transition through the development continuum. Figure 10.3 demonstrates that ODA drops precipitously as income per capita rises, but that other external flows are slow to compensate for this change. However, when including flows from non-DAC actors (primarily the People's Republic of China), a very different picture emerges (see Figure 1.3 in Chapter 1). Of particular note is the fact that in lower income countries, private flows from non-DAC actors outspend relative to such flows from DAC countries, whereas the reverse is true through official flows. The OECD's ongoing research strives to unpack how development financiers can best calibrate the mix of resources available to countries at various points along the development continuum. In turn, this research can help financiers make sure that no one, in any country, is left behind.

Aid does not always reach those most in need within a country

At the same time, channelling flows to central governments in countries across the development continuum may not be sufficient: recent research suggests that aid does not always directly target the neediest populations **within** a country (Box 10.1). To address such within country inequalities, the World Bank has prioritised, and made progress in promoting, "shared prosperity" even if continued attention is necessary to achieve income growth in the bottom 40% of populations within countries (World Bank Independent Evaluation Group, 2017[13]).

Figure 10.3. **Financing resources available to developing countries, 2012-16, at 2015 prices**



Note: The resources include concessional flows (official development assistance, ODA), non-concessional flows (other official flows, OOF), private flows (foreign direct investments, private securities, and claims from banks and other sources such as bonds, equity, etc.), and remittances.

Source: OECD calculations based on (OECD, 2018[7]), "Development finance statistics" (database), *www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm*.

StatLink *http://dx.doi.org/10.1787/888933880261*

Box 10.1. **Does aid target the poorest?**

Ryan Briggs, Assistant Professor, Department of Political Science, Virginia Tech University

One way to test if foreign aid is leaving people behind is to see if it targets places of relative poverty or wealth within countries. Research shows that aid generally does not target poorer places within recipient countries. In Africa, for example, aid flows to the richer parts of countries. Pro-rich targeting of aid is not so prevalent outside of Africa, but there are no world regions that specifically target aid to poorer locations. Similarly, different aid sectors are more likely to target the rich than they are the poor.

While aid is not disproportionately targeted to poorer places within counties, this does not mean that it is deliberately targeted towards the wealthy. For example, aid may be able to provide more social benefits per dollar if it is targeted to more densely populated, but also richer, urban areas. However, in this case there may be a trade-off between providing more social benefits per dollar and reducing within-country inequality.

But current research only examines the direct effects of aid, and in doing so may miss important general equilibrium effects. For example, aid that promotes industrialisation and is targeted to a relatively wealthy city may in time reduce poverty for rural people outside the urban area. Also, current research leans heavily on data from just a small number of donors: it is only these donors whose aid projects are geocoded. Much more could be learnt if more donors produced geocoded information on the aid they provide.

Sources: (Briggs, 2017[15]) (Briggs, 2018[16]) (Briggs, 2018[17]) and (Öhler and et al., 2017[18]).

In my view: Joining forces to leave no small island developing state behind

by The Right Honourable Keith C. Mitchell,

Prime Minister of Grenada

The 2017 hurricane season was a wake-up call. It caused devastation worth billions of dollars to nine Caribbean nations. Dominica suffered damages of over 200% of its gross domestic product (GDP); reminiscent of Grenada's experience with Hurricane Ivan in 2004. The increased intensity and frequency of extreme weather events further illustrate that small island developing states (SIDS), like Grenada, are the most vulnerable to climate change while being the least responsible for the emissions that create climate change.

No crisis should be squandered, and a new narrative is emerging amongst SIDS. Dominica aims to become the world's first climate-resilient nation. Similarly, in Grenada, our capital city St. George is poised to become the first climate-smart city in the Caribbean with significant technical and donor support. Moreover, collaborating with other Caribbean leaders, Sir Richard Branson and some 40 international private sector players, we announced the Caribbean's aim to become "the world's first climate-smart zone". This coalition of 26 nations is being supported by the Inter-American Development Bank, the World Bank and Mexico. For the OECD and the private sector in member countries, this is an unprecedented opportunity to join forces to ensure that no one is left behind. The Caribbean and other SIDS can be Petri dishes for new climate policies and technologies addressing resilience, renewables and efficiency.

Across the Caribbean there is an USD 8 billion opportunity to install some 8 gigawatts of renewable energy. Renewables are essential for sustainable development. Caribbean nations and other SIDS spend a disproportionate amount of foreign exchange on imported fossil fuels. Compounding this, frequent extreme weather events are creating fiscal imbalances, forcing our nations to borrow expensively with the heightened risk of debt distress. This "triple trap" of fossil fuel dependence, climate impacts and debt overhang create a conundrum that can be resolved at the stroke of a pen by the OECD.

A SIDS Fiscal Space Initiative, consistent with the 2014 SAMOA Pathway, is essential. Such an initiative to enhance environmental sustainability should include a fundamental review of the graduation principle and access to concessionary financing. It should consider the climate risks that are peculiar to SIDS which uniquely experience damages by single climatic events, in excess of 30% of GDP. In Grenada, we pioneered the inclusion of a hurricane clause into our debt instruments. This should become a standard feature of debt issuance to SIDS by the Paris Club, multilateral banks and capital markets. Increasing the options for state-contingent debt instruments and buying down insurance costs should also be considered alongside collaboration on blockchain solutions to the de-risking matter.

SIDS are not seeking handouts, but a level playing field on which to compete in global markets with a view to becoming self-reliant. Our small size and diseconomies of scale militate against participation in commodity markets. A targeted financing mechanism, such as a global fund of funds, supporting public-private development collaboration could help transform SIDS economies towards specialisation in niche, low-volume, high-value goods and services to serve international markets, underpinned by broadband connectivity. Support of OECD member countries towards these ends would ensure that we join forces to leave no one behind.

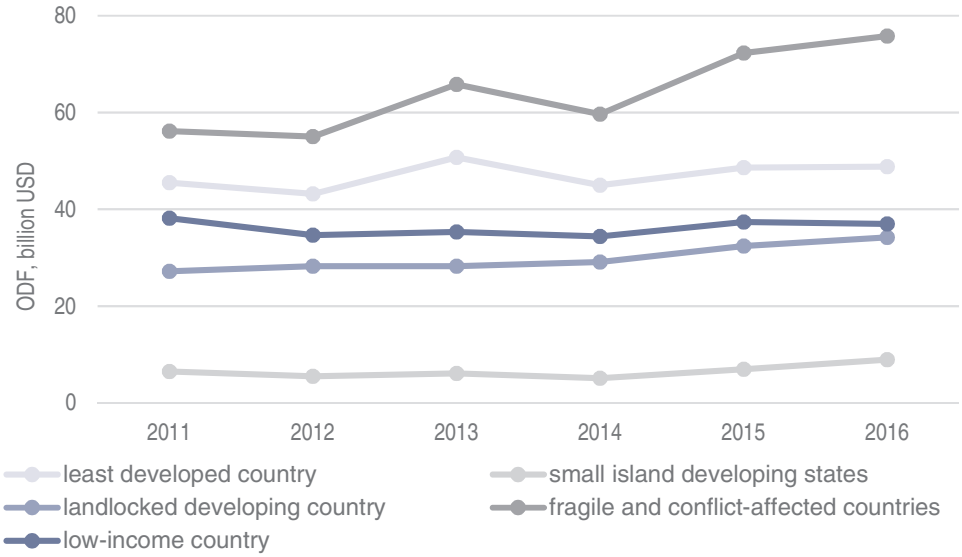
Opportunities to combat within country inequalities may exist through digital technologies (Chapter 12). For example, the healthcare provider Sehat Kahani[4] deploys an all-female ICT-based network of staff to deliver information and advice to rural and low-income urban communities via "e-health hubs" in Pakistan.

Countries whose populations are left furthest behind are diverse and non-homogenous

Gertz and Kharas's approach of identifying severely off-track countries in Chapter 3 is welcome, as it recognises that those populations left furthest behind do not live exclusively in those countries with the lowest income levels overall. Likewise, the OECD Development Assistance Committee has cast a wide conceptual net with its focus on "countries most in need".[5] These countries form a diverse category: of the 100 countries included, more than two-thirds are middle income, and many overlap across sub-groupings. Their needs are far from homogenous: The "In My View" testimony from the Prime Minister of Grenada provides a particularly revelatory study of small island developing states.

As illustrated in Figure 10.4, the recent trend of official development finance flowing to those countries most in need is little more than flat. From 2011 to 2016, the average yearly rate of growth for these sub-groupings was as follows: LICs (-1%), LDCs (1%), LLDCs (5%), FCACs (6%) and SIDS (7%). The collective trend is therefore modestly positive. And although fragile and conflict-affected contexts receive large and rising sums of ODA, this increase is mainly due to a hefty outlay for humanitarian assistance, rather than more strategic, longer term development assistance (OECD, 2018[14]).

Figure 10.4. **Trends for official development finance to the sub-groupings of countries most in need, 2011-2016**



Source: (OECD, 2018[7]) "Development finance statistics" (database) *www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm.*

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Support for education, health and energy does not always target those most in need

But what about different development sectors? Does aid target countries where sectoral needs are the greatest? An analysis of data on sectoral and sub-sectoral aid against indicators for sector-specific needs[6] suggests that an adjustment in allocations would better reach those left behind.

Take, for example, three major SDG sectors: education, health and energy. Together, these sectors accounted for 26.8% of overall ODA in 2015-16 (from bilateral and multilateral donors). If one were to identify those countries that collectively represent 80% of global needs in key sub-sectors, what percentage of ODA would flow to them?

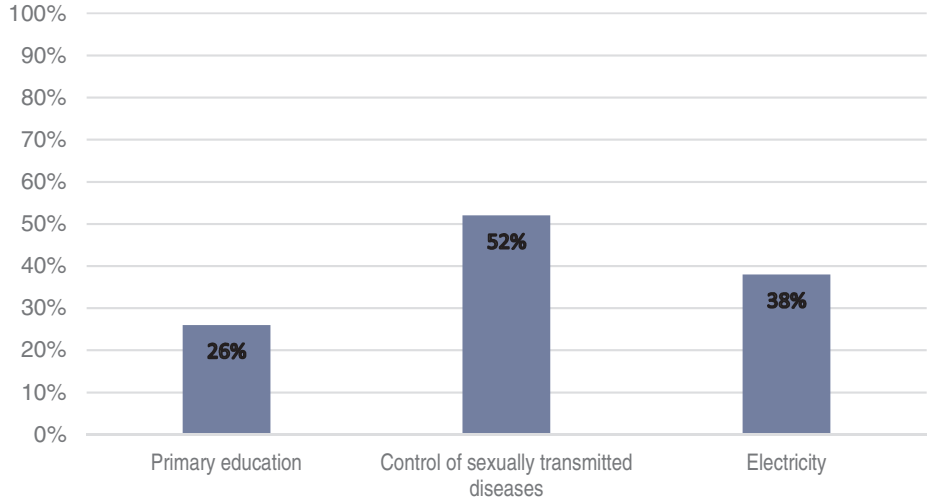
Let's start with education. Although this sector experienced an upward blip in its share of total aid (excluding debt relief) in 2016, education previously suffered five consecutive years of falling aid, from 10% of ODA in 2009 to 6.9% in 2015 (UNESCO, 2018[19]). Of ODA targeting education, the sub-sector of primary education enjoys one of the largest shares (24.7% in 2015-16). However, these funds do not always reach those most in need. Data from the United Nations Educational, Scientific and Cultural Organization (UNESCO)[7] reveal that 23 countries[8] account for more than 80% of the total of primary age children out of school in developing countries. But donors allocated just 26% of aid commitments in primary education to these countries.[9]

The health sector fares considerably better. The SDG target 3.8 calls for universal health coverage, thereby seeking to leave no patient behind. The health sub-sector that received by far the largest share of ODA (31%) in 2015-16 was control of sexually transmitted diseases, including HIV/AIDS. Data from the World Health Organization[10] reveal that 17 countries[11] account for around 80% of the population living with HIV/AIDS in developing countries. More than 52% of ODA for HIV flowed to these 17 countries.

As for the energy sector, nearly all the aid provided goes to electricity (99%), but does not necessarily reach those most in need. Data from the International Energy Agency[12] reveal that 21 countries[13] represent 80% of the world population without electricity. However, donors allocated only 38% of their ODA for electricity to these 21 countries.

One would not expect 100% of ODA allocations in a given sector to target exclusively the countries with the highest concentration of needs – this would actually be counter to the pledge to leave no one behind, since sectoral needs fan out across the developing world and many countries with smaller concentrations still require aid to meet those needs. However, a simple eyeball test (Figure 10.5) suggests aid is underserving large segments of the neediest populations, at least for these three priority sub-sectors.

Figure 10.5. **Share of official development assistance targeting those countries with 80% of global needs in key sub-sectors of the Sustainable Development Goals**



Source: (OECD, 2018[7]), "Development finance statistics" (database): *www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm*.

Equally important in the drive to leave no one behind are the cross-sectoral "global public goods", e.g. gender equality, peace and security, global financial and environmental stability, and development data. The global community could usefully provide clarity on those partners responsible for safeguarding these goods and the division of labour among them; increased volumes and predictability of funding to preserve these goods would also be welcome (OECD, forthcoming[20]). Cross-boundary issues such as forced displacement further complicate efforts to leave no one behind. Aid to a single country is insufficient in such cases, since refugee communities often straddle borders in fleeing conflict. The development community must therefore adapt to fluid situations and engage a variety of actors in order to reach all those affected.

Conclusion

It is clear that the global community must both scale up its financing levels to achieve the SDGs and improve its targeting of allocations in order to reach the countries and sectors where needs are greatest. Each type of development financier, through each type of financial flow it offers, can make improvements to its way of working to accelerate progress towards leaving no one behind, as outlined below.

External private finance has a central role to play

In light of its current (and potential) volume of finance flowing to developing countries, the private sector is the vein that development financiers ought to tap the most vigorously (OECD, 2018[8]). External private finance does flow into development, but corporations need adequate incentives to fully integrate developing country investments into their business models.

Donors can help provide these incentives by de-risking investments in areas where the private sector is particularly reluctant to work (e.g. fragile and conflict-affected contexts). Blended finance, for example, "can address the risk-return profiles of investments in developing countries and help attract commercial investors" (OECD, 2018[12]). The European Union sets a good example: grants through its blending facilities have "helped overcome the viability gap for projects that would have otherwise not been bankable for many European development finance institutions" (OECD, 2018[12]).

Development is not sustainable without adequate levels of domestic public resources

Domestic public resources are the keystone of any country's capacity to direct and sustain its own development. Countries must increase domestic capacities to collect revenue and boost their tax-to-GDP ratio. Greater engagement in the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Inclusive Framework on Base Erosion and Profit Shifting, and the Addis Tax Initiative can also help mobilise resources.

Further investment to build the *Global Revenue Statistics database*[14] would help provide comparable and reliable statistics and thereby inform the development of better tax policies. Governments should also curb tax avoidance and evasion as well as wasteful tax incentives to reduce the amount of finance and assets flowing out of their countries. They should also invest in diaspora bonds to stimulate capital inflows from expatriate investors.

Donors and their developing country partners must combat illicit financial flows, which drain resources away from a country's coffers. Current analyses suggest that illicit flows from Africa exceed the amount of ODA to that continent (OECD, 2018[21]). In addition, the 2015 Addis Ababa Action Agenda and the SDGs both call for a reduction in the transaction costs of migrant remittances to less than 3%. Such a reduction could trigger a windfall for recipient countries, as the global average cost in the first quarter of 2018 more than doubles that figure at 7.1% (World Bank Group, 2017[22]).

But one mustn't let aid off the hook

Official development assistance is far from sufficient to cover the full price tag of the 2030 Agenda. Admittedly, even if all 29 member countries[15] of the DAC were to reach the United Nations target of allocating 0.7% of their gross national income to ODA,[16] the total ODA volume in 2017 would not have exceeded USD 350 billion. That figure alone cannot bankroll the SDGs, but it would certainly provide a welcome financial boost. One must remember that aid remains a vital source of financing, in particular in the least developed countries, where it accounts for over two-thirds of external finance[17] and in fragile and conflict-affected contexts, where it is often the only recourse for the provision of basic services (OECD, 2018[14]).

Increased and better targeted allocations of official development finance are an obvious and necessary starting point for achieving progress in reaching the furthest behind. Measures include leveraging private investment, safeguarding global public goods, and strengthening tax capacities in developing countries – in particular in the "severely financially challenged countries" that struggle to fund core social sectors from public revenues (Manuel et al., 2018[23]). In addition, to better track support for leaving no one behind, donors should provide more granular data on their aid activities to the DAC Creditor Reporting System. They can do this by geocoding activity-level data to identify the subnational populations benefiting from their finance (which "blockchain technologies" can potentially facilitate – see Chapter 12) and by reporting against the reporting system's forthcoming markers to track disability and SDGs.

Philanthropic organisations and individuals also have a role to play: these development actors should invest even further in innovative approaches and increase the availability of data on their donations (OECD, 2018[24]). As major players in global health initiatives, philanthropists should recalibrate their disease-specific funding in order to strengthen the national health systems in developing countries (Storeng, 2014[25]).

Deeper and more systematic engagement between philanthropic foundations and other development actors, and the Global Network of Foundations Working for Development, could also help the broader development community better co-ordinate and target its interventions. In recent years, a number of global dialogue platforms have helpfully opened their governing boards to include philanthropic organisations. These platforms include the Global Partnership for Effective Development Co-operation and the International Health Partnership for Universal Health Coverage 2030 (OECD, 2018[24]).

A final word on the DAC. The narrative on development co-operation advocated in Chapter 1 could usefully include a common definition for leaving no one behind. This definition should go beyond the DAC's commitment to reversing the declining trend of ODA to countries most in need. For example, with an agreed list of forms of exclusion (e.g. marginalisation tied to sexual orientation or religious affiliation), the OECD could – through statistical markers or machine learning – track financial flows supporting inclusion. The DAC has already committed in its mandate to work toward "a future in which no country depends on aid". However, aid must champion disadvantaged communities within countries if that future is to be, as Gibson would suggest, evenly distributed.

Notes

1. Gibson expressed this first in an interview on National Public Radio's "Fresh Air" programme, 31 August 1993.
2. See: *https://www.addistaxinitiative.net/index.htm*.
3. (i). The OECD defines external private flows as those provided under market terms and financed from private sector resources and private grants. (Private grants are included under philanthropy.) While this source of finance is by far the largest flow in terms of volume, it is unclear what percentage of such finance targeted activities aligned with development objectives. (ii) This figure refers to remittances to low- and middle-income countries in 2016 (World Bank Group, 2017[22]). (iii) The official development finance figures include official development assistance and other official flows. Definitions are available at: *www.oecd.org/dac/financing-sustainable-development/*

development-finance-data/dac-glossary.htm. The total official development finance figure of USD 310.6 billion extends coverage to include estimates of ODA-like flows from large non-DAC providers (e.g. People's Republic of China and India), non-concessional lending from the International Monetary Fund, and commitments from the International Finance Corporation as proxies for disbursements. (iv) The figure USD 8 billion per year in philanthropy is a three-year average for the period 2013 15 (OECD, 2018[7]). This figure does not include private grants from non-governmental organisations, as these are captured under bilateral ODA.

4. See: *www.sehatkahani.com*.
5. It is important to note that the DAC definitions for these country groupings do not align perfectly with definitions from other organisations.
6. Admittedly, the choice of needs indicators was based in part on data availability. Furthermore, needs indicators are used as a proxy for the needs of the sector. ODA can, of course, cover other needs not identified by the indicator. For example, a country with no out-of-school children might still need education-targeted ODA for education facilities and training.
7. SDG indicator 4.1.1 is a Tier III indicator and has not yet been fully developed; therefore, the authors looked to UNESCO data on out-of-school children as an approximation of primary school needs, drawing on 2011–16 averages found at: *http://data.uis.unesco.org/Index.aspx?DataSetCode=EDULIT_DS*.
8. In descending order of magnitude, these countries are: Pakistan, India, Ethiopia, Sudan, United Republic of Tanzania, Indonesia, Niger, Kenya, South Sudan, Mali, Angola, South Africa, Burkina Faso, Côte d'Ivoire, Brazil, Uganda, the Syrian Arab Republic, Mozambique, Chad, Yemen, Senegal, Ghana, and Thailand.
9. It is interesting to note that the countries include some middle-income countries for which ODA might be quite small relative to the overall education budget. On the other hand, some of the countries for which data are not available (such as Nigeria and the Democratic Republic of Congo) might have relatively high populations of out-of-school children.
10. Based on 2017 data. See: *http://apps.who.int/gho/athena/data/GHO/HIV_0000000001?*filter=COUNTRY:*;REGION:*&format=xml&profile=excel.
11. In descending order of magnitude, these countries are: South Africa, Nigeria, India, Mozambique, Kenya, Tanzania, Uganda, Zimbabwe, Zambia, Malawi, Brazil, Indonesia, Ethiopia, Cameroon, Côte d'Ivoire, Thailand, and the Democratic Republic of the Congo.
12. Drawn from a database at: *https://www.iea.org/energyaccess/database*.
13. In descending order of magnitude, these countries are: India, Nigeria, the Democratic Republic of the Congo, Ethiopia, Pakistan, Bangladesh, Tanzania, Uganda, Indonesia, Myanmar, Sudan, Mozambique, Madagascar, the Democratic People's Republic of Korea, Niger, Angola, Kenya, Malawi, Burkina Faso, Yemen, and Chad.
14. See: *www.oecd.org/tax/tax-policy/global-revenue-statistics-database.htm*.
15. As of 2017, the DAC comprises 30 members, including the European Union. However, gross national income figures for the latter do not exist; therefore, an ODA/GNI ratio for the EU cannot be calculated.
16. In 2017, five DAC members – Denmark, Luxembourg, Norway, Sweden, and the United Kingdom – met the 0.7% ODA/GNI target, as did non-DAC countries Turkey and the United Arab Emirates.
17. See: *www.oecd.org/development/development-aid-stable-in-2017-with-more-sent-to-poorest-countries.htm*.

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PART III

Chapter 11

Adapting programming to leave no one behind: Lessons from the NGO Humanity & Inclusion

by
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The commitment to leave no one behind provides an opportunity for all organisations tackling inequality and exclusion to renew their approaches. This chapter reflects the experience of the organisation Humanity & Inclusion – formerly Handicap International – in seeking to operationalise the leave no one behind agenda through more adaptive and evidence based programming. It explains how the commitment to leave no one behind provided a transformative opportunity to develop a new theory of change around the intersecting factors of inequality that reinforce the exclusion of certain people from the services they require. A second step was to develop an analytical framework around the perspective of universal access to services, which serves as a tool to identify how services function and where barriers arise. A third step was to create an Institutional Policy on Disability, Gender and Age, which includes implementation guidelines and markers and drives teams and partners to respond effectively wherever people are left behind due to disability, gender or age.

Adapting programming to leave no one behind

KEY MESSAGES

It is important to differentiate between the factors that reinforce inequalities and exclusion in a given environment, while also recognising how these intersect.

Agenda 2030 is an opportunity to re-articulate the development co-operation theory of change around goals of universal access to services for all, and focus on actions seeking to change situations of vulnerability, including disability.

Operationalising the pledge to leave no one behind requires a strong commitment to inclusion and attending to all the intersecting factors of inequality that prevent people from accessing the services that they need and have rights to.

Committing to leave no-one behind is an opportunity to focus on transforming existing analytical frameworks into inclusive and adaptable goals across work areas.

Growing inequalities between and within countries aggravate the environments that induce exclusion and discrimination. In both emergency situations and in daily life, the most marginalised people are being hit the hardest as they encounter many more barriers – legal, financial, social and attitudinal – to participating in all aspects of society.

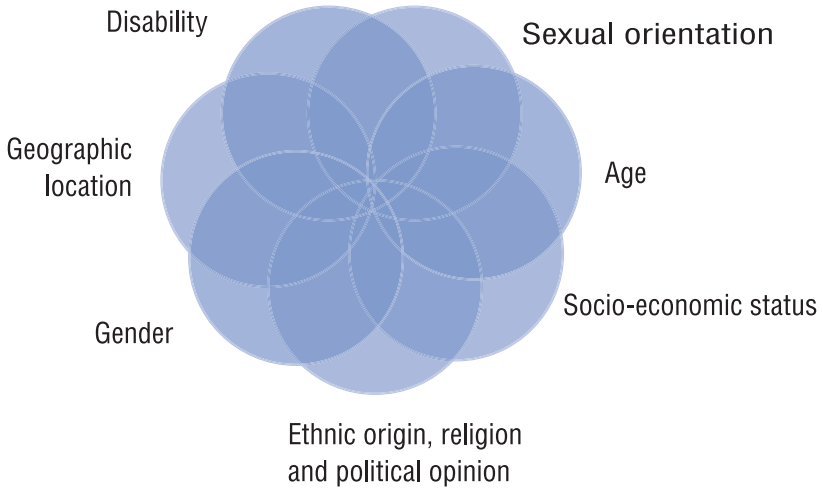
With the 2030 Agenda (UN, 2015[1]) and the Agenda for Humanity adopted at the 2016 World Humanitarian Summit (UN, 2016[2]), countries have pledged that development and emergency actions will leave no one behind and effectively reach the furthest behind first. They have promoted inclusion as a means to ensure equal access to fundamental rights for all, and to build strong and sustainable societies. Leave no one behind is a call for an inclusive transformation – a break with exclusionary business as usual.

In 2018, the 35-year-old organisation Handicap International responded to these agendas with a new name and theory of change. Now known as Humanity & Inclusion, it is applying a unique Access to Services Analytical Framework centred on universal access to services. This framework describes the intermediate changes necessary to break down barriers to inclusion, and specifies the types of actions to be implemented, adapted to each setting, sector of intervention and population of concern.

Intersecting barriers to inclusion

Poverty, marginalisation and vulnerability are aggravated when multiple factors intersect. At least nine individual factors reinforce inequalities and exclusion as a result of the perceptions, beliefs and power relations prevalent in a given environment (Figure 11.1). These are disability, age, gender, sexual orientation, socio-economic status, geographic location, ethnic origin, religion and political opinion. The effects of these factors are not the same everywhere; advanced age, for instance, can be a source of legitimacy for exercising authority in some contexts, while in others it can lead to social isolation and marginalisation. As a general trend, however, factors that lead to inequality tend to reinforce each other when they intersect, combining into situations of multiple discriminations, vulnerabilities and exclusions.

Figure 11.1. **Factors that reinforce inequalities and exclusion**



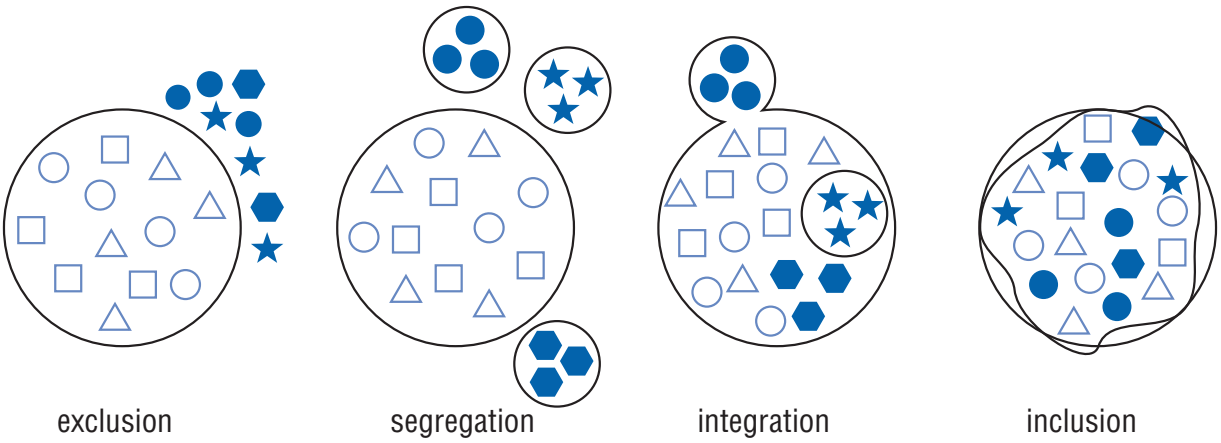
Source: Author

The intersecting forms of discrimination experienced by persons with disabilities and other exclusionary factors often also result in significant restrictions to their access to services. These are services to which they are entitled, and which they need to lead dignified and fulfilled lives – or sometimes just to survive. They are resources that are intended to meet all people's needs in accordance with their fundamental rights, such as health, education, water, sanitation, justice, law enforcement and social services.

Developing a new theory of change: Towards universal access to services

For 35 years, Humanity & Inclusion's theory of change aimed to respond to the essential needs, improve the living conditions, and promote respect for the fundamental rights and dignity of persons with disabilities and vulnerable populations. Through the focus on the most excluded, leaving no one behind has been an integral but implicit part of the theory of change. By emphasising inclusive policies, strategies and programmes, leaving no one behind becomes more explicit in line with definitions and guidance from the UN Committee on the Rights of Persons with Disabilities (CPRD) (Figure 11.2).[1]

Figure 11.2. **A graphic representation of getting from exclusion to inclusion**
Based on the United Nations Committee on the Rights of Persons with Disabilities



Source: Adapted from CRPD (2016[3]), "General comment No. 4 on the right to inclusive education", *https://www.ohchr.org/EN/HRBodies/CRPD/Pages/GC.aspx*.

But we are constantly challenged to do more and better to achieve concrete results and change, including through innovative approaches and learning from successes and mistakes. The 2030 Agenda and Agenda for Humanity provided an opportunity to contribute to a larger more ambitious vision that challenged development and humanitarian organisations like ours to adapt programming and responses to the major changes underway.

To enhance universal access to services we revised our theory of change. Anthropological analysis according to which human development results from interactions between individuals and their environment at micro, meso and macro levels informed the new theory (Brofenbrenner, 1979[4]). The risks of experiencing discrimination or exclusion are indeed greater for certain people, households or communities due to incompatibility between their environment (physical and social) and their unique characteristics, identities, needs and priorities. Such situations reinforce vicious cycles of poverty, and in some cases represent significant risks to people's lives. Threats that may affect the well-being and the development of people, households and communities can become real causes of impairment, disability and discrimination. These threats include conflicts, injury or trauma, natural disasters, malnutrition, disease (infectious, non-communicable, congenital or chronic), accidents and ageing.

In light of this analysis, we decided to focus actions on the following two situations in which exclusion and discrimination can occur:

1. **Situations of vulnerability**, referring to significant exposure to one or more types of threat likely to limit or impede the satisfaction of a person's or a population's basic needs and access to their fundamental rights, depending on the capacity of these individuals or populations to anticipate, cope or recover.
2. **Situations of disability**, referring to effective restrictions to people's participation caused by negative interactions between people with impairment and the environment they live in.

Whether working in situations of vulnerability or disability, HI programmes and actions must relate to people, to their environments, and also, crucially, to the interactions between people and environments. It is therefore essential to analyse the factors that influence these interactions. We do so to bring about changes that will reduce risks, strengthen the capacities of individuals and communities, and remove barriers in their environment, thereby allowing for the full and effective participation of all people in community life, on an equal basis.

Access to services as an analytical framework

To guide our concrete actions towards this vision of full and effective participation in community life for all, with specific attention to the most excluded - persons with disabilities and vulnerable populations – we developed the Access to Services Analytical Framework. This framework also builds on the obligations of countries, as embedded in their commitments to global agendas and to international treaties such as the Convention on the Rights of Persons with Disabilities.[2]

Drawing on decades of experience operating in more than 60 countries and a diversity of situations, 8 major types of barriers to accessing services for persons with disabilities and vulnerable populations were identified (Box 11.1). In light of these barriers, the analytical framework enables deeper analysis of the functioning of services, and therefore also set the expected results of each envisaged action, with regard to the two important dimensions of governance and service quality (Box 11.2).

Box 11.1. **Barriers that frequently prevent persons with disabilities and vulnerable populations from accessing services**

Inadequate policies: Policies, if they exist, are not properly implemented, funded or monitored.

Inadequate services: Services, if they exist, suffer from weak capacity of providers and professional staff and diverse obstacles during delivery.

Insufficient involvement and participatory approaches: Persons with disabilities and vulnerable populations are not consulted or sufficiently represented, and do not participate in decision-making processes that concern them.

Negative attitudes: Communities, societies, institutions and even governments stigmatise persons with disabilities and vulnerable populations, adopting negative attitudes and behaviours towards them.

Insufficient and inadequate funding: Funding, including the funding from international co-operation upon which many persons with disabilities and vulnerable populations living in poor countries depend, is insufficient or inadequate to meet their needs and priorities.

Insufficient data: There are not enough data to understand, and help others understand, the situation of persons with disabilities and vulnerable populations and to provide a satisfactory response.

Lack of individual opportunities: Persons with disabilities and vulnerable populations lack access to opportunities that would enable them to acquire the skills and confidence required to actively engage in improving their situation.

Extreme perturbations of the environment: Humanitarian crises, linked to natural disasters or armed conflicts, are the cause of death, injuries, population displacement, infrastructure destruction, or contexts of political tensions or heightened corruption.

By applying, systematically, the same analytical framework to identify the deficiencies of a given system of services and measure where and how to intervene, the coherence of interventions throughout the emergency-rehabilitation-development continuum can be strengthened. The analytical framework allows for operational modalities to differ according to context and seeks to facilitate the transition between chronic crises, emergency response, reconstruction and development. The principle of continuity is a key quality criteria. At the same time, being context specific and capable of adapting

to each context is central to achieving access to services for all and the often-ambitious intermediate changes it requires. Careful attention needs to be put into assessing how the nine factors of inequality intersect in different contexts, while paying attention, systematically, to disability, gender and age in particular.

Box 11.2. **Governance and service quality: Understanding two key dimensions that affect access to services**

Governance of the services stakeholder system: This is about assessing the consideration given to services at the political level, shown through laws and regulations overseeing service provision, and at the user level, in terms of the demand for services.

- Decision makers must define strategic orientations and resources enabling access to services for all, evaluate the needs and priorities of users, and guarantee and supervise service provision.
- Service providers must ensure that the services they provide meet the needs and priorities of their users, and provide expertise for the improvement of the services system.
- Service users must be able to express demands, needs and priorities in terms of services and an opinion regarding service quality.

Service quality: Quality is assessed through ten criteria:

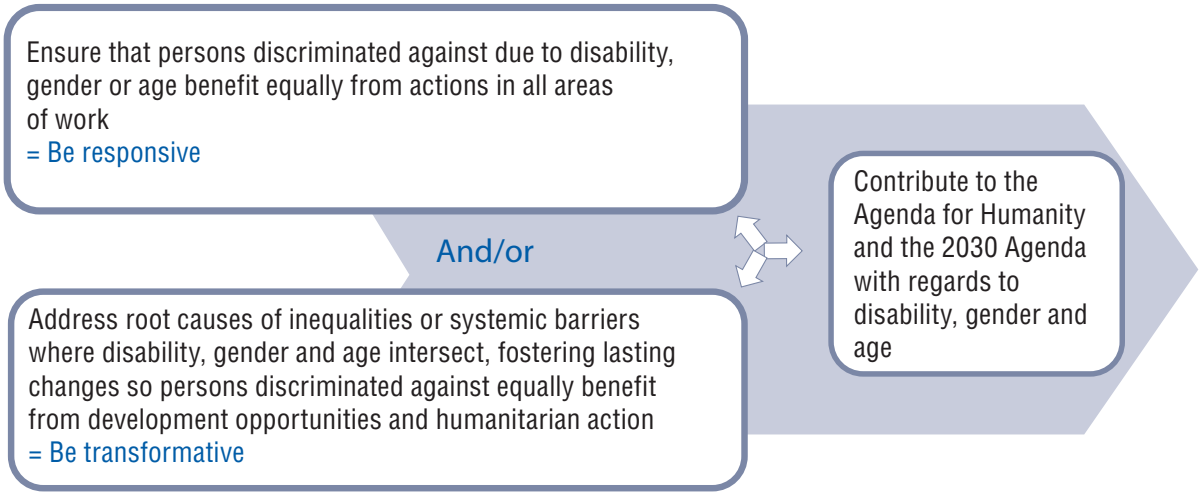
1. availability
2. participation and participatory approaches
3. non-discrimination
4. accessibility
5. adaptability
6. affordability
7. centred on the person
8. accountability
9. continuity
10. technical quality.

Going one step further in focusing on disability, gender and age

Disability, gender and age are universal determinants that interact with one another to shape the realisation of human rights. They are socially constructed norms that can be observed in any human group, and are key to understanding different people's capacities, needs and exposure to risks in any context or crisis. They must therefore be systematically taken into consideration, in all contexts. In 2018 we developed an Institutional Policy on Disability, Gender and Age, including implementation guidelines and markers to provide the most innovative and accurate responses to situations of exclusion and vulnerability.

Operationally speaking, the policy establishes a twin-track approach to disability, gender and age equality that focuses on taking actions to end inequalities throughout humanitarian and development work at all levels (including policies and funding), while supporting initiatives to empower the discriminated groups. The key action brought about by this policy is to define the appropriate level of the desired effect. Effects can range from "unaware" of disability gender and age, to "aware/sensitive", to "responsive", to "transformative". HI decided to be, at a minimum, responsive to these factors of inequality in all areas of work, and to be transformative wherever possible (Figure 11.3).

Figure 11.3. **Humanity & Inclusion and its partners approach to disability, gender and age equality**



Source: Authors

Being responsive in all work areas means systematically developing tailored, pragmatic and innovative solutions to ensure that persons discriminated against on the basis of disability, gender or age benefit equally.

This requires:

- Strengthening the capacities of persons discriminated against on the basis of disability, gender and age.
- Strengthening the application of the core guiding principles relating to participation, equality and non-discrimination,[3] universal access, and safeguarding.
- Working with service providers and decision makers to break down the barriers faced by people discriminated against on the basis of disability, gender or age to ensure they can access all services. This means putting in place dedicated measures, including positive action and reasonable accommodation, while strengthening the capacities of decision makers and service providers.

To be transformative wherever possible and relevant means acting on the root causes of inequalities and the systemic barriers where disability, gender and age intersect, and fostering lasting changes so persons who face discrimination benefit equally from development opportunities and humanitarian action (Box 11.3).

Being transformative relies:

- Empowering persons discriminated against on the basis of disability, gender and age, and their representative organisations, to meaningfully participate and voice their interests, by:
  - building individual capacities, supporting the development of self-confidence, soft skills and social skills and facilitating peer-to-peer support
  - supporting self-representation, local movements and alliances in advocating at local and national levels for policy reforms that realise human rights.
- Strengthening capacities of persons facing discrimination, authorities and policy makers, service providers and international actors to:
  - co-ordinate and improve the governance of a sector or a service, equalising opportunities and proposing responses adapted to needs, strategic interests, capacities and priorities of women and men with disabilities of all ages who face discrimination
  - ensure meaningful participation, equality and non-discrimination, universal access, and safeguarding.

- Influencing and supporting the development of more inclusive policies and practices, and ensure they are monitored on their impact on different groups of people discriminated against. This includes putting in place adequate data disaggregation and participatory mechanisms.
- Challenging global and local power systems based on and fuelling prejudice and systemic inequalities based on disability, gender and age.

In all cases, an analysis of local contexts, capacities and partnerships should inform programming choices. In certain contexts such as armed conflicts, or when the duration of interventions is short, individual organisations and actors may not have the capacity to enable transformative actions.

To deliver on this new theory of change and policy, Humanity & Inclusion is engaging in a process to adapt projects and programmes to make them, at minimum, responsive to disability, gender and age. We are:

- strengthening partnerships and all forms of collaboration for disability, gender and age equality
- strengthening the application of the core guiding principles in all phases in the project cycle and programmatic frameworks: participation, equality and non-discrimination, universal access, and safeguarding
- ensuring disability-, gender- and age-differentiated analysis in all phases of the project cycle and programmatic frameworks
- building a strong base of evidence regarding discrimination based on disability, gender and age.

Specific tools also need to be developed to support staff in transitioning to new ways of working so that new operational commitments are delivered in each phase of the project cycle and in programming frameworks. Tools include a disability, gender and age marker, which allows teams to assess whether programmes are unaware, aware, responsive or transformative of these factors. The marker will guide teams to set ambitions about responsive and transformative programming, set time-bound targets, and reflect and learn with regard to disability, gender and age. It will, furthermore, support reflection and learning at the macro organisation level which feeds into and shapes the global focus on disability, gender and age.

Box 11.3. **Fighting sexual violence against children: The Ubuntu Care project**

The project "Ubuntu Care: Confronting Sexual Violence against Girls and Boys, including Girls and Boys with Disabilities, in Rwanda, Burundi and Kenya" started in 2013. It aims to address the root causes and mitigate the consequences of violence against children, especially those with disabilities.

According to the disability, gender and age marker used by Humanity & Inclusion, the Ubuntu Care project qualifies as responsive to situations of exclusion based on these three factors. Indeed, through the project, girls and boys with disabilities access services. The project is transformative on many levels:

- It is enhancing the capacities of girls and boys, with and without disabilities, so they can become agents for their own protection.
- It is strengthening the capacity of local communities to establish their own child protection safety nets.
- It is building capacity among existing public health, justice, police and education services to conduct multi-disciplinary case management towards assistance and inclusion of survivors, including survivors with disabilities.
- It is supporting men's associations that are promoting positive masculinity through campaigns in villages aimed at changing people's mindsets concerning violence.

Conclusion

There is more to leave no one behind than changing the way development and humanitarian assistance is distributed; it is fundamentally a commitment to inclusion. To operationalise this commitment development and humanitarian organisations, like Humanity & Inclusion, need to change the way they assess and treat exclusion and discrimination. Changes include:

1. attending to all of the intersecting factors of inequality that prevent people from accessing the services they need and have rights to;
2. challenging existing analytical frameworks and assumptions by asking whether these guide actions towards global, and universally inclusive, goals, while being adaptable enough for every context; and
3. breaking down silos between work areas, emphasising a shared commitment to action that responds to, and seeks to transform, the factors that leave so many people behind.

For this, new evidence and data are needed, as well as innovative projects, and funding systems that can adapt to these new requirements. All of these changes are integral to committing to leave no one behind. Operationalising that commitment has transformed our organisation, so that efforts focus more sharply on inclusive human development.

Notes

1. Humanity & Inclusion placed this core value of leaving no one behind at the centre of its identity when "Inclusion" became part of its new name in 2018.
2. Humanity & Inclusion also pays special attention to United Nations General Assembly Resolutions 46/182 and 58/114 on the co-ordination of humanitarian assistance (UN, 2003[8]) (UN, 1991[11]); the Oslo and Ottawa Treaties on cluster munitions and land mines (UN, 2008[7]) (UN, 1997[9]); the Sendai Framework for Disaster Risk Reduction (UNISDR, 2015[12]); the Beijing Declaration and Platform for Action to achieve gender equality (UN, 1995[10]); and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (UN, 2015[6]).
3. A non-exhaustive compilation of international law instruments where inclusion, participation, equality and non-discrimination are considered as regards to gender, age and disability:

   Human rights law: Convention on the Rights of Persons with Disabilities (UN, 2006[5]), Articles 9, 11, 19 and 32; Convention on the Rights of the Child, Articles 2, 6, and 23; Convention on the Elimination of All Forms of Discrimination against Women, Article 2; 1951 Convention relating to the Status of Refugees, Articles 3 and 23.

   Humanitarian law: Geneva Conventions, Common Article 3; Fourth Geneva Convention, Articles 16 and 17; Additional Protocol I, Articles 75, 76 and 77; Additional Protocol II, Articles 4 and 7.

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PART III

Chapter 12

Using foresight methods to adapt development co-operation for the future

by
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To design long-term solutions that ensure no one is left behind, it is necessary to consider the possible alternative futures that lie ahead. Strategic foresight, an approach to think systematically about the future, can support actors in development co-operation to engage with uncertainty and develop solutions that meet both existing and future needs. It allows them to sense and shape the future as it emerges, while building resilience, harnessing the potential of emerging technologies and other trends, and mitigating future risks.

This chapter examines the potential for the development co-operation policy community to use strategic foresight to increase the effectiveness of development interventions; to support developing country governments and citizens; and to achieve the 2030 Agenda for all, in a lasting and adaptable way. It provides examples of how foresight has been used in the sector and concludes with practical ideas for applying foresight to development co-operation.

This chapter also includes an opinion piece by Achim Steiner, UNDP's Administrator, on "Why technological change raises the stakes for action to leave no one behind."

Foresight methods

KEY MESSAGES

As a systematic process for engaging with uncertainty, strategic foresight can help transform development policy making to be more agile and outward facing, reflecting today's volatile, interdependent and uncertain world.

Strategic foresight can contribute to meeting the SDGs for all, providing space and approaches to explore a common, strong and collaborative vision of a future for all that includes marginalised communities.

In developing and emerging economies, strategic foresight is becoming a powerful, effective way to harness diverse views in a unified approach to national planning.

Strategic foresight can help providers of development co-operation take a proactive approach to new and disruptive technologies – supporting an 'anticipatory' approach to regulation, decision making and technology use, while helping to explore challenges and risks.

To support real progress in achieving the SDGs for everyone, providers of development co-operation should harness strategic foresight to be 'future fit' and build on insights and capabilities to explore futures together.

> *"Strategic foresight means better policies … [it] is one way to inform good decisions. It is about questioning what we expect, and testing whether our hopes are realistic. It is about reaching beyond forecasting into exploring the unexpected".*

Angel Gurría, OECD Secretary-General (2018[1])

> *"[We] need enhanced capabilities in foresight methodologies and approaches that take volatility and complexity as their starting point to generate insights that enable transformative actions towards inclusive and sustainable development."*

Report of the UN Secretary-General on the 2030 Agenda (UN, 2017[2])

The Sustainable Development Goals (SDGs) set an extraordinarily ambitious agenda out to 2030 and a vision of a sustainable, secure, inclusive world where no one is left behind. Countries are committed to "implement the Agenda for the full benefit of all, for today's generation and for future generations" (UN, 2015[3]). Clearly, this requires them to govern for the long term: to explore and understand the 2030 horizon and beyond, the implications of technological transformation (Box 12.2), as well as the global environmental, demographic and geopolitical shifts that are creating new volatility, with associated risks and opportunities.[1]

This chapter explores how strategic foresight can enable development actors to respond to this context by helping policy makers – and communities – systematically look out at the future to anticipate unexpected changes and prepare for a range of plausible scenarios. In the first section the chapter identifies emerging development co-operation bottlenecks and challenges, and then explores in more detail how foresight can help the field adapt. It then explores examples of foresight in policy making, including in the development sector. Finally, the conclusion outlines a roadmap to build a development co-operation that is future-fit.

Rising challenges in development co-operation

Development co-operation is facing multiple simultaneous bottlenecks and challenges, including how to engage with new topics and technologies, which, as emphasised by Achim Steiner, UNDP Administrator in his "In My View" piece, raise the stakes for action to leave no one behind. Development co-opertation is also challenged to adapt to an evolving global landscape, to build better partnerships, improve authentic multi-stakeholder dialogue and enable sustainable investments beyond the electoral cycle.

In a survey conducted by the OECD in 2015, partner countries anticipated that development challenges will undergo significant shifts, focusing on sustainable economic growth and equitable growth for the poorest, employment opportunities, climate change and agricultural productivity. They also anticipated that development co-operation providers will need to play a more enabling role to meet these challenges in the future (Davies and Pickering, 2015[4]).

Yet despite encouraging gains, evidence also indicates that development co-operation is struggling to adapt to a dynamic and evolving development landscape where concerted efforts is required to unblock systemic bottlenecks (OECD-UNDP, 2016[5]). It faces a growing need for strategies that are adaptive and responsive to rapid change and high uncertainty. Traditional, linear planning approaches based on historic data and narrow forecasts may have limited use within highly evolving or rapidly changing environments where planners lack necessary understanding and evidence (UNDP-GCPSE, 2014[6]).[2] The future cannot be predicted, and preparing only for what is expected is risky.

In my view: Technological change raises the stakes for action to leave no one behind

by Achim Steiner,

UNDP Administrator

The 2030 Agenda presents a historic opportunity to set the world on track to a sustainable future. In twelve years' time, a litmus test for its success will be: have we made good on the promise to 'leave no one behind'? The answer will depend, in some measure, on our responses to the fourth industrial revolution.

The speed and ubiquity of technological change offers unparalleled opportunities for sustainable development, but it also comes with the risk of rising inequalities within and between countries. It is up to policymakers to leverage this transformation for good, and to mitigate their risks.

Artificial intelligence can improve the quality and reach of health care with half of the world's population still not having access to essential health services. Digital technologies can boost agricultural productivity. Satellite imagery can combat deforestation. Big data analytics can identify needs and help track progress in real time. Drones can deliver essential supplies. And digital finance can enable new models to deliver basic services.

Estimates suggest that 133 million new jobs may emerge in the shake up between humans and machines by 2022. However, at the same time 75 million jobs may be displaced. Artificial intelligence could add as much as USD 16 trillion to the global economy by 2030. But 70% of the gains are expected to accrue in North America and the People's Republic of China alone.

Many countries do not have the means nor infrastructure to take advantage of technological developments. Hence, the risk of a "great divergence" limiting the scope for structural transformation in countries left behind. Development that relies on traditional industrialisation may no longer be adequate, as manufacturing continues to lose the potential to absorb workers from agriculture or informal occupations.

Presently, one billion people worldwide lack the necessary digital literacy and skills. Less than half the world's population use the Internet. And there is a clear gender gap: globally, 200 million fewer women are online than men.

Harnessing the opportunities of technological change to achieve the SDGs for all requires a profound and urgent shift of gear. We need a new breed of policy responses and business decisions that are guided by the commitment to end extreme poverty, curb inequalities, confront discrimination and fast-track progress for the furthest behind.

UNDP offers a framework for governments and stakeholders to analyse how people are left behind through five factors: discrimination, poor governance, shocks and fragility, their socio-economic status and where they live. Policy makers should take action to examine the disadvantages people face across five key factors; empower marginalised and poor communities to participate meaningfully in decision-making; and enact policies that confront the root causes of inequity and deprivation and unlock human potential to adapt creatively to new realities, including those that come with technological change.

Though the broad trends of the fourth industrial revolution are clear, nobody knows the exact extent of their impact. We therefore need to be wary of canned and precooked policy recommendations. UNDP is eager to work with countries, firms and others to identify customised pathways - to help ensure that the benefits of technological advances reach those that are furthest left behind.

The 2030 Agenda requires all sections of societies and communities to contribute their ideas, insights, resources, action and oversight to transform and redesign policy, to co-create strategy, and to ensure implementation and accountability (OCDE, 2018[7]). Dynamic and innovative partnerships are vital in the effort to leave no one behind, where the combined contributions of all development actors can lead to more inclusion (GPEDC, 2016[8]). The Global Partnership for Effective Development Co-operation sets openness, trust, mutual respect and learning at the core of effective and inclusive partnerships, recognising the different and complementary roles of all development actors: governments, bilateral and multilateral organisations, civil society, the private sector, and representatives from parliaments and trade unions, among others (GPEDC, 2011[9]). Evidence from the *Making Development Co-operation More Effective 2016 Progress Report* (OECD-UNDP, 2016[5]) has shown a positive evolution towards more inclusive partnerships in many countries, with readiness to engage demonstrated by all parties. However, constraints persist on the organisational side.[3] To realise fully inclusive partnerships, the development community needs to explore new approaches to strengthening multi-stakeholder dialogue at the country level, fully reflecting the diversity of stakeholders and maximising the synergies among them (OECD-UNDP, 2016[5]).

Finally, there is great uncertainty around sustaining political support for the SDGs through to 2030. Political cycles lead to changes in leadership and priorities, which complicates efforts to sustain focus and investments on longer term results and visions. Keeping-up efforts on SDG implementation going beyond the electoral cycle will be an ongoing challenge: decision makers need to find an equilibrium between the intergenerational nature of the SDGs and short-term development priorities (Davies and Pickering, 2015[4]).

Strategic foresight: Preparing development co-operation for alternative futures

Strategic foresight is not a synonym for forecasting or prediction, although forecasts and predictions are useful inputs for it. Strategic foresight is an organised, systematic process for engaging with uncertainty. It enables the identification of future opportunities and challenges in a complex, volatile and disruptive environment (OECD, 2018[10]). History is important, and foresight also uses historic data, but the lessons from the past do not always translate usefully to the present; instead of predicting by extrapolating past trend lines, foresight generates questions that help decision makers understand and shape the future. It harnesses the capacity to think systematically about the future to inform decisions today – a capacity developed by individuals, within organisations and within society (Conway, 2015[11]). As such, it has three key benefits.

First, strategic foresight helps prepare for alternative futures. By adopting a "what if?" approach to specific situations, foresight has the merit of expanding the range of plausible alternative futures beyond the most expected ones, allowing decision makers to prepare better. Foresight helps reveal assumptions, explore emerging drivers of change, identify and analyse trends, and bridge the expectations of multiple stakeholders. It seeks to identify steps that need to be taken to shape the future in desirable ways; however, it also draws attention to weak signals which indicate that a disruption away from the current status quo may occur, and to the possibility of "black swan" events.[4]

Second, strategic foresight helps communities, organisations and leaders develop a common vision and purpose. Understanding alternative futures allows leaders and communities to understand how these may emerge, what is desirable and undesirable, and how to move towards their desired future. Foresight helps stakeholders make their assumptions about the future explicit, challenge them, and engage with multiple alternatives. This helps them build a common understanding of what kind of future they desire, the basis for a shared vision.

Finally, strategic foresight can help transform development policy making towards an agile and outward-facing approach that reflects today's volatile, interdependent and uncertain world (Davies and Pickering, 2015[4]). It helps to build organisational culture to seek out, consider and prepare for the unexpected, as part of a strategic planning approach (Mintzberg and Jorgensen, 1987[12]). Over time, people and organisations develop "futures literacy" (Miller, 2007[13]) and scan

the environment, more alert to possible developments. Current strategies, capabilities and concepts can be stress-tested against possible alternative scenarios and foresight can help develop robust new ideas. Strategic foresight succeeds when leaders and organisations challenge the "official future" – the implicit organisational view of the future, which is usually a continuation of the status quo.

Strategic foresight for the SDGs

The world is not on track to achieve the 2030 Agenda (OECD, 2017[14]); (Ritchie, 2018[15]). In the 12 years remaining, the trajectory of progress towards the SDGs will have to undergo a major transformational change. How can countries so rapidly achieve the necessary scale and ambition of change, while leaving no one behind? A common, strong and collaborative vision of an aspirational future can contribute. The 2030 Agenda is a starting point for that vision – and strategic foresight processes can help bring communities, businesses and civil society together with government to clarify the details, the roadmaps and the joint aspirational vision at national and local levels to generate momentum, new commitments and resources, and radical new ideas (Box 12.1).

Strategic foresight is not a silver bullet, but a potential complementary approach for development co-operation. Its methods can help the development community engage with uncertainty and develop solutions that meet the existing and future needs of all people, thus supporting necessary improvements in the quality, effectiveness and impact of development co-operation (UNDP-GCPSE, 2014[6]); (Krake, 2018[16]). It can help create future-ready, alert institutions that adapt as the future evolves, contributing to countries' strategic planning and budgetary capacities. And the development community can use it to consciously explore how changes (whether slow, compound annual trends or fast, disruptive shifts) might threaten communal well-being and SDG achievement.

The mindset of those engaged in strategic foresight is one that seeks to embrace, rather than control, uncertainty. One way they do this is by seeking out "pockets of the future", which frequently lie on the periphery, in communities which are outside of the "centre" (Sharpe, 2013[17]) and may, indeed, be left behind. When applying strategic foresight to the SDGs, it will be especially important to bring in those who are left behind and are failing to participate in the benefits of development. When all members of a community are able to collaboratively discuss their futures, the results can be deeply empowering for those on the margins, who are in a position to establish "stories for the storyless".[5]

Box 12.1. **The way strategic foresight works**

While there are many strategic foresight tools and their use is context- and resource-dependent, strategic planning processes usually have five key components. These components are not necessarily sequential, however; strategic foresight is always an iterative process, as "the future is always a dialogue, not just a report" OECD Secretary-General Gurría (2018[1]).

- *Examine the strategic context*. Analyse trends and drivers of possible futures contexts and their interdependencies – whether demographics, emerging technologies such as Artificial Intelligence, digitisation, domestic and international migration, economic fragility, geopolitical transitions, or attitudes to gender equality and participation in the workforce. Monitor shocks, risks, opportunities and assumptions and identify alternative outcomes in an adaptive way.
- *Openly engage a wide set of views*. Strategic foresight is participatory and collaborative. It allows citizens, communities, businesses and non-traditional actors to participate in shaping and delivering the 2030 Agenda, and includes vulnerable and very poor citizens. A diversity of perspectives helps to understand and separate the "signal from the noise", and to develop common knowledge and ownership. Dialogues and relationships should form the basis of future scanning and re-adjustment of policies. Challenge received wisdom (for example, that trends will continue), examine dynamics, consider multiple time horizons (e.g. one, five and 15 years) to inform budgetary and operational planning decisions without being constrained by them.

Box 12.1. **The way strategic foresight works** *(cont.)*

- *Identify possible alternative futures and trends*. Use scenarios and assumptions not just to guide strategic planning, but most importantly to inform decision-making in the moment. "Strategically navigate" by monitoring how the environment is changing so plans and activities can be adjusted as the world evolves – in this way, a leadership team or organisation can lead by looking forward instead of using the rear view mirror of historical data.
- *Build on policy implications*. Review what genuine strategic alternatives look like and understand what assets, capabilities and policies can help build resilience in alternative futures, as well as how to achieve your desired outcome.

Take an adaptive and innovative approach to reviews, monitoring and implementation. Build the institutional capacity to learn and adapt (data collection, monitoring and finance, and a risk-friendly approach to evaluation). Conduct reviews and monitoring in real time, as far as possible, including through assessment of data to monitor assumptions, risks and success. Track the value of an adaptive approach over time. Things often go wrong during the implementation phase so it is important to be as flexible as possible.

The growing discipline of foresight: Examples

Although strategic foresight has been established as a discipline for some 70 years, it has been on the periphery of governance, policy making and public administration practice until recently. It is perhaps unsurprising that there has been a rush of interest in strategic foresight across the private, public and not-for-profit sectors in a time of financial crises, new disruptive technologies like blockchain (Box 12.2), migration flows and volatile oil prices. At the same time, increased interest within international development and related fields results, in part, from the 2030 Agenda itself. It is an agenda that requires long-term thinking, and it proposes that to achieve the future we want for the world, and to ensure no one is left behind, means to plan for the future strategically and collaboratively.

In OECD countries, interest in strategic foresight is manifest in national development planning exercises with a growing number of "national strategic narratives" and cross-cutting, integrated whole-of-government planning approaches, including in donor development agencies. Many governments around the world are using strategic foresight with different purposes, informing agendas and identifying new solutions, enhancing the relevance and effectiveness of consultations, and creating multidisciplinary connections between policy silos.

In countries like Canada, Finland and Slovenia, these systemic approaches to the future are taking place at a whole-of-government level; in others such as the Netherlands and the United Kingdom, they are being conducted within ministries; while in Australia, research organisations are supporting the government in the effort.[6] Many other national governments are realising that effective long-term policy making requires governance innovation in the executive branch, bureaucracy, legislature and judiciary, where many new units, structures and roles are being created – even Ministers of the Future.[7] In some cases, this includes creating national development strategies. For instance, Finland's vision, enshrined in the implementation plan of the National Commission on Sustainable Development, provides a long-term framework for sustainability. Among its priority actions are aligning foresight activities more closely with SDG implementation, developing competence among government officials, and creating conditions for long-term work.

In Germany, the 2013 coalition agreement established a more systematic within-ministerial activity including the German Corporation for International Co-operation, as well as a cross-ministerial network led by the Federal Academy for Security Policy. The latest coalition agreement reinforced this activity – despite short-term internal and external pressures including migration and trade

disputes – establishing a foresight unit in the Chancellery. National development agencies have also adopted foresight approaches, in Germany and in other Development Assistance Committee (DAC) member countries like the United Kingdom, Sweden and Ireland.

Box 12.2. **Technological innovations are being harnessed for inclusive development**

Technological innovation can be hard to predict, and its applications even harder to conceive. In 1994, as the Internet was emerging, it would have been hard to imagine the impact of companies such as Uber or Google, the emergence of the sharing economy, or technologies such as blockchain. The potential and future applications of technology, therefore, may go far beyond the examples presented here, but that should not stop the development community from trying to anticipate or harness technology to support the 2030 Agenda.

Technological innovations have shown some of their potential to create opportunities for everyone by challenging established business models. M-PESA, a mobile payment system invented in Kenya, is a well-known example of how the mobile phone can enable millions of users in a range of developing countries and emerging markets to access banking services (World Bank, 2017[18]). Advances in connectivity and data have also allowed for cheaper and quicker access to insights informing decision making, as with the use of mobile data for disaster relief or monitoring epidemics (OECD, 2017[19]).

Blockchain technology provides secure and decentralised ways to make and record transactions, without the need for a centralised authority such as a government or bank. Popularised through cryptocurrencies such as Bitcoin, blockchain technology has the potential to support transparency and accountability and reduce corruption through decentralised legal contracts, supply-chain monitoring, tracking payments or funding, and providing transparency of data. Another promising use case of blockchain is digital identity. SDG 16 on peace, justice and strong institutions outlines the ambition to provide legal identity and birth certification to everyone. The ID2020 Alliance has been formed to explore the potential of technologies such as blockchain to generate identity documents for all, helping more people vote, access financial services and receive healthcare and other social services. Other applications supportive of leaving no one behind are being explored in fields including education, health and energy access.

Big data analytics refers to new ways of harnessing and analysing digital data. It enables governments to anticipate and meet the needs of those left behind in real time and at low cost. For instance, governments of countries such as Bangladesh or Tanzania are using geospatial datasets to assess levels of literacy or availability of contraceptives in their population (OECD, 2017[19]).

Artificial intelligence (AI) "seeks to endow machines with reasoning capabilities that may one day surpass those of human beings" (OECD, 2016[20]). The impact of AI on employment has been widely discussed, with contrasting and sometimes polarised perspectives as to whether it will replace or augment human work and lives. The distributional impact on labour-intensive jobs is a particular concern. While some analysis predicts that automation may only lead to limited "technological unemployment" in developing countries (ESCAP, 2017[21]), others predict that labour markets will be unable to adjust quickly enough (CGD, 2017[22]). AI could also have meaningful upsides for achieving the SDGs and leaving no one behind. For instance, in the health sector AI may be able to generate more accessible diagnostics by analysing relevant information as images (OECD, 2016[20]) or help to anticipate infectious disease outbreaks by predicting potential carriers (Fiorillo, Bocchini and Buceta, 2018[23]); see also (Furtkamp, 2017[24]); (De Jesus, 2016[25]); (Singer, 2013[26]).

These and other emerging technologies, from biotechnologies and advanced materials to distributed ledger technology and new forms of energy production, have the possibility to disrupt the status quo of developing countries due to their leapfrogging potential, which is enabled by low-cost business models and efficiency gains (OECD, 2016[20]). A proactive approach to innovation is needed, and strategic foresight can help. It supports an anticipatory approach to regulation, decision making and the adoption of technology, while helping to explore such technologies' challenges and risks, as policy makers seek to minimise the distributional or negative impact of technology around the world.

> *"Using methods such as horizon scanning or scenario analysis, we at [the Ministry] identify trends and drivers that indicate which futures are possible to get a better sense of uncertainties and to be better prepared for possible developments and futures. The resulting analysis and openness for alternatives and different paths forms an important basis for strategic decision-making and planning of German development policy."*

Head of Political Staff, German Federal Ministry of Economic Cooperation and Development, Michael Krake (2018).

Other examples include the network of Future Generation Commissioners from 13 countries; the Welsh Assembly's 2015 Well-being of Future Generations (Wales) Act, which established the Office of the Future Generations Commissioner with legal duties and policy incentives (Future Generations Commissioner for Wales, 2015[27]); the campaign for a Lords Committee for Future Generations in the UK[8]; as well as the European Strategy and Policy Analysis System, a collaboration between the European Institutions.[9] This cross-system, multi-actor approach to establishing institutions for the longer term is absolutely necessary to create an ecosystem of governance institutions that is strong enough to resist the constant pressure to focus on the present.

In emerging economies, too, development planning processes are increasingly moving from the control of a single ministry (of planning or finance) to a cross-departmental approach embedded in a wider and longer-term understanding of the international context. In some cases they are also becoming more flexible, participative and iterative, as is happening in Colombia, Costa Rica, Malaysia, Pakistan, Rwanda and Tunisia. There have been foresight exercises at city and regional levels, with Brazil and Indonesia conducting interesting examples; commitments to institutions to introduce new planning practices, such as in Thailand; and collaborations, such as between Cameroon and UNICEF (UNICEF, 2018[28]). In many countries strategic foresight is becoming a powerful, effective way to harness diverse views in a unified approach to national planning – with Latin American ministries of planning, as well as Mauritius and South Africa, being particularly innovative and committed to this agenda.

> *"[W]e need to review our existing policies, planning methodologies and set the national targets in line with both the SDGs and national development priorities to ensure more holistic and sustainable development of the country. In doing so, it is believed that the foresight and innovation would be used as an effective tool to formulate a more robust and strategic national development framework for the country."*

Niroshan Perera, Sri Lankan Minister of National Policies and Economic Affairs (2016[29])

Transformative examples of foresight within civil society tend to be under-reported and under-acknowledged. These include the North Star Scenarios for Port Elizabeth, South Africa by the Northern Areas People's Development Initiative (Reos Institute, 2013[30]) the Society for International Development work in the Horn of Africa since the 1990s; and work by the International Civil Society Centre (ICSC, 2018[31])[10] and Inter-Agency Regional Analysts Network (IARAN)[11] convening development and humanitarian actors to explore the sectoral structures, policies and responses needed to meet future humanitarian needs.

We are also witnessing increased innovation and co-operation in multi-stakeholder development initiatives, including between international agencies and multilaterals, OECD donor ministries, and other development actors like international NGOs, businesses and civil society.

Within the United Nations, the Secretary-General's and Deputy Secretary-General's development reforms emphasise the importance of the role of Resident Co-ordinators using strategic foresight to carry out a "One UN" approach in country and to support the government working with its development partners to achieve the SDGs. Other examples include:

- The International Monetary Fund has recently been using scenario planning in its Africa programme, as well as to develop organisational preparedness and capabilities to respond to upcoming global crise (IMF, 2009[32]).
- The United Nations Educational, Scientific and Cultural Organization's Future Literacy Labs and network are promoting innovative thinking and solutions.
- Work by the United Nations Children's Fund Tajikistan to mainstream issues of ethnicity, youth and employment has resulted in exceptional youth engagement in shaping the future (UNICEF, 2018[28]).
- The International Labour Organisation and United Nations Development Program project on the future of youth employment in Egypt shows the power of cross-donor collaboration (Feki, 19 April 2017[33]).
- The International Organization of Supreme Audit Institutions (INTOSAI) is working with national supreme audit bodies to examine their role in ensuring government ministries create policy that is aware of the long term.
- The Omidyar Network is examining the potential for combining design thinking, systems thinking and strategic foresight approaches to accelerate social transformation in the work it supports, in Nigeria and elsewhere.
- Foresight is also becoming a key tool for the OECD's work (Box 12.3).

Box 12.3. **Foresight at the OECD**

Strategic foresight is a key part of the OECD's support for whole-of-government, inclusive policy approaches to developing new long-term national development strategies. The OECD can also provide a space for discussions on the role of strategic foresight for development co-operation.

Within the OECD, the deepening of strategic foresight capacity and mainstreaming into all streams of work is a priority. In parallel to the growing recognition among official donors of the need to understand the future environment, strategic foresight capacity across the OECD is considered instrumental in informing a more coherent and interconnected agenda to meet global challenges. The Strategic Foresight Unit at the Office of the Secretary-General helps governments, OECD Directorates and the OECD itself build the capacity to better anticipate and prepare for uncertain, complex and turbulent futures. Among others, this unit leads the OECD Government Foresight Community, an epicentre for strategic foresight expertise in national administration dedicated to building foresight capacity throughout the organisation, assisting governments in strengthening their anticipatory governance, and bringing futures thinking to global policy dialogue.

Furthermore, the OECD Development Co-operation Directorate set up a dedicated foresight unit in 2018 with the aim of building foresight intelligence and futures literacy to ensure that development co-operation policies stay relevant and fit for the future. The unit will work with the DAC to identify non-linear and dynamic game changers and megatrends affecting development co-operation. This work will inform DAC discussions on the future of development co-operation, including challenges and opportunities. Other foresight-based projects under way at the OECD include discussions of long-term megatrends in the Trends Shaping Education report (OECD, 2016[34]); horizon scanning for new metrics in the Statistics and Data Directorate; and country-specific scenario planning in the Multi-Dimensional Country Review projects.

A roadmap for implementing strategic foresight

With a renewed interest in foresight, there is also a growing acknowledgement that the act of reflecting on the future collectively – and the capability to do so – is valuable for all communities and countries, at all times. It is central to the act of development itself, and critical if the world is to meet the SDGs. Foresight is not a luxury; it is a necessity.

As the development co-operation community seeks to ensure real progress towards ensuring no one is left behind, they need to make strategic foresight an integral part of policy and action. To enrich their policies and guide strategic leadership in implementing the SDGs for all, Providers of development co-operation can harness strategic foresight to be future fit and build on insights from it to explore futures together.

Strategic foresight can help transform development co-operation so it is future fit

The following points identify strategic and operational opportunities and situations for development co-operation where it can benefit from strategic foresight to be more fit for purpose:

- As countries adopt whole-of-government, long-term forms of policy-making, development co-operation will be an integral part of these new approaches since it helps enable mutual benefits. For example, development policy expertise on global public goods and the SDGs can be important contributions when these are missing from a national conversation.
- Seize opportunities to invest in collective, future-focused analysis and dialogues - at country level, around individual SDGs, and on frontier issues. Support developing countries in conducting long-term planning exercises (to 2030, or longer), and ensure that the possible distributional, access, governance and equity considerations of emerging technologies are being explored (see the "In My View" piece by Achim Steiner, UNDP Administrator).
- Public donor development interventions should use strategic foresight in programmatic design and delivery for interventions that are resilient, participatory and transformative – and leave no one behind. They should use long-term trends and scenarios in risk management and disbursement processes to ensure that development investments will provide lasting value for money; integrate uncertainty into policy making and delivery; and develop flexible and agile governance, accountability and consultation mechanisms that are community focused and sensitive to future developments.
- Rethink the usual approaches to partnership and collaboration with other development actors. There are opportunities to bring companies, academics, civil society organisations and other institutions and organisations into the conversation on foresight for development co-operation, in order to create genuinely transformative visions of the future and uncover suitably radical new ideas and resources for achieving them. It is a simple and powerful idea to create a space for multi-stakeholder exchanges around a joint future – but it can be complex to design and implement. More effort is needed to ensure this happens.
- Support developing country governments' demands for expertise and capability to engage citizens at both national, city and other subnational levels as a core governance and public sector reform activity. Capabilities that are critical governance infrastructure include the ability of the executive to look systematically at the longer term; training of civil servants; building inclusive institutions; supporting the legislature; and processes of audit commissions and data bodies.
- Take opportunities to support and scale up knowledge sharing and innovation between development co-operation organisations. It is critical to support the efforts of individual development sector actors who develop new capabilities, research, initiatives and instruments to help countries harness emerging opportunities or respond to emerging crises, and ultimately ensure that no one is left behind. These endeavours are constantly vulnerable to the seductive pressures to cut costs, to prioritise current stakeholders and concerns, and to focus on the short term.

Building on insights and capabilities to explore futures together

- Seek to identify weak signals that can be early indicators of game-changing events – whether disruptive activity that could lead to conflict or disease (in which case, invest in associated preventative solutions) or that could bring major opportunities for human well-being. Megatrends[12] have the potential to cast a dark shadow on the near future, but at the same time they represent basins of great opportunity that allow people to imagine a brighter future.
- Apply foresight to the prevention of slow harms. Once an emerging future issue is scanned and identified (such as a humanitarian crisis from crop failure, or the need for a health system to prepare for new zoonotic vectors), political will must be built to invest in preventing the harms from being actualised.
- Use "lean and agile" foresight approaches to support innovation in foresight practices suitable to development contexts. Such approaches must rapidly harness insights and allow for participation and agency in situations where there may be a lack of resources, time or capacity.
- Pursue future-generation governance and policy making that reflects how different stakeholders and the future institutional framework will evolve.

Notes

1. See (OCDE, 2018[7]);compare also with the Policy Coherence for Sustainable Development Framework (OECD, 2016[41]),which sets "long-term planning horizons" as one of its eight key elements.
2. See also (Snowden, 2011[35]), "Risk and Resilience," YouTube, *www.youtube.com/watch?v=2Hhu0ihG3kY*.
3. Only 51% of countries have all the elements in place for meaningful dialogue with civil society organisations, while in 63% of countries the potential for quality public-private dialogue is affected by a lack of champions to facilitate such an exchange (OECD-UNDP, 2016[5]).
4. "Black swans" are events that are unprecedented, unexpected, have major effects, and are often inappropriately rationalised after the fact with the benefit of hindsight. The UNDP-GCPSE (2014) associates them with "unknown unknowns" (situations that planners are unaware that they do not know) and "wild cards" (low-probability and high-impact events). The OECD Seretary General Gurría, (2017[36])has employed the expression "unprecedented unpredictability" to describe today's world of ever more volatile, uncertain, rapid and simultaneous changes.
5. The expression "stories for the storyless" is common parlance in foresight fora. The reference can be found notably at the International Futures Forum:*http://www.internationalfuturesforum.com/iffblog*
6. The OECD Strategic Foresight unit helps governments, OECD Directorates, and the OECD itself build the capacity to better anticipate and prepare for uncertain, complex, and turbulent futures.
7. For examples of this role *www.government.se/government-of-sweden/prime-ministers-office/mission-the-future/council-on-the-future* or *www.mocaf.gov.ae/en/area-of-focus/future-foresight*.
8. See *https://publications.parliament.uk/pa/ld201719/ldselect/ldliaison/103/10310.htm*
9. See *https://espas.secure.europarl.europa.eu/orbis/espas/*
10. See *https://icscentre.org/our-work/scanning-the-horizon/*.
11. See *http://www.iris-france.org/iaran/*.
12. Megatrends are global, sustained and macro economic forces of development that impact business, economy, society, cultures and personal lives thereby defining our future world and its increasing pace of change.

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PART IV

Profiles of development co-operation providers

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PART IV

Chapter 13

Development finance and policy trends

This chapter was prepared by
Yasmin Ahmad and John Egan with the help of Emily Bosch, Juan Casado-Asensio, Kerri Elgar, Cyprien Fabre, Tomas Hos, Marisa Berbegal Ibanez, Nadine Piefer and Rachel Scott.

This chapter highlights emerging trends in official development assistance (ODA) from members of the Development Assistance Committee (DAC) and other providers of development assistance. A key finding is that the growth in the total volume of concessional finance for development is enhanced by providers of development assistance beyond the DAC, due to the scaling up of their aid and better reporting. Furthermore, stronger global economic performance is not translating into more ODA. According to preliminary data, in 2017 net ODA from DAC members reached USD 146.6 billion, or 0.31% of gross national income, a slight fall of 0.6% in real terms from 2016. The fall was due in part to reduced spending on in-donor refugee costs. By contrast, DAC members' humanitarian aid increased by 6.1% in real terms, to USD 15.5 billion in 2017. Country programmable aid and flows to sub-Saharan Africa and small island developing states continue to decline, while the percentage of aid channelled through the multilateral system and civil society organisations is rising.

Infographic

Trends in ODA

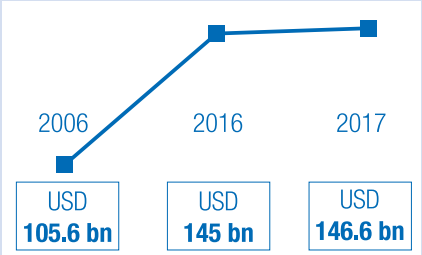
TRENDS IN ODA: MORE THAN MEETS THE EYE

DAC AID ROSE!

30%

IN REAL TERMS

FROM 2006 TO 2016



But is this really enough? **NO**

WHY NOT? Because the share of DAC countries' spending on development directly in partner countries continues to decline.

58% of ODA in 2009

47% of ODA in 2016

At the same time:

Humanitarian aid from DAC countries has doubled since 2006

In-donor refugee costs have tripled since 2013

ODA RECEIVED BY COUNTRIES MOST IN NEED: A MIXED PICTURE

Combined flows from DAC countries and multilateral providers to:

- Sub-Saharan Africa: **stable (0% growth)**
- Fragile contexts: **8% increase**
- Small island developing states (excluding debt): **19% decrease**

Time period: 2011-2016

COLLECTIVELY, DONORS MUST **DOUBLE** THEIR EFFORTS

ODA/GNI 0.31% (2017)
ODA/GNI TO LDCs 0.09% (2016)

TARGET 0.70%
TARGET 0.15–0.20%

IT CAN BE DONE!

- ✓ Denmark, Luxembourg, Norway, Sweden, Turkey, United Arab Emirates and the United Kingdom **all reached or exceeded the 0.7% target in 2017.**
- ✓ Other providers committed to scale up their efforts e.g. France, Italy, Korea, Switzerland.

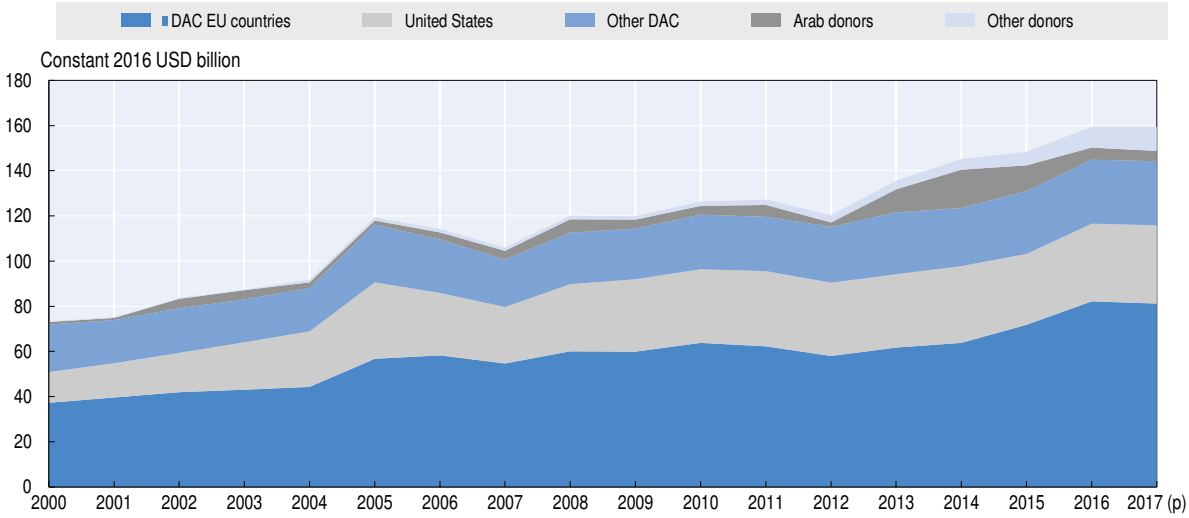
ACTION NOW! LET'S REACH OUR TARGETS

The volume of official development assistance continues to increase

In the years before 2017, growth in official development assistance (ODA) from members of the Development Assistance Committee (DAC) reflected increasing support for humanitarian emergencies and the first-year costs of refugees in member countries. As spending on in-donor refugees decreased in 2017, net ODA flows from DAC countries have fallen slightly. It is not yet clear whether donors will fall back to earlier levels of total ODA, or whether the savings will translate into increased financing for developing countries in the years ahead.

Whatever the case may be, in 2017 the slight drop in ODA figures from DAC countries did not, in fact, bring about a reduction in the overall global volume of concessional finance for development. This volume continued to grow, reaching a total of USD 161 billion for the year[1] (Figure 13.1).

Figure 13.1. **Net ODA from all donors**



Note: (p): preliminary.

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A slight decrease in DAC members' official development assistance was balanced by increases from other providers of development co-operation

Preliminary data for 2017 show that net ODA from DAC members reached USD 146.6 billion, representing a slight fall of 0.6% in real terms. ODA also fell in proportion of gross national income (GNI), from 0.32% in 2016 to 0.31% in 2017. Excluding in-donor refugee costs, ODA increased by only 1.1% in real terms compared to 2016, and has doubled since 2000. Despite commitments made at the DAC High Level Meeting in 2014 (OECD, 2014[1]), in the Addis Ababa Action Agenda (United Nations, 2015[2]), the 2030 Agenda for Sustainable Development (United Nations, 2015[3]), and in the European Consensus on Development (European Commission, 2016[4]), ODA levels remain well below the United Nations target of 0.7% of GNI.

That the volume of development finance worldwide continued to grow in 2017, despite the decrease from DAC members, can be credited to increases from other providers of development co-operation that report their development financing to the OECD. This trend was led by increased humanitarian aid from Turkey, whose total ODA volume reached USD 8.14 billion, an increase of 40.4% over 2016. Meanwhile, an increase in grants from the United Arab Emirates to developing countries saw its assistance reach USD 4.6 billion, a rise of 6.5% over 2016. Moreover, contributions are on the rise by other providers not reporting their efforts to the OECD, including South-South providers (see In My View by Jorge Faurie, Minister of Foreign Affairs and Worship of Argentina). According to OECD estimates, these providers increased their ODA-like flows by 7% in 2016, reaching USD 7.4 billion.[2]

In my view: Next year's BAPA+40 is a unique opportunity to forge a new global consensus for international development co-operation

Jorge Faurie, Minister of Foreign Affairs and Worship, Argentina

In 2019, the Second High Level Conference of the United Nations for South South Co-operation, known as BAPA+40, will be held in Buenos Aires, Argentina. This conference will celebrate the 40th anniversary of the Buenos Aires Plan of Action (BAPA) of 1978 - a defining moment for technical co-operation among developing countries. BAPA has played a powerful role in kick starting new partnerships between countries of the South and in increasing demand for equitable and sovereign participation of developing countries in international relations.

Forty years down the road, in a deeply changed global context, it is time to take stock of our progress, the results of our international co-operation and the central role played by the BAPA. It is also time to step up a gear, build on the strengths of South-South co-operation and collaborate better to deliver the 2030 Agenda for Sustainable Development and other international agreements on financing for development, climate change and disaster risk reduction.

To respond to new challenges brought about by globalisation we need to ensure that our co-operation model is capable of taking into account the realities, capacities, and specific needs of each state and promotes increased integration while maintaining the principle of common but differentiated responsibilities.

As the host country for the conference, Argentina is committed to facilitating a successful outcome that commits to redoubling South-South co-operation efforts and with all actors reaching a solid consensus to:

1. promote dialogue between South-South and traditional co-operation through, in particular, triangular co-operation;
2. rethink how a multidimensional concept of development can be embedded in the international co-operation system;
3. create a strategic framework for promoting effective south-south and triangular co-operation in science, technology and innovation;
4. build multi-actor alliances;
5. generate data and information systems that track and show the value of South-South and triangular co-operation in a more systematic way.

The 2019 BAPA+40 Conference offers policy makers an opportunity to re¥evaluate what works well with the current BAPA in an evolving global context marked by major political, economic, social and technological transformation. As BAPA states, it will be impossible to reduce vulnerabilities across and within our countries without strengthening endogenous capacities and transferring new technologies and knowledge. In today's world, countries risk being left behind unless they reduce technological gaps and move towards more knowledge-intensive sectors that foster productive diversification, create quality jobs, sustainable production and international competitiveness.

In the same vein, tackling the issues that undermine development worldwide — such as extreme poverty, inequality and unsustainable growth, climate change, and humanitarian crises — requires a collective response and a new analytical framework that governments, multilateral organisations, and other international actors can rally behind to deliver the 2030 Agenda.

There is no doubt that global development is central to the interests, values and policies of the actors that make up the international system. Yet the apparent weakening of multilateral co-operation risks holding back progress in meeting internationally agreed goals and targets. The right and best response is global governance, regional integration and solidarity among countries. We must therefore revive the spirit of the BAPA at next year's conference. I invite all actors to join Argentina and other partners in betting, against all the odds, on a renewed global consensus on international co-operation that is resolutely committed to peace and development.

Stronger economic performance is not translating into more ODA

The OECD expects the world economy to strengthen in 2018 and 2019, with global growth projected to rise to 4% from 3.7% in 2017. Growth in the France, Germany, Mexico, South Africa, Turkey and the United States, will be better than projected, with most G20 countries expected to experience improvements (OECD, 2018[5]). As countries recover from the global financial crisis it is time to rethink how commitments to address development financing made in the Addis Ababa Action Agenda and the European Consensus on Development might be met.

While austerity measures introduced to face the global financial crisis between 2007 and 2011 led to cuts in ODA budgets for several providers, aid spending increased by 20% in real terms from 2010 to 2017. Humanitarian aid rose by 66% in real terms during this period, and in-donor refugee costs rose by over 300% in real terms. By contrast, the growth in ODA for bilateral development projects, programmes and technical co-operation was only 4% (Figure 13.5).

Overall, a strengthening global economy is not yet translating into increases in the percentage of income that most countries allocate to development finance.[3] While total ODA has increased over the last decade, the percentage of GNI spent on ODA by DAC members has remained at about 0.31%. Significant increases in recent years by Germany, Italy, Korea, Switzerland and the United Kingdom have offset dramatic falls in ODA in Australia (down by USD 1.2 billion since 2012) and the Netherlands (down by USD 920 million since 2015). The ODA/GNI ratio in 2017 has dropped markedly in other DAC members too from highs recorded between 2007 and 2011 for Austria, Canada, Denmark, Ireland, New Zealand, Portugal and Spain (Table 13.1). Canada and New Zealand, however, have recently announced increases in ODA.

Table 13.1. **DAC countries where ODA as a percentage of GNI has dropped significantly**

	From	Level in 2017
Australia	0.34% in 2011	0.23%
Austria	0.50% in 2007	0.30%
Canada	0.34% in 2010	0.26%
Denmark	0.91% in 2010	0.72%
Ireland	0.59% in 2008	0.30%
Netherlands	0.82% in 2009	0.60%
New Zealand	0.30% in 2008	0.23%
Portugal	0.31% in 2011	0.18%
Spain	0.46% in 2009	0.19%

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In 2017, net ODA rose in 11 DAC countries but fell in another 18 (Figure 13.2). For several, the decrease was due to lower spending on in-donor refugees in 2017 compared to 2016. While almost unchanged from 2016, the United States continued to be the largest contributor of net ODA (Figure 13.3).

The United Arab Emirates provided 1.31% of its GNI as ODA, the highest of all reporting countries. Denmark, Luxembourg, Norway, Sweden, Turkey and the United Kingdom met or exceeded the United Nations' target of allocating 0.7% of GNI as ODA (see Figure 13.3). Kuwait, which became a DAC Participant in 2017, met the UN target in 2016. Germany, having reached 0.7% of GNI for the first time in 2016 with a significant increase in spending on in-donor refugee costs, slipped back to 0.66% in 2017.

Box 13.1. **Efforts to increase official development assistance levels: The cases of France, Italy, Korea and Switzerland**

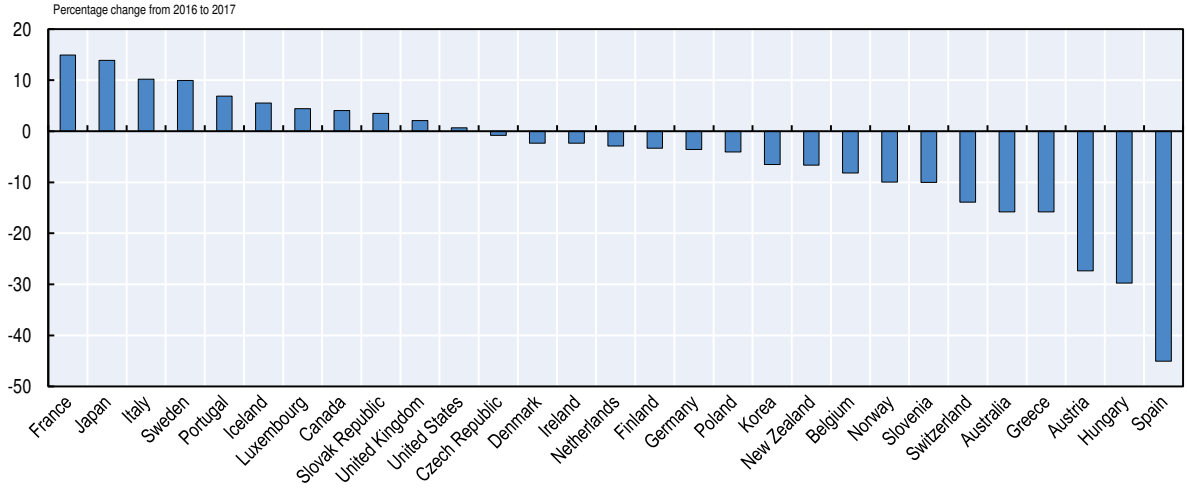
In 2017, President Macron of France committed to meet 0.55% ODA/GNI by the end of his mandate in 2022. In 2017, France's official development assistance (ODA) increased by 14.9% in real terms to reach USD 11 billion, or 0.43% of ODA/GNI, bringing the French effort almost back to 2012 levels.

In 2012, the government of Italy took action to reverse the significant decline in ODA since 2005 when its ODA stood at USD 5.09 billion, representing 0.29% of gross national income (GNI). From a low of USD 2.74 billion (0.14% of GNI) in 2012, Italy's ODA more than doubled in real terms, reaching USD 5.73 billion (0.29% of GNI) in 2017.

At USD 2.2 billion in 2017, Korea's ODA has increased by USD 1.64 billion (in 2016 prices) since 2006. This increase in volume has been matched by a steady increase in the ODA/GNI ratio, from 0.05% to 0.14% over the same period. Korea has set a goal of allocating 0.2% of its income, an estimated USD 3.2 billion, as ODA by 2020, which would be a 40% increase on 2016 levels.

In 2011, Switzerland committed to allocating 0.5% of GNI as ODA by 2015. It achieved this target in 2016, reaching an all-time high of 0.53% (USD 3.58 billion); however, its ODA dropped to 0.46% (USD 3.1 billion) in 2017.

Figure 13.2. **Real change in net ODA from 2016 to 2017**



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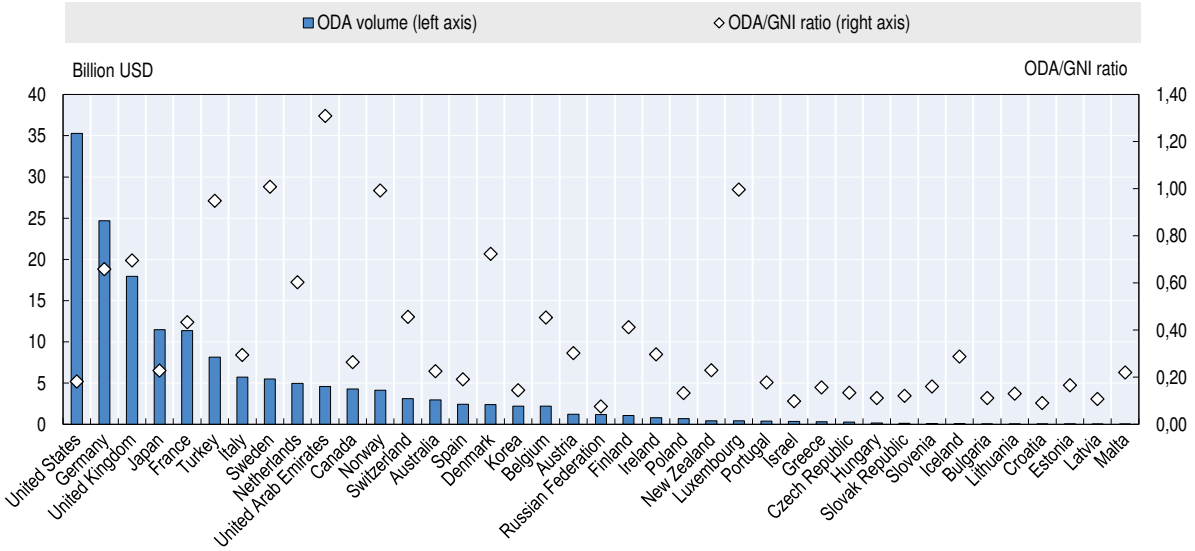
Countries are providing more concessional loans and keeping aid untied

Most DAC countries provide ODA in the form of grants, meeting the requirements of the 1978 *DAC Recommendation on the Terms and Conditions of Aid* (OECD, 1978[6]), whereby members agreed to raise the grant element of ODA to 86%. France at 83.4% and Japan at 85.7% failed to meet the recommendation in 2016.

Since 2010, the share of loans in gross bilateral ODA has been around 15%. However, although the share has remained stable, the volume of concessional loans increased by 25% in real terms over the same time period. For some donors, the share of loans represented more than a fifth of their bilateral gross ODA in 2016: Japan (59%), France (45%), Poland (44%), Korea (39%), Portugal (27%) and Germany (23%) (Figure 13.4).

Figure 13.3. **Net ODA flows, in volume and as percentage of GNI, 2017 (preliminary data)**



Note: This chart includes preliminary 2017 ODA flows for DAC countries as well as non-DAC providers who reported their preliminary data.

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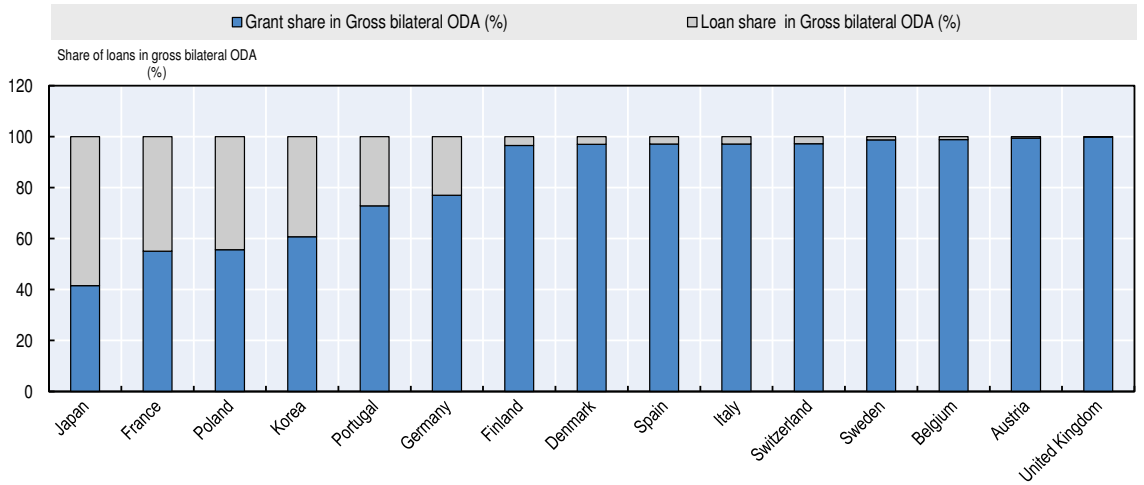
Figure 13.4. **Share of grants and loans in loan-giving countries, 2016**



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Differing interpretations of what makes a loan "concessional in character" have resulted in inconsistent reporting by different DAC members. In 2014, DAC members agreed to provide a fairer picture of the provider effort by changing how the grant element, which determines the concessionality of the loan, is calculated. They agreed that only grants and the "grant portion" of concessional loans would count as ODA. This provides a more realistic comparison of loans and grants, and stronger incentives to use grants and highly concessional loans to developing countries. Measuring ODA based on the grant equivalent methodology will be implemented in 2019 on ODA data reported in 2018 (OECD, 2014[1]).

Under the 2001 *DAC Recommendation on Untying Official Development Assistance* (OECD, 2014[7]), DAC members agreed to untie their ODA to least developed countries (LDCs) and heavily indebted poor countries to the greatest extent possible. In 2016, 88% of DAC members' ODA covered by the recommendation was reported as untied, an increase of 5.7% compared to 2015. The increase is

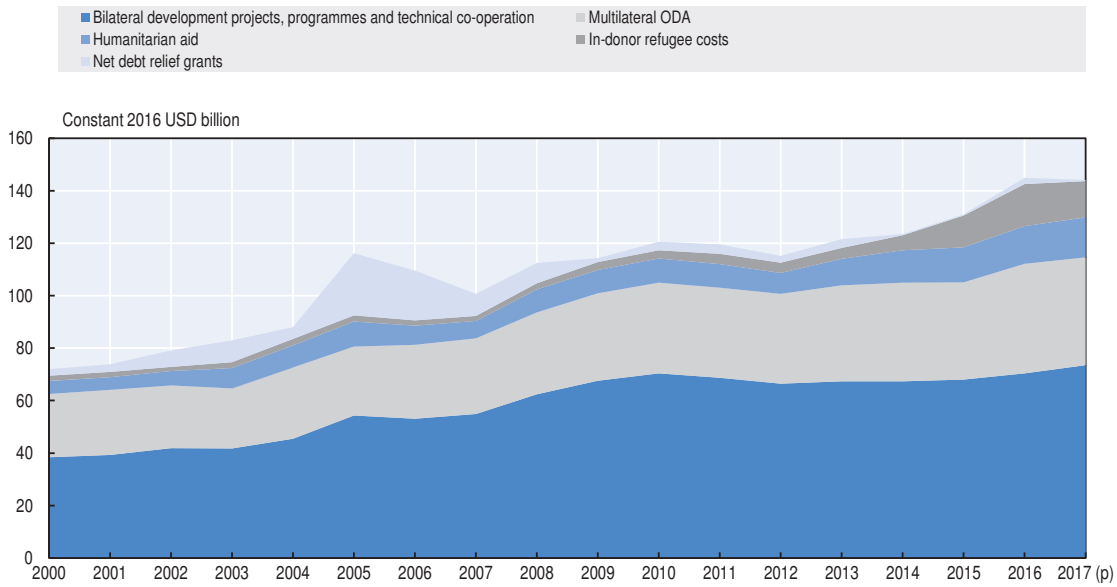
largely explained by the improved performance of the EU institutions (from 84.3% to 100%) and the United States (from 58.3% to 68.5%).

While 22 DAC members untied between 90% and 100% of ODA covered by the recommendation, a few donors continue to fall short of their untying commitments. The untying ratio for Korea has substantially increased, from 49.1% in 2015 to 67.1% in 2016, but a recent peer review found that the percentage of Korea's ODA untied in the LDCs in 2015 (45.9%) was below the average for its total ODA (48.7%). Portugal's share also improved, increasing the share untied to 55.4% in 2016 from 38.9% in 2015. After significantly improving from 24% in 2014 to 44.2% in 2015, the Czech Republic's share of untied aid decreased to 34.2% in 2016. Austria's share dropped sharply from 84.8% in 2015 to 26.9% in 2016. The level of Poland's untied aid continues be particularly low at 2%.

An increase in crisis spending is displacing aid to address the drivers of fragility

DAC countries' efforts to deal with humanitarian crises and influxes of refugees have risen, from an average of 16% of bilateral ODA between 2010 and 2014 to an average of 28% between 2015 and 2017, representing a fifth of DAC countries' total net ODA in 2016 and 2017 (Figure 13.5). This demonstrates a shift towards responding to emergency situations rather than addressing the drivers of crises and fragility. Indeed, in 2016, for the 58 contexts identified as fragile on the 2018 OECD fragility framework, 27.5% of aid from DAC members was humanitarian.

Figure 13.5. **Components of DAC countries' net ODA flows**



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A growing share of aid is going to humanitarian crises

Since 2010, humanitarian aid from DAC countries has risen by 66% in real terms to reach USD 15.5 billion in 2017, a 6.1% increase in real terms compared to 2016. Most DAC countries saw increases in their humanitarian aid over this time period. The largest contributors in 2016 were the United States (USD 6.3 billion), Germany (USD 2 billion), the United Kingdom (USD 1.8 billion), Japan (USD 771 million) and Canada (USD 492 million); EU institutions provided USD 2.4 billion in 2016.

In 2016, countries in the Middle East, or hosting refugees from the Middle East, received over a third of total DAC humanitarian flows: the Syrian Arab Republic (USD 2 billion), Iraq (USD 1 billion), Yemen (USD 610 million), the West Bank and Gaza Strip (USD 525 million), Jordan (USD 353 million) Lebanon (USD 339 million) and Turkey (USD 490 million). Other countries also received substantial amounts: South Sudan (USD 781 million) and Ethiopia (USD 559 million).

With the ongoing humanitarian crises, and the growing share of ODA budgets being used to deal with them, there is a need to reassess ODA allocations and ensure that aid is not diverted to crisis spending without a focus on longer term economic development in developing countries.

Support to refugees in DAC countries has tripled

The refugee crisis has had a particularly significant impact on DAC countries' ODA. Preliminary data show that ODA for in-donor refugee costs tripled from USD 4.9 billion in 2013 to USD 14.2 billion in 2017 for all DAC countries combined, accounting for 9.7% of total net ODA flows. In nine countries the share of in-donor refugees in total ODA in 2017 exceeded 10%, the highest being Iceland (36%), Italy (31%), Germany (25%) and Greece (23%). Spending on in-donor refugee costs fell by 13.6% in real terms from 2016 (Table 13.2).

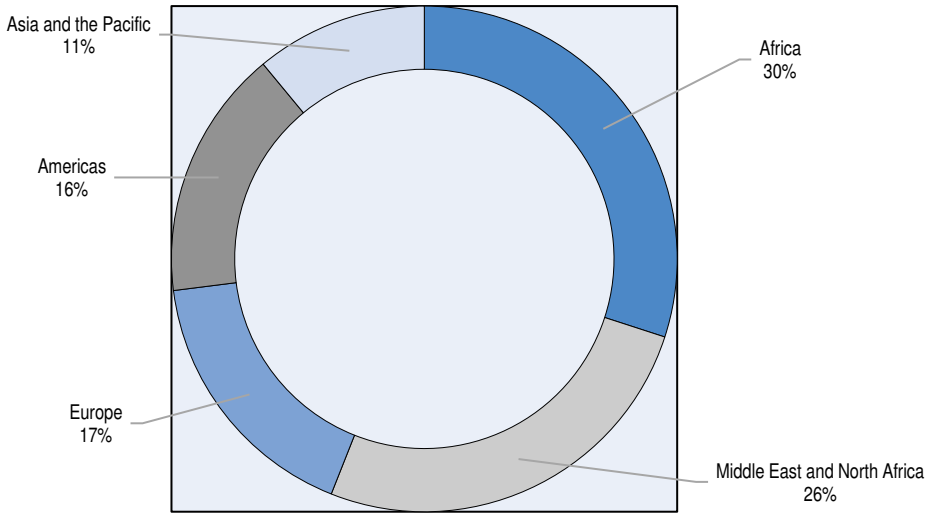
Table 13.2. **In-donor country refugee costs reported as ODA by DAC countries**

	In-donor refugee costs, million USD					In-donor refugee costs as a share of total net ODA (%)				
	2013	2014	2015	2016	2017 (p)	2013	2014	2015	2016	2017 (p)
Australia	343	-	-	-	-	7.1	-	-	-	-
Austria	63	109	439	596	153	5.4	8.9	33.2	36.4	12.5
Belgium	156	187	228	376	316	6.8	7.6	12.0	16.3	14.3
Canada	211	216	213	390	467	4.3	5.1	5.0	9.9	10.9
Czech Republic	9	12	14	18	22	4.2	5.4	7.1	6.9	8.0
Denmark	162	256	397	412	73	5.5	8.5	15.5	17.4	3.0
Finland	21	16	39	130	77	1.5	1.0	3.0	12.3	7.3
France	453	485	363	467	566	4.0	4.6	4.0	4.8	5.0
Germany	139	171	3 019	6 585	6 084	1.0	1.0	16.8	26.6	24.6
Greece	21	21	59	147	72	8.9	8.6	24.9	39.8	22.7
Hungary	-	10	10	10	3	0.0	7.2	6.2	4.9	2.2
Iceland	0	3	5	16	25	0.9	6.8	11.8	26.7	36.3
Ireland	0	0	1	1	11	0.0	0.0	0.1	0.1	1.4
Italy	404	840	983	1 665	1 803	11.8	21.0	24.6	32.7	31.4
Japan	1	1	0	0	0	0.0	0.0	0.0	0.0	0.0
Korea	-	-	-	-	-	-	-	-	-	-
Luxembourg	0	-	-	-	-	0.1	-	-	-	-
Netherlands	373	935	1 326	434	835	6.9	16.8	23.2	8.7	16.9
New Zealand	19	20	17	17	17	4.3	3.9	3.8	3.8	3.9
Norway	270	279	463	800	150	4.8	5.5	10.8	18.3	3.6
Poland	-	-	9	6	6	0.0	0.0	2.1	0.9	0.9
Portugal	2	1	3	4	3	0.3	0.2	0.9	1.3	0.8
Slovak Republic	1	1	2	2	1	1.1	1.2	2.0	1.5	0.6
Slovenia	0	0	7	7	1	0.2	0.1	11.2	8.9	1.8
Spain	25	18	32	89	218	1.0	1.0	2.3	2.1	9.0
Sweden	705	1 095	2 397	821	828	12.1	17.6	33.8	16.8	15.0
Switzerland	450	483	498	691	285	14.1	13.7	14.1	19.3	9.2
United Kingdom	51	222	390	574	491	0.3	1.2	2.1	3.2	2.7
United States	977	1 246	1 202	1 702	1 661	3.1	3.8	3.9	4.9	4.7
Total DAC of which:	4 854	6 629	12 115	15 960	14 170	3.6	4.8	9.2	11.0	9.7
DAC EU countries	2 584	4 382	9 718	12 343	11 565	3.6	5.8	13.2	15.0	14.0

Note: (p): preliminary.

Despite the focus on recent efforts by European countries, the United Nations High Commissioner for Refugees estimates that just 17% of the world's displaced people were hosted in Europe in 2016[4] (Figure 13.6). In that year, an unprecedented 65.6 million people were displaced by conflict and persecution all over the world, and the situation continues. The total number of refugees in Bangladesh, for example, stood at 876 049 in April 2018.[5]

Figure 13.6. **Regions hosting the world's displaced people**



Source: UNHCR (n.d.), *Refugees* (webpage), *http://www.un.org/en/sections/issues-depth/refugees/*

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A coherent and transparent approach to reporting financing for refugees and migrants is in development

As DAC members faced the challenge of responding to growing numbers of refugees and migrants in 2015, it became apparent that a coherent, comparable and transparent approach was needed to report in-donor refugee costs in ODA statistics.

In a special survey carried out in 2015, 13 DAC countries indicated that in-donor refugee costs would be funded from budgets other than development co-operation, whereas 7 countries indicated that they would use their ODA budgets to fund these costs in 2015 and 2016. In order to preserve their ODA budgets, some members set a ceiling for in-donor refugee costs so that these would not exceed a certain share of their total ODA (e.g. Sweden at 30%). While Canada reports in-donor refugee costs as ODA, its spending is additional to the international assistance envelope. Australia does not report in-donor refugee costs as ODA.

The DAC agreed in 2017 to clarify the rules in order to assess what could or could not be counted as ODA. The clarifications highlighted the following:

- **Rationale:** As refugee protection is a legal obligation, the provision of assistance to refugees may be considered as a form of humanitarian assistance.
- **Categories of refugees:** The categories of refugees eligible for in-donor refugee costs must be based on legal definitions (i.e. asylum seekers and recognised refugees may be included).
- **The "12 month rule":** Only costs within the first 12 months of eligible assistance may be counted as ODA.

- **Eligibility of specific costs:** Costs for temporary sustenance like food, shelter or training may be counted as ODA, but costs to integrate refugees in the donor country may not.
- **Methodology:** The DAC emphasised the need for a conservative approach in assessing the costs for in-donor refugees that was accurate and transparent.

International focus on fragile contexts is too reactive

The development-humanitarian-peace nexus is becoming increasingly important in fragile contexts, where crisis response is traditionally divided into silos and programmed according to a range of different mandates and financial tools, making the international response incoherent and reducing its effectiveness. In particular, humanitarian aid is being stretched in both scope and time well beyond its traditional mandate of saving lives. It is not a tool to solve the root causes of crises. As noted in the forthcoming OECD report, *States of Fragility 2018*, in crisis contexts development assistance should be used wherever possible, and humanitarian assistance only when necessary.

On average, DAC members spend 33% of their gross bilateral ODA in fragile contexts, amounting to USD 44.1 billion. The United States is the largest DAC donor in this area, spending USD 13.7 billion (47% of gross bilateral ODA), while Ireland, at USD 279 million (66% of gross bilateral ODA) leads DAC members in the percentage of its spending that goes to fragile contexts. In addition, Turkey and the United Arab Emirates focus most of their bilateral aid on humanitarian and fragile contexts such as in Jordan, Syria, the West Bank and Gaza Strip, and Yemen.

Unfortunately, peer reviews find that DAC members' attempts to achieve coherence between stabilisation, humanitarian aid and development are largely reactive. Except for France, the Netherlands and the United States, conflict prevention is often overlooked, and there are no links between early warnings of political, social or economic deterioration and a flexible and rapid response mechanism that could prevent a situation worsening.

ODA commitments need to be honoured

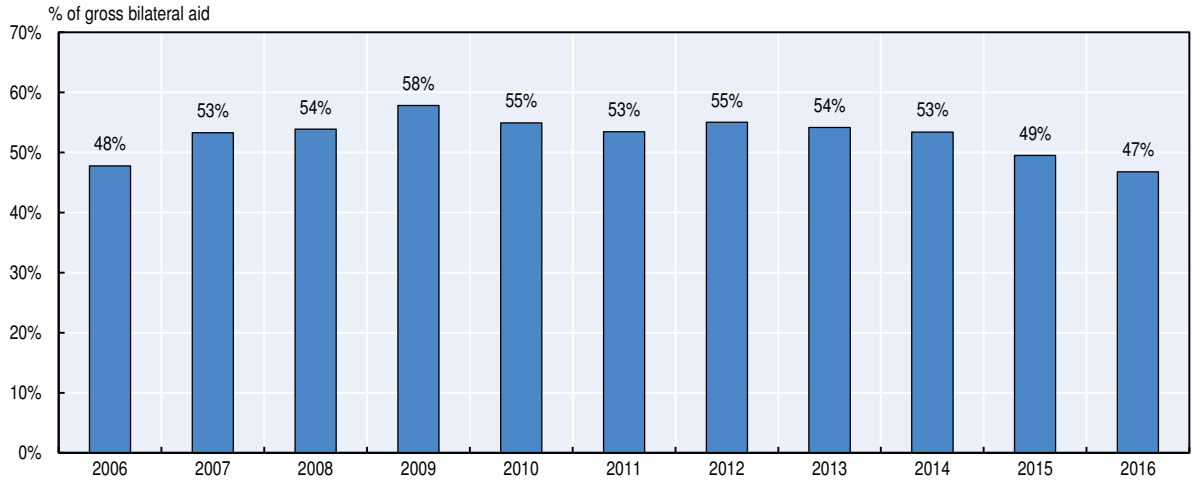
Countries that signed up to the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development, the European Consensus on Development as well as the DAC 2014 High Level Meeting have reinforced their commitments to address development financing. Despite this, ODA as a percentage of GNI remains stubbornly low; the commitment to the LDCs is far from being met by most DAC members; and financing for small island developing states (SIDS), sub-Saharan Africa and country programmable aid continues to decline. Greater efforts are needed to improve the quantity and quality of development finance, and the commitments made must be met if the ambitious 2030 Agenda and the Paris Agreement are to be achieved.

The share of programmable aid to developing countries is falling despite increases in ODA

In 2016, country programmable aid (CPA) represented 47% of DAC countries' gross bilateral ODA (USD 54 billion), down from 49% in 2015. From 2010 to 2014, the average share of CPA was 54%, remaining at roughly the same level while gross bilateral and gross total ODA continued to increase in volume. The recent decrease in CPA suggests that some DAC members have substituted in-donor refugee costs for ODA previously programmed at the country level. On the other hand, the decline may also represent an increase in regional funding and financing of global public goods (Figure 13.7).

Findings from recent DAC peer reviews suggest that DAC members are scaling up their thematic funds that are centrally managed and not earmarked for specific countries. This would suggest further decreases in the share of country programmable aid.

Figure 13.7. **Share of country programmable aid**



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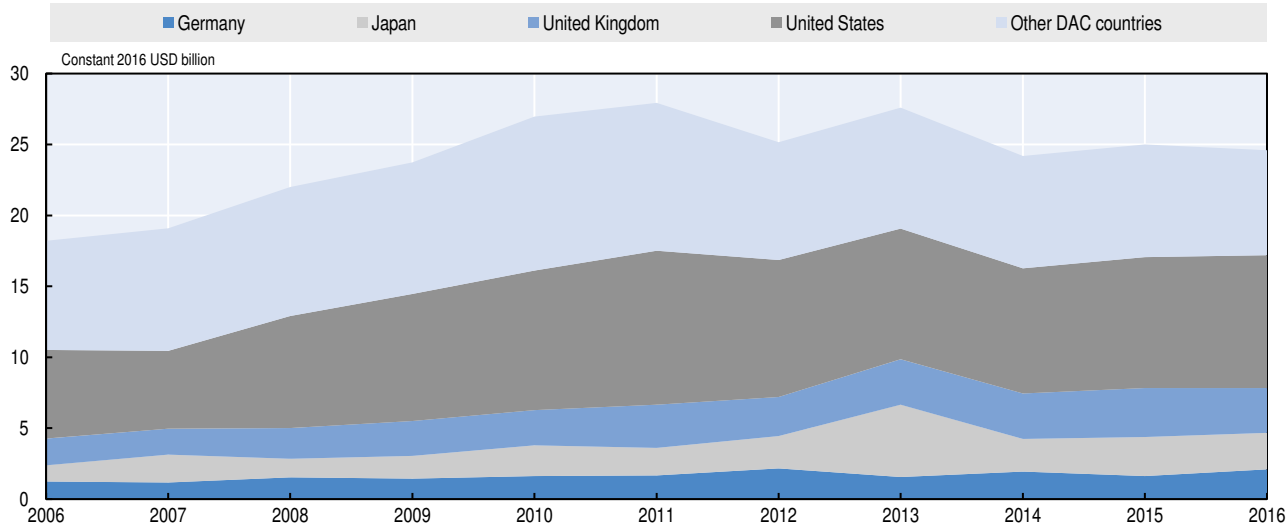
The decline in aid to least developed countries may be turning around

Gross bilateral ODA flows from DAC countries to the LDCs have been declining: between 2011 and 2016, they fell by 17% in real terms. Preliminary data for 2017, however, indicate that this trend may be reversing: net ODA flows to the LDCs increased by 4%.

The United States is the largest donor by volume, followed by the United Kingdom, Japan and Germany. Combined these four countries provided more than two-thirds of total bilateral flows to the LDCs in 2016 (Figure 13.8).

Figure 13.8. **Bilateral ODA to least developed countries from DAC countries**



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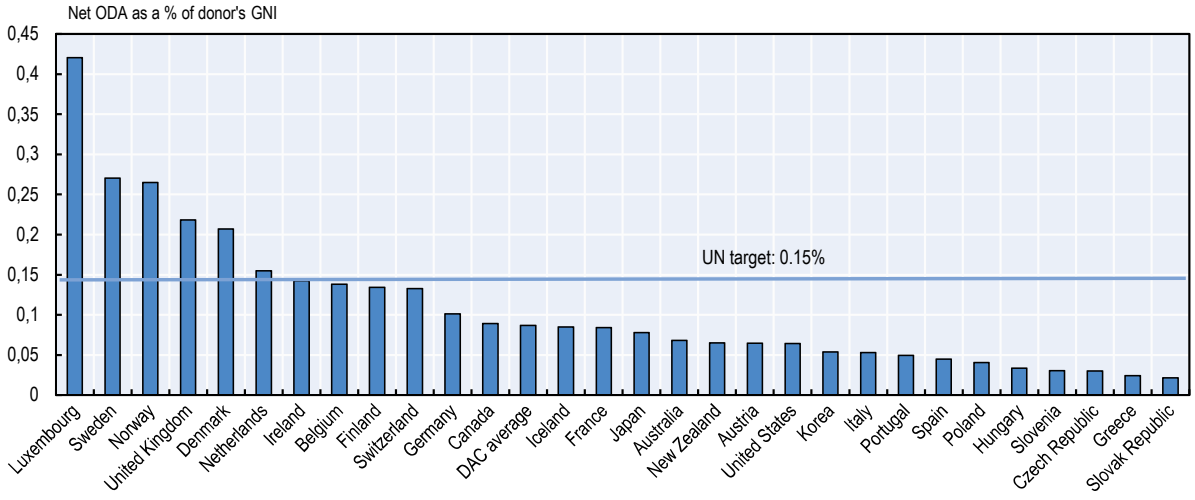
Aside from bilateral ODA, DAC countries also provide aid through the multilateral system to the LDCs. In 2016, the volume of this aid increased by 20% compared to 2015, mostly due to larger contributions from DAC countries to EU institutions and regional development banks.

DAC countries provided 0.09% of their combined GNI as ODA to the LDCs in 2016, and only six met the United Nations target to allocate 0.15% of their GNI as ODA to the LDCs (Figure 13.9).

Figure 13.9. **Total net ODA to least developed countries as a percentage of donor's gross national income, 2016**



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In 2015-16, half of gross bilateral ODA expenditures from DAC countries were directed at 8 countries out of the 48 LDCs: Afghanistan (USD 3.4 billion), Ethiopia (USD 2.0 billion), the United Republic of Tanzania (USD 1.5 billion), Bangladesh (USD 1.4 billion), South Sudan (USD 1.3 billion), the Democratic Republic of Congo (USD 1.2 billion), Mozambique (USD 1.1 billion) and Uganda (USD 1.0 billion).

Small island developing states remain vulnerable and overlooked

Average external debt in SIDS has reached almost 60% of their GNI, exacerbated by the need to borrow in order to recover from the impact of natural disasters. New development solutions and approaches are needed to address the challenges faced by this group of vulnerable countries (Box 13.2).

Box 13.2. **The United Arab Emirates Pacific Partnership Fund – working with small island developing states**

The UAE-Pacific Partnership Fund helped deploy renewable energy in 11 small island developing states (SIDS) in the Pacific, filling some of the urgent investment gap in the energy sector in the region and providing capacity building on newly created energy assets. The fund is a USD 50 million grant facility established by the United Arab Emirates in 2013 and in operation until 2017. The United Arab Emirates worked with the state-owned company Masdar to run competitive, international tenders for project implementation. One of the country's strategic goals with the fund was to co-operate with other providers and build on existing activities in the region. This led to close technical co-ordination with several providers, such as the Asian Development Bank, the World Bank, Japan, the European Union and, especially, New Zealand in the case of the Solomon Islands. This marked the "first time an OECD member country used a UAE implementing agency" (Masdar, 2016[8]) and helped build trust between the United Arab Emirates and New Zealand through joint planning and implementation – both sides met regularly and disclosed project and investment details. The highly successful implementation of the fund led to the creation of a new fund targeting the renewable energy sector in the Caribbean region and which has been in operation since 2017.

Sources: Adapted from Casado-Asensio, J. and N. Piefer (2017), "Breaking down the myths of triangular co-operation in Middle East and North Africa", *http://dx.doi.org/10.1787/41102acd-en; and Masdar (2016), UAE-Pacific Partnership Fund, www.masdar.ae/assets/downloads/content/4338/ppf_factsheet.pdf.*

ODA to SIDS peaked in 2010 due to post-earthquake relief aid for Haiti. Since 2011, the total has fallen by nearly 30% (excluding debt relief). In 2016, gross bilateral ODA flows from DAC countries to SIDS were USD 4.8 billion, an increase of 65% in real terms compared to 2015, due to exceptional debt relief to Cuba, mainly from Spain. Excluding such debt grants, however, ODA flows fell by 10% in real terms from 2015.

In 2016, the top five DAC providers of gross bilateral ODA to SIDS were: Spain (USD 2.1 billion), Australia (USD 704 million), the United States (USD 648 million), Japan (USD 319 million) and France (USD 263 million). Combined these countries provided 85% of total flows to SIDS. If the exceptional debt relief is excluded, then New Zealand would replace Spain in the list of top five donors.

Assistance to Africa, and especially sub-Saharan Africa, is falling when it needs to rise

Gross bilateral ODA to the African continent fell by 10% in real terms between 2011 and 2016. The largest donors in 2016 were the United States (USD 10.2 billion), Germany (USD 4 billion), the United Kingdom (USD 3.9 billion), France (USD 3.2 billion) and Japan (USD 1.9 billion), which combined provided more than three-quarters of ODA flows to the African continent. Within this group, only aid from Germany and the United Kingdom increased between 2011 and 2016.

Within Africa, gross bilateral ODA to sub-Saharan Africa fell even more, by 13% in real terms between 2011 and 2016. The top aid recipients in the region in 2016 were Ethiopia (USD 2.1 billion), Kenya (USD 1.6 billion), Tanzania (USD 1.5 billion), South Sudan (USD 1.3 billion) and Nigeria (USD 1.2 billion). Regional programmes for sub-Saharan Africa amounted to USD 2.2 billion in 2016. By contrast, the largest drops were for Congo, the Democratic Republic of Congo, Eritrea, Mauritius and Togo, with aid falling by 60% or more in real terms in each country.

Sustainable development requires a coherent approach and greater participation of other actors

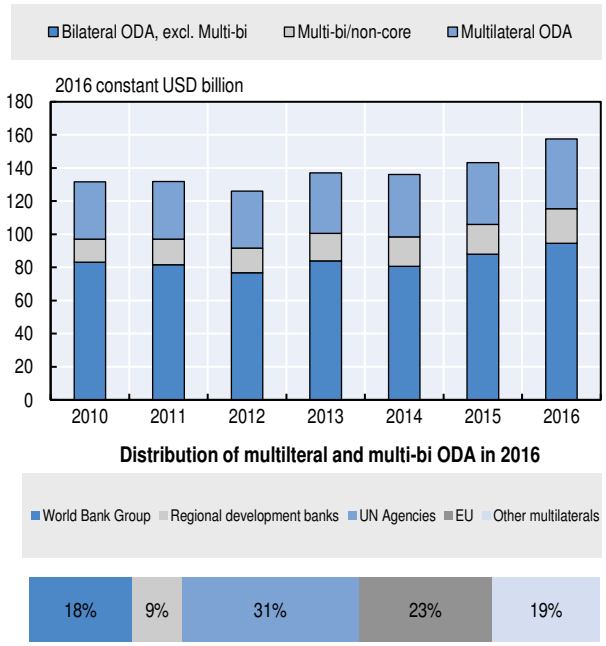
The 2030 Agenda for Sustainable Development (United Nations, 2015[3]) and the Paris Agreement (United Nations, 2015[9]) provide a new framework for development co-operation, drawing on a broader set of policies, instruments and financing mechanisms. While development co-operation remains critical, especially for the LDCs and many SIDS and in fragile contexts, it needs to be complemented by coherent policies, regulations and approaches to sustainable development. Economic, trade, foreign, migration, defence and environmental policies need to achieve a positive impact on developing countries (OECD, 2017[10]). In addition, donors need to encourage other actors, particularly the private sector, to maximise their contribution to sustainable development in developing countries.

Multilateral funding continues to rise

Total concessional and non-concessional flows from multilateral organisations were USD 66 billion in 2016, and have increased by about 40% in real terms over the last five years. USD 42 billion of this was provided on concessional terms. The EU institutions, whose aid increased by 17%, and the World Bank's International Development Association, whose aid increased by 30%, together accounted for 60% of concessional financing to developing countries. Funding by United Nations organisations also increased by 30% in real terms.

In 2016, DAC countries channelled 40% of their total ODA to and through multilateral organisations, a slight increase from 2010 when it was 37%. The share of core (or assessed) contributions to multilateral organisations has remained stable at around 27% of total ODA, while aid channelled through international organisations has increased, from 11% in 2010 to 13% in 2016 (Figure 13.10Figure 13.10). Finance geared towards specific programmes and funds has increased by 19% in real terms since 2010 to reach USD 16.3 billion in 2016. Contributions to pooled funds and basket funds[6] stood at USD 1.2 billion in 2016, having dropped by 10% since 2010.

Figure 13.10. **ODA channelled to and through the multilateral system by DAC countries, gross disbursements**



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Private philanthropic flows are also increasing

The volume of development finance delivered by private philanthropic institutions continues to increase. While modest in volume compared with ODA, foundations are significant players in the health and reproductive health sectors, where they were the third largest source of financing for developing countries behind the United States and The Global Fund to Fight AIDS, Tuberculosis and Malaria.

An OECD survey found that private foundations provided USD 23.9 billion from 2013 to 2015, averaging USD 7.96 billion per year (OECD, 2018[11]). Eighty-one per cent of giving came from just 20 foundations. The Bill & Melinda Gates Foundation is the most significant of the 143 foundations surveyed, providing 49% of total philanthropic finance. Its aid has risen over the past five years by nearly 50% in real terms, reaching over USD 3 billion in 2016.

Middle-income countries received 67% of country allocable philanthropic funding and just one-third benefited the LDCs. Almost all funding (97%) was implemented through intermediary institutions. Africa was the largest beneficiary region, receiving about a third of this aid. Domestic philanthropic flows play an important role, representing 83% of total philanthropic flows in Turkey, 60% in Mexico and 35% in the People's Republic of China.

Foundations value engaging in coalitions with governments, donors, social entrepreneurs and civil society organisations (CSOs). The OECD suggests that donors could engage more systematically with private foundations (OECD, 2018[11]).

As the OECD expands its engagement with foundations and the coverage of DAC statistics improves, reported volumes of philanthropic finance will continue to increase. The United Postcode Lotteries commenced reporting in 2017 and more private donors will follow this year.

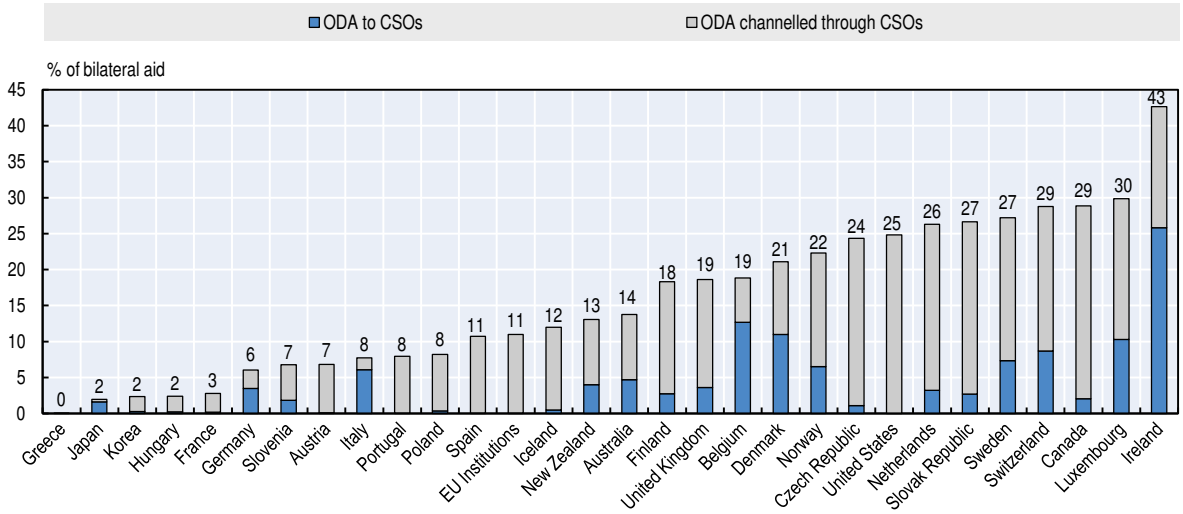
Civil society organisations are important partners in crisis response

In 2016, DAC countries channelled nearly USD 18 billion to and through CSOs, which represented 15% of their bilateral ODA. A fifth was spent in Syria (USD 821 million, mostly on humanitarian aid), Ethiopia (USD 668 million), the Democratic Republic of the Congo (USD 433 million), Kenya (USD 408 million),

Afghanistan (USD 380 million), Nigeria (USD 377 million), Bangladesh (USD 348 million) and South Sudan (USD 342 million). Peer reviews undertaken in 2016 and 2017 found that the majority of DAC members channel their CSO funding to and through organisations registered in their own country. Australia, Denmark and the Netherlands channel significant volumes through non-governmental organisations based in developing countries, with this channel increasing in significance for Denmark.

Non-DAC countries channelled USD 346 million to and through CSOs, which represented 6.4% of their bilateral ODA.

Figure 13.11. **Share of ODA to and through CSOs by DAC countries, 2016**



Note: the value above each bar equals the sum of aid to and through civil society organisations (%).

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The mobilisation of private investment remains modest

Increasing the volume of private sector investment in sustainable development is critical to achieving the Sustainable Development Goals. For the time being, amounts of private sector investment mobilised by official development finance are modest. Donors need to step up their efforts to stimulate private investment while being careful to ensure that the necessary policy and regulatory frameworks are in place to facilitate this.

A 2016 OECD survey (Benn et al., 2016[12]) found that USD 81.1 billion was mobilised from the private sector by official development finance interventions from 2012 to 2015. Volumes increased annually, from USD 15.0 billion in 2012 to USD 26.8 billion in 2015. Guarantees represented 44% of the total. Most of the finance supported projects in middle-income countries (77%), especially in Africa which was the main region to benefit (30%). The banking sector received the largest share (33%), followed by energy (25%) and industry (14%), and 26% contributed to combating climate change.

Bilateral and multilateral development banks and development finance institutions are using blended finance instruments to help bridge the investment gap in developing countries, using public support to mobilise commercial investment. The OECD-DAC Blended Finance Principles were endorsed by the DAC High Level Meeting in 2017; building on these, the OECD's 2018 blended finance report recommends that DAC members ensure blended finance mobilises commercial resources that are not currently supporting development and better target blended finance to a broader range of development issues and contexts. This report found that donor governments had set up 167 dedicated facilities between 2000 and 2016 to pool public financing for blending, using a variety of approaches and instruments (OECD, 2018[13]).

Financing for gender equality and environmental action is increasing

While aid targeting gender equality and women's empowerment reached an all-time high in 2015-16 with USD 41.4 billion of bilateral contributions focusing on gender equality, only USD 4.6 billion of this aid was designed with these issues as the main objective. Gender equality is a policy priority for many DAC members. However, even though guidelines and strategies are in place, peer reviews find that implementation is lagging behind. DAC donors should design more aid programmes that specifically target gender equality and women's empowerment as a primary objective.

In 2016, total ODA commitments by DAC members in support of the environment were USD 38 billion, representing 32% of bilateral allocable ODA. This was an increase of 4% in real terms over 2015. Climate-related ODA was USD 30 billion, of which 52% supported climate mitigation only, 29% climate adaptation and 19% both.

Commitments with a "significant" focus on climate objectives have increased over the last five years for both adaptation and mitigation. This may in part be explained by enhanced emphasis by providers to take climate change considerations into account, and by a greater focus on reporting these data.

In 2015-16, five sectors received over 70% of total adaptation-related development finance, with the agriculture, forestry and fishing sector receiving 21% and the water supply and sanitation sector receiving 20%. This suggests that these two sectors are particularly vulnerable to the impact of climate change.

Peer reviews have found that while development finance is increasingly supporting global environmental issues, mainstreaming of environmental concerns in projects is relatively low. An ongoing DAC peer learning exercise is seeking to understand the obstacles to managing and mainstreaming environmental issues and share good practices and tools to promote synergies between environment and development interventions.

There has been little change in sector financing

Forthcoming OECD sector analysis finds that there has been very little change in the allocation of official development finance[7] to broad sectors in recent years. Between 2012 and 2016, 34% of official development finance was committed to social sectors and 33% to infrastructure. Concessional flows concentrated on social sectors such as education; health; governance and civil society; and social infrastructure and services, where ODA provides 81% of development finance. Infrastructure sectors (transport and storage, energy, water and communications) received 56% of ODA and 40% of other official flows. ODA represented 52% of flows to the productive sectors (agriculture, industry, mining and construction, and trade and tourism).

While private finance is mobilised in sectors where business is traditionally active (energy, banking and business, industry and mining), the report suggests that it could contribute more in the water and transport and storage sectors.

DAC countries provided an average of USD 87 billion per year in sector-allocable development finance from 2012 to 2016, with social sectors comprising some 40% of their portfolio. High volumes of funding are provided by a limited number of donors in most sectors, especially infrastructure with more than 80% provided by France, Germany, Japan, Korea, the United States and the multilateral development banks. The United States and the World Bank Group provided an average of USD 26.2 billion per year to the social sectors compared with USD 29.5 billion from the next 13 top contributors. The European Union and the United States provide the largest volume of governance financing, and Germany contributes 20% of grants to the education sector. Non-DAC providers are increasing their contribution to a number of sectors with the United Arab Emirates one of the top 10 bilateral providers in the production sector and Kuwait in the infrastructure sector.

Aid for trade commitments decreased to USD 51 billion in 2016 from USD 55.2 billion in 2015 (2016 constant prices). The drop was the highest in the energy sector, banking and financial services, and the agriculture sector. Despite this drop, aid for trade commitments remain high when compared to the 2002-05 baseline and more than doubled during this period, from USD 22.9 billion to USD 51 billion in 2016. Africa was the largest recipient of aid for trade (36%), followed by south and central Asia (25%).

2016 was the second year for which ODA to domestic revenue mobilisation (DRM) was tracked via a dedicated-purpose code in the OECD's Creditor Reporting System. ODA commitments for DRM were USD 291 million in 2016. The most significant development in ODA to DRM in 2016 was the provision of ODA loans, which represented 54% (USD 156 million) of total commitments to DRM, with one loan alone making up 38% of total commitments. By contrast, grants represented USD 135 million, a fall of 24% in real terms from 2015. ODA to DRM has become less focused on the LDCs since 2015, with only USD 37 million (13%) of total commitments for the LDCs, compared to USD 102 million (56%) in 2015.

Key trends in summary

- Net ODA from DAC members was USD 146.6 billion in 2017, a slight fall of 0.6% in real terms from 2016.
- The overall volume of development finance continues to grow thanks to increases by providers of aid beyond the DAC members, including Turkey and the United Arab Emirates.
- DAC countries' humanitarian aid has increased by 66% since 2010 to reach USD 15.5 billion in 2017, a rise of 6.1% from 2016.
- Following dramatic increases in 2015 and 2016, DAC members' spending on in-donor refugee costs fell by 13.6% in 2017.
- DAC members have reversed the trend of declining aid to least developed countries since 2011, increasing their bilateral flows by 4% in 2017.
- The share of concessional loans has increased by 25% since 2010.
- In 2016, 88% of DAC members' ODA covered by the 2001 DAC Recommendation on Untying was reported as untied, an increase of 5.7% compared to 2015.
- Aid targeting gender equality and women's empowerment reached an all-time high in 2015-16 with USD 41.4 billion of bilateral contributions focusing on gender equality.

However, despite commitments made by DAC members in 2014, in the 2015 Addis Ababa Action Agenda and in the European Consensus on Development:

- ODA as a share of gross national income fell from 0.32% in 2016 to 0.31% in 2017.
- Country programmable aid represented 47% of bilateral ODA in 2017, down from 54% in the period 2010-14.
- Total ODA to least developed countries from DAC countries combined averaged 0.09%, well below the UN target of 0.15-0.20% of gross national income.
- Bilateral ODA to small island developing states has dropped by nearly 30% since 2011, excluding debt relief.
- Bilateral ODA to fragile and conflict-affected contexts fell by nearly 7% in real terms between 2011 and 2016.
- Bilateral ODA to sub-Saharan Africa fell by 13% in real terms between 2011 and 2016.

Notes

1. The figure of USD 161 billion in 2017 includes preliminary 2017 ODA flows from DAC countries as well as other providers of development co-operation who reported these data to the OECD in spring 2018. Final and more comprehensive data will be available in December 2018.
2. See *http://www.oecd.org/dac/dac-global-relations/non-dac-reporting.htm*.

3. Annual gross domestic product in OECD countries averaged 2.1% between 2013 and 2017, with a high of 2.6% in 2015.
4. *www.un.org/en/sections/issues-depth/refugees*.
5. *https://data2.unhcr.org/en/documents/download/63289*.
6. Pooled funds are managed jointly with other donors or recipients; these may have specific purposes, modes of disbursement, etc. Basket funds have common project documents, common funding contracts and common reporting/audit procedures amongst donors.
7. Official development finance is defined as the sum of bilateral ODA, concessional and non-concessional resources from multilateral sources, and bilateral other official flows made available for reasons unrelated to trade.

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PART IV

Chapter 14

Profiles of Development Assistance Committee members

The profiles of Development Assistance Committee (DAC) members, which are presented in alphabetical order in this section, give key data on official development assistance (ODA) flows, channels, and thematic and geographic allocations. In line with the overall focus of the Development Co-operation Report 2018, *the profiles also provide information on DAC members' approaches to Leaving no one behind which was gathered through a survey.*

This section was prepared by Valentina Sanna, in collaboration with Yasmin Ahmad, Elena Bernaldo de Quirós, Pierre Blanchard, Emily Bosch, Olivier Bouret, Beatrice Di Francesco, John Egan, Kerri Elgar, Mags Gaynor, Alejandro Guerrero-Ruiz, Rahul Malhotra, Ida Mc Donnell, Valentina Orrú, Aisha Salih, Andrzej Suchodolski, Valérie Thielemans and Hikaru Uzawa.

AUSTRALIA

Leaving no one behind: Australia's approach and priorities

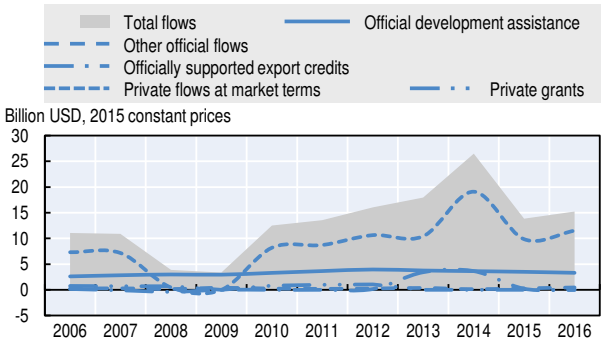
Australia is committed to leaving no one behind as per the 2030 Agenda for Sustainable Development. Its domestic and international approach to leaving no one behind is a theme of its first (in 2018) Voluntary National Review on the 2030 Agenda. Australia believes that the universal, indivisible and inalienable nature of human rights and the focus of its aid policy framework – notably poverty reduction, gender, disability and indigenous peoples – are consistent with leaving no one behind.

Australia has integrated the Sustainable Development Goals (SDGs) into programme guidance including for its annual programme performance reports and aid investment plans. Its mapping of aid investments shows their relevance for several SDGs. For example, agriculture, fisheries and water investments contribute to at least seven SDGs.

Closing data gaps, targeting interventions for disadvantaged/vulnerable groups while addressing the multiple and intersecting forms of disadvantage across groups, and effectively mainstreaming leave no one behind in development co-operation, are key challenges it faces. It supports initiatives such as the Individual Deprivation Measure, is learning from gender mainstreaming, is looking at equity in programming, and is developing an inclusive growth and governance diagnostic tool to situate its country strategies for development co-operation firmly in the realities of the context.

Financial flows from Australia to developing countries

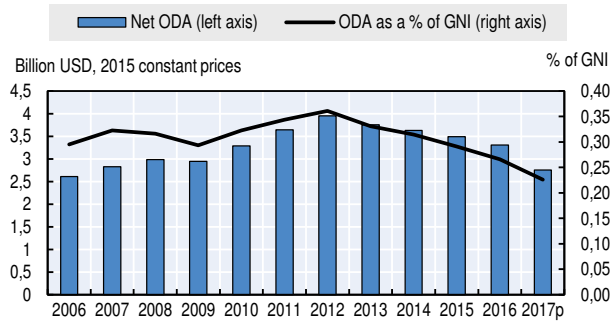
Figure 14.1. **Net resource flows to developing countries, 2006-16, Australia**



Note: Data on private flows at market terms and private grants are not available for 2009 or 2013-16. Data on officially supported export credits are not available for 2011.

StatLink http://dx.doi.org/10.1787/888933791322

Figure 14.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Australia**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933791341

Australia's performance against commitments for effective development co-operation

Table 14.1. **Results of the 2016 Global Partnership monitoring round (updated), Australia**

Australia	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	71.9%	50.2%	32.8%	100.0%	95.9%	79.9%	good	needs improvement	fair
Baseline	-	34.8%	23.5%	100.0%	68.9%	51.5%	needs improvement	good	fair
Trend	-	⇑	⇑	=	⇑	⇑	⇑	⇓	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797497

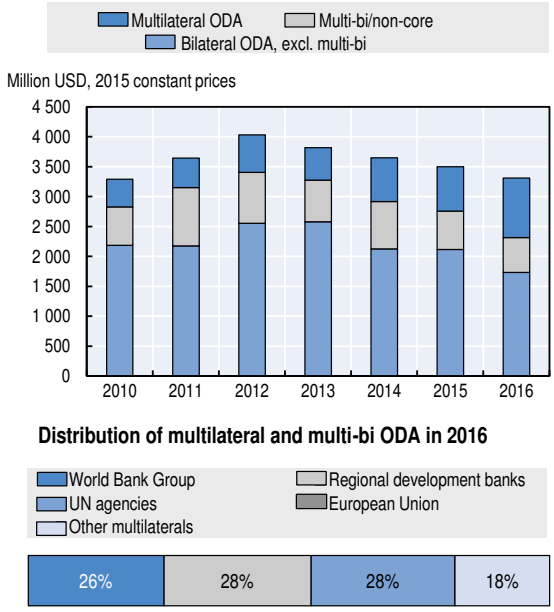
Australia's official development assistance

Australia provided USD 3 billion in net ODA in 2017 (preliminary data), which represented 0.23% of gross national income (GNI) and a fall of 15.8% in real terms from 2016, due to cuts in its multilateral official development assistance (ODA). Australia did not report expenditure on in-donor refugee costs as ODA in 2017. It considers that its processing of irregular migrants does not align with Development Assistance Committee (DAC) rules for in-donor refugee costs.

Australia's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 100% in 2016, while the DAC average was 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 69.9% of ODA was provided bilaterally. Australia allocated 30.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 25.2% of its bilateral ODA for projects implemented by multilateral organisations (multi-bi/non-core).

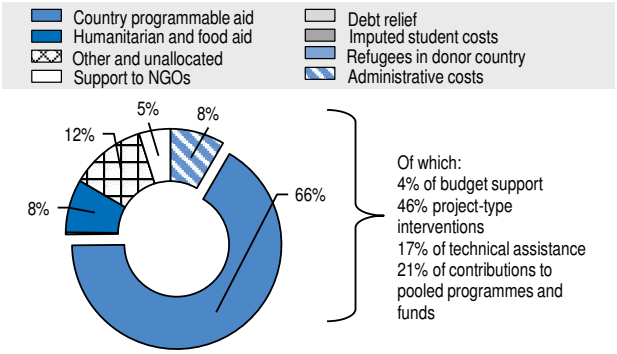
Figure 14.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Australia**



StatLink http://dx.doi.org/10.1787/888933791360

In 2016, 66.5% of bilateral ODA was programmed with partner countries. Australia's share of country programmable aid was above the DAC country average (46.8%) and 46% of this aid consisted of project-type interventions.

Figure 14.4. **Composition of bilateral ODA, 2016, gross disbursements, Australia**



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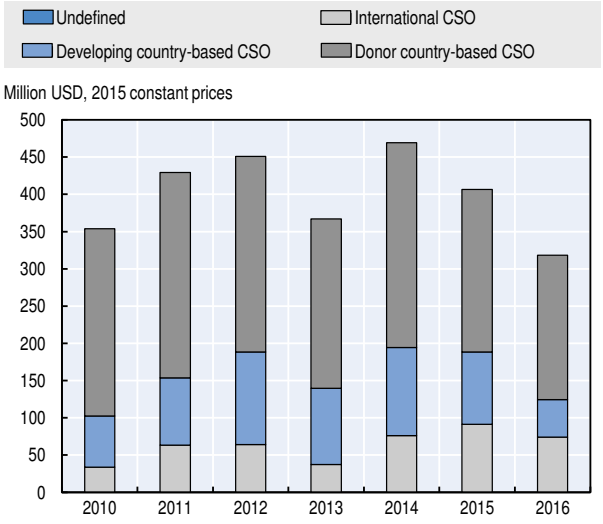
In 2016, USD 315.6 million of bilateral ODA was channelled to and through civil society organisations (CSOs). This represented 13.8% of bilateral ODA, compared with 14.8% in 2015.

Figure 14.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Australia**



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In 2016, bilateral ODA was primarily focused on Asia and Oceania. USD 735 million was allocated to Oceania, USD 523.3 million to Far East Asia, and USD 216 million to south and central Asia.

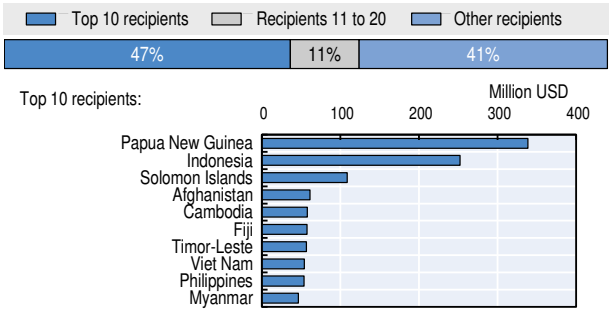
Figure 14.6. **Share of bilateral ODA by region, 2016, gross disbursements, Australia**

Note: Twenty-eight per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933791417

In 2016, 47.4% of bilateral ODA went to Australia's top 10 recipients. Its top recipients are in the Indo-Pacific region, where Australia invested 90% of country programmable aid in 2015-16. Australia's support to fragile contexts reached USD 0.8 billion in 2016 (36% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (43%), contributions to pooled funds (28%) and technical assistance (18%).

Figure 14.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Australia**



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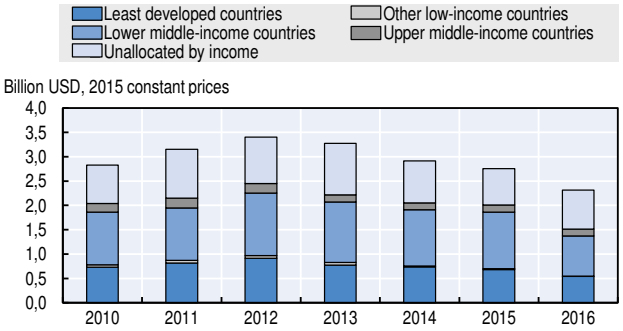
In 2016, 23.3% of Australia's bilateral ODA was allocated to least developed countries (LDCs), corresponding to USD 534.4 million. This is down from 24.6% in 2015, but remains higher than the DAC average of 21.9%. Lower middle-income countries received the highest share of bilateral ODA in 2016 (35.7%).

At 0.07% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

Figure 14.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Australia**



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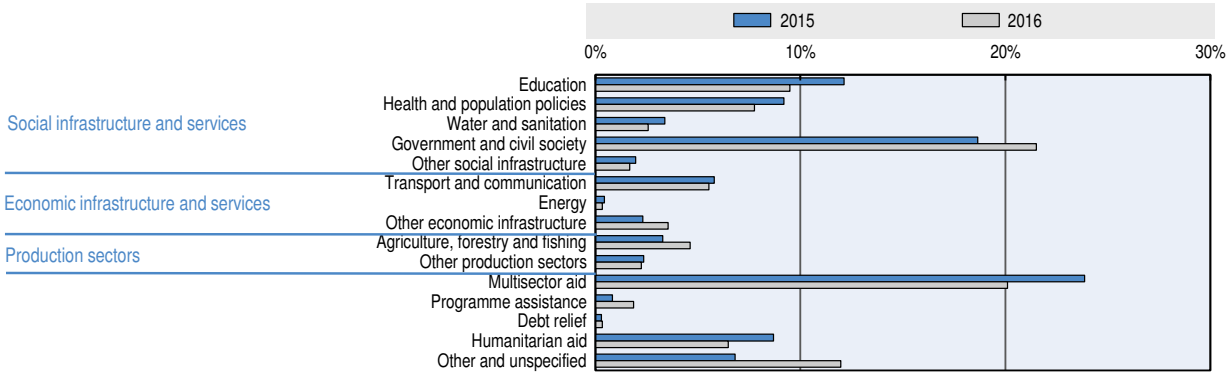
In 2016, 43% of bilateral ODA was allocated to social infrastructure and services, representing USD 984.6 million. There was a strong focus on support to government and civil society (USD 492.6 million), education (USD 217.2 million), and health (USD 122.3 million). Humanitarian aid amounted to USD 148 million. In 2016, Australia committed USD 2.9 million (0.1% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. Australia also committed USD 372.7 million (17.8% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

Figure 14.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Australia**



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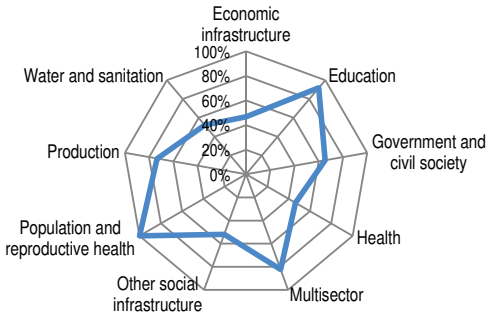
USD 1.3 billion of bilateral ODA supported gender equality. In 2016, 72% of Australia's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective. This is an important increase from 2015 (when it represented 54.1%) and is higher than the 2016 DAC country average of 36.5%. Australia's aid to population, reproductive health and education focuses on gender.

Figure 14.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Australia**



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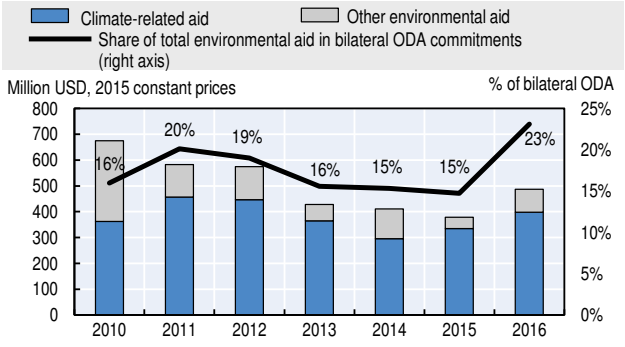
USD 483 million of bilateral ODA supported the environment in 2016. In 2016, 23.1% of Australia's bilateral allocable aid focused on the environment, compared with the DAC country average of 33%. In 2016, 18.9% of its bilateral allocable aid (USD 394.5 million) focused particularly on climate change, compared with the DAC country average of 25.7%.

Figure 14.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Australia**



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Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

AUSTRIA

Leaving no one behind: Austria's approach and priorities

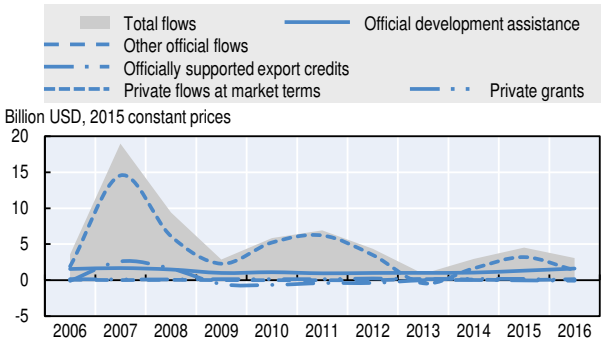
Austria believes that leaving no one behind has been a long-standing and integral part of its development co-operation. The 2030 Agenda for Sustainable Development provides it with a fresh impetus to build on this experience and to make an explicit policy commitment to leaving no one behind.

One priority of Austrian development policy is to concentrate on people, their needs and rights, in particular those sections of the population that run the highest risk of poverty and live in particularly precarious circumstances, such as children, women, older people, persons with disabilities and other marginalised groups. Austrian development co-operation follows a human rights-based approach in all projects and programmes. It considers that development co-operation should target these groups from the outset. It also aims to reduce inequalities in all segments of society, which it considers to be a crucial precondition for sustainable economic, social and ecological development.

According to Austria, delivering on the principle to leave no one behind is challenging because of the focus on people and groups that are suffering entrenched discrimination and who are hard to reach, but also because long-term commitment and engagement are necessary to deliver positive change and to meet specific needs.

Financial flows from Austria to developing countries

Figure 15.1. **Net resource flows to developing countries, 2006-16, Austria**



Note: Data on private grants are not available for 2016.

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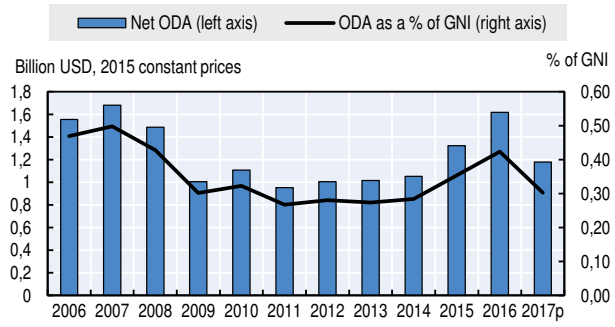
Figure 15.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Austria**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933791550

Austria's performance against commitments for effective development co-operation

Table 15.1. **Results of the 2016 Global Partnership monitoring round (updated), Austria**

Austria	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	83.8%	62.3%	32.7%	51.8%	88.1%	58.1%	excellent	good	-
Baseline	-	76.7%	59.0%	36.4%	99.7%	73.2%	excellent	excellent	-
Trend	-	⇓	⇓	⇑	⇓	⇓	=	⇓	

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797516

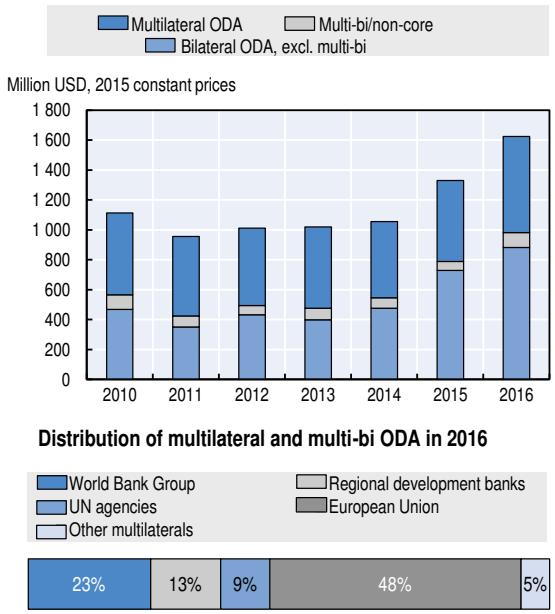
Austria's official development assistance

In 2017, Austria provided USD 1.2 billion in net ODA (preliminary data), which represented 0.3% of gross national income (GNI) and a 27.4% decrease in real terms from 2016, due to a decrease in in-donor refugee costs. Austria plans to increase its spending on bilateral co-operation by increasing the operating budget for the Austrian Development Cooperation Agency by EUR 10 million in 2019. In 2017, in-donor refugee costs were USD 153 million, and represented 12.5% of Austria's total net official development assistance (ODA), compared to 36.4% in 2016.

Austria's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 51.8% in 2016 (up from 36.4% in 2015), while the Development Assistance Committee (DAC) average was 81.2%. The grant element of total ODA was 100% in 2016 and loans amounted to 0.4% of gross ODA.

In 2016, 60.5% of Austria's ODA was provided bilaterally. Austria allocated 39.5% of total ODA as core contributions to multilateral organisations. In addition, it channelled 10.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

Figure 15.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Austria**



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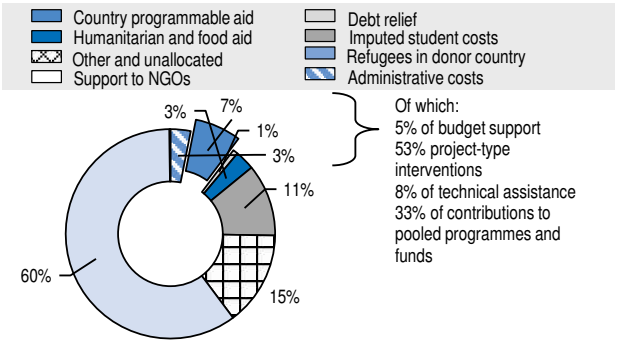
In 2016, only 7.2% of Austria's bilateral ODA was programmed with partner countries, making Austria's share of country programmable aid lower than the DAC country average of 46.8% in 2016. Project-type interventions accounted for 53% of this aid. Sixty per cent of bilateral ODA was allocated to refugees in donor country.

Figure 15.4. **Composition of bilateral ODA, 2016, gross disbursements, Austria**



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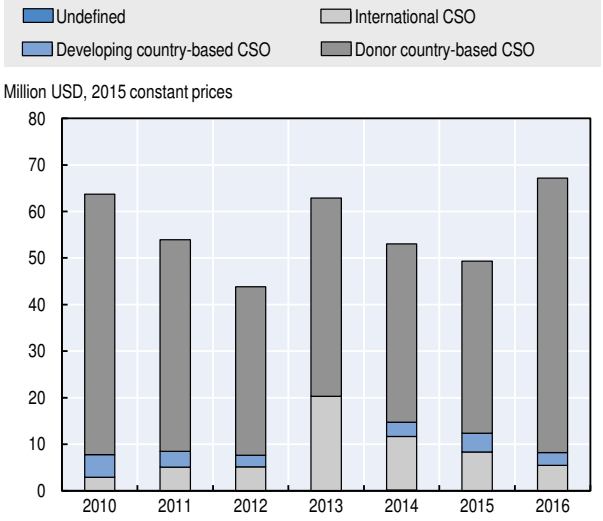
In 2016, USD 68.8 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs slightly increased as a share of bilateral ODA, from 6.3% in 2015 to 6.9% in 2016.

Figure 15.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Austria**



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In 2016, bilateral ODA was primarily focused on Eastern Europe, sub-Saharan Africa and the Middle East. This represented USD 127.7 million to Eastern Europe, USD 55.5 million to sub-Saharan Africa and USD 46 million to the Middle East.

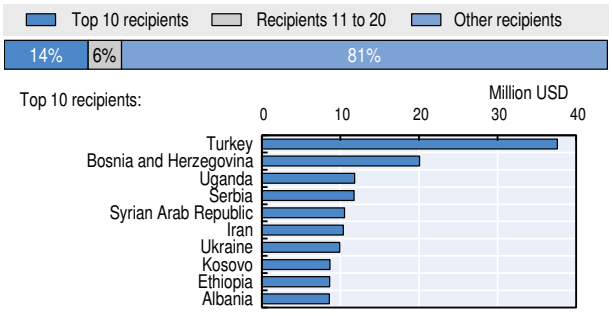
Figure 15.6. **Share of bilateral ODA by region, 2016, gross disbursements, Austria**

Note: Sixty-eight per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933791626

Austria allocated 13.9% of its bilateral ODA to its top 10 recipients in 2016. Three of its 11 priority partner countries and territories are among its top 10 recipients (Albania, Kosovo and Uganda). Austria's support to fragile contexts reached USD 89.7 million in 2016 (9% of gross bilateral ODA). Support to fragile contexts was distributed mainly to project-type interventions (30%), contributions to pooled funds (30%) and scholarships (26%).

Figure 15.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Austria**

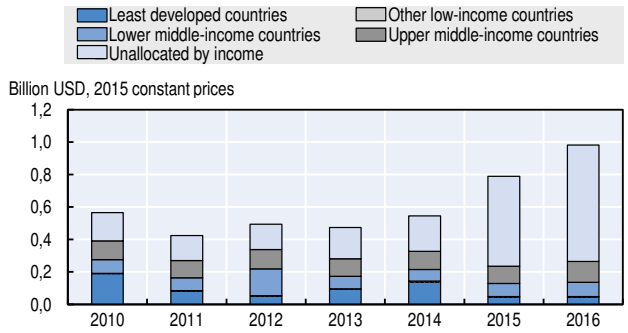


StatLink http://dx.doi.org/10.1787/888933791645

In 2016, 4.6% of Austria's bilateral ODA (USD 45.9 million) was allocated to least developed countries (LDCs). This is a decrease from 5.6% in 2015 and is below the 2016 DAC average of 21.9%. Upper middle-income countries received the highest share of bilateral ODA in 2016 (13.1%), noting that 73.1% was unallocated by income group. The increase in international refugee flows and migration has resulted in a significant shift away from allocations to the LDCs, which represented 24.9% of bilateral ODA in 2014.

At 0.06% of GNI in 2016, Austria's total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

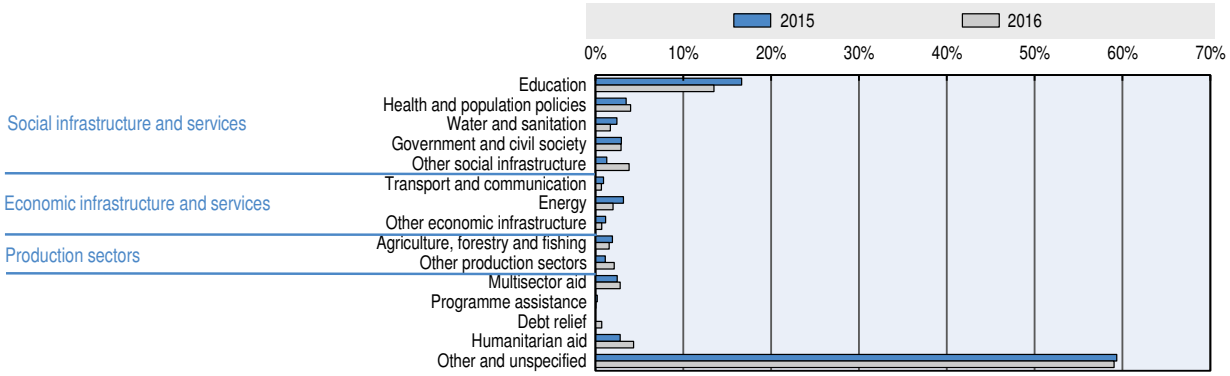
Figure 15.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Austria**



StatLink http://dx.doi.org/10.1787/888933791664

In 2016, 26% of bilateral ODA was allocated to social infrastructure and services. A total of USD 279.5 million of bilateral ODA was allocated to social sectors, with a strong focus on support to education (USD 145.2 million). Humanitarian aid amounted to USD 47 million. In 2016, Austria committed USD 75 million (23.2% of bilateral-allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

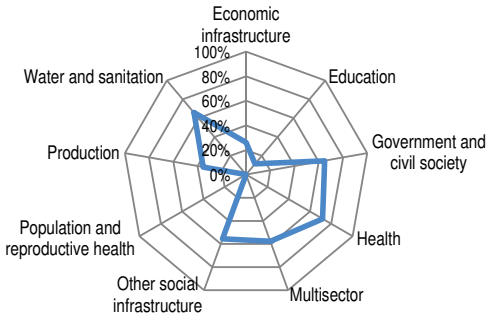
Figure 15.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Austria**



StatLink http://dx.doi.org/10.1787/888933791683

USD 95.9 million of bilateral ODA supported gender equality. In 2016, 44.8% of bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, remaining stable compared with 44.9% in 2015. This share is higher than the DAC country average of 36.5% in 2016. A high share of Austria's aid to health and government and civil society focuses on gender.

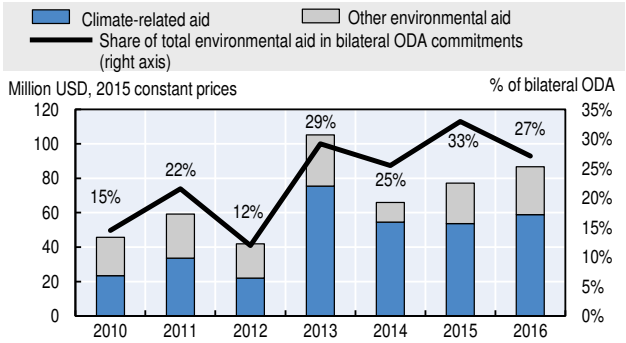
Figure 15.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Austria**



StatLink http://dx.doi.org/10.1787/888933791702

USD 87.6 million of bilateral ODA supported the environment in 2016. In 2016, 27.1% of Austria's bilateral allocable aid focused on the environment and 18.4% (USD 59.4 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 15.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Austria**



StatLink http://dx.doi.org/10.1787/888933791721

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

BELGIUM

Leaving no one behind: Belgium's approach and priorities

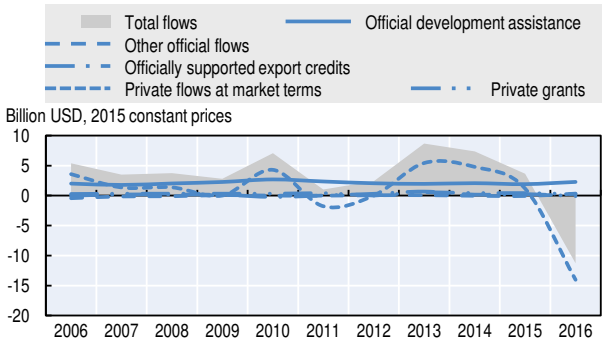
Belgium addresses the leave no one behind pledge of the 2030 Agenda for Sustainable Development through two strands: a focus on reaching out to those countries farthest behind and a focus on reaching out to those populations that are in a disadvantaged, vulnerable or marginalised situation.

In order to reach those left behind, Belgian development co-operation has a political priority to support least developed countries (LDCs): 12 out of its 14 partner countries are LDCs. It strives to allocate 50% of its official development assistance to the LDCs and fragile states.

Promoting human rights is a core theme of Belgium's development co-operation. Belgium's rights-based approach focuses on empowerment and human rights. It mainstreams the rights-based approach in all its interventions by focusing on specific individual rights of groups such as women and children; sexual and reproductive rights; and the rights of lesbian, gay, bisexual and transgender people. When taking decisions about the choice and the funding of partner governments, Belgium states that it pays particular attention to democratic legitimacy and good governance. It also strives to promote sustainable and inclusive economic development and strategic engagement with the private sector and civil society to achieve its objectives.

Financial flows from Belgium to developing countries

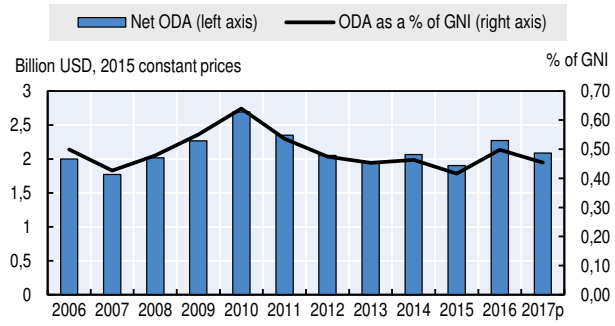
Figure 16.1. **Net resource flows to developing countries, 2006-16, Belgium**



Note: Data on private grants are not available for 2012.

StatLink http://dx.doi.org/10.1787/888933791740

Figure 16.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Belgium**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933791759

Belgium's performance against commitments for effective development co-operation

Table 16.1. **Results of the 2016 Global Partnership monitoring round (updated), Belgium**

Belgium	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	**77.7%**	**35.3%**	**53.2%**	**95.8%**	**63.4%**	**59.8%**	**needs improvement**	**excellent**	**needs improvement**
Baseline	-	30.3%	23.2%	96.7%	79.6%	77.7%	good	good	**good**
Trend	-	⇑	⇑	⇓	⇓	⇓	⇓	⇑	⇓

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797535

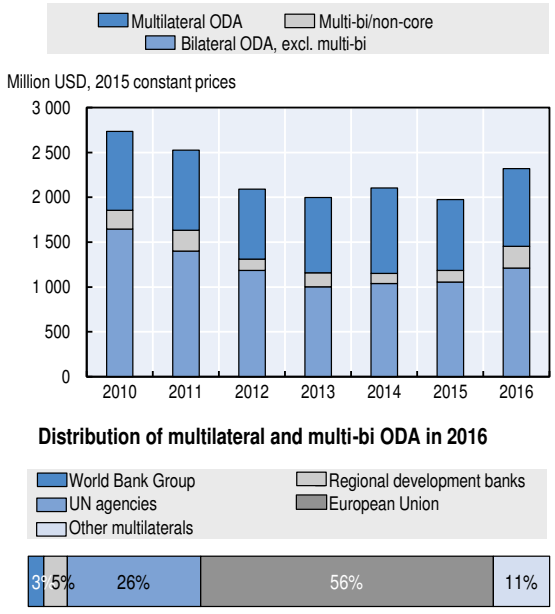
Belgium's official development assistance

In 2017, Belgium provided USD 2.2 billion in net ODA (preliminary data), which represented 0.45% of gross national income (GNI) and a decrease of 8.2% in real terms from 2016, due to lower in-donor refugee costs and a slight decrease in other bilateral official development assistance (ODA). In 2017, in-donor refugee costs were USD 316 million and represented 14.3% of Belgium's total net ODA, compared to 16.3% in 2016.

There is a negative outlook for Belgium's ODA with the 2017 ODA budgeted expected to drop to 0.44% GNI. The government has repeatedly committed to reach the target of 0.7% ODA/GNI; however, significant budget restrictions are in place until 2019. Belgium's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 95.8% in 2016, compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 99.8% in 2016 and loans amounted to 0.7% of gross ODA.

In 2016, 62.7% of ODA was provided bilaterally. Belgium allocated 37.3% of total ODA as core contributions to multilateral organisations. In addition, it channelled 16.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

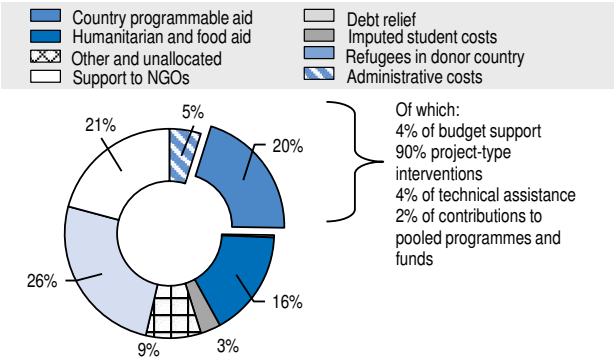
Figure 16.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Belgium**



StatLink http://dx.doi.org/10.1787/888933791778

In 2016, 20.4% of bilateral ODA was programmed with partner countries. The share of country programmable aid at 20% in 2016 was low compared with the DAC country average (46.8%). Project-type interventions accounted for 90% of this aid.

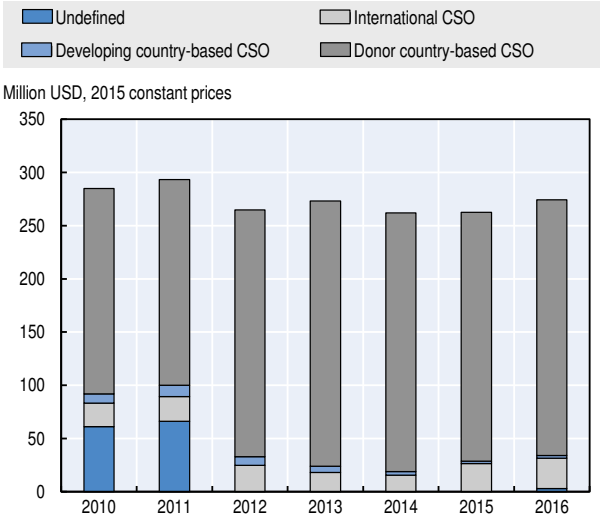
Figure 16.4. **Composition of bilateral ODA, 2016, gross disbursements, Belgium**



StatLink http://dx.doi.org/10.1787/888933791797

In 2016, USD 277.7 million of bilateral ODA was channelled to and through civil society organisations (CSOs). This was equivalent to 18.9% of Belgium's bilateral ODA, compared with 22.2% in 2015.

Figure 16.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Belgium**



StatLink http://dx.doi.org/10.1787/888933791816

Bilateral ODA in 2016 was primarily focused on sub-Saharan Africa, with USD 444 million allocated to this region. The Middle East received USD 93 million in 2016.

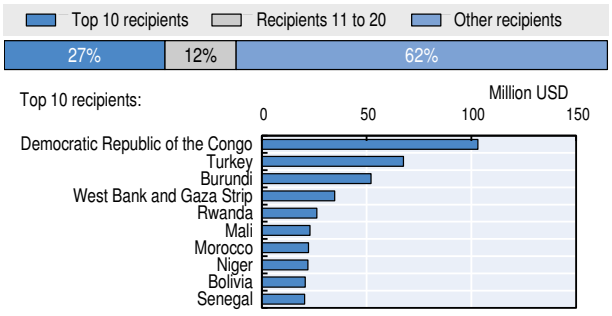
Figure 16.6. **Share of bilateral ODA by region, 2016, gross disbursements, Belgium**

Note: Forty-eight per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933791835

In 2016, 26.6% of bilateral ODA went to Belgium's top 10 recipients. Eight of its 14 priority partner countries are among its top 10 recipients. The Democratic Republic of the Congo, Burundi and Rwanda are among its top 5 recipients. Belgium's support to fragile contexts reached USD 464.4 million in 2016 (32% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (64%) as well as contributions to pooled funds (32%).

Figure 16.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Belgium**

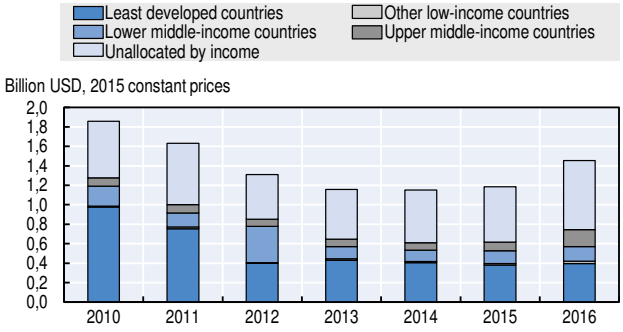


StatLink http://dx.doi.org/10.1787/888933791854

In 2016, 27.2% of Belgium's bilateral ODA was allocated to the LDCs, amounting to USD 401.2 million. This is a decrease from 32.2% in 2015, but remains higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 48.8% was unallocated by income group.

At 0.13% of GNI in 2016, Belgium's total ODA to the LDCs is below the UN target of 0.15% of GNI. Belgium intends to allocate 50% of total ODA and 0.20-0.25% GNI to the LDCs and fragile states by 2019.

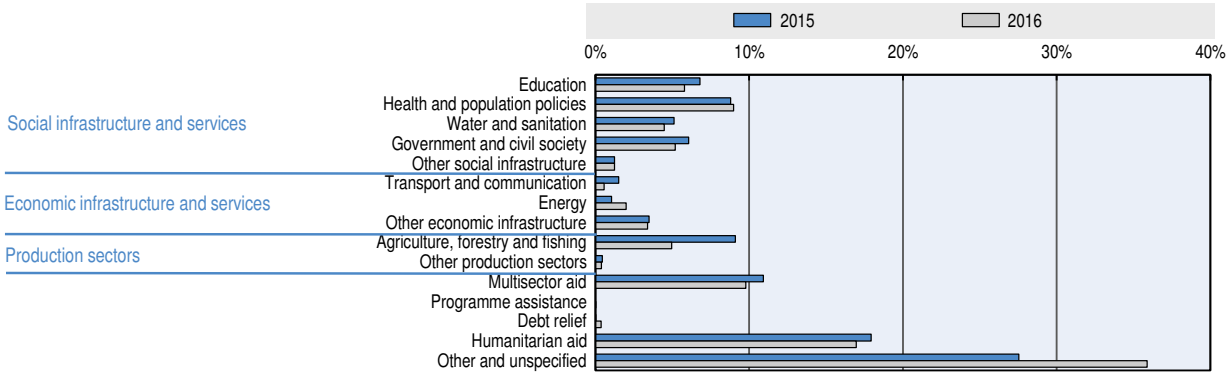
Figure 16.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Belgium**



StatLink http://dx.doi.org/10.1787/888933791873

In 2016, 25.7% of bilateral ODA was allocated to social infrastructure and services, for a total of USD 361.4 million. There was a strong focus on health (USD 111.8 million), education (USD 81.5 million), and government and civil society (USD 73 million). Humanitarian aid amounted to USD 239 million. In 2016, Belgium committed USD 2.2 million (0.2% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 159.1 million (17.7% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

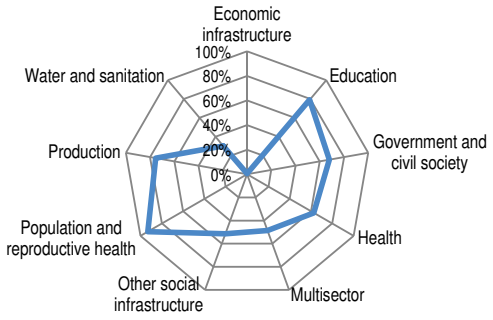
Figure 16.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Belgium**



StatLink http://dx.doi.org/10.1787/888933791892

USD 452.3 million of bilateral ODA supported gender equality. In 2016, 51% of Belgium's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is a significant decrease from 75.9% in 2015. A high share of Belgium's aid to population, reproductive health and education focuses on gender.

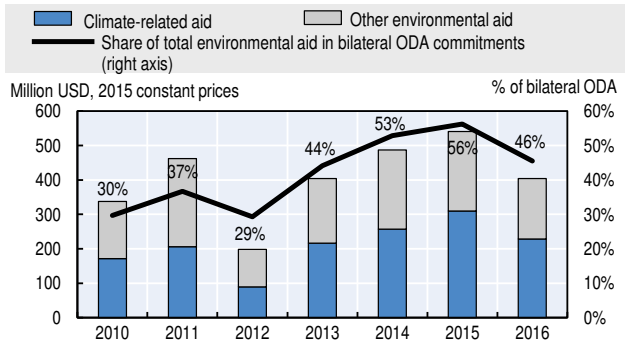
Figure 16.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Belgium**



StatLink http://dx.doi.org/10.1787/888933791911

USD 409.2 million of bilateral ODA supported the environment. In 2016, 45.5% of Belgium's bilateral allocable aid supported the environment and 25.7% (USD 231.4 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 16.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Belgium**



StatLink http://dx.doi.org/10.1787/888933791930

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

CANADA

Leaving no one behind: Canada's approach and priorities

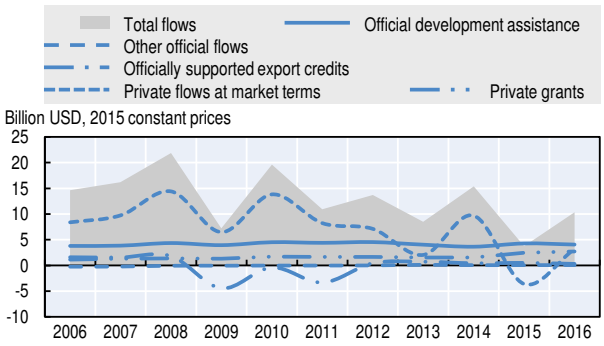
Canada's Feminist International Assistance Policy for development co-operation makes an explicit commitment to leaving no one behind which advocates for poverty eradication and a peaceful, inclusive and prosperous world.

Canada addresses leaving no one behind through a feminist approach which aims at protecting and promoting human rights for all, especially for the most vulnerable and marginalised groups, and at increasing the participation of these groups in decision making. Through this human rights-based and inclusive approach and its commitment to achieving SDG 5 for gender equality and empowering women and girls, Canada believes it will also drive progress towards the other Sustainable Development Goals given their interdependence. Canada applies its commitment to leaving no one behind in other policies that have a potential impact on developing countries, e.g. trade, climate and migration policies.

Canada is mainstreaming leaving no one behind in its development programming and project cycle. It conducts broad country contextual analysis for programme and project planning and selection. It uses specific analytical tools such as the Multidimensional Poverty Index as a data and evidence base for identifying and targeting needs.

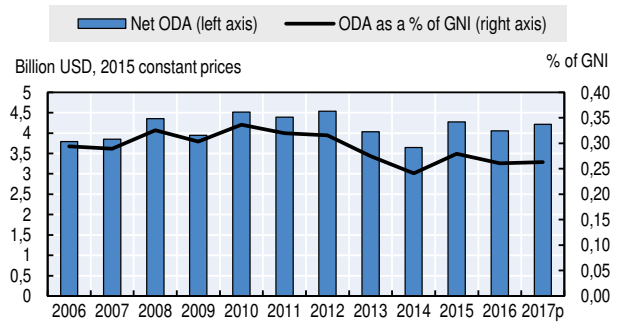
Financial flows from Canada to developing countries

Figure 17.1. **Net resource flows to developing countries, 2006-16, Canada**



StatLink http://dx.doi.org/10.1787/888933791949

Figure 17.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Canada**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933791968

Canada's performance against commitments for effective development co-operation

Table 17.1. **Results of the 2016 Global Partnership monitoring round (updated), Canada**

Canada	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	54.5%	68.3%	51.7%	95.6%	82.9%	59.2%	excellent	excellent	good
Baseline	-	73.4%	64.5%	98.5%	81.6%	65.2%	excellent	excellent	good
Trend	-	⇓	⇓	⇓	⇑	⇓	=	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797554

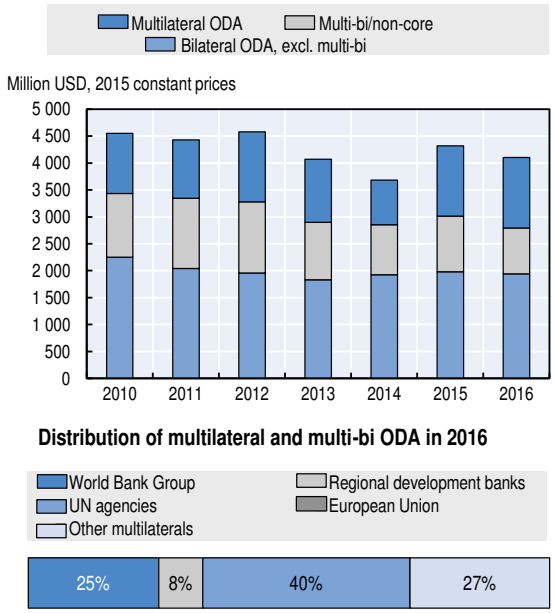
Canada's official development assistance

In 2017, Canada provided USD 4.3 billion in net ODA (preliminary data). This represented 0.26% of gross national income (GNI) and an increase of 4.1% in real terms from 2016 due to an increase in its humanitarian assistance, in-donor refugee costs and climate financing. In 2017, in-donor refugee costs were USD 467 million and represented 10.9% of Canada's total net official development assistance (ODA), compared to 9.9% in 2016.

Canada's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 95.6% in 2016 (down from 98.5% in 2015), which is above the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 97.8% in 2016.

In 2016, 68% of bilateral ODA was provided bilaterally. In 2016, Canada allocated 32% of total ODA as core contributions to multilateral organisations. In addition, it channelled 30.5% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

Figure 17.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Canada**



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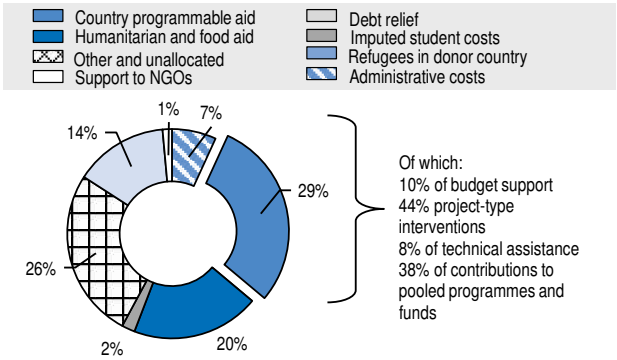
In 2016, 29.3% of bilateral ODA was programmed with partner countries. Canada's share of country programmable aid was lower than the DAC country average (46.8%) in 2016 and project-type interventions accounted for 44% of this aid. Twenty-six per cent of Canada's bilateral ODA was categorised as "other and unallocated".

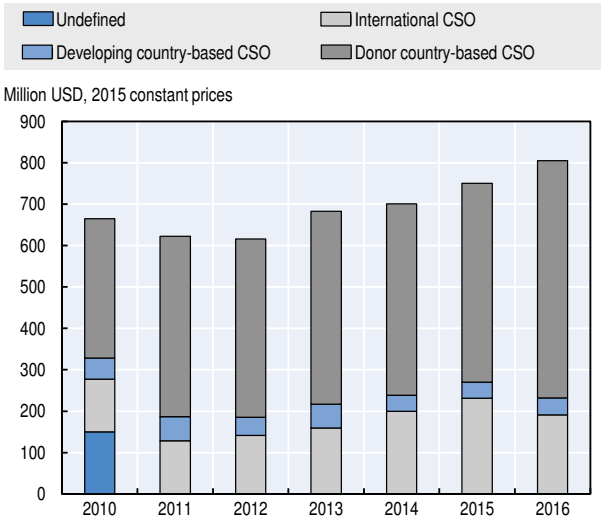
Figure 17.4. **Composition of bilateral ODA, 2016, gross disbursements, Canada**



StatLink http://dx.doi.org/10.1787/888933792006

In 2016, USD 780.2 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Aid channelled to and through CSOs increased as a share of bilateral ODA, from 24.9% in 2015 to 28.9% in 2016.

Figure 17.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Canada**



StatLink http://dx.doi.org/10.1787/888933792025

In 2016, bilateral ODA primarily focused on sub-Saharan Africa and the Middle East. USD 913.4 million of bilateral ODA was allocated to sub-Saharan Africa, and USD 283.1 million to the Middle East.

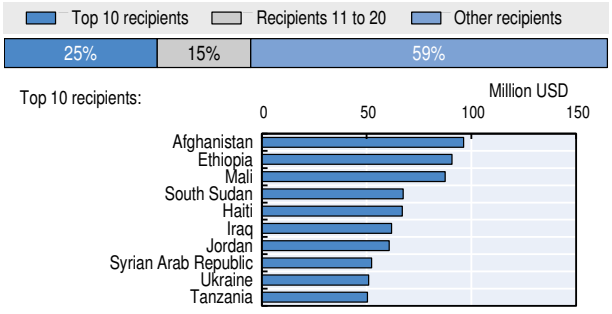
Figure 17.6. **Share of bilateral ODA by region, 2016, gross disbursements, Canada**

Note: Twenty per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933792044

In 2016, 25.3% of bilateral ODA went to Canada's top 10 recipients. Canada's support to fragile contexts reached USD 1.1 billion in 2016 (41% of gross bilateral ODA). Support to fragile contexts was distributed mainly between contributions to pooled funds (49%) and project-type interventions (41%).

Figure 17.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Canada**

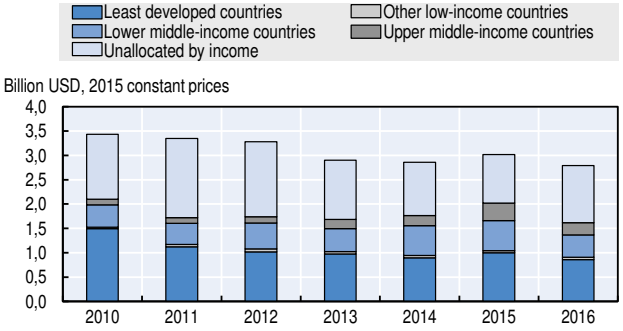


StatLink http://dx.doi.org/10.1787/888933792063

In 2016, 30.7% of gross bilateral ODA disbursements were allocated to the LDCs, amounting to USD 830.3 million. The share has decreased from 33.1% in 2015 but remains higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 42% was unallocated by income group.

At 0.09% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

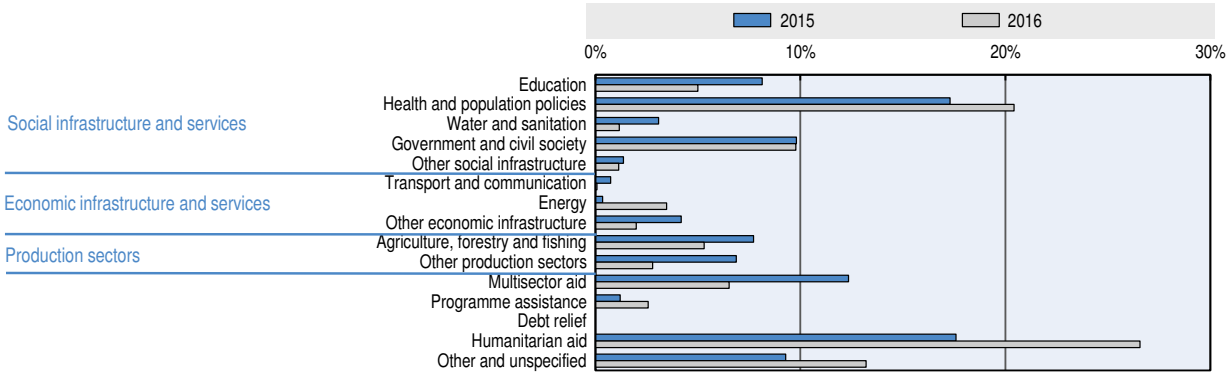
Figure 17.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Canada**



StatLink http://dx.doi.org/10.1787/888933792082

In 2016, 37.5% of bilateral ODA commitments were allocated to social infrastructure and services, amounting to USD 1.5 billion. There was a strong focus on support to health (USD 652.2 million) and government and civil society (USD 381.9 million). Humanitarian aid amounted to USD 1 billion. In 2016, Canada committed USD 6.4 million (0.2% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 531.1 million (15.8% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

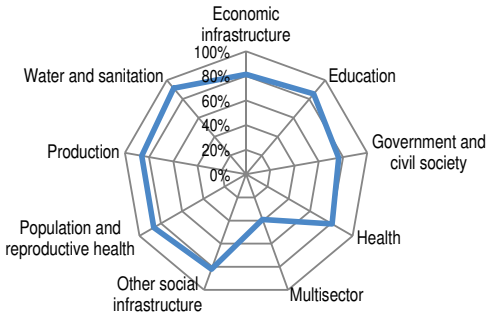
Figure 17.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Canada**



StatLink http://dx.doi.org/10.1787/888933792101

USD 2.3 billion of bilateral ODA commitments supported gender equality and the empowerment of women and girls in 2016. In 2016, 68.9% of Canada's bilateral allocable aid had gender equality and the empowerment of women and girls as either a principal or significant objective (down from 71.7% in 2015), compared with the DAC country average of 36.5%. Canada has a strong focus on gender in all sectors.

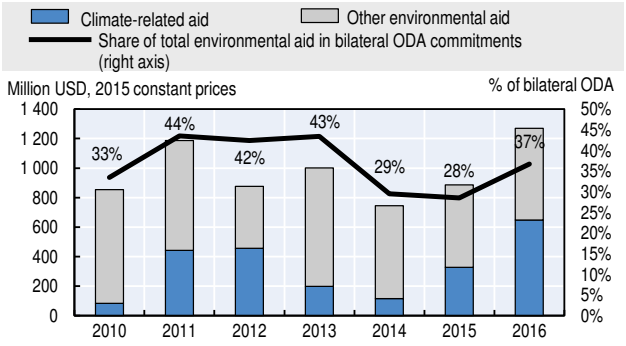
Figure 17.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Canada**



StatLink http://dx.doi.org/10.1787/888933792120

USD 1.2 billion of bilateral ODA commitments supported the environment in 2016. In 2016, 36.7% of Canadian bilateral allocable aid supported the environment and 18.7% (USD 628.5 million) focused particularly on climate change (up from 10.6% in 2015), compared with the respective DAC country averages of 33% and 25.7%.

Figure 17.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Canada**



StatLink http://dx.doi.org/10.1787/888933792139

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

CZECH REPUBLIC

Leaving no one behind: The Czech Republic's approach and priorities

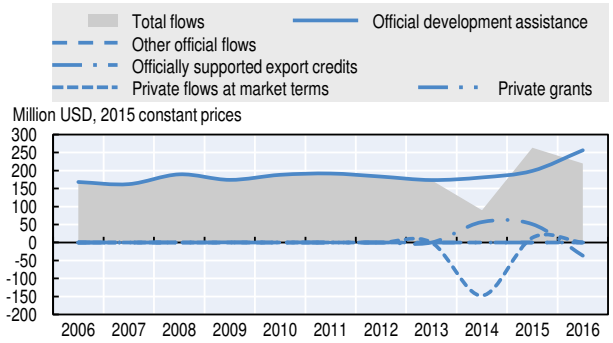
The Czech Republic committed to leaving no one behind in its Development Co-operation Strategy 2018-2030. It addresses leaving no one behind through its focus on the humanitarian-development nexus; efforts to create a more coherent and sustainable impact by ensuring synergies between bilateral and multilateral activities; through its partnerships between public, private and civil society actors; and by developing innovative financial instruments.

Czech development co-operation targets ethnic minorities and other socially excluded groups, as well as people with health-related disabilities. It also deliberately targets poorer and marginalised regions in its partner countries. To identify where need is greatest, the Czech Republic uses internationally recognised criteria and indicators such as the Human Development Index, the Fund for Peace's Fragile State Index or EU needs assessments.

A key challenge with addressing leaving no one behind for the Czech Republic is finding efficient ways to monitor progress with leaving no one behind so as to avoid additional and costly administrative burdens.

Financial flows from the Czech Republic to developing countries

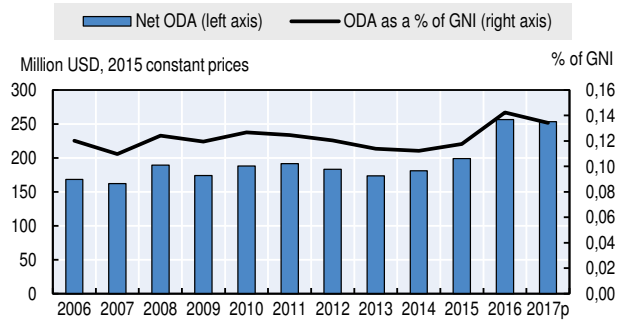
Figure 18.1. **Net resource flows to developing countries, 2006-16, Czech Republic**



Note: Data on private flows at market terms are only available for 2014 and 2015. Data on private grants are only available for 2009. Data on officially supported export credits are only available for 2014, 2015 and 2016.

StatLink http://dx.doi.org/10.1787/888933792158

Figure 18.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Czech Republic**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933792177

The Czech Republic's performance against commitments for effective development co-operation

Table 18.1. **Results of the 2016 Global Partnership monitoring round (updated), Czech Republic**

Czech Republic	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	61.1%	100.0%	0.0%	45.9	72.5%	66.7%	fair	excellent	-
Baseline	-	13.3%	6.9%	44.3	100.0%	67.5%	excellent	good	-
Trend	-	⇑	⇓	⇑	⇓	⇓	⇓	⇑	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797573

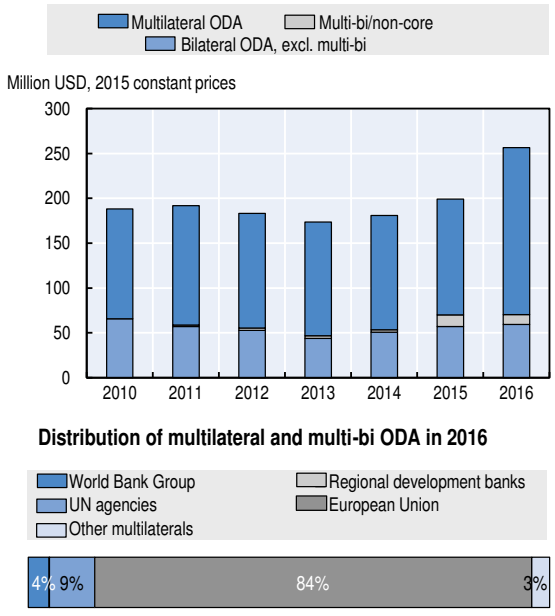
The Czech Republic's official development assistance

In 2017, the Czech Republic provided USD 272 million in net ODA (preliminary data). This represented 0.13% of gross national income (GNI) and a decrease of 0.8% in real terms from 2016, due to a slight decrease in technical assistance and administrative costs. It plans to increase its official development assistance (ODA) to reach an intermediary target of 0.17% of ODA/GNI by 2020. The 2016 *DAC Peer Review of the Czech Republic* recommended that it should prepare a more ambitious plan for reaching its commitment of 0.33% ODA/GNI by 2030 (OECD, 2016[1]). In 2017, in-donor refugee costs were USD 22 million and represented 8% of the Czech Republic's total net ODA, compared to 6.9% in 2016.

Its share of untied ODA (excluding administrative costs and in-donor refugee costs) increased from 44.3% in 2015 to 45.9% in 2016, but is below the 2016 Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 27.4% of ODA was provided bilaterally. In 2016, the Czech Republic allocated 72.6% of total ODA as core contributions to multilateral organisations. In addition, it channelled 15.6% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

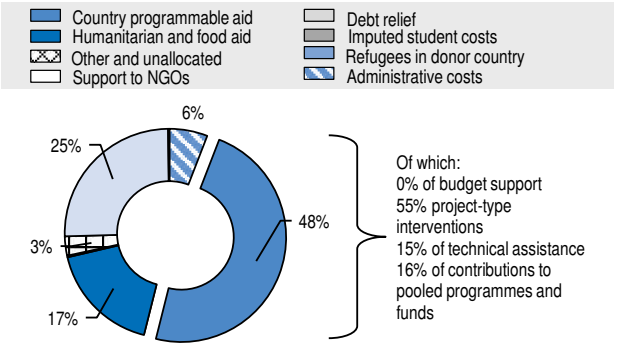
Figure 18.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792196

In 2016, 48% of bilateral ODA was programmed with partner countries. The Czech Republic's share of country programmable aid was above the DAC country average of 46.8% in 2016. Project-type interventions made up 55% of this aid.

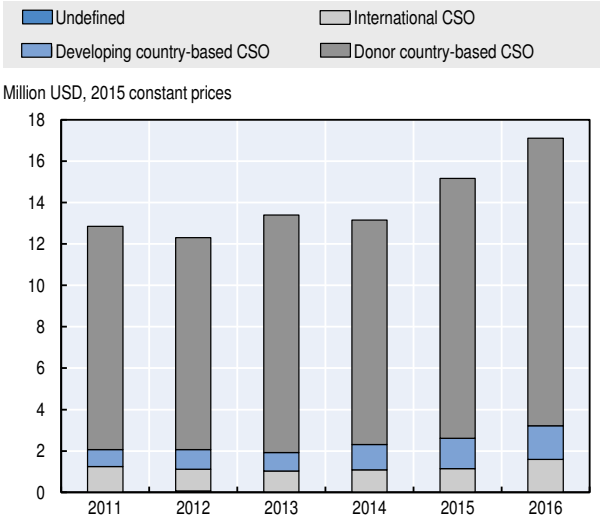
Figure 18.4. **Composition of bilateral ODA, 2016, gross disbursements, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792215

In 2016, USD 17.4 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, the Czech Republic's ODA channelled to and through CSOs increased as a share of bilateral aid, from 21.6% to 24.3%.

Figure 18.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2011-16, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792234

In 2016, bilateral ODA was primarily focused on Eastern Europe and the Middle East. USD 19 million of bilateral ODA was allocated to Eastern Europe and USD 11.2 million to the Middle East.

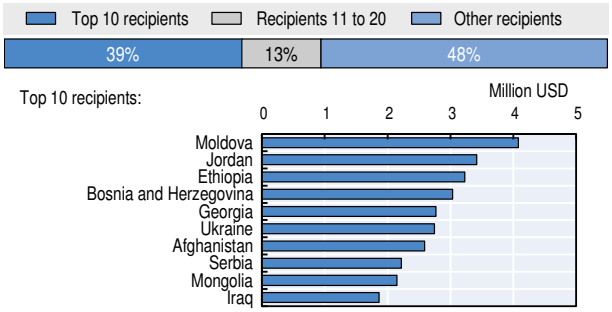
Figure 18.6. **Share of bilateral ODA by region, 2016, gross disbursements, Czech Republic**

Note: Thirty-two per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933792253

In 2016, 39.4% of bilateral ODA went to the Czech Republic's top 10 recipients. Seven of its priority countries are among its top 10 recipients. Its support to fragile contexts reached USD 13.4 million in 2016 (19% of gross bilateral ODA). Support to fragile contexts was distributed mainly between project-type interventions (64%) and contributions to pooled funds (23%).

Figure 18.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Czech Republic**

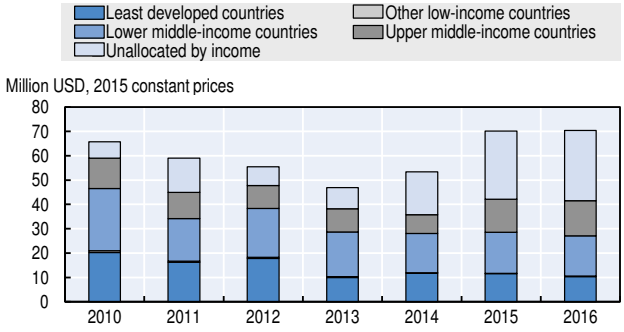


StatLink http://dx.doi.org/10.1787/888933792272

In 2016, 14.6% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 10.4 million. The share of ODA to the LDCs decreased from 16.4% in 2015 and remains lower than the 2016 DAC average of 21.9%. Lower middle-income countries received the highest share of bilateral ODA in 2015 (23.5%), noting that 41% was unallocated by income group.

At 0.03% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

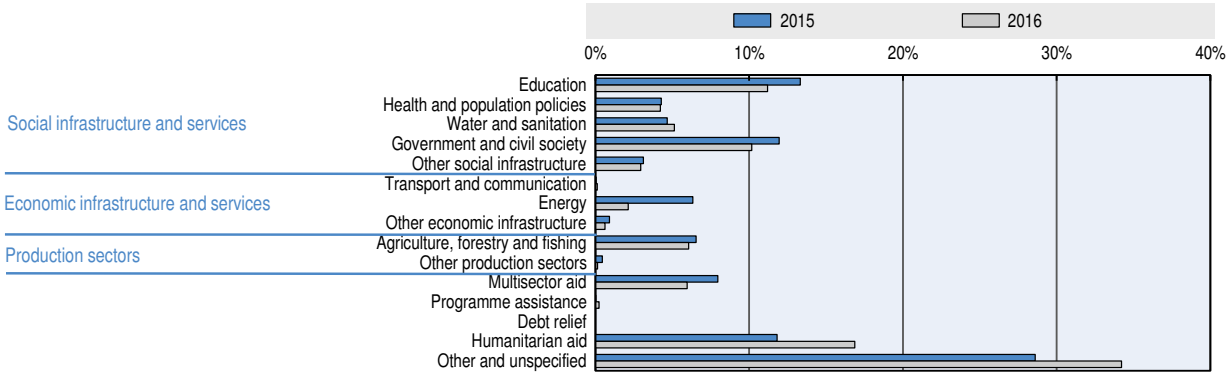
Figure 18.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792291

In 2016, 33.7% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 24.1 million, with a strong focus on support to education (USD 8 million) and government and civil society (USD 7.3 million). Humanitarian aid amounted to USD 12 million. The Czech Republic committed USD 6.5 million (13.6% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy in 2016.

Figure 18.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Czech Republic**

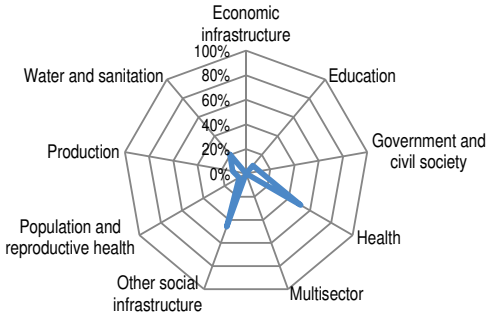


StatLink http://dx.doi.org/10.1787/888933792310

The amount of bilateral ODA supporting gender equality reached USD 5.1 million. In 2016, 17.6% of Czech bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%.

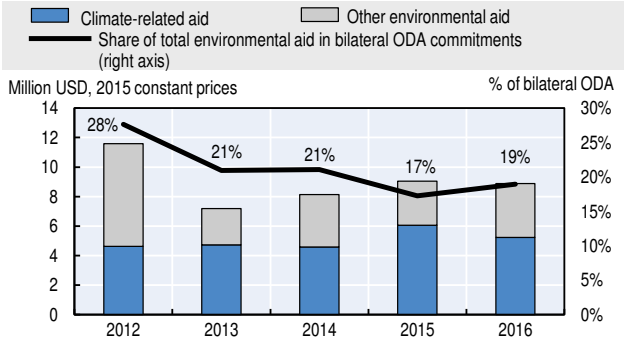
USD 9 million of bilateral ODA supported the environment. In 2016, 18.9% of Czech bilateral allocable aid supported the environment and 11.1% (USD 5.3 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 18.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792329

Figure 18.11. **Bilateral allocable ODA in support of global and local environment objectives, 2012-16, commitments, Czech Republic**



StatLink http://dx.doi.org/10.1787/888933792348

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

Reference

OECD (2016), *OECD Development Co-operation Peer Reviews: Czech Republic 2016*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264264939-en*.

DENMARK

Leaving no one behind: Denmark's approach and priorities

Danish development co-operation is committed to the Sustainable Development Goals and "a world in balance without extreme poverty, with sustainable growth and development – financially, socially and environmentally – where no one is left behind." Denmark sees an important role for official development assistance (ODA) in supporting groups and countries "left behind" because they are not the first to benefit from other types of development finance.

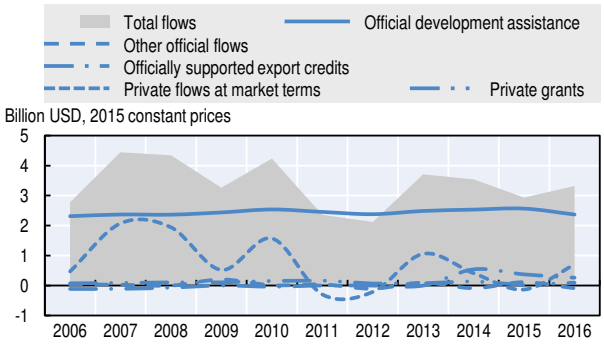
Denmark's policy seeks to fight poverty and reduce inequality by working to secure equal opportunities for everyone and eliminate discriminatory legislation, policies and practice. It focuses on four priorities – 1) security and development; 2) migration and development; 3) inclusive, sustainable growth; and 4) development. It invests the bulk of ODA in fragile countries and regions where poverty and vulnerability are extensive.

For Denmark, taking a leave no one behind approach helps overcome the Millennium Development Goals' challenge of unequal progress and can help direct attention to the furthest behind groups. However, measuring progress will be a challenge because of the lack of data about people left behind and need for greater clarity of the concept to guide action.

Denmark finds that its human-rights based approach helps it to fulfil its global obligation of making the Sustainable Development Goals a reality for everyone.

Financial flows from Denmark to developing countries

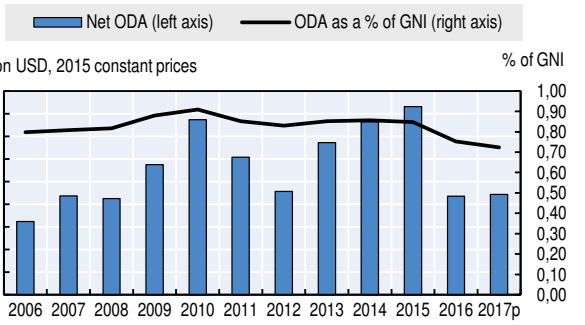
Figure 19.1. **Net resource flows to developing countries, 2006-16, Denmark**



Note: Data on officially supported export credits are not available for 2009.

StatLink http://dx.doi.org/10.1787/888933792367

Figure 19.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Denmark**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933792386

Denmark's performance against commitments for effective development co-operation

Table 19.1. **Results of the 2016 Global Partnership monitoring round (updated), Denmark**

Denmark	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	56.4%	86.3%	89.1%	99.0%	77.1%	66.7%	fair	good	good
Baseline	-	55.8%	65.7%	100.0%	92.1%	71.8%	needs improvement	excellent	good
Trend	-	⇑	⇑	⇓	⇓	⇓	⇑	⇓	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797592

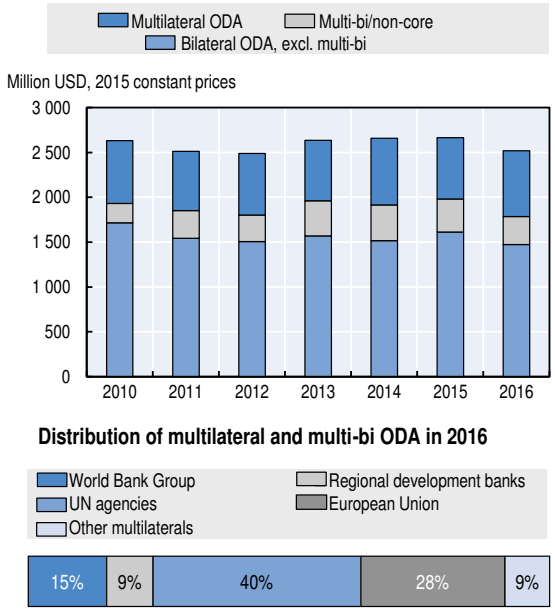
Denmark's official development assistance

In 2017, Denmark provided USD 2.4 billion in net ODA (preliminary data), which represented 0.72% of gross national income (GNI), and a 2.3% decrease in real terms from 2016, due to a decrease in in-donor refugee costs. Denmark is one of five Development Assistance Committee (DAC) members having met the UN target of 0.7% ODA/GNI. Denmark's official development assistance (ODA) is expected to drop to approximately 0.7%, in line with government policy. Budget projections indicate bilateral ODA cuts of 54% and multilateral cuts of 49%. In 2017, in-donor refugee costs were USD 73 million and represented 3% of Denmark's total net ODA, compared to 17.4% in 2016.

Denmark's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 99% in 2016 (down from 100% in 2015), compared to the DAC country average of 81.2%. The grant element of total ODA was 100% in 2016. Loans amounted to 2.1% of gross ODA.

In 2016, 70.8% of ODA was provided bilaterally. Denmark allocated 29.2% of total ODA as core contributions to multilateral organisations. In addition, it channelled 17.4% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

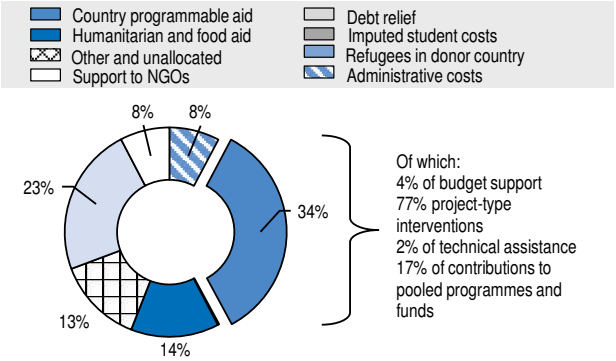
Figure 19.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Denmark**



StatLink http://dx.doi.org/10.1787/888933792405

In 2016, 34.4% of bilateral ODA was programmed with partner countries. Denmark's share of country programmable aid was lower than the DAC country average (46.8%). Project-type interventions made up 77% of this aid.

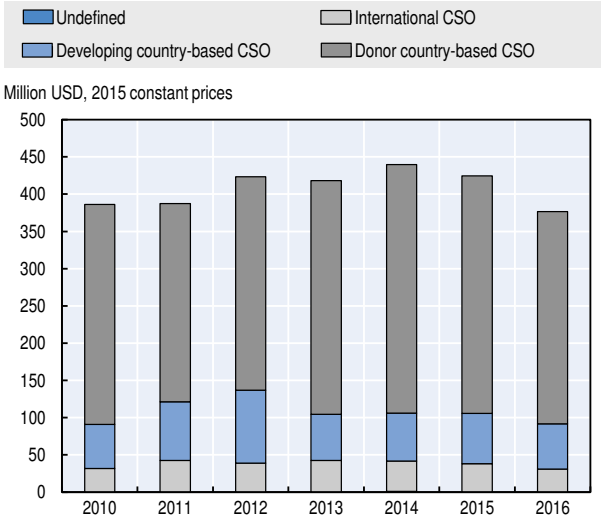
Figure 19.4. **Composition of bilateral ODA, 2016, gross disbursements, Denmark**



StatLink http://dx.doi.org/10.1787/888933792424

In 2016, USD 377 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Denmark channelled 21.1% of its bilateral ODA to and through CSOs in 2016 (remaining stable from 21.4% in 2015).

Figure 19.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Denmark**



StatLink http://dx.doi.org/10.1787/888933792443

Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, Denmark allocated USD 449.4 million to sub-Saharan Africa and USD 130.2 million to the Middle East.

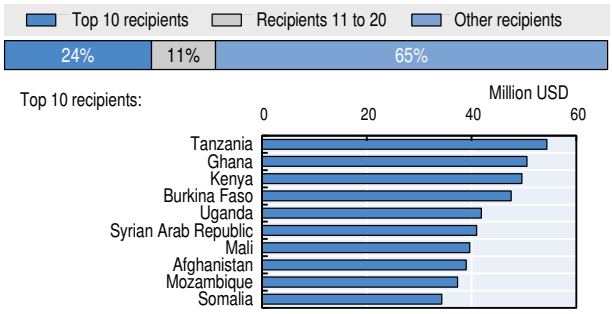
Figure 19.6. **Share of bilateral ODA by region, 2016, gross disbursements, Denmark**

Note: Fifty-five per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933792462

In 2016, 24.4% of bilateral ODA went to Denmark's top 10 recipients. Nine of the top 10 recipients of Danish aid were priority countries, with the exception being the Syrian Arab Republic. In 2015, Denmark had at total of 22 priority countries which was reduced to 14 in 2016. In 2016, its support to fragile contexts reached USD 558.6 million (31% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (78%) and contributions to pooled funds (16%).

Figure 19.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Denmark**

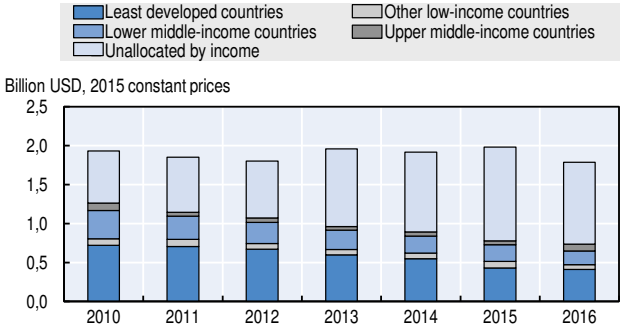


StatLink http://dx.doi.org/10.1787/888933792481

In 2016, 23.1% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 412.1 million. This is an increase from 21.7% in 2015 and is slightly higher than the 2016 DAC average of 21.9%. The LDCs still received the highest share of bilateral ODA in 2015, noting that 58.9% was unallocated by income group.

At 0.21% of GNI in 2016, total ODA to the LDCs was above the UN target of 0.15% of GNI.

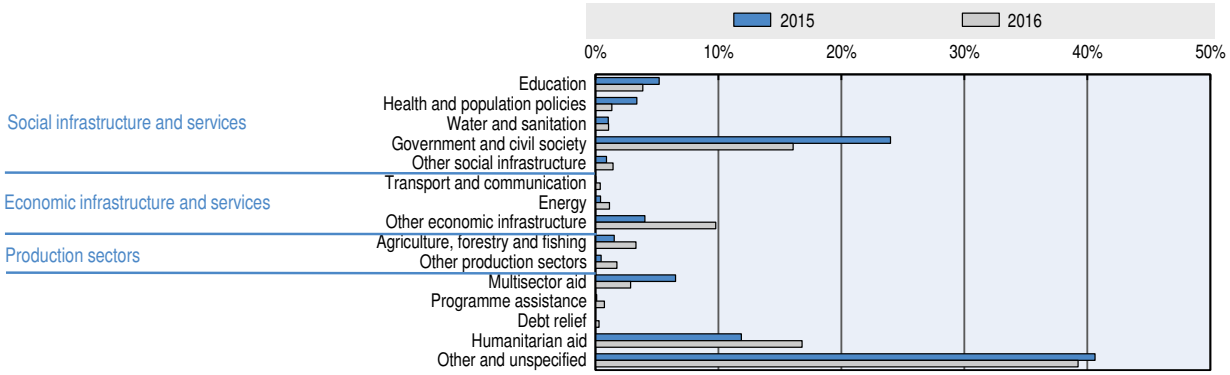
Figure 19.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Denmark**



StatLink http://dx.doi.org/10.1787/888933792500

In 2016, 23.8% of bilateral ODA was allocated to social infrastructure and services, reaching USD 359 million, with a strong focus on support to government and civil society (USD 242.9 million). Banking and financial services also received strong support, amounting to USD 107 million. USD 254 million was allocated to humanitarian aid. In 2016, Denmark committed USD 241.5 million (23.2% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

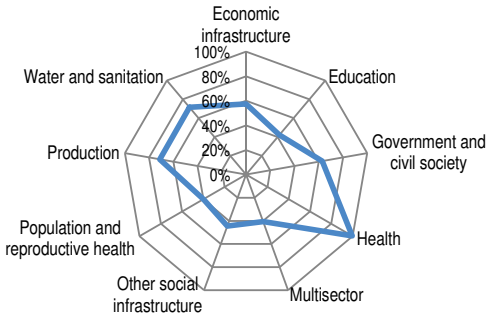
Figure 19.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Denmark**



StatLink http://dx.doi.org/10.1787/888933792519

USD 288.7 million of bilateral ODA supported gender equality. In 2016, 33.9% of Danish bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. It is, however, lower than in 2015, when it stood at 56.8%. All of Denmark's aid to health focuses on gender.

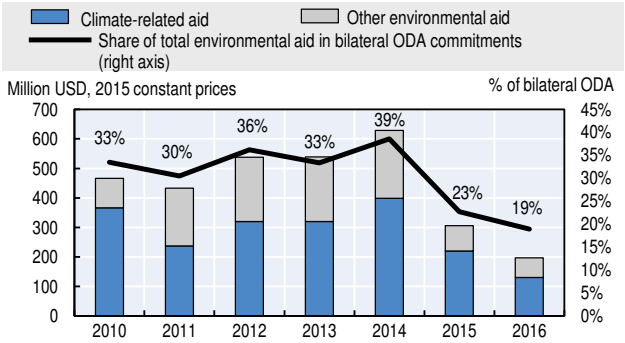
Figure 19.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Denmark**



StatLink http://dx.doi.org/10.1787/888933792538

USD 197.1 million of bilateral ODA supported the environment. In 2016, 18.9% of Danish bilateral allocable aid supported the environment and 12.5% (USD 130.5 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 19.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Denmark**



StatLink http://dx.doi.org/10.1787/888933792557

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

EUROPEAN UNION INSTITUTIONS

Leaving no one behind: The European Union institutions' approach and priorities

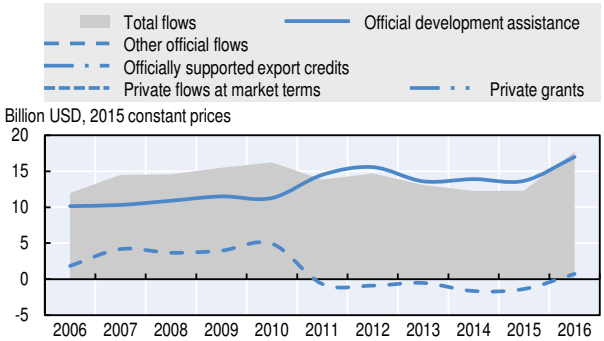
The European Commission's development co-operation aims to eradicate poverty, by fostering the sustainable economic, social and environmental development of developing countries. The new European Consensus on Development affirms that eradicating poverty, tackling discriminations and inequalities, and leaving no one behind are at the heart of the Commission's policy.

The Commission works to enhance social cohesion; to reduce inequality of outcomes; and to promote equal opportunities for all, inclusive sustainable growth, and universal, sustainable and equitable social protection systems. It is committed to allocating at least 20% of its official development assistance to social inclusion and human development. It implements a rights-based approach to development, respecting all human rights and promoting inclusion and participation, non-discrimination, equality and equity, transparency and accountability. It sees this as key to leaving no one behind. Through the approach it pays particular attention to disadvantaged and marginalised groups, including children and the elderly in vulnerable situations; persons with disabilities; lesbian, gay, bisexual and transgender persons; migrants and indigenous peoples.

The Commission is updating its programming and reporting tools to address inequalities; to further implement the rights-based approach and gender equality commitments; and to assess progress with delivery of the 2030 Agenda and the European Consensus in line with the pledge to leave no one behind.

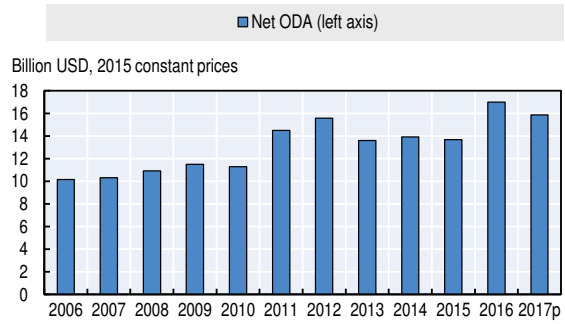
Financial flows from the European Union institutions to developing countries

Figure 20.1. **Net resource flows to developing countries, 2006-16, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792576

Figure 20.2. **Net ODA: Trends in volume, 2006-17, EU institutions**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933792595

The European Union institutions' performance against commitments for effective development co-operation

Table 20.1. **Results of the 2016 Global Partnership monitoring round (updated), EU institutions**

EU insitutions	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	70.3%	60.2%	45.0%	71.8	72.6%	84.6%	excellent	excellent	good
Baseline	-	67.8%	47.9%	62.3	87.3%	69.4%	good	good	good
Trend	-	⇓	⇓	⇑	⇓	⇑	⇑	⇑	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797611

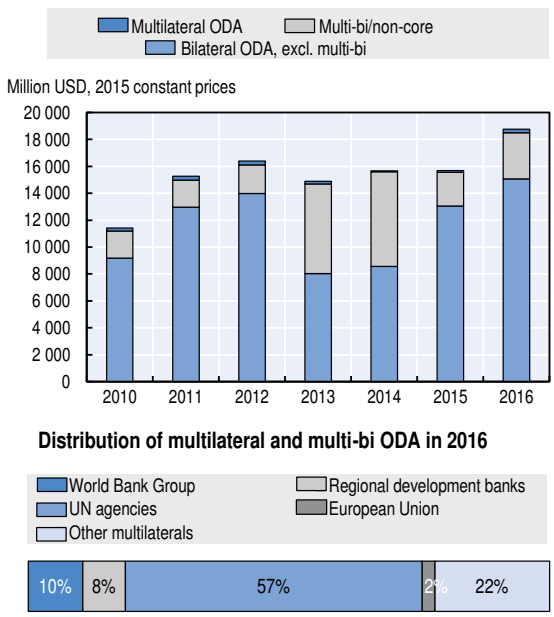
The European Union institutions' official development assistance

In 2017, the EU institutions provided USD 16.5 billion in net ODA (preliminary data), which represented a 6.7% decrease in real terms from 2016, mostly due to a lower level of loan disbursements.

The EU institutions' share of untied ODA (excluding administrative costs and in-donor refugee costs) was 71.8% in 2016 (up from 62.3% in 2015). Loans represented 5.3% of gross ODA.

In 2016, almost all of the EU's gross ODA (98.4%) was provided bilaterally. The EU channelled 18.5% of its bilateral ODA for projects implemented by multilateral organisations (multi-bi/non-core).

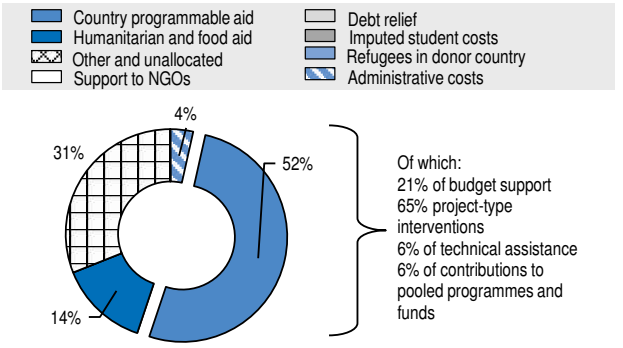
Figure 20.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792614

In 2016, 51.6% of the EU institutions' bilateral ODA was programmed with partner countries. Project-type interventions accounted for 65% of country programmable aid, while budget support accounted for 21%. Thirty-one per cent of bilateral ODA was categorised as "other and unallocated".

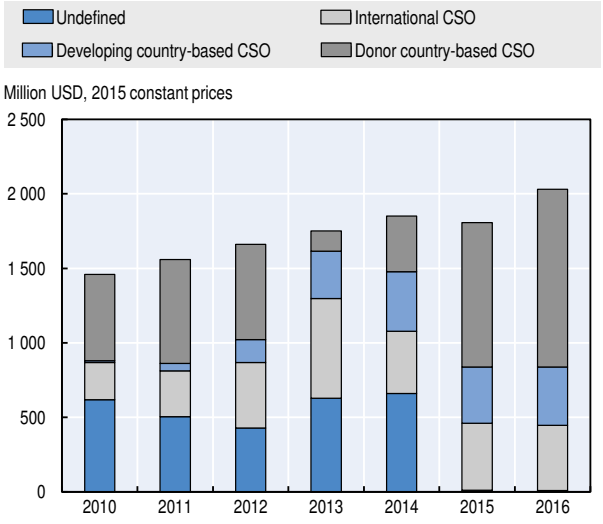
Figure 20.4. **Composition of bilateral ODA, 2016, gross disbursements, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792633

In 2016, USD 2 billion of bilateral ODA was channelled to and through civil society organisations (CSOs), corresponding to 11% of bilateral ODA, remaining stable from 11.6% in 2015.

Figure 20.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792652

Bilateral ODA focused primarily on Eastern Europe and sub-Saharan Africa. In 2016, USD 5.5 billion was allocated to Eastern Europe and USD 4.5 billion to sub-Saharan Africa.

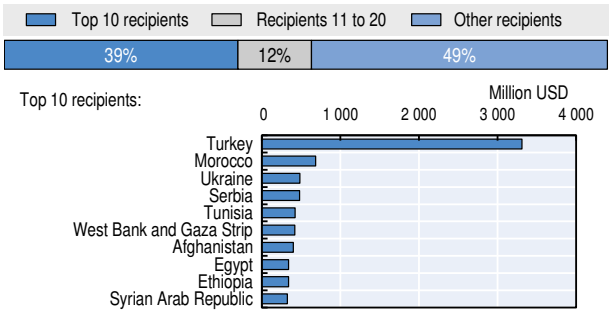
Figure 20.6. **Share of bilateral ODA by region, 2016, gross disbursements, EU institutions**

Note: Eleven per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933792671

In 2016, 38.7% of bilateral ODA went to the top 10 recipients. The European Union has specific agreements and instruments with 79 African, Caribbean and Pacific countries and 16 of its eastern and southern neighbour countries. In 2016, its support to fragile contexts reached USD 6.2 billion (33% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (76%) and contributions to pooled funds (9%).

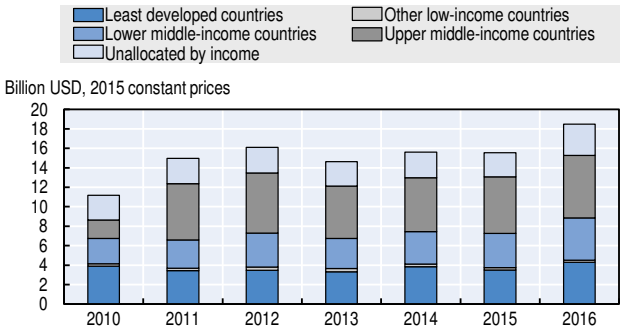
Figure 20.7. **Bilateral ODA to top recipients, 2016, gross disbursements, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792690

In 2016, 23.1% of bilateral ODA was allocated to least developed countries (LDCs), which amounted to USD 4.3 billion. The share increased from 22.4% in 2015. Upper middle-income countries still received the highest share of bilateral ODA in 2016 (34.7%). This is partly due to the instrument for pre-accession with nine European countries.

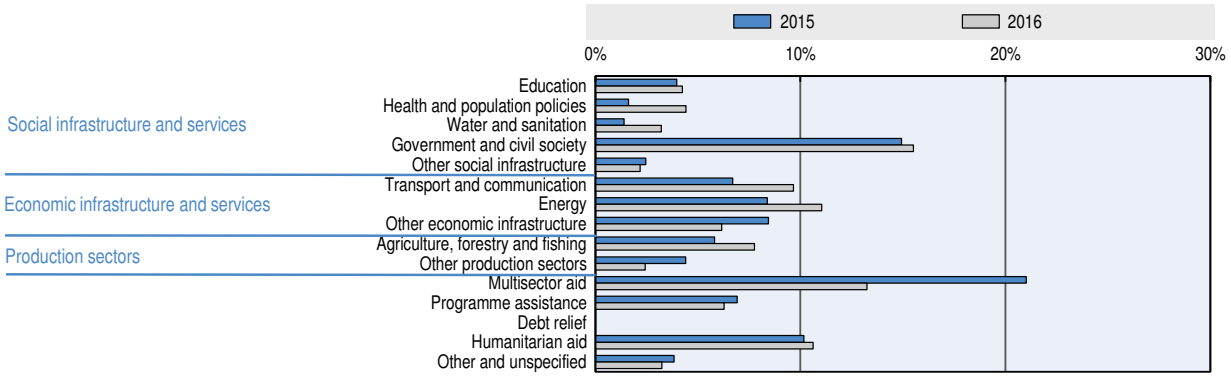
Figure 20.8 **Bilateral ODA by income group, 2010-16, gross disbursements, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792709

In 2016, 29.6% of bilateral ODA was allocated to social infrastructure and services (USD 6.9 billion), with a strong focus on government and civil society (USD 3.6 billion). Twenty-seven per cent was allocated to economic infrastructure and services, with a focus on energy generation and supply (USD 2.6 billion), and transport and storage (USD 2.1 billion). USD 2.5 billion was allocated to humanitarian aid. In 2016, the EU institutions committed USD 7.7 million (0.04% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. The EU also committed USD 8.6 billion (39.6% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

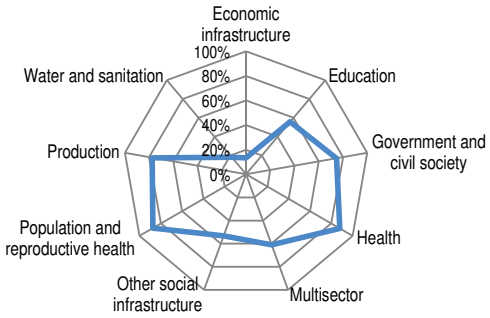
Figure 20.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792728

USD 9.8 billion of bilateral ODA supported gender equality. In 2016, 44.9% of the EU's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared to 52.7% in 2015. A high share of the EU's aid to population and reproductive health, health, and production focuses on gender.

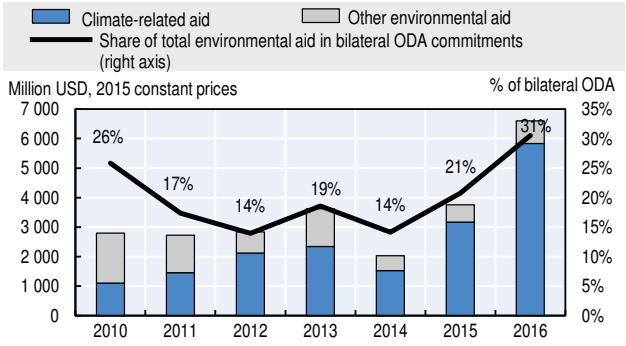
Figure 20.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792747

USD 6.6 billion of bilateral ODA supported the environment in 2016. This represented 30.5% of bilateral allocable aid (up from 20.8% in 2015). In 2016, 27% (USD 5.9 billion) of the EU's bilateral allocable aid focused particularly on climate change.

Figure 20.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, EU institutions**



StatLink http://dx.doi.org/10.1787/888933792766

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

FINLAND

Leaving no one behind: Finland's approach and priorities

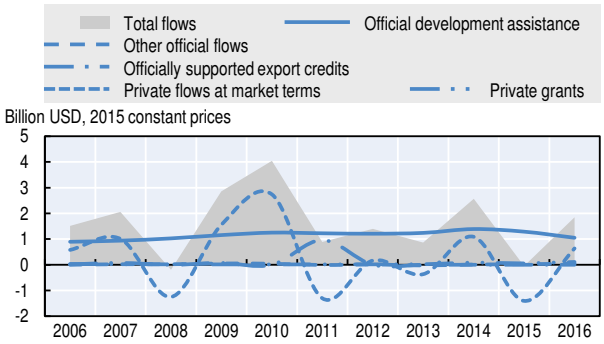
Finland's 2016 development policy is guided by a human rights-based approach and focuses on low-income countries. In line with these priorities, its development investments should comply with minimum standards, including adherence to human rights principles, equality, participation and non-discrimination, non-contribution to human rights violations or to existing discriminatory structures and norms. Finland is committed to mainstreaming leave no one behind in its development co-operation with a specific focus on the rights of women and persons with disabilities. It also promotes and funds universal and non-discriminatory basic services such as inclusive education and the right to education for children with disabilities.

Finland is in the process of updating its guidelines for its policy's three cross-cutting objectives: gender equality, non-discrimination and climate sustainability. The guidelines aim to collect and analyse disaggregated data in a systematic way and to better operationalise and monitor development outcomes from a leave no one behind perspective.

For Finland, key challenges to mainstreaming a leave no one behind approach across all development interventions are: 1) the absence of strategic and policy guidance; 2) modest incentives to systematically analyse inequalities and discriminatory structures to guide funding decisions and programming; and 3) incomplete accountability systems.

Financial flows from Finland to developing countries

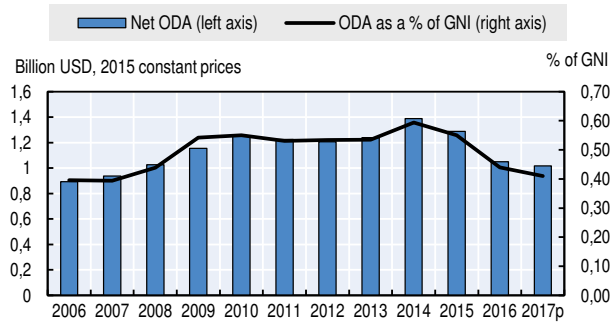
Figure 21.1. **Net resource flows to developing countries, 2006-16, Finland**



Note: Data on other official flows are not available for 2006. Data on officially supported export credits are only available for 2006, 2007, 2009 and 2011.

StatLink http://dx.doi.org/10.1787/888933792785

Figure 21.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Finland**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933792804

Finland's performance against commitments for effective development co-operation

Table 21.1. **Results of the 2016 Global Partnership monitoring round (updated), Finland**

Finland	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	67.0%	60.7%	37.3%	95.3	92.7%	43.7%	good	good	good
Baseline	-	63.3%	56.7%	92.6	82.8%	64.5%	fair	excellent	needs improvement
Trend	-	⇓	⇓	⇑	⇑	⇓	⇑	⇓	⇑

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797630

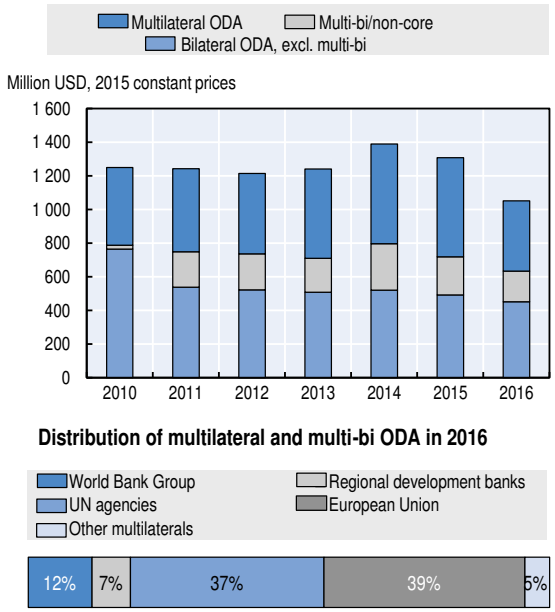
Finland's official development assistance

In 2017, Finland provided USD 1.1 billion in net ODA (preliminary data), which represented 0.41% of gross national income (GNI) and a fall of 3.3 % in real terms from 2016 due to a decrease in in-donor refugee costs. Finland, like other EU member countries, committed in 2015 to provide 0.7% of GNI as official development assistance (ODA) by 2030. In 2017, in-donor refugee costs were USD 77 million and represented 7.3% of Finland's total net ODA, compared to 12.3% in 2016.

The share of Finnish ODA that is untied (excluding administrative costs and in-donor refugee costs) has increased, from 92.6% in 2015 to 95.3% in 2016, compared to the 2016 Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016. Loans amounted to 2.1% of gross ODA.

In 2016, 60.3% of ODA was provided bilaterally. Finland allocated 39.7% of total ODA as core contributions to multilateral organisations. In addition, it channelled 28.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

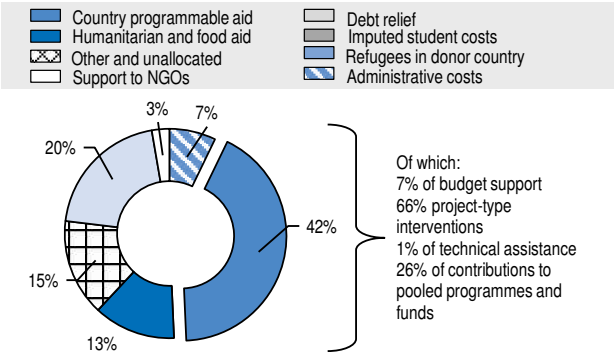
Figure 21.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Finland**



StatLink http://dx.doi.org/10.1787/888933792823

In 2016, 42.1% of bilateral ODA was programmed with partner countries. Finland's share of country programmable aid was below the DAC country average (46.8%) in 2016. Project-type interventions accounted for 66% of this aid.

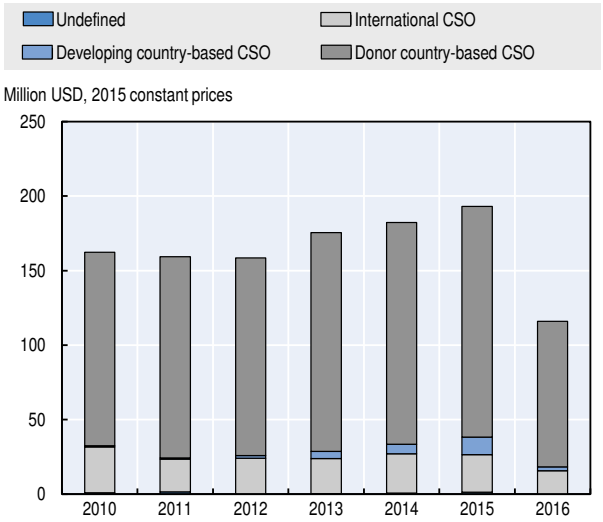
Figure 21.4. **Composition of bilateral ODA, 2016, gross disbursements, Finland**



StatLink http://dx.doi.org/10.1787/888933792842

In 2016, USD 117 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs decreased between 2015 and 2016 as a share of bilateral aid (from 26.9% in 2015 to 18.3% in 2016).

Figure 21.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Finland**



StatLink http://dx.doi.org/10.1787/888933792861

Bilateral ODA was primarily focused on sub-Saharan Africa and south and central Asia. In 2016, USD 160.8 million was allocated to sub-Saharan Africa and USD 86.6 million to south and central Asia.

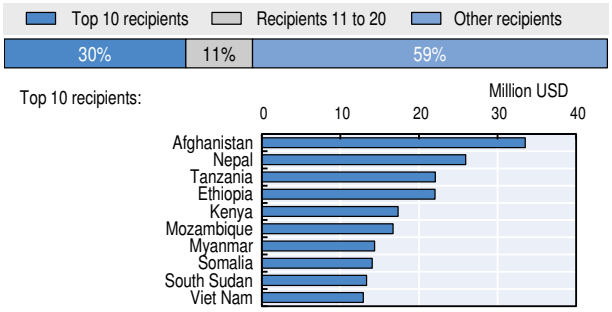
Figure 21.6. **Share of bilateral ODA by region, 2016, gross disbursements, Finland**

Note: Forty-three per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933792880

In 2016, 30.1% of bilateral ODA went to Finland's top 10 recipients. All of its nine long-term partner countries are among its top 10 recipients of bilateral ODA. In 2016, Finland's support to fragile contexts reached USD 251.3 million (39% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (65%) and contributions to pooled funds (27%).

Figure 21.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Finland**

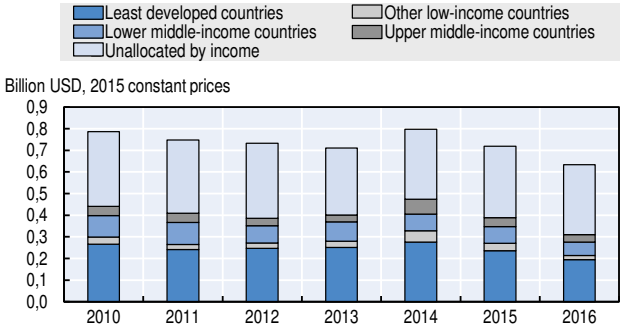


StatLink http://dx.doi.org/10.1787/888933792899

The share of bilateral ODA that was allocated to least developed countries (LDCs) was 30.6%, amounting to USD 195.8 million in 2016. The share decreased from 32.8% in 2015, but remains higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA compared with other income groups in 2015, noting that 51% was unallocated by income group.

At 0.13% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

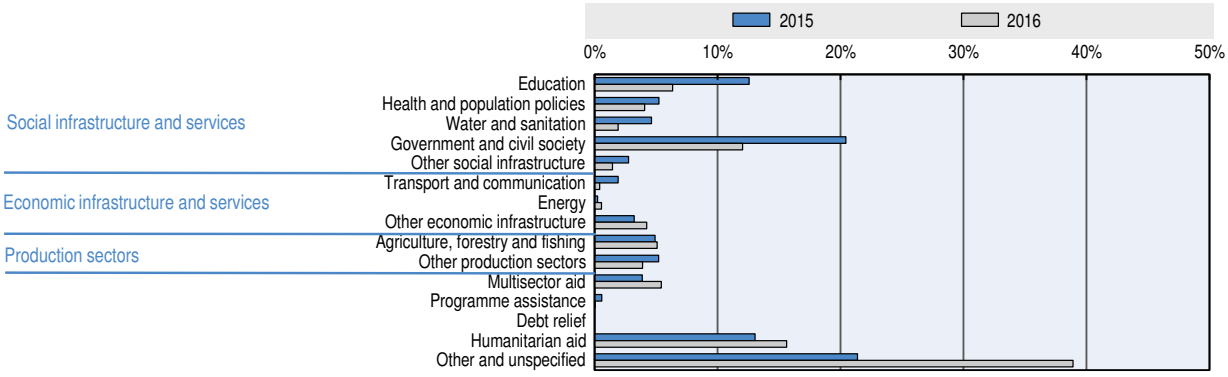
Figure 21.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Finland**



StatLink http://dx.doi.org/10.1787/888933792918

In 2016, 25.8% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 124.6 million, with a strong focus on support to government and civil society (USD 58.1 million). USD 75 million was allocated to humanitarian aid. In 2016, Finland committed USD 1.2 million (0.4% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 63.8 million (21.2% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

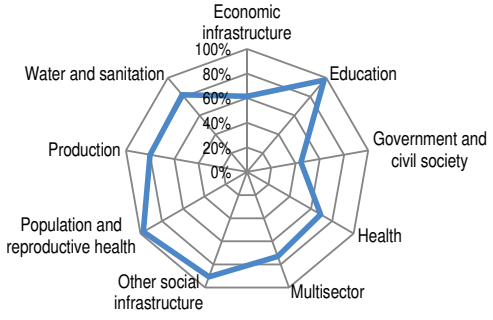
Figure 21.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Finland**



StatLink http://dx.doi.org/10.1787/888933792937

USD 159.6 million of bilateral ODA supported gender equality in 2016. In 2016, 53.2% of Finland's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is an increase from 49.9% in 2015. A high share of Finland's aid to population and reproductive health, education, and other social infrastructure focuses on gender.

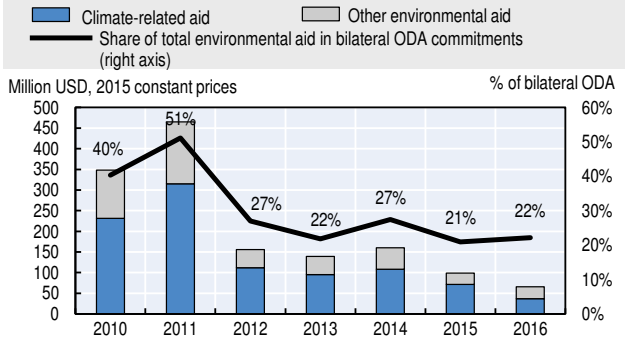
Figure 21.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Finland**



StatLink http://dx.doi.org/10.1787/888933792956

USD 66.6 million of bilateral ODA supported the environment in 2016. In 2016, 22.1% of Finland's bilateral allocable aid focused on the environment and 12.3% (USD 37.1 million) focused on climate change, compared with respective DAC country averages of 33% and 25.7%.

Figure 21.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Finland**



StatLink http://dx.doi.org/10.1787/888933792975

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

FRANCE

Leaving no one behind: France's approach and priorities

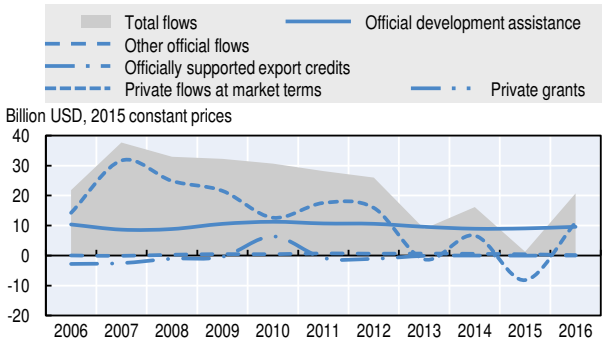
France has fully endorsed the 2030 Agenda, committing itself to leave no one behind, in the conclusions of the 2016 and 2018 Committee for International Cooperation and Development. In particular, to deliver on this commitment, the Agence francaise de développement (AFD) has set a target of having a "100% social link", meaning that every project it finances should contribute to reinforcing social links, reducing inequalities, and enhancing access to social services and culture, with a special focus on gender equality and access to education for youth.

According to France, delivering on the principle to leave no one behind has the potential to boost inclusivity and effectiveness and to contribute to reducing inequalities within developing countries. At the same time, it believes that least developed countries should remain at the core of development co-operation efforts. A key challenge to success in leaving no one behind are the cultural and social constraints to ensuring that specific categories of the population are included in economic and social development.

France mainstreams a leave no one behind lens through the AFD's diagnostic tools such as its "sustainable development analysis and opinion mechanism". The AFD has also adopted an environmental and social risk management policy based on the World Bank's Environment and Social Standards.

Financial flows from France to developing countries

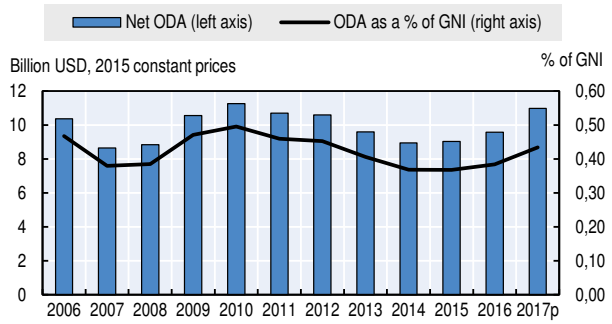
Figure 22.1. **Net resource flows to developing countries, 2006-16, France**



Note: Data on export credits are not available for 2016.

StatLink http://dx.doi.org/10.1787/888933792994

Figure 22.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, France**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933793013

France's performance against commitments for effective development co-operation

Table 22.1. **Results of the 2016 Global Partnership monitoring round (updated), France**

France	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	60.0%	63.9%	67.3%	96.3	80.3%	58.7%	fair	good	needs improvement
Baseline	-	57.1%	70.3%	95.6	86.1%	82.2%	good	fair	needs improvement
Trend	-	⇑	⇓	⇑	⇓	⇓	⇓	⇑	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797649

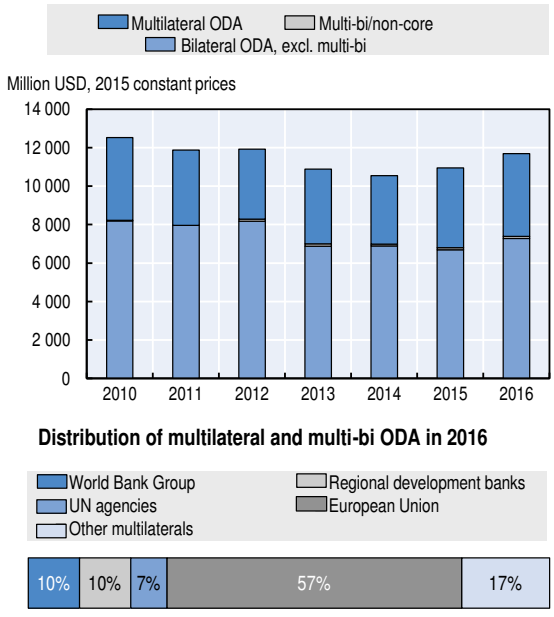
France's official development assistance

In 2017, France provided USD 11.4 billion in net ODA (preliminary data), which represented 0.43% of gross national income (GNI) and a 14.9% increase in real terms from 2016, due to an increase in bilateral lending and contributions to multilateral organisations (UN bodies in particular). The government has committed to achieve a 0.55% ODA/GNI ratio by 2022 and France is committed, at the European level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. In 2017, in-donor refugee costs were USD 566 million and represented 5% of France's total net official development assistance (ODA), compared to 4.8% in 2016.

France's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 96.3% in 2016 (increasing from 95.6% in 2015), compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 83.4 % in 2016, lower than in 2015 (when it stood at 85.6%) and below the DAC compliance grant element norm of 86%. Loans amounted to 28.4% of gross ODA in 2016.

In 2016, 63.2% of ODA was provided bilaterally. France allocated 36.8% of total ODA as core contributions to multilateral organisations. In addition, it channelled 2.8% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

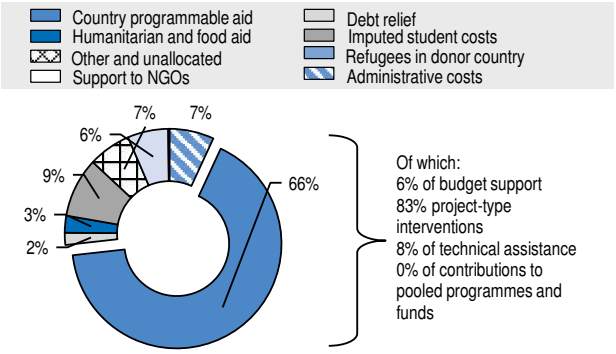
Figure 22.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, France**



StatLink http://dx.doi.org/10.1787/888933793032

In 2016, 66.4% of French gross bilateral ODA was programmed with partner countries. France's share of country programmable aid was higher than the DAC country average (46.8%) in 2016. Project-type interventions made up 83% of this aid.

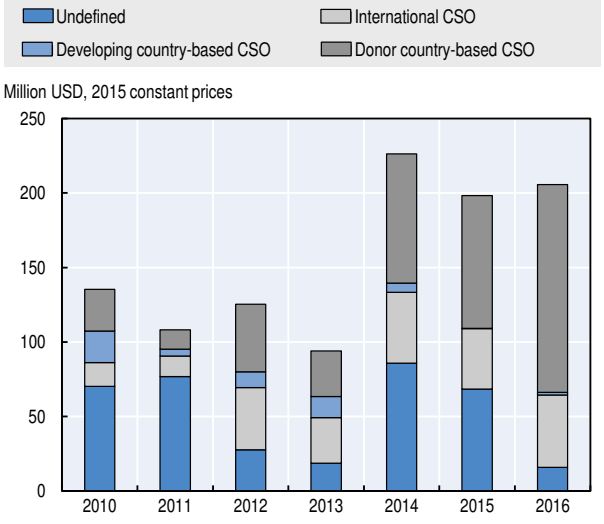
Figure 22.4. **Composition of bilateral ODA, 2016, gross disbursements, France**



StatLink http://dx.doi.org/10.1787/888933793051

In 2016, USD 206.6 million of bilateral ODA was channelled to and through civil society organisations (CSOs). France's ODA to and through CSOs remained stable between 2015 and 2016 as a share of bilateral aid (it was 2.9% in 2015 and 2.8% in 2016).

Figure 22.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, France**



StatLink http://dx.doi.org/10.1787/888933793070

In 2016, bilateral ODA primarily focused on sub-Saharan Africa, North Africa and South America. In 2016, France allocated USD 2.1 billion to sub-Saharan Africa, USD 997.1 million to North Africa and USD 623.5 million to South America.

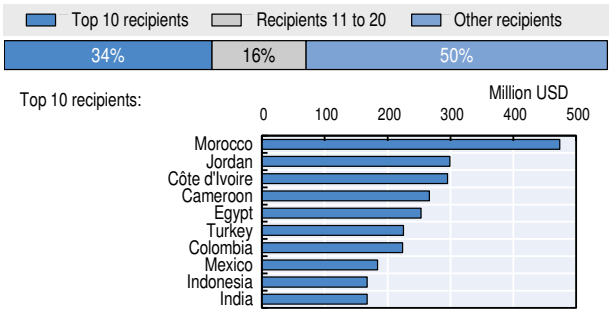
Figure 22.6. **Share of bilateral ODA by region, 2016, gross disbursements, France**

Note: Twenty per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933793089

In 2016, 34.4% of bilateral ODA went to France's top 10 recipients. The French government has committed that at least 50% of France's grant ODA should go to its 17 priority partner countries, all but one in sub-Saharan Africa. In 2016, however, none of these priority countries was on the list of top 10 recipients. France's support to fragile contexts reached USD 2 billion in 2016 (27% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (73%) and scholarships (10%).

Figure 22.7. **Bilateral ODA to top recipients, 2016, gross disbursements, France**

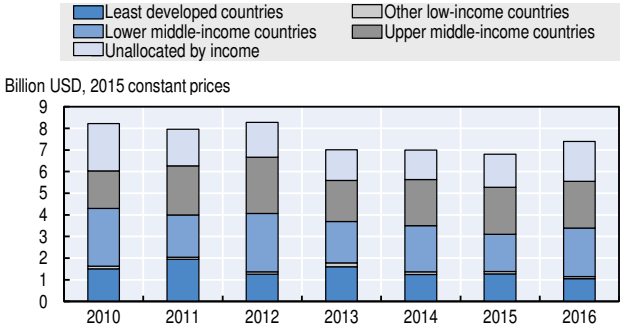


StatLink http://dx.doi.org/10.1787/888933793108

In 2016, 14.3% of gross bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 1.1 billion. This is a decrease from 2015 (when it stood at 18.8%), and is lower than the 2016 DAC average of 21.9%. Lower middle-income countries received the highest share of bilateral ODA in 2016 (30.3%).

At 0.08% of GNI in 2016, ODA to the LDCs was lower than the UN target of 0.15% of GNI.

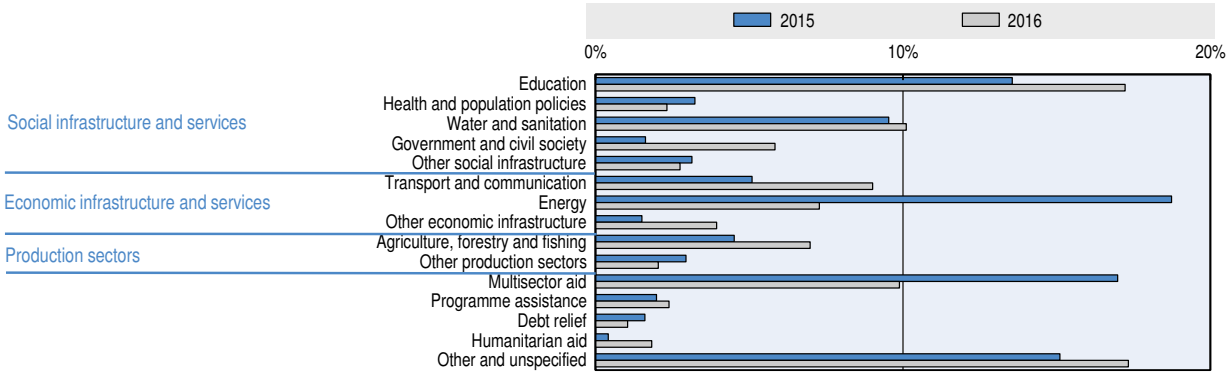
Figure 22.8. **Bilateral ODA by income group, 2010-16, gross disbursements, France**



StatLink http://dx.doi.org/10.1787/888933793127

In 2016, 38.3% of France's bilateral ODA was committed to social infrastructure and services, amounting to USD 3.2 billion, with a strong focus on education (USD 1.4 billion) and water and sanitation (USD 845.6 million). Humanitarian aid amounted to USD 153 million. In 2016, France committed USD 156.3 million (2.4% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 2.4 billion (38% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

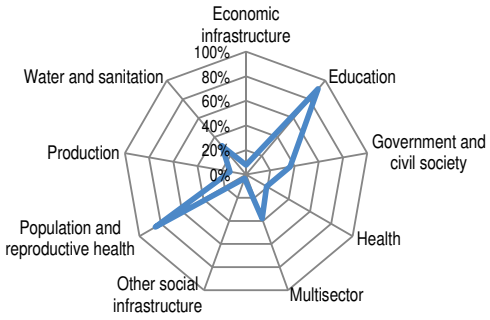
Figure 22.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, France**



StatLink http://dx.doi.org/10.1787/888933793146

USD 1.5 billion of bilateral ODA supported gender equality. In 2016, 28.5% of French bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. A high share of France's aid to population and reproductive health and education focuses on gender.

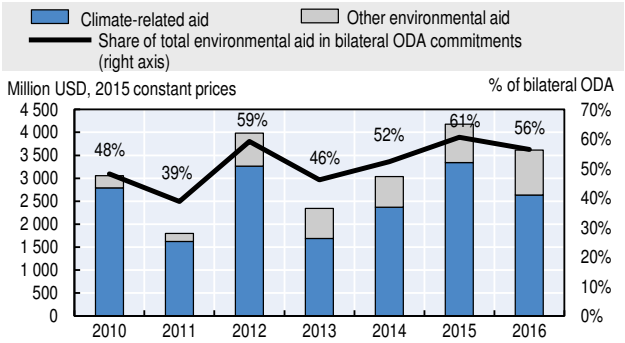
Figure 22.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, France**



StatLink http://dx.doi.org/10.1787/888933793165

USD 3.6 billion of bilateral ODA supported the environment. In 2016, 56.4% of French bilateral allocable aid supported the environment and 41.1% (USD 2.6 billion) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 22.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, France**



StatLink http://dx.doi.org/10.1787/888933793184

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

GERMANY

Leaving no one behind: Germany's approach and priorities

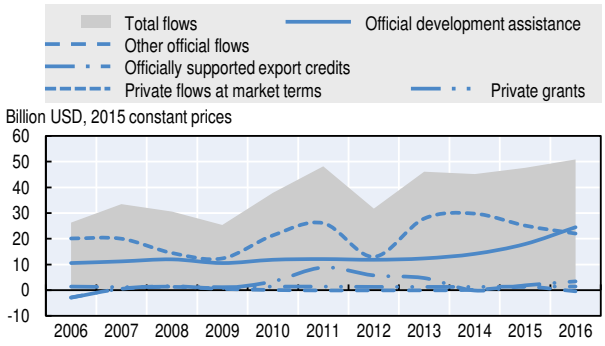
Germany's Sustainable Development Strategy states that up to 2030 "even greater efforts than before will be required to reach all disadvantaged people and populations and to counteract rising inequality."

For Germany the focus on leaving no one behind is an opportunity for rights-based approaches to development; to invest in poverty reduction, inclusive growth and social cohesion; and to recognise that the most deprived people need to make faster progress to meet the Sustainable Development Goals. It considers that official development assistance has a comparative advantage in least developed and low-income countries which have less access to other resources and in targeting the furthest behind in ways that other sources of finance, which need a financial return, cannot.

The Federal Ministry for Economic Co-operation and Development (BMZ) is developing a conceptual framework on inequality reduction which will take into account the principle to leave no one behind. BMZ and GIZ use indicators and assessment tools to set priorities, identify needs, target groups and track progress such as political economy analysis, governance, and human rights risk assessments and gender analysis. Low quality information and data gaps on who is left behind, where and why weakens the evidence base for programming. Other challenges include handling the potentially higher cost of reaching poor and vulnerable people in remote, hard-to-access areas, and political and cultural disincentives to include all groups in development.

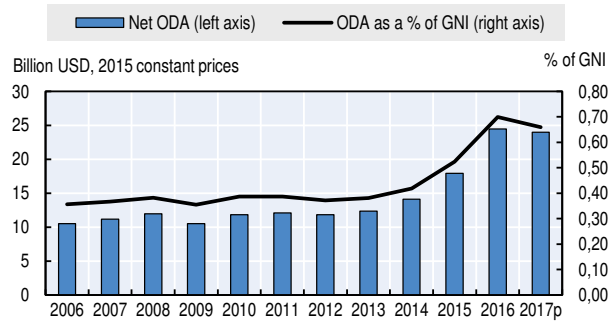
Financial flows from Germany to developing countries

Figure 23.1. **Net resource flows to developing countries, 2006-16, Germany**



StatLink http://dx.doi.org/10.1787/888933793203

Figure 23.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Germany**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933793222

Germany's performance against commitments for effective development co-operation

Table 23.1. **Results of the 2016 Global Partnership monitoring round (updated), Germany**

Germany	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	62.8%	47.7%	31.0%	86.2	79.8%	62.1%	good	good	needs improvement
Baseline	-	44.8%	47.9%	84	92.8%	46.8%	excellent	excellent	needs improvement
Trend	-	⇓	⇓	⇑	⇓	⇑	⇓	⇓	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797668

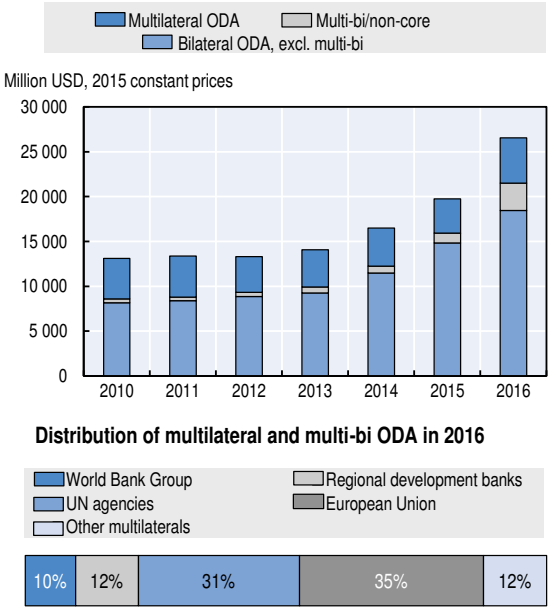
Germany's official development assistance

In 2017, Germany provided USD 24.7 billion in net ODA (preliminary data). This represented 0.66% of gross national income (GNI) and a 3.6% decrease in real terms from 2016, due to a lower level of in-donor refugee costs. In 2017, in-donor refugee costs were USD 6.1 billion and represented 24.6% of Germany's total net official development assistance (ODA), compared to 26.6% in 2016.

Germany's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 86.2% in 2016 (up from 84% in 2015), compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 89.3% in 2016. Loans amounted to 18.6% of gross ODA.

In 2016, 81% of ODA was provided bilaterally. Germany allocated 19% of total ODA as core contributions to multilateral organisations. In addition, it channelled 14.2% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

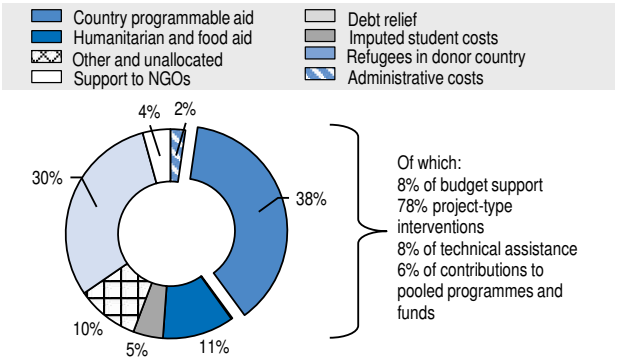
Figure 23.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Germany**



StatLink http://dx.doi.org/10.1787/888933793241

In 2016, 37.6% of bilateral ODA was programmed with partner countries. Germany's share of country programmable aid was below the DAC country average (46.8%) in 2016 and project-type interventions accounted for 78% of this aid. Refugees in donor country amounted to 30% of gross bilateral ODA.

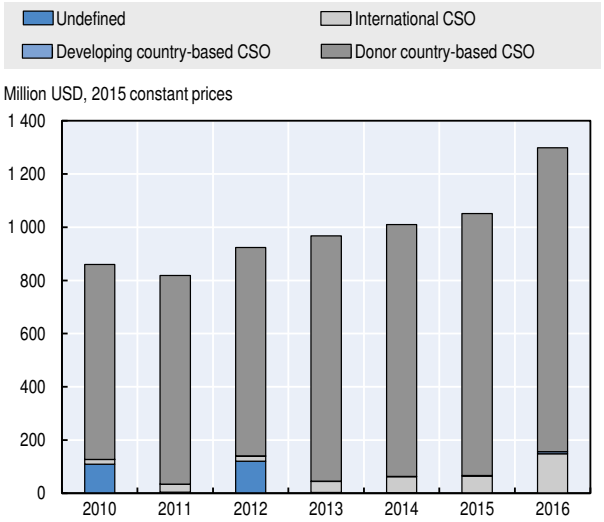
Figure 23.4. **Composition of bilateral ODA, 2016, gross disbursements, Germany**



StatLink http://dx.doi.org/10.1787/888933793260

In 2016, USD 1.3 billion of bilateral ODA was channelled to and through civil society organisations (CSOs), corresponding to 6% of bilateral aid. Between 2015 and 2016, ODA through CSOs remained stable as a share of bilateral ODA (it was 6.6% in 2015).

Figure 23.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Germany**



StatLink http://dx.doi.org/10.1787/888933793279

In 2016, Germany's bilateral ODA had a broad geographical coverage. USD 2.4 billion was allocated to sub-Saharan Africa, USD 2.1 billion to the Middle East and USD 1.8 billion was allocated to Far East Asia.

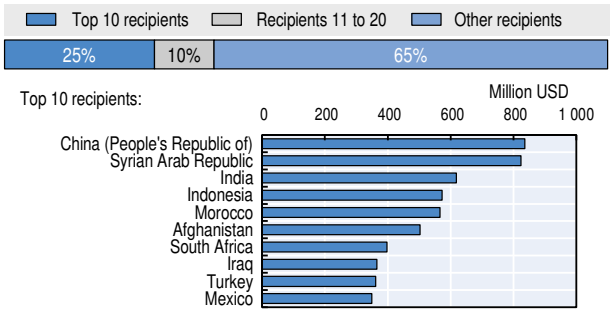
Figure 23.6. **Share of bilateral ODA by region, 2016, gross disbursements, Germany**

Note: Forty-four per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933793298

In 2016, 24.8% of bilateral ODA went to Germany's top 10 recipients. Germany supports 50 partner countries through bilateral programmes and co-operates with an additional 35 through regional and thematic programmes. Nine of the top 10 recipients of German ODA are bilateral or regional and thematic partner countries. In 2016, its support to fragile contexts reached USD 4.1 billion (19% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (73%) and contributions to pooled funds (17%).

Figure 23.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Germany**

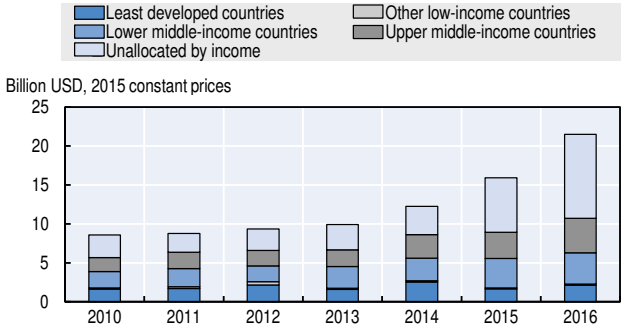


StatLink http://dx.doi.org/10.1787/888933793317

In 2016, 9.8% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 2.1 billion. This is a slight decrease from 10.4% in 2015 and is lower than the 2016 DAC average (21.9%). In 2016, upper middle-income countries received the highest share of bilateral ODA (20.6%), noting that 50.2% was unallocated by income group.

At 0.10% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

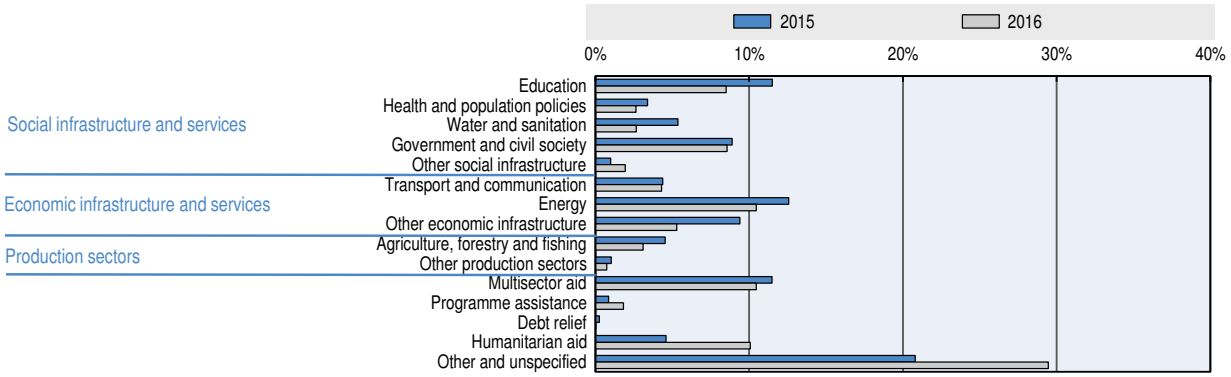
Figure 23.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Germany**



StatLink http://dx.doi.org/10.1787/888933793336

In 2016, 24.3% of Germany's bilateral ODA was allocated to social infrastructure and services, amounting to USD 6 billion, with a strong focus on education (USD 2.1 billion) and government and civil society (USD 2.1 billion). USD 4.9 billion was allocated to economic infrastructure and services, with a focus on energy generation and supply (USD 2.6 billion) and transport and storage (USD 1 billion). USD 2.5 million was allocated to humanitarian aid. In 2016, Germany committed USD 44 million (0.3% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 5.9 billion (35.9% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

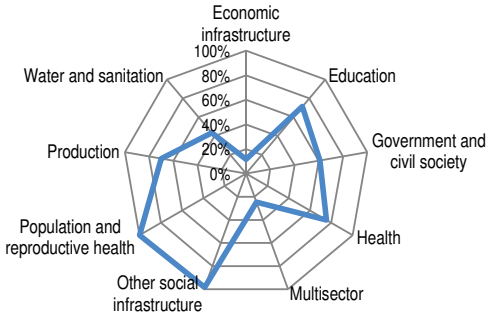
Figure 23.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Germany**



StatLink http://dx.doi.org/10.1787/888933793355

USD 6.3 billion of bilateral ODA supported gender equality. In 2016, 40.5% of German bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with 46.5% in 2015. This was higher than the DAC country average of 36.5% in 2016. A high share of Germany's aid to population and reproductive health and other social infrastructure focuses on gender.

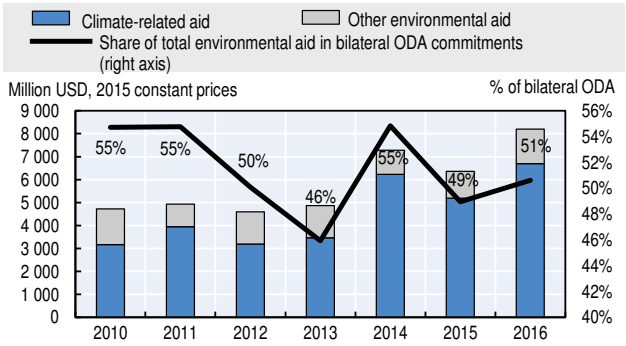
Figure 23.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Germany**



StatLink http://dx.doi.org/10.1787/888933793374

USD 8.3 billion of bilateral ODA supported the environment. In 2016, the share of German bilateral allocable aid focusing on the environment reached 50.6%, compared to the DAC country average of 33%. Its share of bilateral allocable aid to climate-related aid reached 41.3% in 2016 (USD 6.8 billion), compared to the DAC country average of 25.7%.

Figure 23.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Germany**



StatLink http://dx.doi.org/10.1787/888933793393

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

GREECE

Leaving no one behind: Greece's approach and priorities

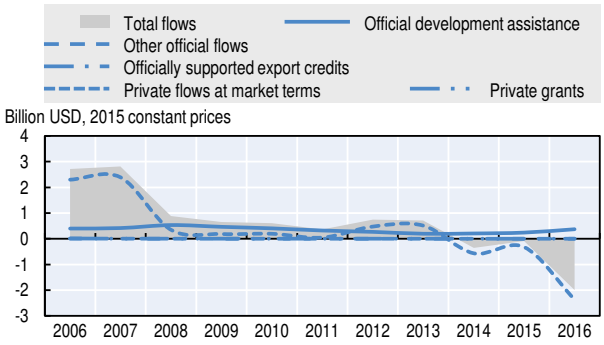
Greece is committed to the 2030 Agenda, which it sees as a transformative framework for a new sustainable development path where no one is left behind. It intends to revisit its overall development perspectives through the lens of the Sustainable Development Goals. The vision of "leaving no one behind" is also explicitly incorporated in the new European Consensus on Development to which Greece subscribes as an EU member state.

Through its foreign and security policy, Greece strives to promote peace, security, human rights, gender equality, the rule of law and good governance. It has adopted a pragmatic approach to its development assistance by focusing primarily on multilateral aid. It considers that its multilateral partners have adopted a leave no one behind approach by focusing, inter alia, on income inequalities, women and youth, or trying to promote an equitable multilateral trade system.

Greece believes that a leave no one behind approach to development co-operation should focus on the most vulnerable – women, persons with disabilities, the elderly, and children of refugees and migrants – and on basic services that promote inclusive development such as healthcare, primary education and vocational training. According to Greece, in order to address the issue of exclusion, donors need to overcome in particular cultural and political views that lead to discrimination and systematically monitor and evaluate the impact of their interventions on marginalised groups.

Financial flows from Greece to developing countries

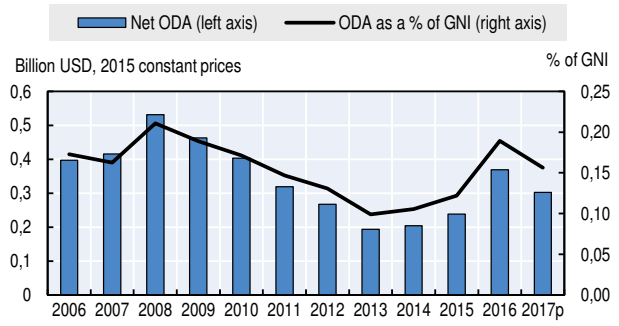
Figure 24.1. **Net resource flows to developing countries, 2006-16, Greece**



Note: Data on private grants are not available for 2013, 2014, 2015 and 2016. Data on other official flows are only available for 2006, 2007 and 2008.

StatLink http://dx.doi.org/10.1787/888933793412

Figure 24.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Greece**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933793431

Greece's performance against commitments for effective development co-operation

Table 24.1. **Results of the 2016 Global Partnership monitoring round (updated), Greece**

Greece	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	-	-	-	90.3	-	-	good	-	-
Baseline	-	0.0%	0.0%	14.5	100.0%	0.0%	needs improvement	-	-
Trend	-	-	-	⇑	-	-	⇑	-	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797687

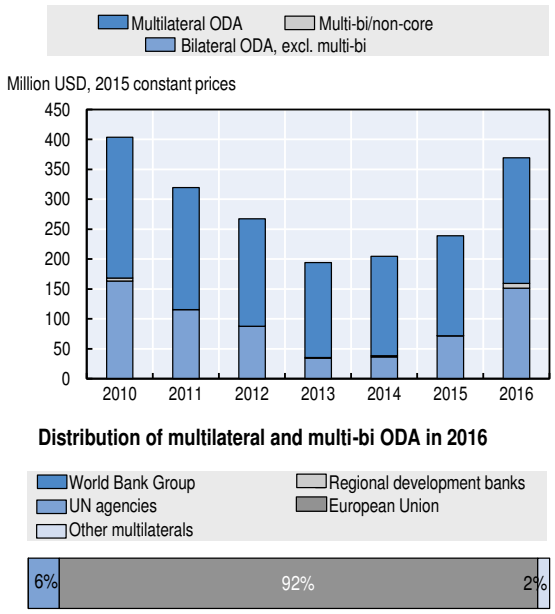
Greece's official development assistance

In 2017, Greece provided USD 317 million in net ODA (preliminary data), which represented 0.16% of gross national income (GNI) and a decrease of 15.8% in real terms from 2016 due to lower in-donor refugee costs. In 2017, in-donor refugee costs were USD 72 million and represented 22.7% of Greece's total net ODA, compared to 39.8% in 2016.

Greece's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 90.3% in 2016, an important increase from 14.5% in 2015 and above the 2016 Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 43.2% of Greece's ODA was provided bilaterally. Greece allocated 56.8% of total ODA as core contributions to multilateral organisations. Greece also channelled 5% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

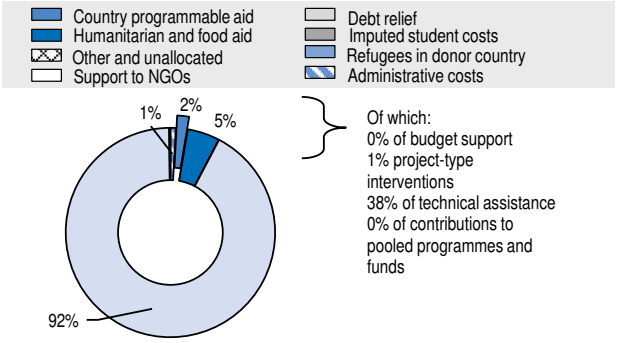
Figure 24.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Greece**



StatLink http://dx.doi.org/10.1787/888933793450

In 2016, only 1.8% of Greece's bilateral ODA was programmed with partner countries. Greece's share of country programmable aid was low compared to the DAC country average (46.8%) in 2016. This is explained by its limited funding for grants, its high spending for refugees in Greece (92% of bilateral aid) and imputed student costs. "Scholarships/training in donor country" accounted for 61% of country programmable aid.

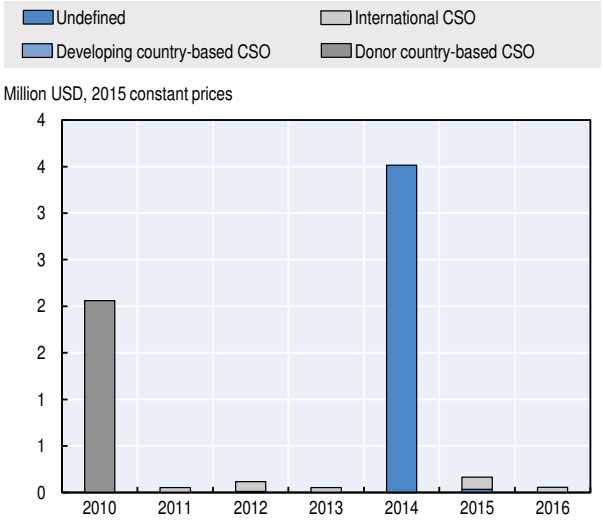
Figure 24.4. **Composition of bilateral ODA, 2016, gross disbursements, Greece**



StatLink http://dx.doi.org/10.1787/888933793469

In 2016, USD 0.1 million of bilateral ODA was channelled to and through civil society organisations (CSOs), corresponding to 0.04% of bilateral aid (compared to 0.2% in 2015.

Figure 24.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Greece**



StatLink http://dx.doi.org/10.1787/888933793488

Bilateral ODA primarily focused on Eastern Europe. In 2016, USD 9.4 million was allocated to Eastern Europe, noting that 93% of bilateral ODA was unspecified by region.

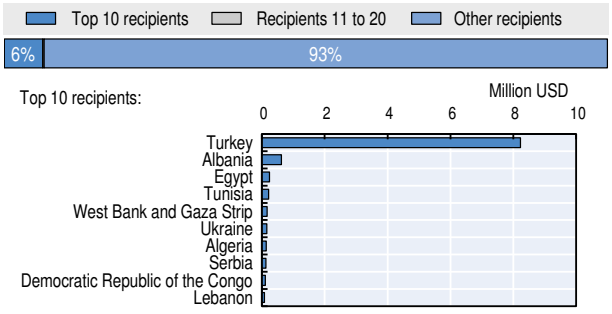
Figure 24.6. **Share of bilateral ODA by region, 2016, gross disbursements, Greece**

Note: Ninety-three per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933793507

In 2016, 6.3% of bilateral ODA went to Greece's top 10 recipients. Greece has 18 priority partner countries. Seven of these priority countries featured on its list of top 10 recipients in 2016. Greece's support to fragile contexts reached USD 0.6 million in 2016 (0.4% of gross bilateral ODA). Support to fragile contexts consisted mainly of scholarships (65%) and technical expertise (35%).

Figure 24.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Greece**

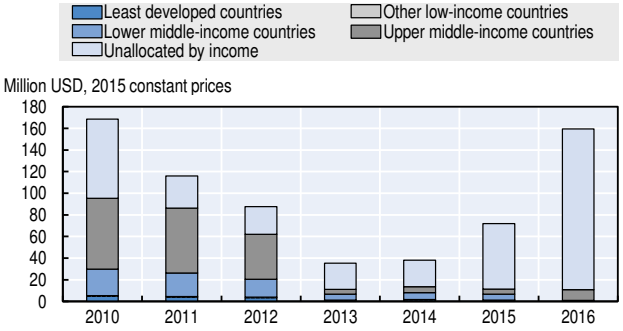


StatLink http://dx.doi.org/10.1787/888933793526

In 2016, 0.1% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 0.1 million. This is a decrease from 1.6% in 2015 and is below the DAC average of 21.9% in 2016. Upper middle-income countries received the highest share of bilateral ODA in 2016 (6.1%), noting that 93.3% was unallocated by income group.

At 0.02% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

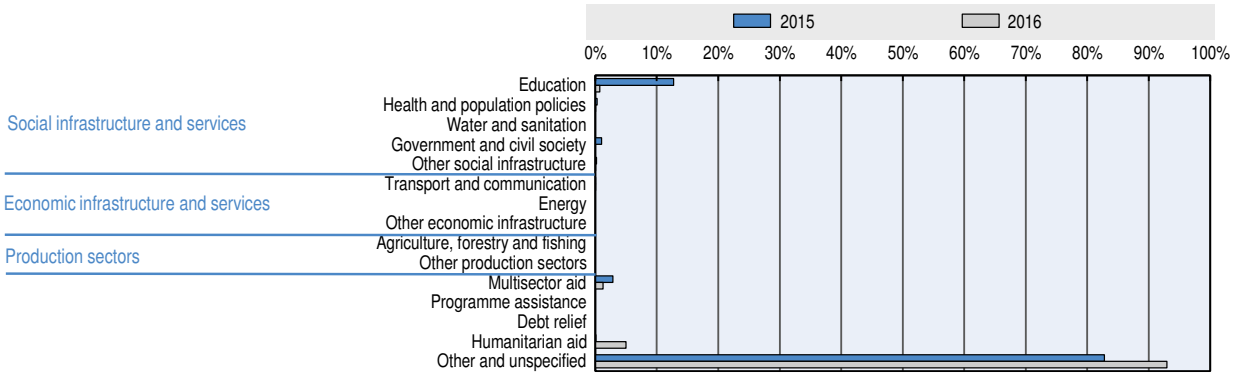
Figure 24.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Greece**



StatLink http://dx.doi.org/10.1787/888933793545

Nearly all (92.9%) of Greece's bilateral ODA was unallocated or unspecified in 2016. Greece committed 0.8% of bilateral aid (USD 1.3 million) to social infrastructure and services, focusing mainly on education (USD 1.1 million).

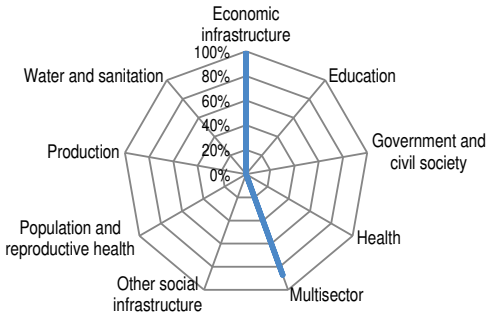
Figure 24.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Greece**



StatLink http://dx.doi.org/10.1787/888933793564

USD 2.9 million of bilateral ODA supported gender equality in 2016. In 2016, 25% of Greece's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared to the DAC country average of 36.5%. This is down from 2015 when it stood at 71.6%.

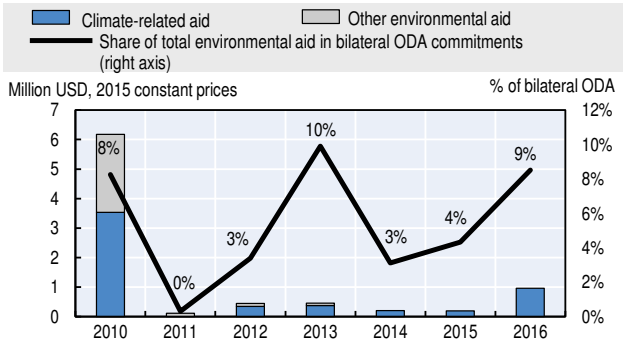
Figure 24.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Greece**



StatLink http://dx.doi.org/10.1787/888933793583

USD 1 million of bilateral ODA supported the environment in 2016. The share of Greek bilateral allocable aid focusing on the environment was 8.5% in 2016, compared to a 2016 DAC country average of 33%. The share of its bilateral allocable aid focusing on climate change was 8.5% in 2016 (USD 1 million), compared to the DAC country average of 25.7%.

Figure 24.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Greece**



StatLink http://dx.doi.org/10.1787/888933793602

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

HUNGARY

Leaving no one behind: Hungary's approach and priorities

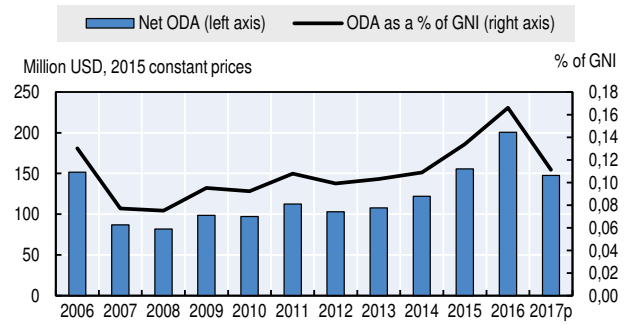
Hungary's development co-operation aims to support sustainable development while promoting human rights, social justice, democracy, equal opportunities, non-discrimination, gender equality, environmental sustainability and support for vulnerable groups. When determining its geographical priorities, Hungary takes into account the specific needs of least developed countries, low-income countries, fragile states and countries in post-conflict situations.

Hungary believes that a leave no one behind approach to development co-operation is a fresh opportunity to draw increased attention to vulnerable people and groups such as women, children, people with disabilities, people living in rural areas and ethnic groups. For Hungary, one of the greatest challenges to success is creating the right financial mechanisms to mobilise enough funds in order to really leave no one behind

Financial flows from Hungary to developing countries

At present, data on other official flows, private grants (funds raised by non-governmental organisations and foundations) and private flows at market terms from Hungary to developing countries are not available. The grant element of total official development assistance (ODA) was 100% in 2016.

Figure 25.1. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Hungary**



P: preliminary data.

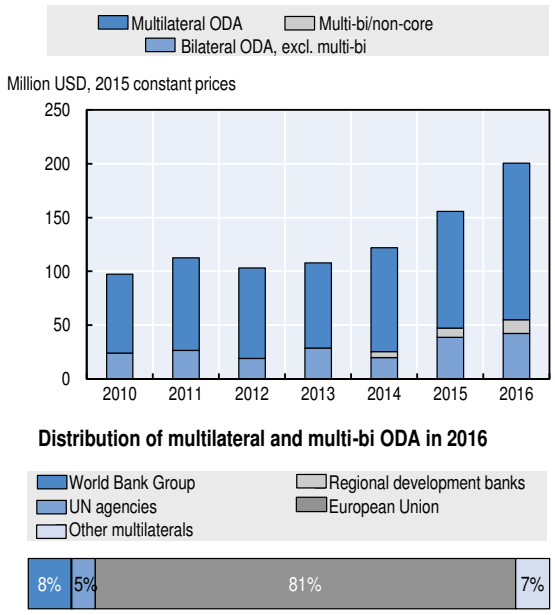
StatLink http://dx.doi.org/10.1787/888933793621

Hungary's official development assistance

In 2017, Hungary provided USD 149 million in net ODA (preliminary data), which represented 0.11% of gross national income (GNI) and a 29.7% decrease in real terms from 2016 due to significant cuts in its overall aid programme. As all member states that have joined the European Union since 2002, Hungary has committed to attain a 0.33% ODA/GNI ratio by 2030. In 2017, in-donor refugee costs were USD 3 million and represented 2.2% of Hungary's total net ODA, compared to 4.9% in 2016.

In 2016, 27.5% of Hungary's ODA was provided bilaterally. Hungary channelled 72.5% of its ODA, or USD 144.3 million, as core contributions to multilateral organisations in 2016. Its multilateral aid consisted mainly of mandatory assessed contributions to the European Union and other international organisations. In addition, Hungary channelled 23% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core) in 2016.

Figure 25.2. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Hungary**



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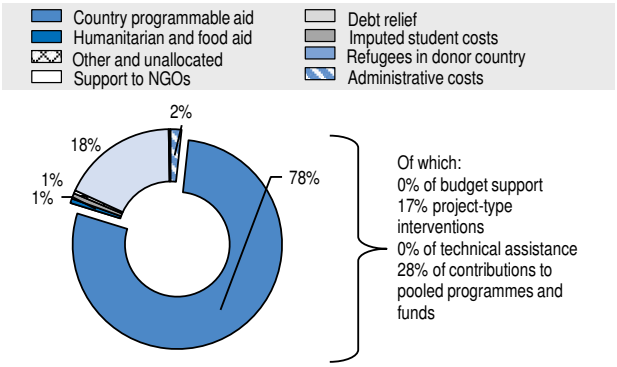
In 2016, 78.1% of bilateral ODA was programmed with partner countries. Hungary's share of country programmable aid was higher than the Development Assistance Committee (DAC) country average (46.8%) in 2016. Scholarships/training in donor country made up 55% of this aid.

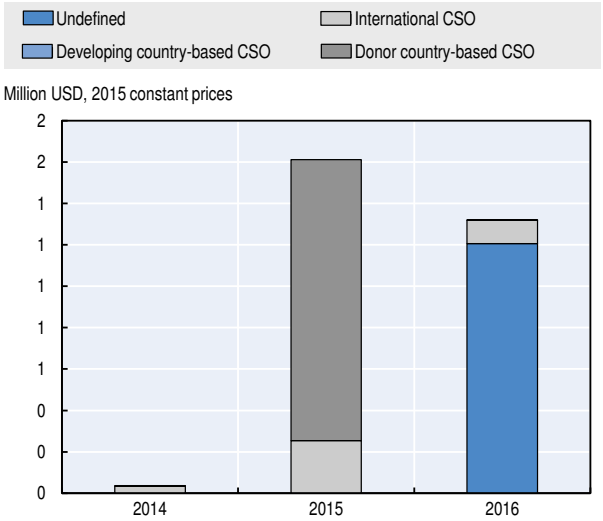
Figure 25.3. **Composition of bilateral ODA, 2016, gross disbursements, Hungary**



StatLink http://dx.doi.org/10.1787/888933793659

In 2016, USD 1.3 million of bilateral ODA was channelled to and through civil society organisations (CSOs), amounting to 2.4 % of bilateral aid, compared with 3.4% in 2015.

Figure 25.4. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2014-16, Hungary**



StatLink http://dx.doi.org/10.1787/888933793678

In 2016, bilateral ODA primarily focused on Europe and Asia. USD 16.9 million was allocated to Eastern Europe, USD 8.9 million to Far East Asia, and USD 5.8 million to south and central Asia.

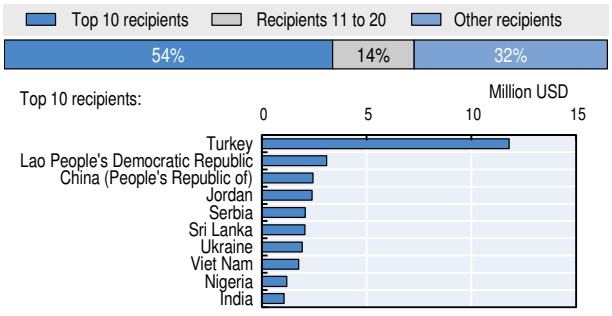
Figure 25.5. **Share of bilateral ODA by region, 2016, gross disbursements, Hungary**

Note: Twenty-two per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933793697

In 2016, 54.4% of bilateral ODA went to Hungary's top 10 recipients. Hungary focuses on 17 partner countries but plans to focus on a narrow range of countries (maximum of 10) located in Africa, the Middle East, Asia/Southeast Asia, Eastern Europe and the Western Balkans. Four of its priority partners were among its top 10 recipients in 2016. Its support to fragile contexts reached USD 8.6 million in 2016 (16% of gross bilateral ODA). Support to fragile contexts consisted mainly of scholarships (56%) and project-type interventions (42%).

Figure 25.6. **Bilateral ODA to top recipients, 2016, gross disbursements, Hungary**

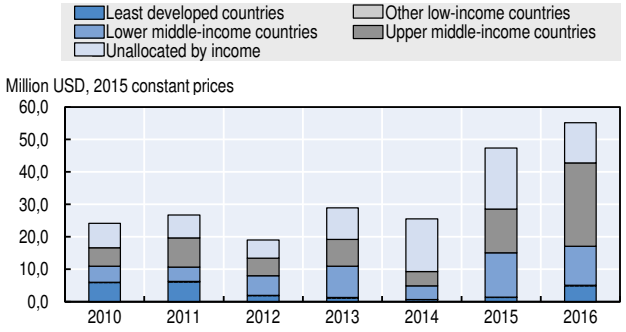


StatLink http://dx.doi.org/10.1787/888933793716

In 2016, 8.9% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 4.9 million. The DAC country average share of bilateral ODA allocated to the LDCs was 21.9% in 2016. Upper middle-income countries received the highest share of bilateral ODA in 2016, representing 46.5% of bilateral ODA, noting that 22.4% was unallocated by income.

At 0.03% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

Figure 25.7. **Bilateral ODA by income group, 2010-16, gross disbursements, Hungary**



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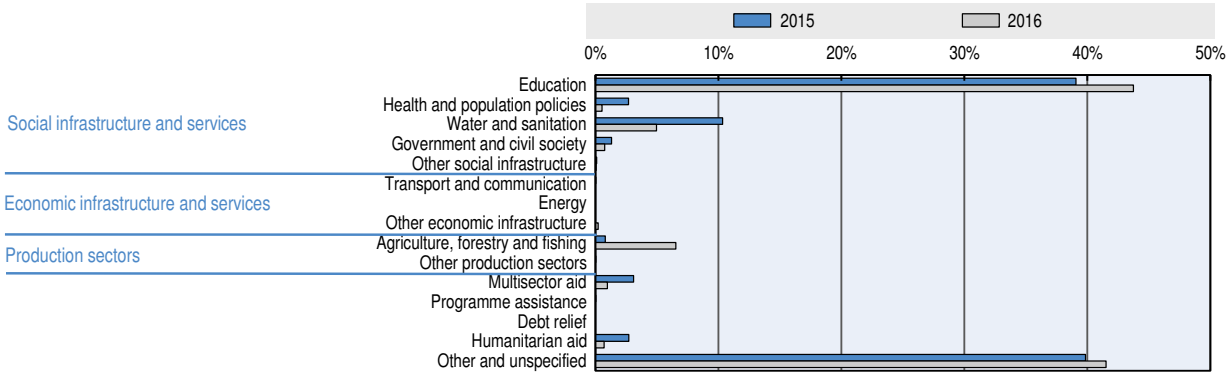
In 2016, 50% of bilateral ODA was allocated to social infrastructure and services, reaching USD 27.4 million, with a strong focus on education, which amounted to USD 24 million. A high share (41.5%) of bilateral ODA was unspecified by sector in 2016. Hungary committed USD 3.7 million (8.5% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy in 2016.

Figure 25.8. **Share of gross bilateral ODA by sector, 2015-16, commitments, Hungary**



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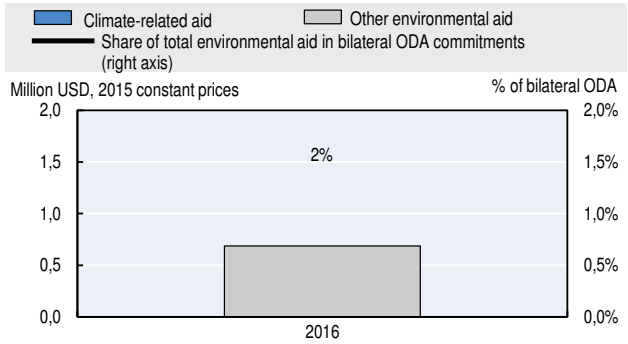
Environmental protection is among the priority areas of Hungary's bilateral development co-operation. Cross-cutting principles, notably gender equality and environmental sustainability, are still to be incorporated into Hungary's development co-operation strategy and activities in a systematic way.

USD 0.7 billion of bilateral ODA supported the environment in 2016. In 2016, the share of Hungarian bilateral allocable aid focusing on the environment reached 1.6%, compared to the DAC country average of 33%.

Figure 25.9. **Bilateral allocable ODA in support of global and local environment objectives, 2016, commitments, Hungary**



StatLink http://dx.doi.org/10.1787/888933793773

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

ICELAND

Leaving no one behind: Iceland's approach and priorities

Iceland will identify how its development co-operation will address leaving no one behind in a forthcoming parliamentary resolution. This resolution will build on current priorities, which are least developed countries and within these countries the hard-to-reach, rural populations, the most vulnerable and poorest people including people with disabilities. Iceland also focuses on gender equality, children and youth.

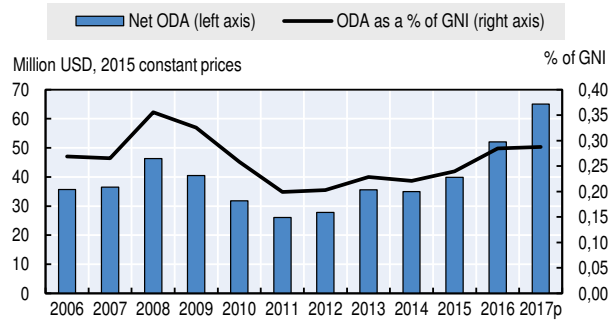
For Iceland, official development assistance has a comparative advantage in supporting the underfunded Sustainable Development Goal (SDG) targets in low-income countries, dealing with the root causes of poverty and fragility, and targeting specific needs. It believes that working to include the most vulnerable sections of the population in development is a prerequisite to reaching many of the SDGs.

To deliver on leaving no one behind, Iceland plans to sharpen its focus on the poorest and most vulnerable sections of the population in its partner countries, including children and minority groups. However, it stresses the need to focus on having better data and measuring results in order to have a clear picture of who benefits and who is being missed out in development processes. It also considers that the meaning and objectives of leaving no one behind could be clarified in terms of lifting the living standards of the world's most underprivileged people.

Financial flows from Iceland to developing countries

At present, data on other official flows and on private grants (funds raised by non-governmental organisations and foundations) from Iceland to developing countries are not available. Data on private flows at market terms are available for 2015 (amounting to USD 0.2 million).

Figure 26.1. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Iceland**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933793792

Iceland's performance against commitments for effective development co-operation

Table 26.1. **Results of the 2016 Global Partnership monitoring round (updated), Iceland**

Iceland	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	100.0%	50.9%	25.0%	100.0%	100.0%	100.0%	needs improvement	fair	
Baseline	-	0.0%	52.8%	-	72.4%	83.5%	good	-	-
Trend	-	⇑	⇓	-	⇑	⇑	⇓	-	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797706

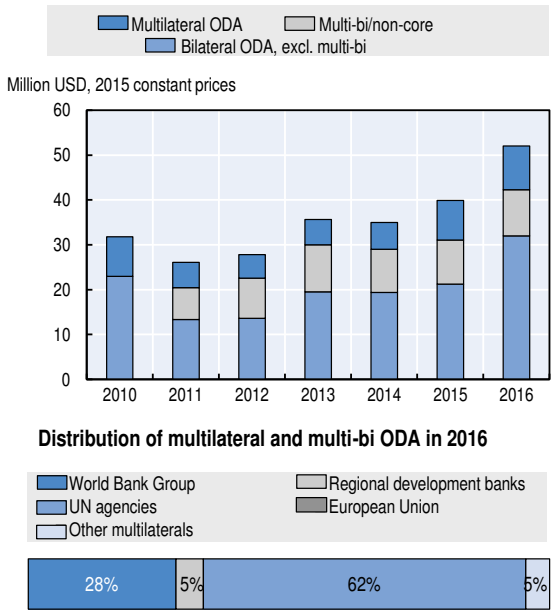
Iceland's official development assistance

In 2017, Iceland provided USD 69 million in net ODA (preliminary data), which represented 0.29% of its gross national income (GNI) and a 5.5% increase in real terms from 2016 due to increased in-donor refugee costs. Iceland has committed to achieve 0.7% ODA/GNI. However, following the 2008-11 financial and banking crisis, it has revised its timetable for achieving this target, with the parliament adopting a plan for official development assistance (ODA) levels to reach 0.26% by 2018 and to remain at this level until 2021. In 2017, in-donor refugee costs were USD 25 million, representing 36.3% of Iceland's total net ODA, compared to 26.7% in 2016.

Iceland untied 100% of its ODA (excluding administrative costs and in-donor refugee costs) in 2016, compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 81.2% of ODA was provided bilaterally, totalling USD 31 million. Iceland allocated 18.8% of total ODA as core contributions to multilateral organisations. In addition, it channelled 24.3% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

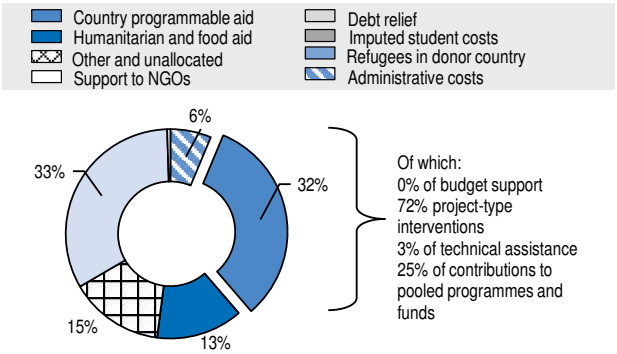
Figure 26.2. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Iceland**



StatLink http://dx.doi.org/10.1787/888933793811

In 2016, 32.4% of bilateral ODA was programmed with partner countries. Iceland's share of country programmable aid was lower than the DAC country average (46.8%) in 2016 and project-type interventions made up 72% of this aid. The proportion of bilateral ODA allocated to refugees in donor country amounted to 33% of gross bilateral aid.

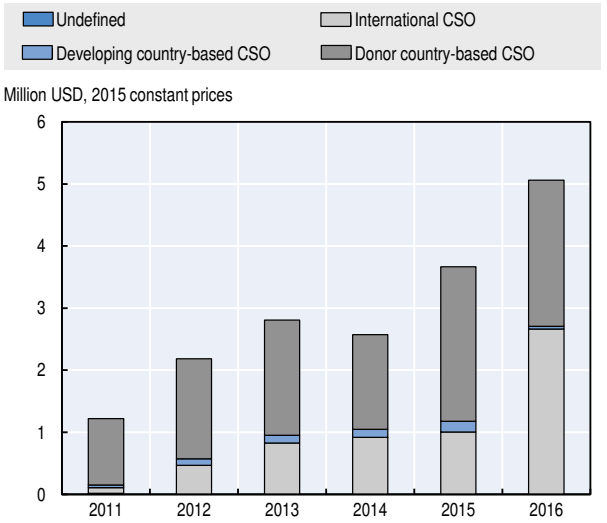
Figure 26.3. **Composition of bilateral ODA, 2016, gross disbursements, Iceland**



StatLink http://dx.doi.org/10.1787/888933793830

In 2016, USD 5.7 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016 Iceland's aid channelled to and through CSOs remained stable as a share of bilateral ODA (it was 11.8% in 2015 and 12% in 2016).

Figure 26.4. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2011-16, Iceland**



StatLink http://dx.doi.org/10.1787/888933793849

Bilateral ODA was primarily focused on sub-Saharan Africa, which received USD 14.5 million in 2016.

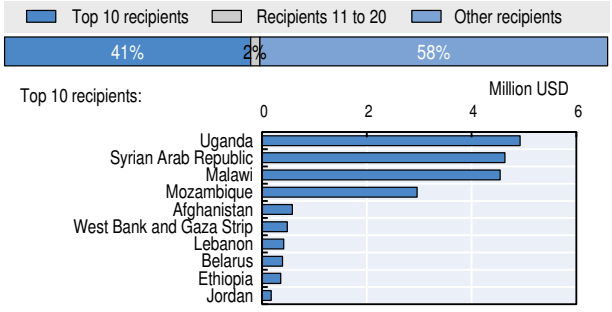
Figure 26.5. **Share of bilateral ODA by region, 2016, gross disbursements, Iceland**

Note: Fifty-four per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933793868

In 2016, 40.8% of bilateral ODA went to Iceland's top 10 recipients. Its three priority partner countries – Malawi, Uganda and Mozambique – are among the top five recipients of its ODA. In 2016, its support to fragile contexts reached USD 18.9 million (40% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (56%) and contributions to pooled funds (42%).

Figure 26.6. **Bilateral ODA to top recipients, 2016, gross disbursements, Iceland**

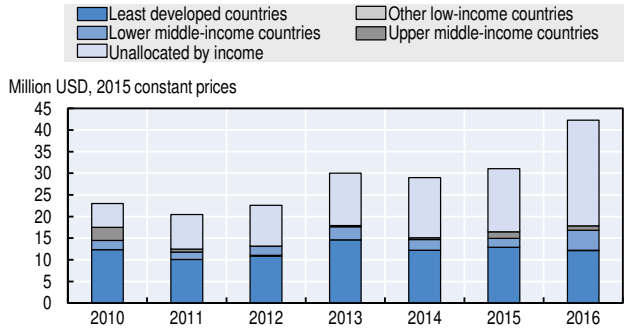


StatLink http://dx.doi.org/10.1787/888933793887

In 2016, 28.7% of bilateral ODA was allocated to the LDCs, amounting to USD 13.7 million. This is an important decrease from 41.6% in 2015, but is still above the DAC average of 21.9% in 2016. The LDCs received the highest share of bilateral ODA in 2016, noting that 57.7% was unallocated by income group.

At 0.08% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

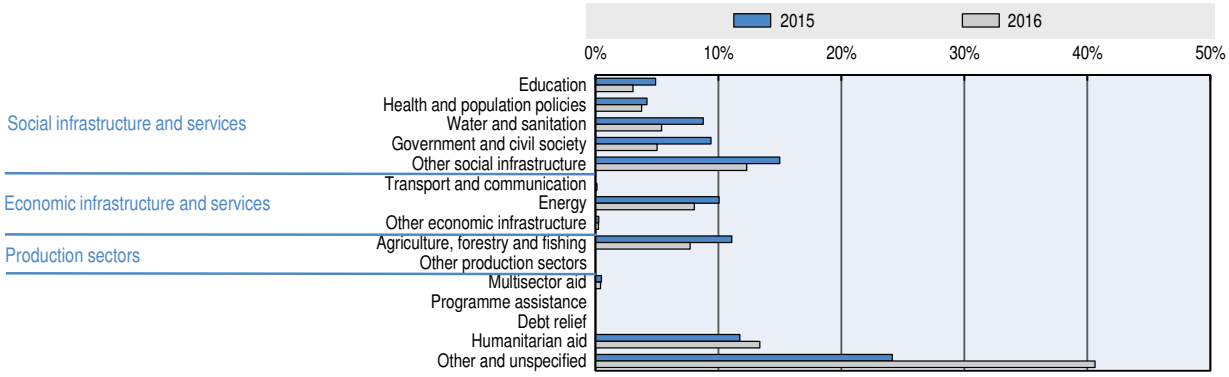
Figure 26.7. **Bilateral ODA by income group, 2010-16, gross disbursements, Iceland**



StatLink http://dx.doi.org/10.1787/888933793906

In 2016, 29.5% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 14.1 million, with a strong focus on government and civil society (USD 2.4 million) and water and sanitation (USD 2.6 million). Humanitarian aid amounted to USD 6.4 million. In 2016, Iceland committed USD 7.7 million (26.8% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

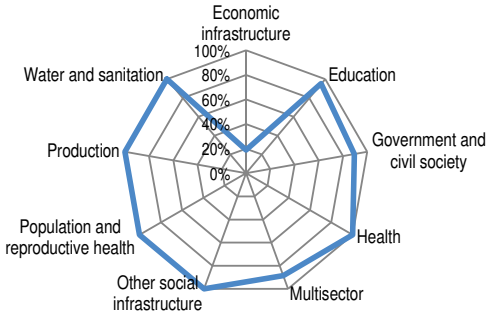
Figure 26.8. **Share of gross bilateral ODA by sector, 2015-16, commitments, Iceland**



StatLink http://dx.doi.org/10.1787/888933793925

USD 24.5 million of bilateral ODA supported gender equality. In 2016, 85.7% of Iceland's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, above the DAC country average of 36.5%. This is stable from 86.1% in 2015. Iceland has a strong focus on gender in nearly all sectors.

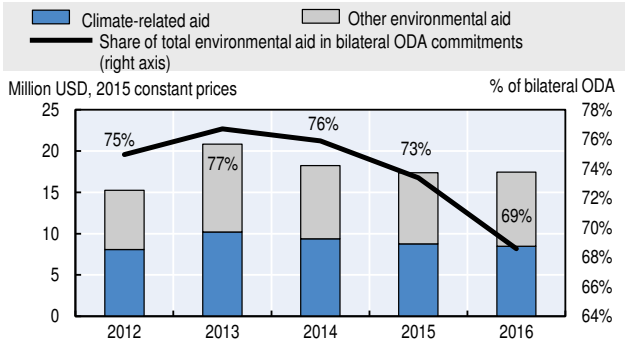
Figure 26.9. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Iceland**



StatLink http://dx.doi.org/10.1787/888933793944

USD 19.7 million of bilateral ODA supported the environment. In 2016, Iceland reported that 68.6% of its bilateral allocable aid supported the environment and 33.4% (USD 9.6 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 26.10. **Bilateral allocable ODA in support of global and local environment objectives, 2012-16, commitments, Iceland**



StatLink http://dx.doi.org/10.1787/888933793963

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

IRELAND

Leaving no one behind: Ireland's approach and priorities

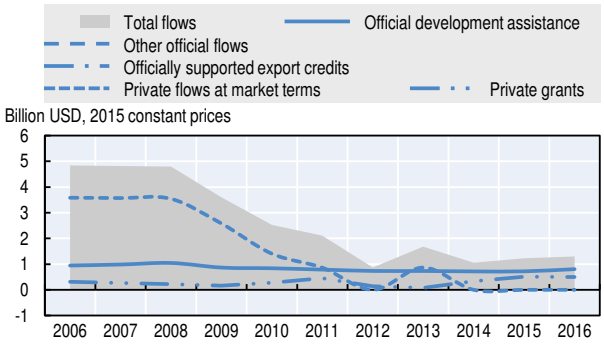
Ireland's foreign policy and development programme strive towards a sustainable and just world, where people are empowered to overcome poverty and hunger and to fully realise their rights and potential. Ireland's forthcoming (2018) international development policy will respond to the Sustainable Development Goals and continue to focus on the needs of the poorest and most vulnerable people to ensure no one is left behind.

For Ireland, the protection of human rights and freedoms and tackling extreme poverty and hunger are the basis for equality and for achieving peace and sustainable development. Gender equality is central to this vision as well as social protection that targets poor communities, especially child and female-headed households. Ireland is focusing on interlinkages between support for sustainable livelihoods, social services and nutrition. Its approach to crises is underpinned by International Humanitarian Law, core humanitarian principles such as flexible and timely funding and non-discrimination, providing life-saving aid to the most vulnerable and hard-to-reach populations.

Ireland is strengthening its understanding of multidimensional poverty and vulnerability for better targeting and more integrated programming. It believes that good political economy analysis and shifting to adaptive programming are key to success. Ireland is also investing in gender disaggregated data and disability inclusive development.

Financial flows from Ireland to developing countries

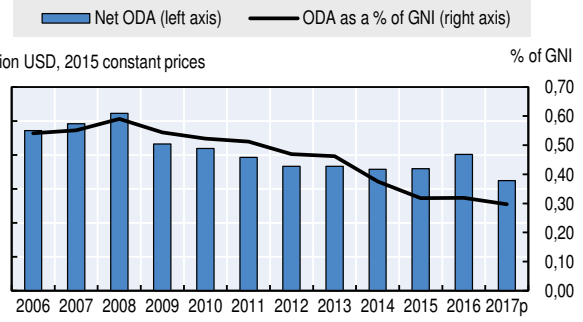
Figure 27.1. **Net resource flows to developing countries, 2006-16, Ireland**



Note: Data on private flows at market terms are not available for 2012 and 2014-16.

StatLink http://dx.doi.org/10.1787/888933793982

Figure 27.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Ireland**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933794001

Ireland's performance against commitments for effective development co-operation

Table 27.1. **Results of the 2016 Global Partnership monitoring round (updated), Ireland**

Ireland	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	68.8%	90.7%	62.0%	100.0%	88.7%	51.7%	needs improvement	excellent	needs improvement
Baseline	-	75.5%	82.2%	100.0%	91.7%	84.6%	needs improvement	excellent	needs improvement
Trend	-	⇑	⇓	=	⇓	⇓	=	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797725

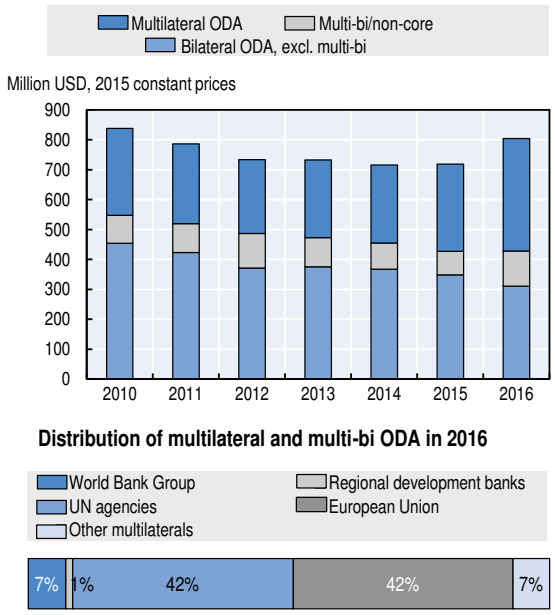
Ireland's official development assistance

In 2017, Ireland provided USD 808 million in net ODA (preliminary data), which represented 0.30% of gross national income (GNI) and a 2.4% decrease in real terms from 2016 due mainly to a decrease in its contributions to multilateral organisations only partially offset by an increase in in-donor refugee costs. Ireland, like other EU member countries, made a new commitment to meeting the 0.7% ODA/GNI target by 2030 and the government has indicated that the new policy will include a roadmap towards this target. In 2016, in-donor refugee costs were USD 11 million and represented 1.4% of Ireland's total net official development assistance (ODA), compared to 0.1% in 2016.

Its share of untied ODA (excluding administrative costs and in-donor refugee costs) was 100% in 2016, compared with the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 53.2% of ODA was provided bilaterally. In 2016, Ireland allocated 46.8% of total ODA as core contributions to multilateral organisations. In addition, it channelled 27.4% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

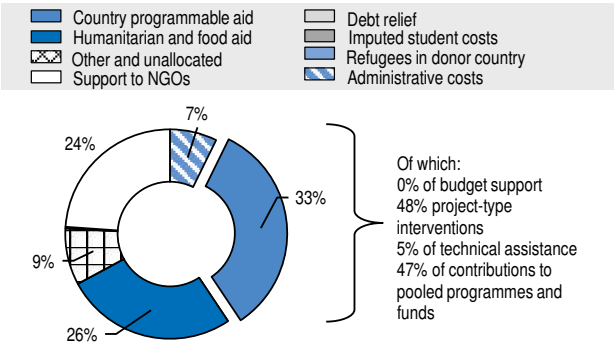
Figure 27.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Ireland**



StatLink http://dx.doi.org/10.1787/888933794020

In 2016, 33.4% of bilateral ODA was programmed with partner countries. Ireland's share of country programmable aid was lower than the DAC country average (46.8%) in 2016; 48% of this aid consisted of project-type interventions. Core aid to non-governmental organisations and humanitarian assistance accounted for half of bilateral ODA.

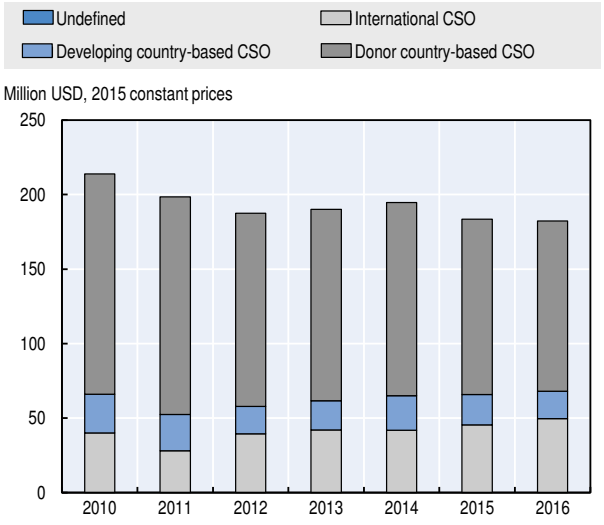
Figure 27.4. **Composition of bilateral ODA, 2016, gross disbursements, Ireland**



StatLink http://dx.doi.org/10.1787/888933794039

In 2016, USD 182.1 million of bilateral ODA was channelled to and through civil society organisations (CSOs). This equalled 42.6% of bilateral ODA. Between 2015 and 2016, the share of bilateral aid channelled through and to CSOs remained stable (it was 43% in 2015).

Figure 27.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Ireland**



StatLink http://dx.doi.org/10.1787/888933794058

Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, Ireland allocated USD 250.5 million to sub-Saharan Africa and USD 29.6 million to the Middle East.

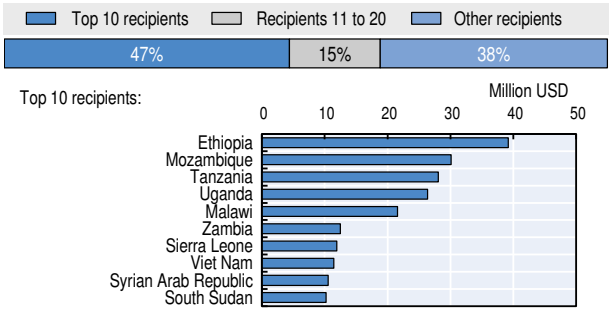
Figure 27.6. **Share of bilateral ODA by region, 2016, gross disbursements, Ireland**

Note: Twenty-five per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933794077

In 2016, 47.3% of bilateral ODA went to Ireland's top 10 recipients. All eight of its key partners are among its top 10 recipients. Irish support to fragile contexts was USD 279.8 million in 2016 (66% of gross bilateral ODA). Support to fragile contexts consisted mainly of contributions to pooled funds (58%) and project-type interventions (36%).

Figure 27.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Ireland**

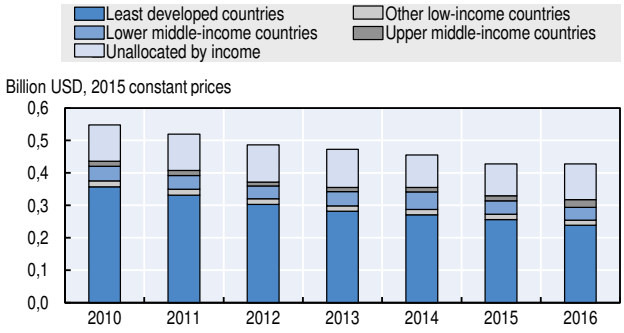


StatLink http://dx.doi.org/10.1787/888933794096

In 2016, 55.9 % of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 238.8 million. The share allocated to the LDCs decreased compared to 2015 (when it was 60.1%). Ireland ranked highest among DAC members for the share of bilateral ODA allocated to the LDCs in 2016 (the DAC average was 21.9%).

At 0.14% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

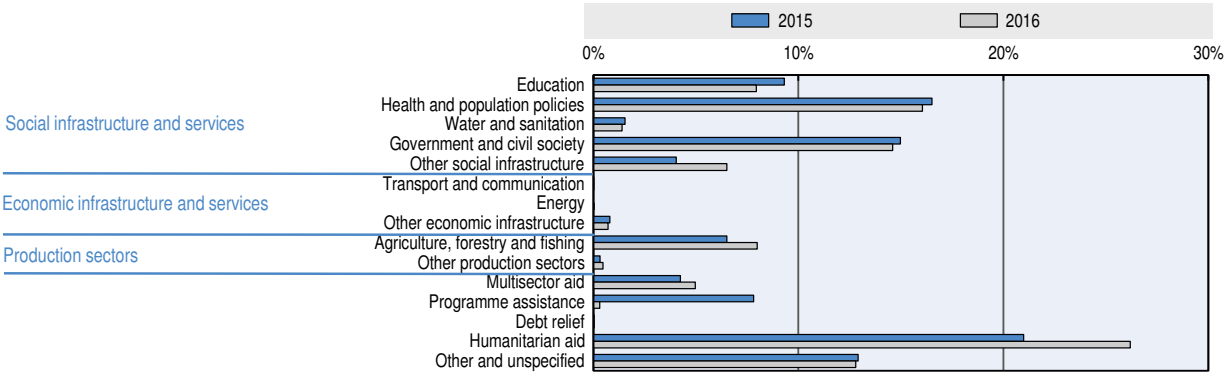
Figure 27.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Ireland**



StatLink http://dx.doi.org/10.1787/888933794115

In 2016, 46.5% of bilateral ODA, or USD 198.6 million, was allocated to social infrastructure and services, with a strong focus on government and civil society (USD 62.4 million) and support to health (USD 58.6 million) and education (USD 33.9 million). Humanitarian aid amounted to USD 112 million. In 2016, Ireland committed USD 39.3 million (10% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

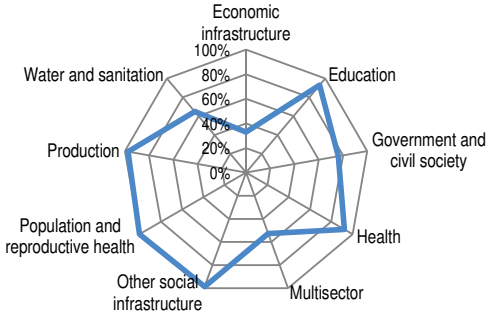
Figure 27.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Ireland**



StatLink http://dx.doi.org/10.1787/888933794134

USD 312.9 million of bilateral ODA supported gender equality. In 2016, 84% of Ireland's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective (up from 79% in 2015), compared with the DAC country average of 36.5%. Ireland's aid to population and reproductive health, other social infrastructure, production, education, and health focuses on gender.

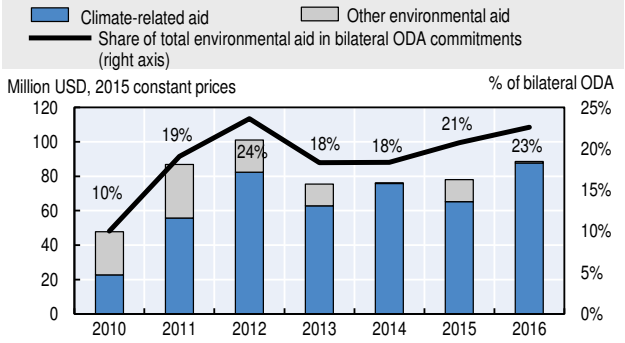
Figure 27.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Ireland**



StatLink http://dx.doi.org/10.1787/888933794153

USD 88.5 million of bilateral ODA supported the environment in 2016. In 2016, 22.6% of its bilateral allocable aid supported the environment, compared with the DAC country average of 33%. Also, 22.4% (USD 87.6 million) of Irish bilateral allocable aid focused on climate change, compared with the DAC country average of 25.7%.

Figure 27.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Ireland**



StatLink http://dx.doi.org/10.1787/888933794172

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

ITALY

Leaving no one behind: Italy's approach and priorities

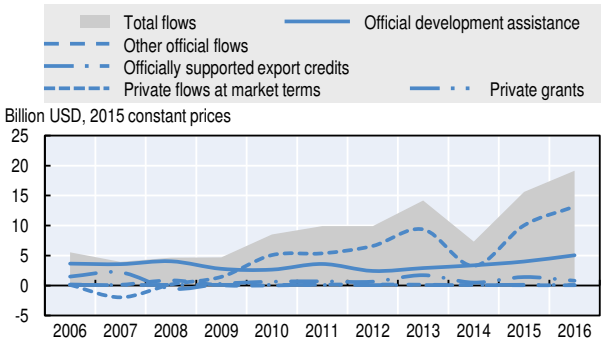
Italy is planning to make a specific commitment to leaving no one behind in its development co-operation policy. It addresses the issue at present through its focus on poverty reduction in its Three-year Development Co-operation Programming and Policy Planning Document, which gives emphasis to the poorest, most vulnerable and furthest behind in all developing countries whether least developed or middle income.

For Italy, social and economic inequalities within and among countries are the main obstacle to achieving the Sustainable Development Goals. It prioritises fighting discrimination and marginalisation of the poorest, most vulnerable and furthest behind – especially youth, children, women and girls, and persons with disability.

Italy mainstreams disability in its programming. It has guidelines on disability and development and an action plan for including people with disability in the development process. Its evidence base for official development assistance decision making includes indicators of poverty and fragility. To identify areas and groups most in need it conducts analysis and ad hoc surveys, relying when possible on the national plans, data and information provided by partner countries. A key challenge for Italy is to design the right methodologies to identify the most marginalised groups and to measure results from a leave no one behind perspective.

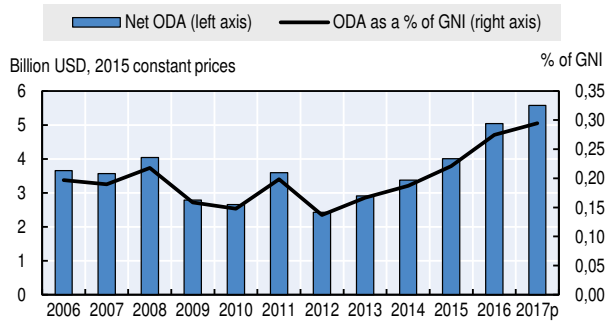
Financial flows from Italy to developing countries

Figure 28.1. **Net resource flows to developing countries, 2006-16, Italy**



StatLink http://dx.doi.org/10.1787/888933794191

Figure 28.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Italy**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933794210

Italy's performance against commitments for effective development co-operation

Table 28.1. **Results of the 2016 Global Partnership monitoring round (updated), Italy**

Italy	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	60.4%	52.9%	50.8%	95	57.8%	60.6%	good	good	-
Baseline	-	32.9%	38.4%	95.1	56.6%	77.5%	fair	good	-
Trend	-	⇑	⇑	=	⇑	⇓	⇑	=	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797744

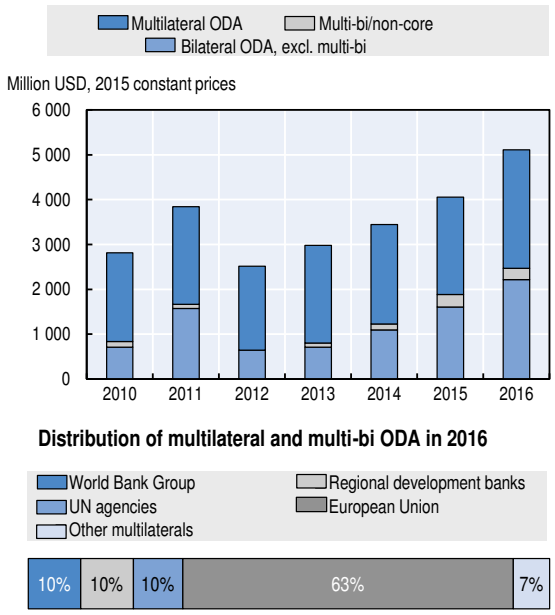
Italy's official development assistance

In 2017, Italy provided USD 5.7 billion in net ODA (preliminary data), which represented 0.29% of gross national income (GNI) and a 10.2% increase in real terms from 2016 due to increased in-donor refugee costs as well as a rise in its bilateral grants for developing countries. In line with Italy's commitment to scale up its aid, official development assistance (ODA) has increased both in terms of volume and as a percentage of GNI over the last three years and it is set to achieve 0.3% of GNI by 2020. At the same time, Italy, like other EU member countries, committed in 2015 to provide 0.7% of GNI as ODA by 2030. In 2017, in-donor refugee costs were USD 1.8 billion and represented 31.4% of Italy's total net ODA, compared to 32.7% in 2016.

Italy's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 95% in 2016 (it was 95.1% in 2015), while the Development Assistance Committee (DAC) average was 81.2%. The grant element of total ODA was 99.9 % in 2016. Loans amounted to 1.4% of net ODA.

In 2016, 48.3% of ODA was provided bilaterally. Italy allocated 51.7% of total ODA as core contributions to multilateral organisations. In addition, it channelled 10.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

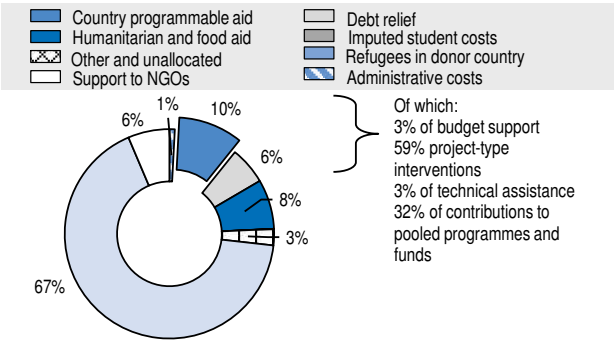
Figure 28.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Italy**



StatLink http://dx.doi.org/10.1787/888933794229

In 2016, 9.9% of bilateral ODA was programmed with partner countries. Italy's share of country programmable aid was low compared with the DAC country average (46.8%) in 2016. Project-type interventions accounted for 59% of this aid. Sixty-seven per cent of bilateral ODA was allocated to refugees in donor country.

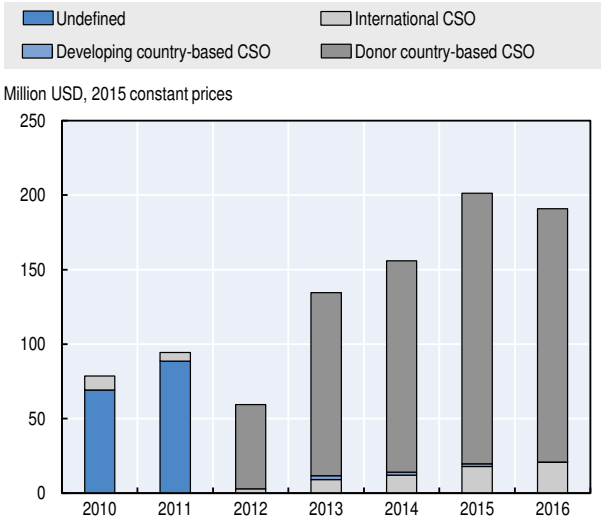
Figure 28.4. **Composition of bilateral ODA, 2016, gross disbursements, Italy**



StatLink http://dx.doi.org/10.1787/888933794248

In 2016, USD 192.7 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, Italy's aid channelled to and through CSOs decreased as a share of bilateral ODA (from 10.7% in 2015 to 7.7% in 2016).

Figure 28.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Italy**



StatLink http://dx.doi.org/10.1787/888933794267

In 2016, bilateral ODA mainly focused on sub-Saharan Africa and the Middle East. USD 312.8 million was allocated to sub-Saharan Africa and USD 110.7 million to the Middle East.

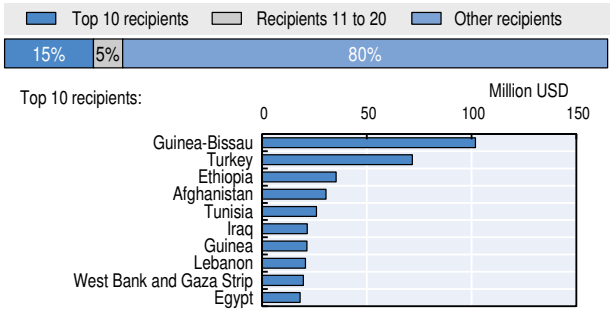
Figure 28.6. **Share of bilateral ODA by region, 2016, gross disbursements, Italy**

Note: Seventy-two per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933794286

In 2016, 14.7% of bilateral ODA went to Italy's top 10 recipients. Italy has 20 priority countries; 6 of them feature on the list of its top 10 recipients. Its support to fragile contexts reached USD 408 million in 2016 (16% of gross bilateral ODA). Support to fragile contexts was distributed between debt relief (34%), contributions to pooled funds (36%) and project-type interventions (27%).

Figure 28.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Italy**

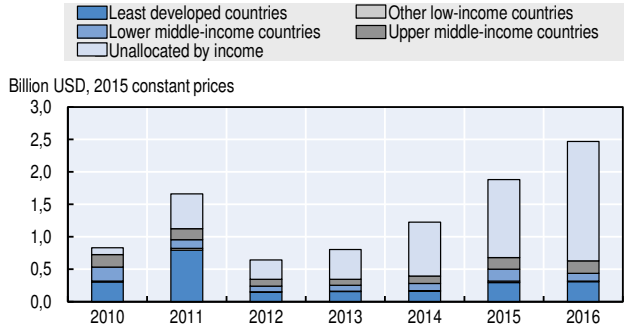


StatLink http://dx.doi.org/10.1787/888933794305

In 2016, 12.5% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 312.6 million. Aid to the LDCs as a share of bilateral ODA has decreased since 2015 (when it stood at 15.8%). The 2016 DAC country average was 21.9%. The LDCs received the highest share of bilateral ODA, noting that 74.4% was unallocated by income group.

At 0.05% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

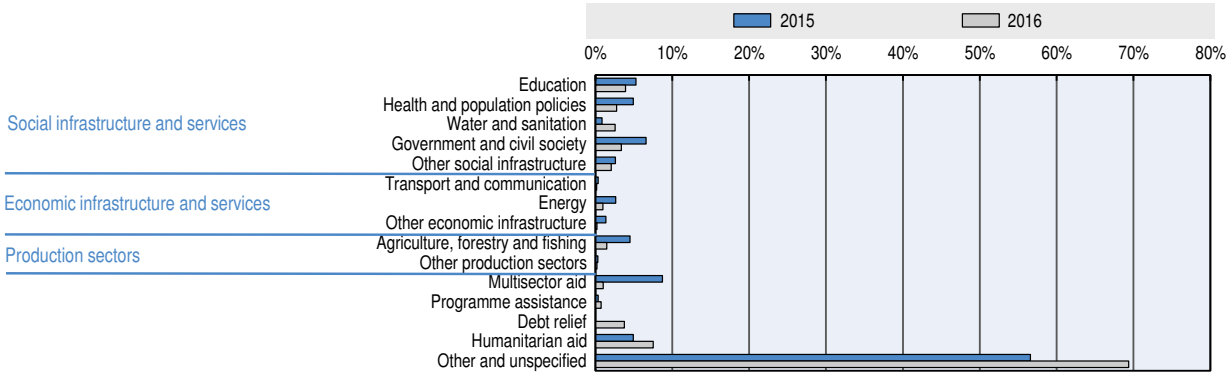
Figure 28.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Italy**



StatLink http://dx.doi.org/10.1787/888933794324

In 2016, 14.6%, or USD 372.9 million, of bilateral ODA was allocated to social infrastructure and services, with a strong focus on education (USD 99.2 million) and government and civil society (USD 86.3 million). Humanitarian aid amounted to USD 191 million. In 2016, Italy committed USD 75.8 million (10.9% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

Figure 28.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Italy**

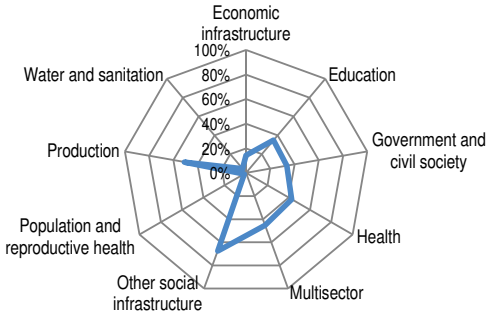


StatLink http://dx.doi.org/10.1787/888933794343

USD 240.1 million of Italy's bilateral ODA supported gender equality. In 2016, 38.5% of Italian bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, an increase compared with 32.5% in 2015. The DAC country average was 36.5% in 2016.

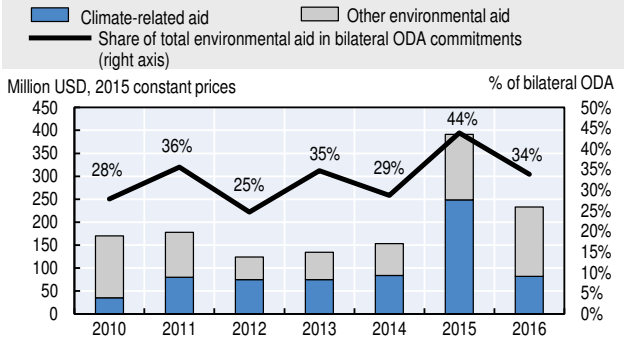
USD 235.3 million of bilateral ODA supported the environment in 2016. In 2016, 33.8% of Italian bilateral allocable aid supported the environment and 11.9% (USD 82.6 million) focused particularly on climate change, compared with respective DAC country averages of 33% and 25.7%.

Figure 28.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Italy**



StatLink http://dx.doi.org/10.1787/888933794362

Figure 28.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Italy**



StatLink http://dx.doi.org/10.1787/888933794381

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

JAPAN

Leaving no one behind: Japan's approach and priorities

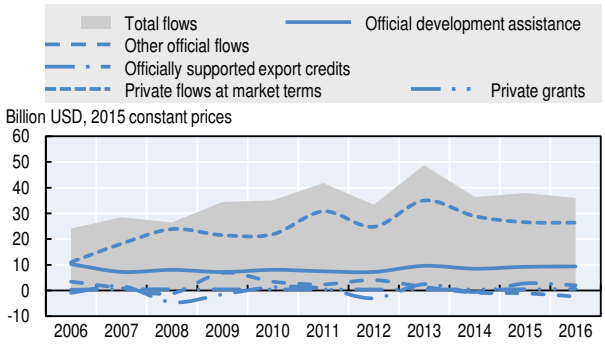
Japan committed to leaving no one behind in the Development Co-operation Charter decided by the Cabinet in 2015 and its SDGs Action Plan in 2018. Japan attaches importance to the concept of human security which gives particular consideration to people in vulnerable situations and is a key to addressing "leave no one behind." Japan focuses its development co-operation on individuals – especially those liable to be vulnerable such as children, women, persons with disabilities, the elderly, refugees and internally displaced persons, ethnic minorities, and indigenous peoples. It provides co-operation for their protection and empowerment so as to realise human security.

To promote a human security approach within the United Nations system, Japan has been contributing to the United Nations Trust Fund for Human Security since its establishment in 1999. To reduce poverty sustainably, Japan also prioritises "quality" economic growth which must be inclusive and shared, sustainable and resilient to shocks.

Japan mainstreams leave no one behind into development co-operation through, for example, the Japan International Cooperation Agency's Environmental and Social Considerations/Guidelines which focus on the human rights of vulnerable social groups.

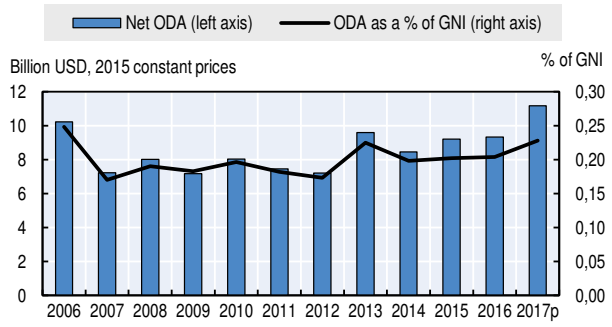
Financial flows from Japan to developing countries

Figure 29.1. **Net resource flows to developing countries, 2006-16, Japan**



StatLink http://dx.doi.org/10.1787/888933794400

Figure 29.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Japan**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933794419

Japan's performance against commitments for effective development co-operation

Table 29.1. **Results of the 2016 Global Partnership monitoring round (updated), Japan**

Japan	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	75.9%	83.0%	67.9%	77.4	98.4%	63.0%	excellent	needs improvement	needs improvement
Baseline	-	64.9%	68.8%	74.6	99.8%	79.4%	excellent	fair	needs improvement
Trend	-	⇑	⇓	⇑	⇓	⇓	=	⇑	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797763

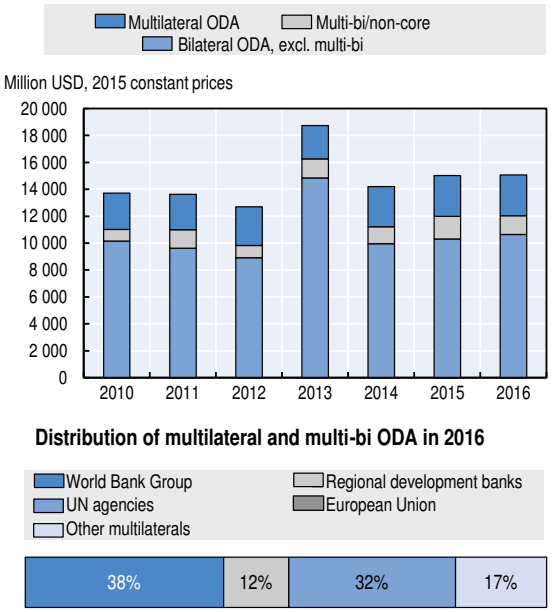
Japan's official development assistance

In 2017, Japan provided USD 11.5 billion in net ODA (preliminary data). This represented 0.23% of gross national income (GNI) and a 13.9% increase in real terms from 2016 due to an increase in its bilateral aid to least developed countries (LDCs) as well as loans. Japan reported USD 0.29 million of in-donor refugee costs as ODA in 2017.

In 2016, the untied share of Japanese total bilateral ODA, excluding technical co-operation, was 86.2%, an increase of 3.9 percentage points from 2015. Japan's ODA includes a large technical co-operation programme, but Japan does not report its tying status. The share of total Japanese bilateral aid reported as untied was 77.4% in 2016,[1] compared with the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 85.7% in 2016. Loans amounted to 50.2% of gross ODA.

In 2016, 80% of ODA was provided bilaterally. Japan allocated 20% of total ODA as core contributions to multilateral organisations. In addition, it channelled 11.6% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

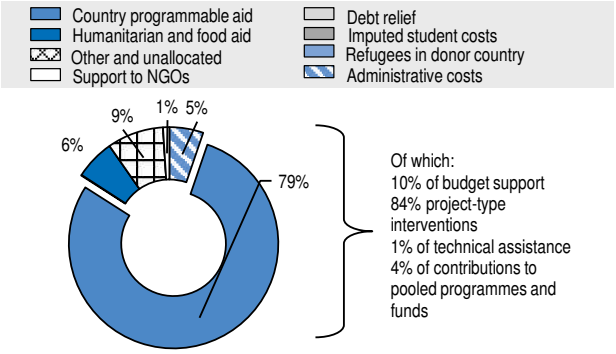
Figure 29.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Japan**



StatLink http://dx.doi.org/10.1787/888933794438

In 2016, Japan programmed 78.8% of bilateral ODA with partner countries. Japan's share of country programmable aid was above the DAC country average of 46.8% in 2016. Project-type interventions totalled 84% of this aid.

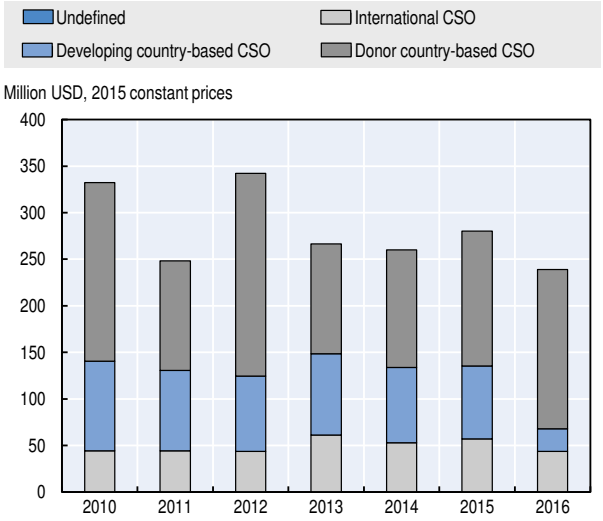
Figure 29.4. **Composition of bilateral ODA, 2016, gross disbursements, Japan**



StatLink http://dx.doi.org/10.1787/888933794457

In 2016, USD 266.6 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016 Japan's aid channelled to and through CSOs remained stable as a share of bilateral ODA (2.3% in 2015 and 2% in 2016).

Figure 29.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Japan**



StatLink http://dx.doi.org/10.1787/888933794476

1. Japan interprets the Accra and Busan commitments on untying to be restricted only to ODA covered by the *DAC Recommendation on Untying ODA to Least Developed Countries and Heavily Indebted Poor Countries* (OECD, 2008[2]). With respect to the implementation of the recommendation, Japan notified the DAC during the 2014 Peer Review that, in accordance with paragraph 21 of this recommendation, it reserves the right to use tied aid as part of its ODA to all non-LDC highly indebted poor countries.

Bilateral ODA was heavily focused on Asia. In 2016, USD 4 billion was allocated to south and central Asia and USD 3.2 billion to Far East Asia. USD 1.2 billion was allocated to sub-Saharan Africa.

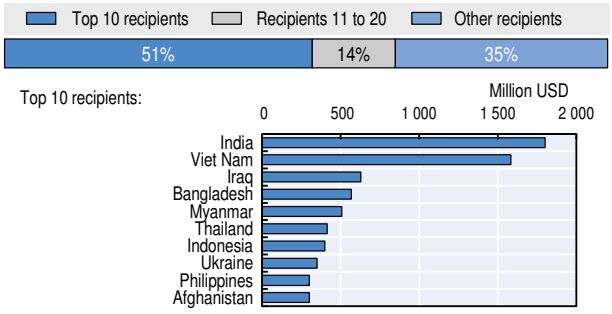
Figure 29.6. **Share of bilateral ODA by region, 2016, gross disbursements, Japan**

Note: Seventeen per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933794495

In 2016, 51% of bilateral ODA went to Japan's top 10 recipients. In line with its stated use of ODA as a diplomatic tool, Japan has a bilateral programme in 145 countries. Japan's support to fragile contexts reached USD 4 billion in 2016 (30% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (74%) and contributions to pooled funds (15%).

Figure 29.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Japan**

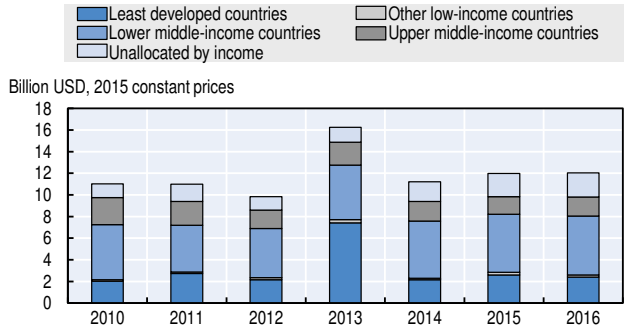


StatLink http://dx.doi.org/10.1787/888933794514

In 2016, 20% of bilateral ODA was provided to the LDCs, amounting to USD 2.7 billion. This is a decrease from 2015 (21.6%), and is lower than the 2016 DAC country average of 21.9%. Lower middle-income countries received the highest share of bilateral ODA in 2016 (45.1%).

At 0.08% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

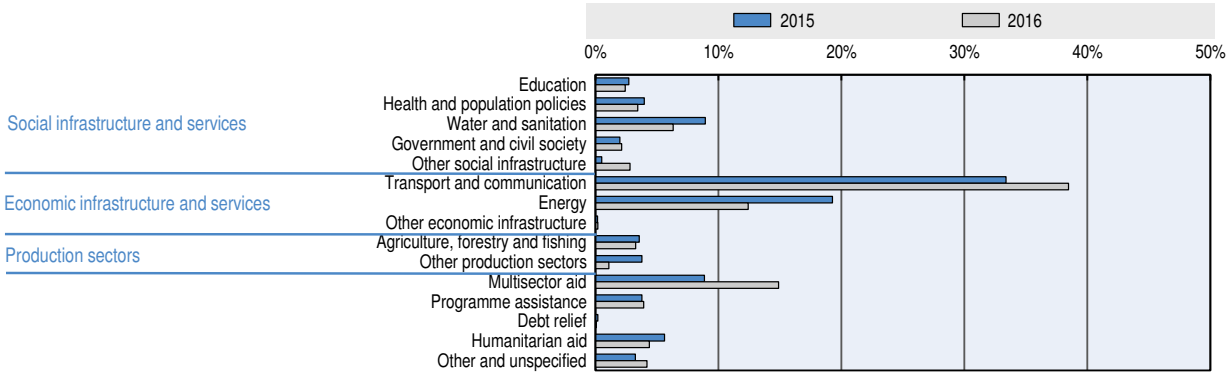
Figure 29.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Japan**



StatLink http://dx.doi.org/10.1787/888933794533

In 2016, 51.1% of bilateral ODA was allocated to economic infrastructure and services, or a total of USD 10.7 billion, with a strong focus on transport and storage (USD 8 billion) and energy generation and supply (USD 2.6 billion). USD 1.3 billion was allocated to water and sanitation, as a part of social infrastructure and services. Humanitarian aid amounted to USD 921 million. In 2016, Japan committed USD 4.9 million of ODA to the mobilisation of domestic resources in developing countries. It also committed USD 11.6 billion (59% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

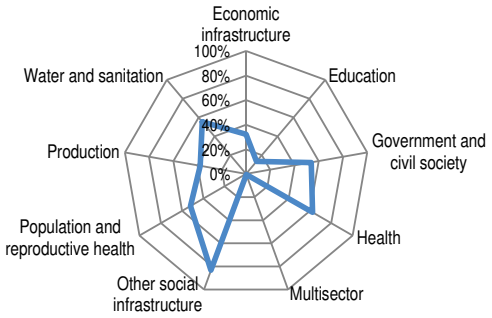
Figure 29.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Japan**



StatLink http://dx.doi.org/10.1787/888933794552

USD 6.3 billion of bilateral ODA supported gender equality. In 2016, 33.5% of Japan's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared to the DAC country average of 36.5%. This was down from 2015 when it was at 41.1%. A high share of Japan's aid to other social infrastructure focuses on gender.

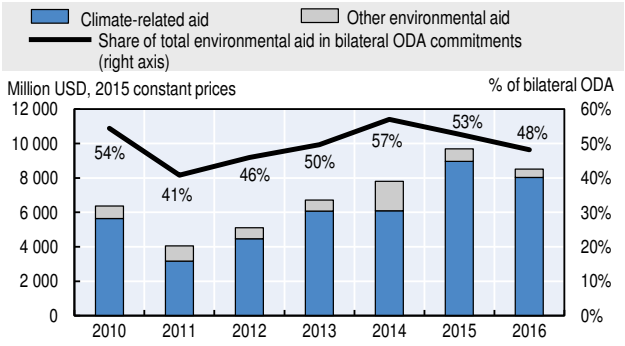
Figure 29.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Japan**



StatLink http://dx.doi.org/10.1787/888933794571

USD 9.5 billion of bilateral ODA supported the environment in 2016. In 2016, 48.2% of Japan's bilateral allocable aid supported the environment and 45.5% (USD 9 billion) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 29.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Japan**



StatLink http://dx.doi.org/10.1787/888933794590

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

References

OECD (2008), *DAC Recommendation on Untying ODA to the Least Developed Countries and Heavily Indebted Poor Countries*, OECD, Paris, *http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/untied-aid.htm*.

KOREA

Leaving no one behind: Korea's approach and priorities

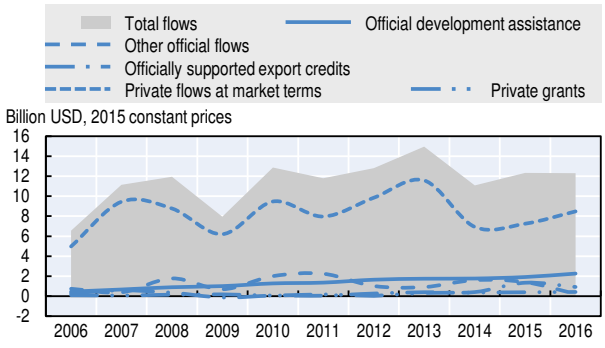
At the 2017 UN General Assembly, Korea committed to support sustainable growth in developing countries with a specific aim of eradicating inequality. Korea has two strategies related to leaving no one behind: the Strategy on Assistance to Fragile States, which targets the causes of fragility in marginalised fragile states with a focus on vulnerable groups, and the Humanitarian Strategy, which aims to build resilience and looks at prolonged crises as well as emergencies.

For Korea, taking a leave no one behind approach helps development co-operation focus on "countries most in need" and vulnerable and marginalised people, including refugees and persons with disabilities. Official development assistance has a comparative and crucial advantage in supporting marginalised people, especially in fragile states, focusing on social impacts and development effectiveness with less pressure for economic returns, unlike other types of development finance.

Korea's Ministry for Foreign Affairs' implementing agency (KOICA) and the Economic Development Cooperation Fund (KEXIM EDCF) each invest in fragile states on the basis of fragility criteria, taking differentiated and context-specific approaches. Korea also has guidelines on disability-inclusive development co-operation. Data gaps and low quality data on who is left behind and where are a key challenge for Korea in operationalising the approach and in measuring results.

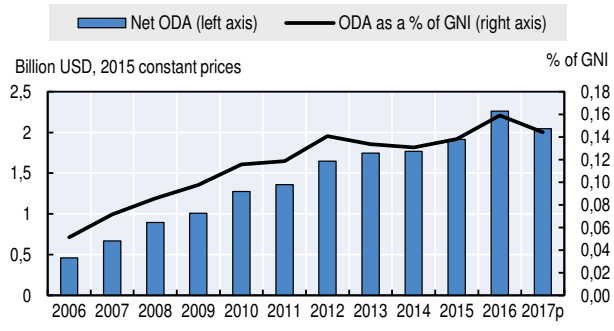
Financial flows from Korea to developing countries

Figure 30.1. **Net resource flows to developing countries, 2006-16, Korea**



StatLink http://dx.doi.org/10.1787/888933794609

Figure 30.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Korea**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933794628

Korea's performance against commitments for effective development co-operation

Table 30.1. **Results of the 2016 Global Partnership monitoring round (updated), Korea**

Korea	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	67.9%	60.0%	45.5%	56	92.8%	78.5%	fair	good	needs improvement
Baseline	-	52.5%	16.2%	50.2	73.6%	45.9%	excellent	fair	-
Trend	-	⇑	⇑	⇑	⇑	⇑	⇓	⇑	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797782

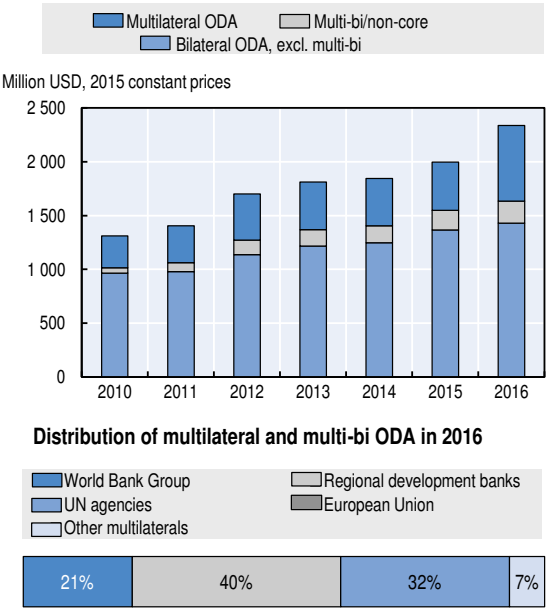
Korea's official development assistance

In 2017, Korea provided USD 2.2 billion in net ODA (preliminary data), which represented 0.14% of gross national income (GNI) and a 6.5% decrease in real terms from 2016,[2] due to lower levels of contributions to multilateral organisations. Korea missed its ODA/GNI target of 0.25% by 2015 but has set a new target of 0.30% ODA/GNI by 2030. It does not yet have an official development assistance (ODA) growth plan in place to underpin this target. Korea did not report in-donor refugee costs as ODA in 2017.

Korea's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 56% in 2016 (up from 48.7% in 2015), compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 93.4% in 2016. Loans amounted to 27.5% of gross ODA.

In 2016, 69.9% of ODA was provided bilaterally. Korea allocated 30.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 12.5% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

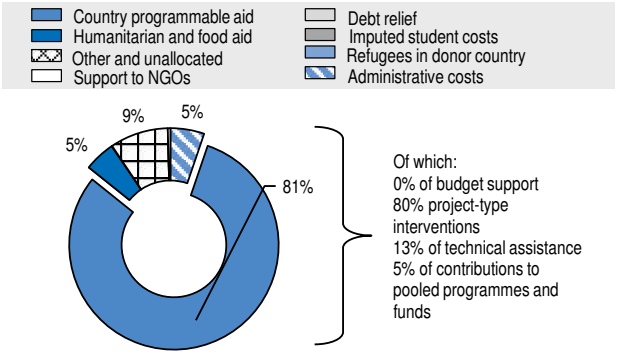
Figure 30.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Korea**



StatLink http://dx.doi.org/10.1787/888933794647

In 2016, 80.5% of bilateral ODA was programmed with partner countries. Korea's bilateral programme is characterised by a high proportion of country programmable aid, which was above the DAC country average of 46.8% in 2016. This is explained mainly by its low levels of other bilateral expenditures, such as in-donor refugee costs and debt relief. Project-type interventions amounted to 80% of country programmable aid.

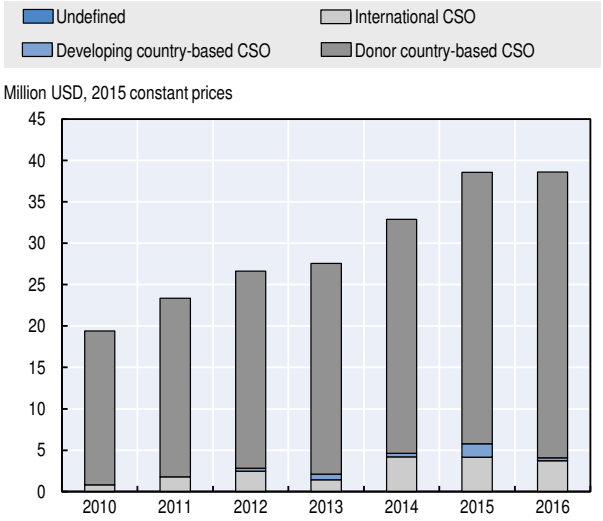
Figure 30.4. **Composition of bilateral ODA, 2016, gross disbursements, Korea**



StatLink http://dx.doi.org/10.1787/888933794666

In 2016, USD 38.3 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Korea's ODA channelled to and through CSOs has been a consistently low share of bilateral ODA in recent years. This share amounted to 2.4% in 2016 and to 2.5% in 2015.

Figure 30.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Korea**



StatLink http://dx.doi.org/10.1787/888933794685

2. Korea does not report to the DAC on ODA-eligible assistance to the Democratic People's Republic of Korea (DPRK). The ODA-eligible portion of its assistance to the DPRK was estimated at approximately USD 0.19 million in 2016.

Bilateral ODA was primarily focused on Asia and sub-Saharan Africa. In 2016, USD 460.1 million was allocated to Far East Asia and USD 249.4 million to south and central Asia. USD 395.7 million was allocated to sub-Saharan Africa.

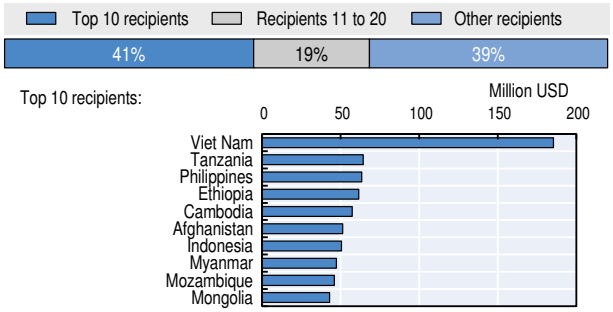
Figure 30.6. **Share of bilateral ODA by region, 2016, gross disbursements, Korea**

Note: Fifteen per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933794704

In 2016, 41.3% of bilateral ODA went to Korea's top 10 recipients. Nine of its 24 priority partner countries are among its top 10 recipients. Korea's support to fragile contexts reached USD 588.5 million in 2016 (36% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (71%) and contributions to pooled funds (14%).

Figure 30.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Korea**

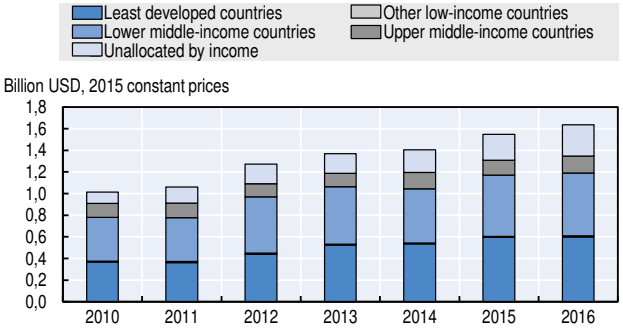


StatLink http://dx.doi.org/10.1787/888933794723

In 2016, 36.6% of bilateral ODA was allocated to least developed countries (LDCs), reaching USD 594 million. The share slightly decreased from 2015 (when it stood at 38.4% of bilateral ODA) but remains higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, followed by lower middle-income countries (35.5%).

At 0.05% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

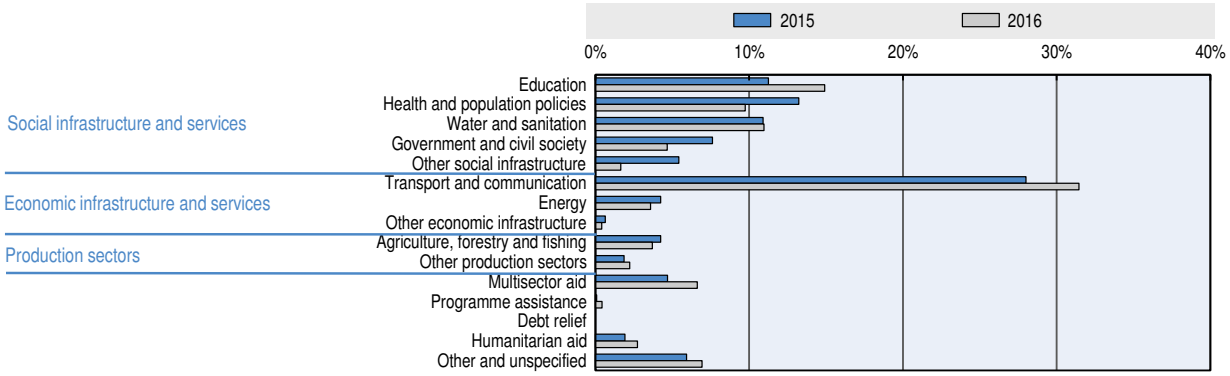
Figure 30.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Korea**



StatLink http://dx.doi.org/10.1787/888933794742

In 2016, 41.9% of Korea's bilateral ODA was allocated to social infrastructure and services, amounting to USD 1 billion, with a strong focus on support to education (USD 366.7 million), water and sanitation (USD 269.4 million), and health (USD 234.7 million). USD 871.4 million (35.5% of bilateral ODA) was allocated to economic infrastructure and services, with a strong focus on transport and storage (USD 665.9 million). Humanitarian aid amounted to USD 67.2 million. In 2016, Korea committed USD 1 billion (43.3% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

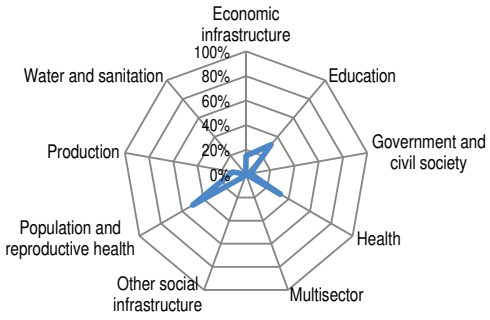
Figure 30.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Korea**



StatLink http://dx.doi.org/10.1787/888933794761

USD 360.3 million of bilateral ODA supported gender equality. In 2016, 15.4% of Korea's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is up from 9.8% in 2015.

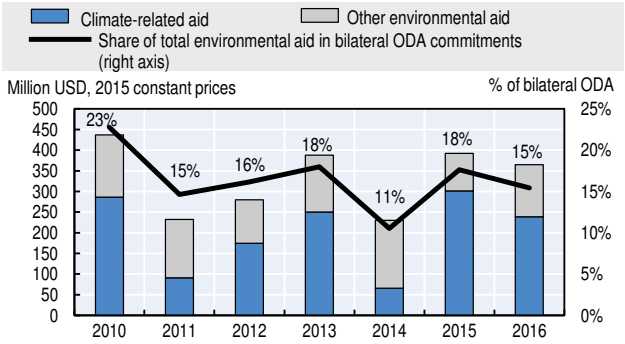
Figure 30.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Korea**



StatLink http://dx.doi.org/10.1787/888933794780

USD 362.4 million of bilateral ODA supported the environment. In 2016, 15.4% of its bilateral allocable aid supported the environment and 10.1% (USD 237.0 million) focused specifically on climate change, compared with the DAC country averages of 33% and 25.7% respectively.

Figure 30.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Korea**



StatLink http://dx.doi.org/10.1787/888933794799

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

LUXEMBOURG

Leaving no one behind: Luxembourg's approach and priorities

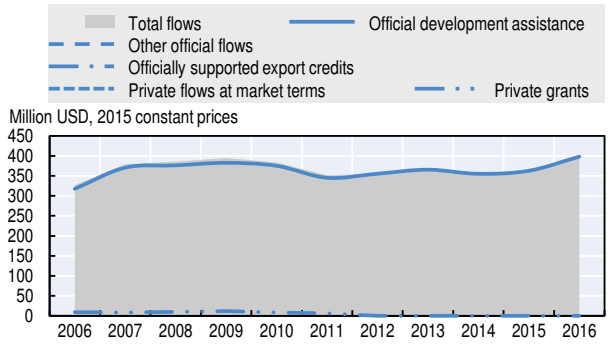
Luxembourg plans to make a commitment to leaving no one behind in its forthcoming development co-operation strategy (July 2018). Its Laws on Development Co-operation (1996 and 2012) require it to focus on least developed countries and fragile contexts. At present, leaving no one behind is an implicit principle of its programmes with seven partner countries and its humanitarian strategy, which prioritise the most vulnerable and deprived populations.

For Luxembourg, adopting a leave no one behind approach can help increase awareness and evidence of the root causes of social, economic and political exclusion and the need to use multidimensional poverty measures, thus allowing for better planning and targeting of populations and areas most in need from an early stage. It sees a range of data challenges to making progress – data gaps; quality; the cost of conducting deeper, more fine-tuned analyses; and modest statistical capacity. It believes the principle of leaving no one behind should have concrete measures that are applied and monitored in programming to succeed.

In its programming, Luxembourg addresses leaving no one behind through its overall objective of poverty reduction and eradication in a sustainable development framework. To identify and map vulnerabilities, it conducts studies and assessments, using complementary data, reports and studies by national governments, civil society and international development partners.

Financial flows from Luxembourg to developing countries

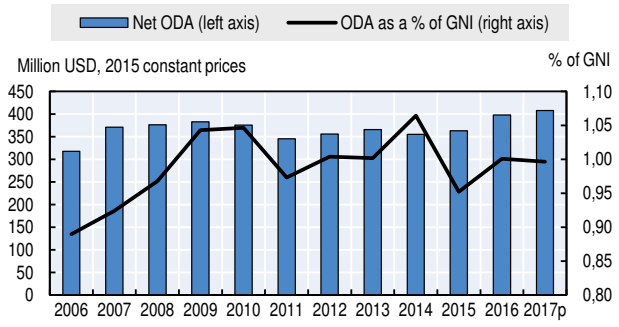
Figure 31.1. **Net resource flows to developing countries, 2006-16, Luxembourg**



Note: Data on private grants are not available for 2012-16.

StatLink http://dx.doi.org/10.1787/888933794818

Figure 31.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Luxembourg**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933794837

Luxembourg's performance against commitments for effective development co-operation

Table 31.1. **Results of the 2016 Global Partnership monitoring round (updated), Luxembourg**

Luxembourg	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	95.9%	79.0%	36.2%	98.5	88.1%	84.5%	good	excellent	-
Baseline	-	33.1%	7.3%	98.8	74.0%	70.4%	good	good	-
Trend	-	⇑	⇑	⇓	⇑	⇑	=	⇑	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797801

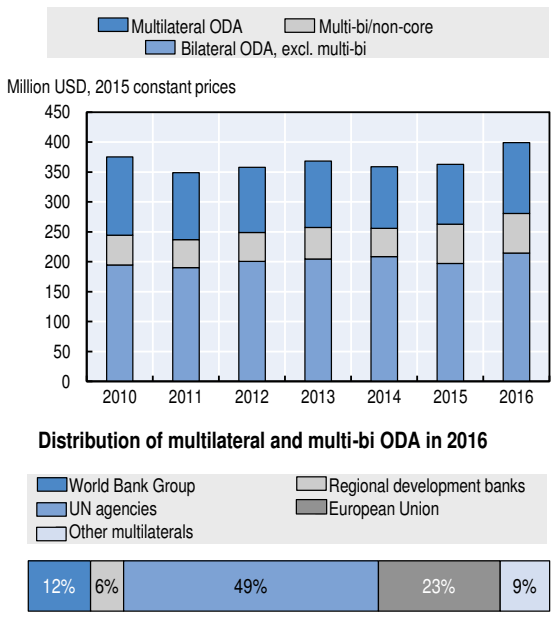
Luxembourg's official development assistance

In 2017, Luxembourg provided USD 424 million in net ODA (preliminary data), which represented 1% of gross national income (GNI) and an increase of 4.4% in real terms from 2016 in line with increases in its overall aid programme. Luxembourg is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% in 2017. Luxembourg did not report in-donor refugee costs as official development assistance (ODA) in 2017.

Luxembourg's share of untied ODA (excluding administrative costs and in-donor refugee costs) slightly decreased from 98.8% in 2015 to 98.5% in 2016, and is above the DAC average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 70.4% of ODA was provided bilaterally. Luxembourg allocated 29.6% of total ODA as core contributions to multilateral organisations. In addition, it channelled 23.6% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

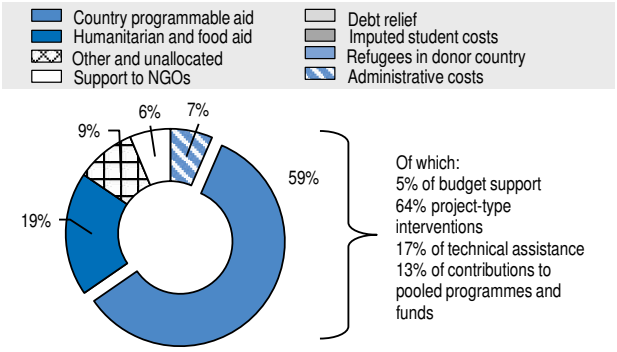
Figure 31.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794856

In 2016, 58.9% of bilateral ODA was programmed with partner countries. Luxembourg's share of country programmable aid was above the 2016 DAC country average of 46.8% in 2016 and project-type interventions made up 64% of this aid.

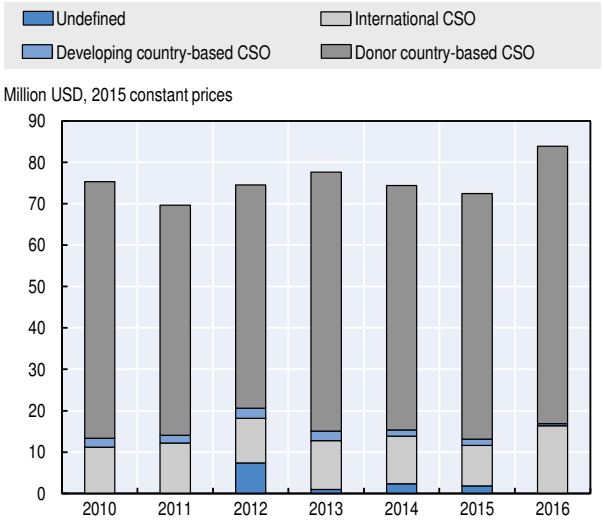
Figure 31.4. **Composition of bilateral ODA, 2016, gross disbursements, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794875

In 2016, USD 82.4 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs increased between 2015 and 2016 as a share of bilateral ODA (from 27.6% in 2015 to 29.9% in 2016).

Figure 31.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794894

Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, USD 116 million was allocated to sub-Saharan Africa and USD 26.4 million to Far East Asia.

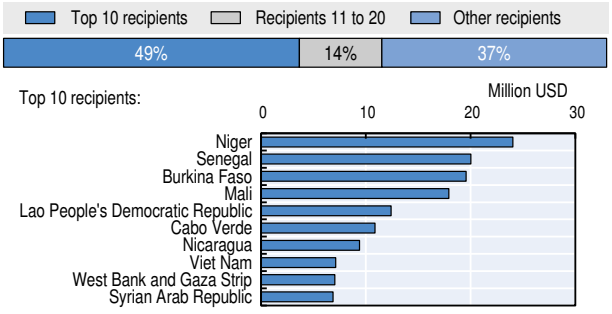
Figure 31.6. **Share of bilateral ODA by region, 2016, gross disbursements, Luxembourg**

Note: Twenty-three per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933794913

In 2016, 49% of bilateral ODA went to Luxembourg's top 10 recipients. Luxembourg has nine priority partner countries, eight of them are among its top 10 recipients. In 2016, its support to fragile contexts reached USD 123.9 million in 2016 (45% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (58%) and contributions to pooled funds (27%).

Figure 31.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Luxembourg**

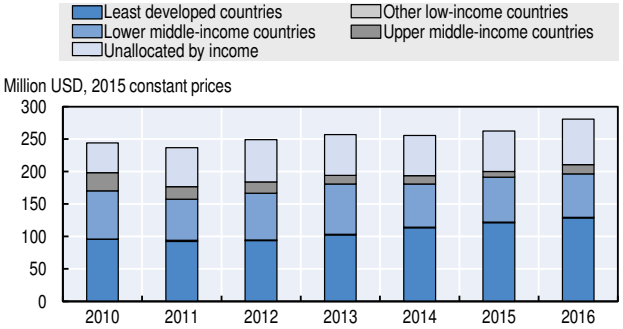


StatLink http://dx.doi.org/10.1787/888933794932

In 2016, 45.9% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 126.5 million. The share has remained stable from 46.2% in 2015 and is above the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016 compared with other income groups.

At 0.42% of Luxembourg's GNI in 2016, total ODA to the LDCs exceeds the UN target of 0.15% of GNI.

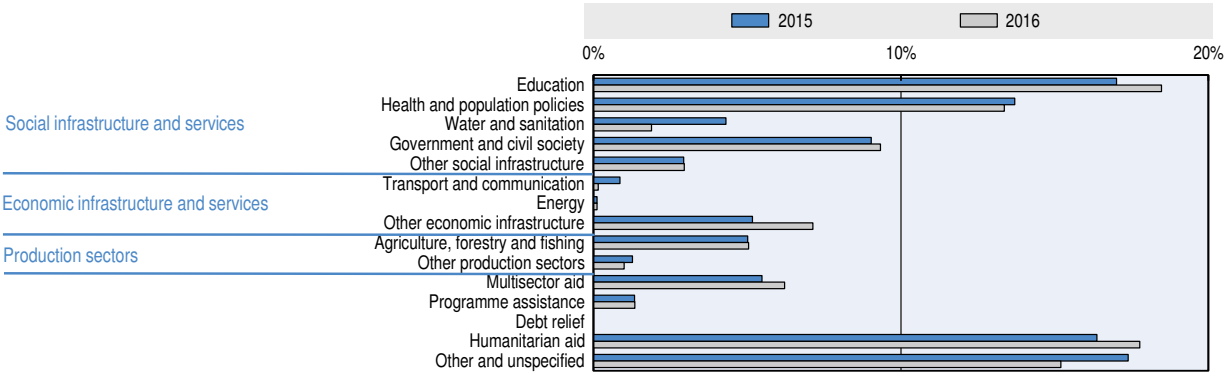
Figure 31.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794951

In 2016, 46% of bilateral ODA was allocated to social infrastructure and services, or USD 126.9 million, with a strong focus on education (USD 51 million), health (USD 26.3 million), and government and civil society (USD 25.7 million). Humanitarian aid amounted to USD 49 million. In 2016, Luxembourg committed USD 36.9 million (14.5% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

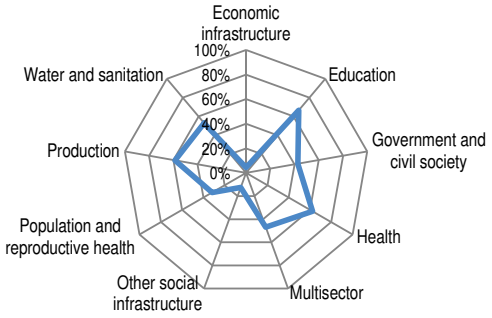
Figure 31.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794970

USD 85.4 million of bilateral ODA supported gender equality. In 2016, 33.5% of its bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This has remained stable from 33.2% in 2015.

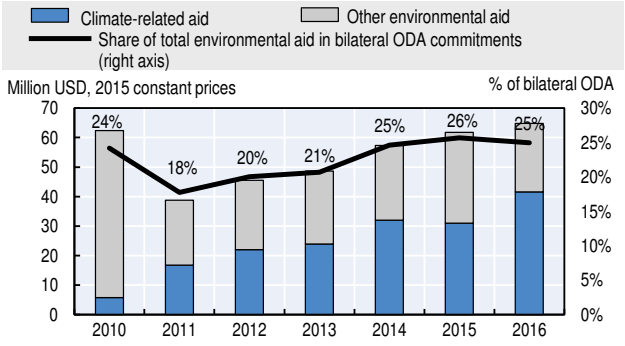
Figure 31.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933794989

USD 63.7 million of bilateral ODA supported the environment in 2016. In 2016, 25% of its bilateral allocable aid supported the environment and 16% (USD 40.8 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 31.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Luxembourg**



StatLink http://dx.doi.org/10.1787/888933795008

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

NETHERLANDS

Leaving no one behind: The Netherlands' approach and priorities

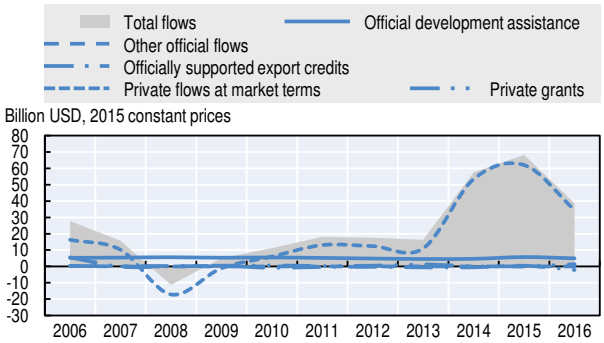
The Netherlands' 2018 Policy "Investing in Global Prospects" is guided by the Sustainable Development Goals and the pledge to leave no one behind. The policy identifies four closely connected objectives: 1) preventing conflict and instability; 2) reducing poverty and social inequality; 3) promoting sustainable and inclusive growth and climate action worldwide; and 4) enhancing the Netherlands' international earning capacity. Dutch trade policy addresses leaving no one behind with its focus on a living wage, the poorest groups and women.

For the Netherlands, it is in everyone's interest to tackle the root causes of extreme poverty, which is increasingly concentrated in fragile regions and the closely intertwined nature of global problems such as poverty, conflict, terrorism, climate change, population growth and irregular migration.

The Netherlands' approach to leaving no one behind focuses on fragile situations and states with high levels of extreme poverty; the empowerment of women and girls; and lesbian, gay, bisexual and transgender people. It also aims to improve the protection and prospects of refugees and displaced persons and will actively target young people – a rapidly growing share of the population. Data gaps, especially disaggregated data and political and cultural barriers to including minority groups, are key challenges to its leaving no one behind approach.

Financial flows from the Netherlands to developing countries

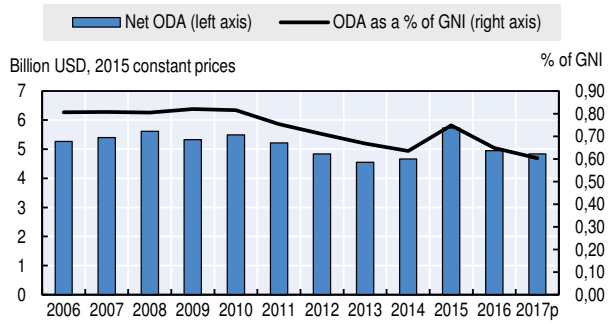
Figure 32.1. **Net resource flows to developing countries, 2006-16, Netherlands**



Note: Data on other official flows are only available for 2006.

StatLink http://dx.doi.org/10.1787/888933795027

Figure 32.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Netherlands**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933795046

The Netherlands' performance against commitments for effective development co-operation

Table 32.1. **Results of the 2016 Global Partnership monitoring round (updated), Netherlands**

Netherlands	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	63.8%	71.7%	44.4%	98.8	58.9%	73.0%	good	fair	good
Baseline	-	48.9%	64.9%	92.7	68.5%	41.7%	needs improvement	fair	excellent
Trend	-	⇑	⇓	⇑	⇓	⇑	⇑	=	⇓

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797820

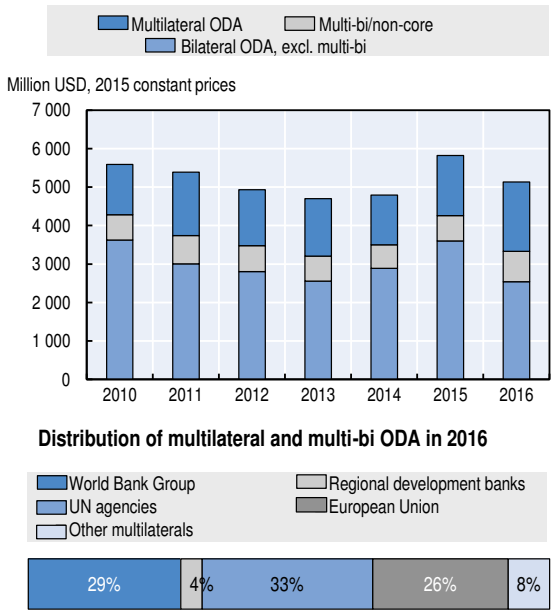
The Netherlands' official development assistance

In 2017, the Netherlands provided USD 5 billion in net ODA (preliminary data), which represented 0.60% of gross national income (GNI) and a decrease of 2.9% in real terms from 2016, mostly due to a fall in core contributions to multilateral organisations partially offset by an increase in in-donor refugee costs. In 2017, in-donor refugee costs were USD 835 million and represented 16.9% of the Netherlands' total net official development assistance (ODA), compared to 8.7% in 2016.

The Netherlands' share of untied ODA (excluding administrative costs and in-donor refugee costs) was 98.8% in 2016 (up from 92.7% in 2015), above the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 64.8% of ODA was provided bilaterally. The Netherlands allocated 35.2% of total ODA as core contributions to multilateral organisations. In addition, it channelled 23.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

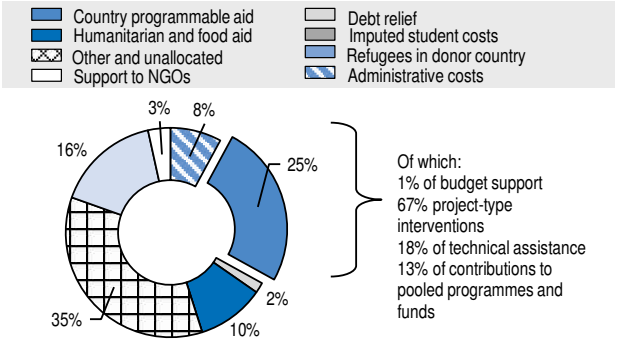
Figure 32.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795065

In 2016, 25.1% of bilateral ODA was programmed with partner countries. The Netherlands' share of country programmable aid was lower than the DAC country average of 46.8% in 2016. Project-type interventions accounted for 67% of this aid. Thirty-five per cent of the Netherlands' bilateral ODA was reported as "other and unallocated" by category, and 16% was allocated to refugee costs in the Netherlands.

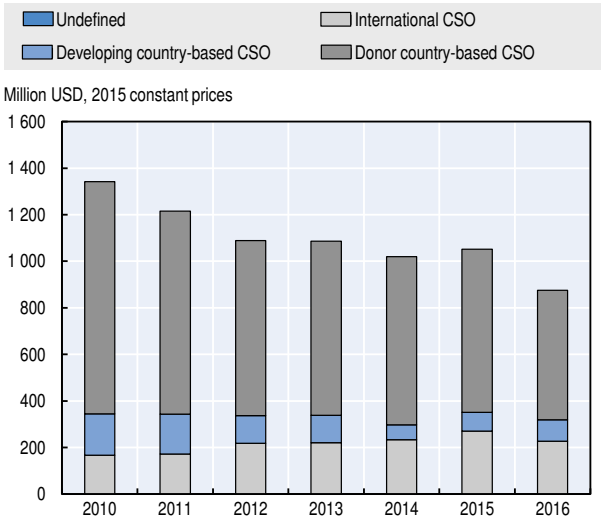
Figure 32.4. **Composition of bilateral ODA, 2016, gross disbursements, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795084

In 2016, USD 877.2 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, aid channelled to and through CSOs increased as a share of bilateral aid (from 24.7% to 26.3%).

Figure 32.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795103

The largest share of Dutch allocable bilateral ODA was directed towards sub-Saharan Africa. In 2016, USD 636.6 million was allocated to sub-Saharan Africa and USD 210.2 million to the Middle East, noting that 66% of Dutch bilateral ODA was unallocated by region.

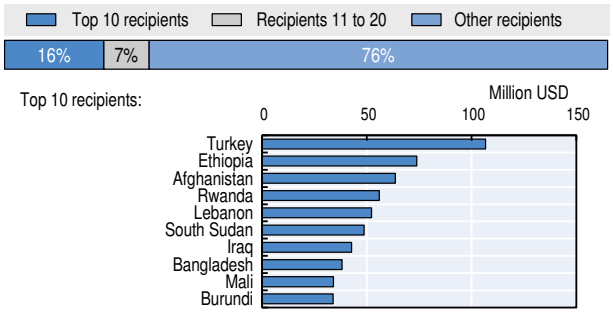
Figure 32.6. **Share of bilateral ODA by region, 2016, gross disbursements, Netherlands**

Note: Sixty-six per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933795122

In 2016, 16.5% of bilateral ODA went to the Netherlands' top 10 recipients. Seven of its 15 priority partner countries are on the list of its top 10 recipients. In 2016, its support to fragile contexts reached USD 606.9 million (18% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (65%) and contributions to pooled funds (24%).

Figure 32.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Netherlands**

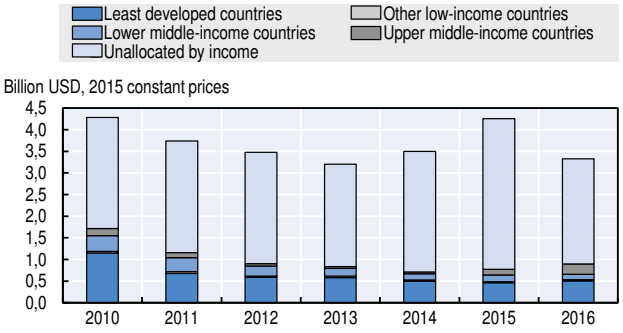


StatLink http://dx.doi.org/10.1787/888933795141

In 2016, 15.2% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 507.9 million. This is an increase from 11% in 2015 but remains below the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 73% was unallocated by income group.

At 0.15% of the Netherlands' GNI in 2016, total ODA to the LDCs met the UN target of 0.15% of GNI.

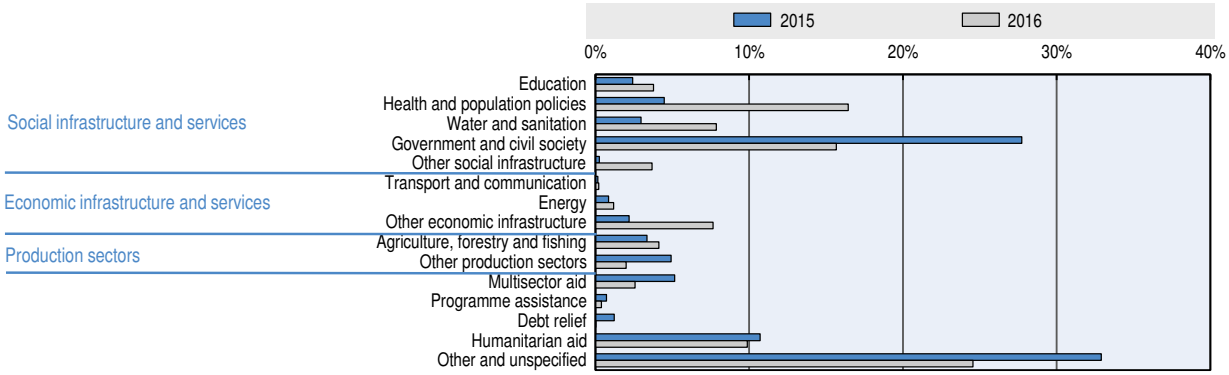
Figure 32.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795160

In 2016, 47.4% of the Netherlands' bilateral ODA was allocated to social infrastructure and services, amounting to USD 1.6 billion, with a strong focus on support to government and civil society (USD 512.8 million), population and reproductive health (USD 482.6 million), and water and sanitation (USD 257.1 million). Humanitarian aid amounted to USD 323 million. In 2016, the Netherlands committed USD 496.2 million (19.3% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

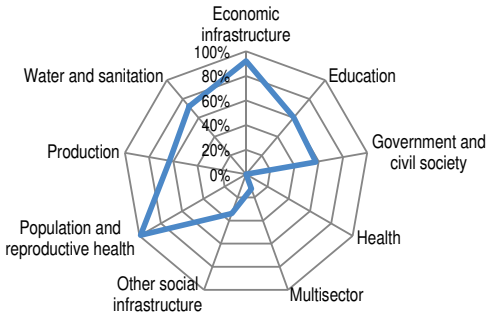
Figure 32.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795179

USD 1.6 billion of bilateral ODA supported gender equality. In 2016, 60.6% of the Netherlands' bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is down from 61.3% in 2015. A high share of the Netherlands' aid to population and reproductive health and economic infrastructure focuses on gender.

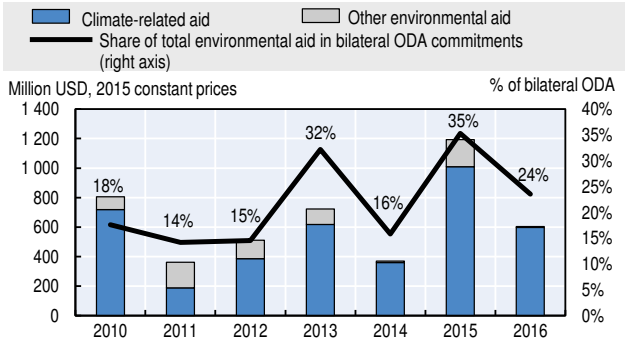
Figure 32.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795198

USD 605.7 million of Dutch bilateral ODA commitments supported environmental outcomes in 2016. This represented 23.5% of bilateral allocable aid, below the DAC country average of 33%. In 2016, 23.3% of bilateral allocable aid (USD 598.7 billion) focused on climate change, below the DAC country average of 25.7%.

Figure 32.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Netherlands**



StatLink http://dx.doi.org/10.1787/888933795217

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

NEW ZEALAND

Leaving no one behind: New Zealand's approach and priorities

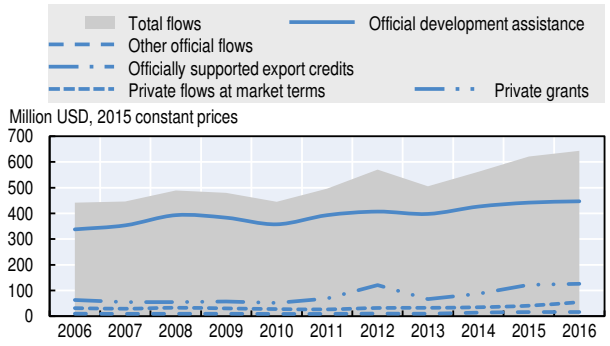
New Zealand addresses leaving no one behind by focusing official development assistance (ODA) on the challenges of countries most in need, including small island developing states (where it allocates 60% of its ODA), least developed countries, landlocked developing countries, and fragile and conflict affected states. It considers that ODA has a comparative advantage as a source of financing for countries that struggle to access other finance and as a catalyst for mobilising resources for regions and groups of people most at risk of being left behind.

New Zealand is trialling a Development Quality Policy with four key quality domains. One domain is "inclusive development", under which New Zealand will pursue development that is inclusive, equitable and leaves no one behind. Inclusion will be treated as a quality concern across all areas of development co-operation.

New Zealand recently outlined (in 2018) a "Reset" of its relationship and development support in the Pacific. The Pacific Reset includes plans to increase focus on inclusive development themes such as human rights, gender and women's empowerment, youth, health, and education and is accompanied by a plan to increase ODA for the region by one-third compared to the past three years starting from July 2018 and for a period of three years.

Financial flows from New Zealand to developing countries

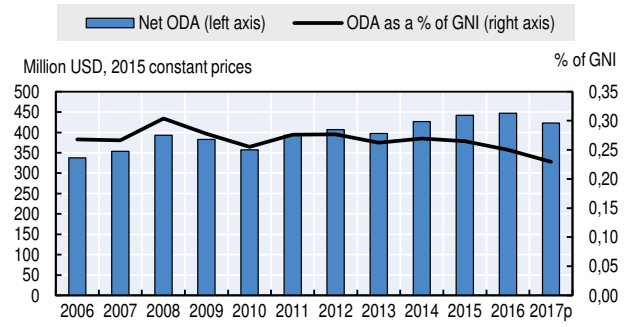
Figure 33.1. **Net resource flows to developing countries, 2006-16, New Zealand**



Note: Data on private flows, private grants and other official flows not available for 2016.

StatLink http://dx.doi.org/10.1787/888933795236

Figure 33.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, New Zealand**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933795255

New Zealand's performance against commitments for effective development co-operation

Table 33.1. **Results of the 2016 Global Partnership monitoring round (updated), New Zealand**

New Zealand	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	58.2%	91.7%	51.1%	84.7	83.7%	79.6%	fair	excellent	needs improvement
Baseline	-	39.0%	36.1%	84.7	78.6%	59.6%	fair	excellent	needs improvement
Trend	-	⇑	⇑	=	⇑	⇑	=	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797839

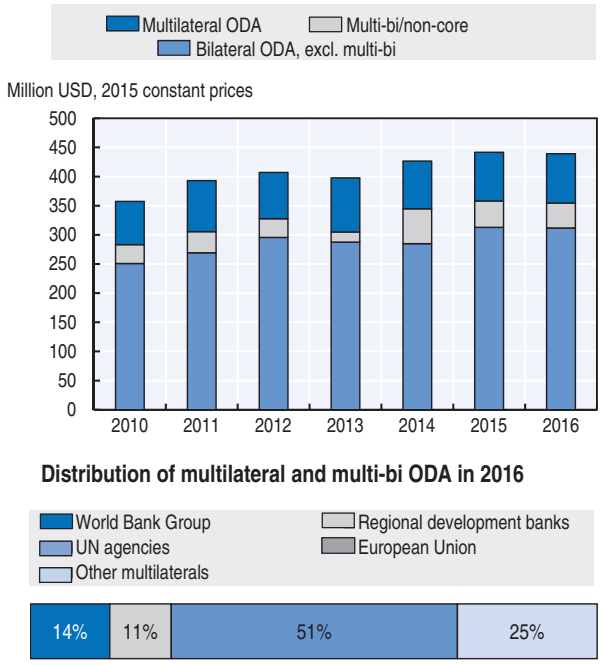
New Zealand's official development assistance

In 2017, New Zealand provided USD 436 million in net ODA (preliminary data), which represented 0.23% of gross national income (GNI) and a decrease of 6.7% in real terms from 2016, due to annual expenditure fluctuations within a set three-year aid budget. New Zealand has committed to a NZD 220 million increase in official development assistance (ODA) over the 2015/16-2017/18 triennium. In 2017, in-donor refugee costs were USD 17 million and represented 3.9% of New Zealand's total net ODA, compared to 3.8% in 2016.

Its share of untied ODA (excluding administrative costs and in-donor refugee costs) was 78.5% in 2016 (down from 84.7% in 2015), compared with the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 80.7% of ODA was provided bilaterally. New Zealand allocated 19.3% of total ODA as core contributions to multilateral organisations. In addition, it channelled 12.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

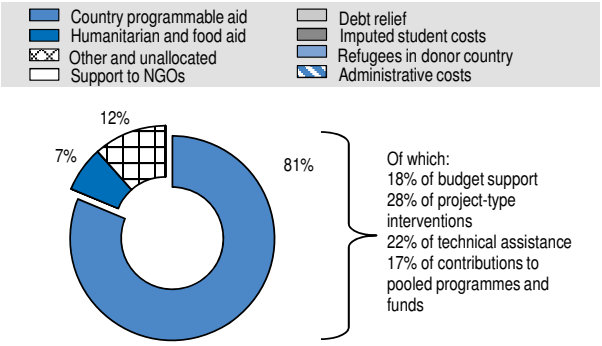
Figure 33.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795274

In 2016, New Zealand programmed 81.2% of bilateral ODA with partner countries. New Zealand's share of country programmable aid was above the DAC country average of 46.8% in 2016. Project-type interventions accounted for 28% of this aid.

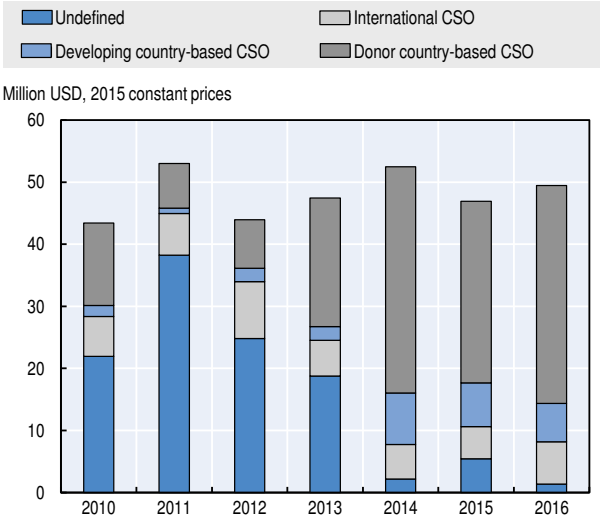
Figure 33.4. **Composition of bilateral ODA, 2016, gross disbursements, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795293

In 2016, USD 50.3 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs remained stable between 2015 and 2016 as a share of bilateral ODA (it was 13.6% in 2015 and 14.6% in 2016).

Figure 33.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795312

Bilateral ODA was strongly focused on Oceania and Asia. In 2016, USD 230.3 million was allocated to Oceania and USD 46.9 million to Far East Asia.

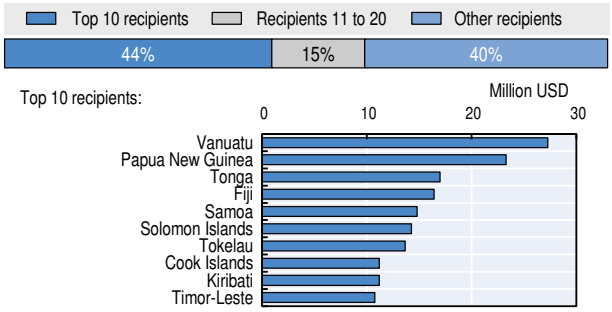
Figure 33.6. **Share of bilateral ODA by region, 2016, gross disbursements, New Zealand**

Note: Thirteen per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933795331

In 2016, 44.3% of bilateral ODA went to New Zealand's top 10 recipients. All of its top 10 recipients are priority partner countries. Its support to fragile contexts reached USD 73.2 million in 2016 (20% of gross bilateral ODA). Support to fragile contexts was distributed between project-type interventions (29%), technical assistance (25%) and scholarships (20%).

Figure 33.7. **Bilateral ODA to top recipients, 2016, gross disbursements, New Zealand**

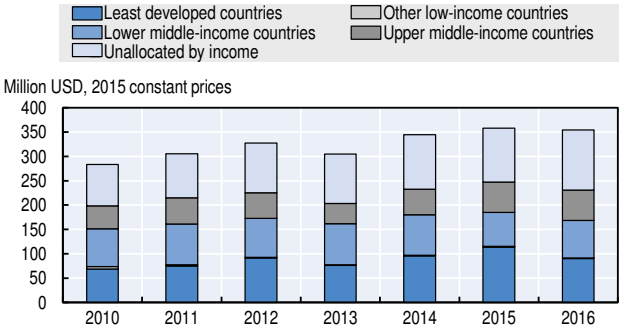


StatLink http://dx.doi.org/10.1787/888933795350

In 2016, 25.4% of bilateral ODA was allocated to least developed countries (LDCs), reaching USD 91.7 million. This is down from 31.7% in 2015 but remains higher than the 2016 DAC average of 21.9%. Compared with other income groups, the LDCs received the highest share of bilateral ODA in 2016, noting that 34.9% was unallocated by income group.

At 0.06% of New Zealand's GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI. This reflects the geographical focus of New Zealand's ODA on small island developing states in Oceania and Asia, many of which are not LDCs.

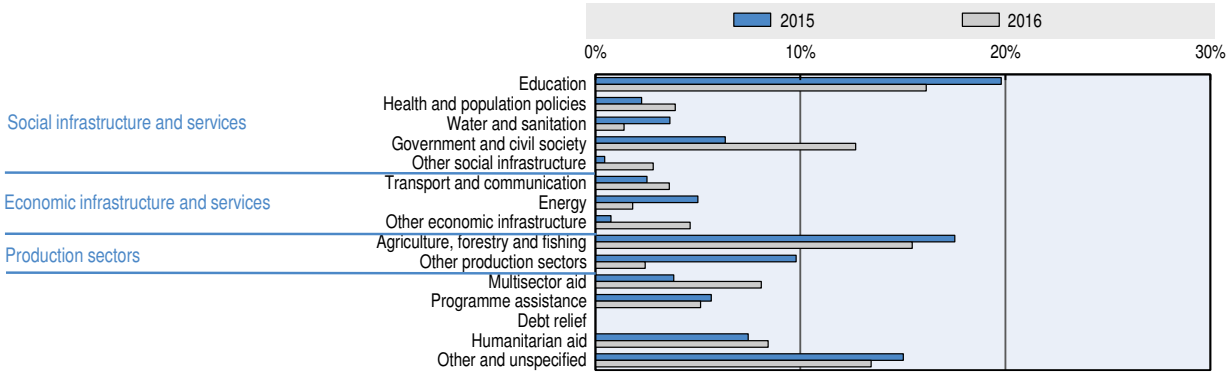
Figure 33.8. **Bilateral ODA by income group, 2010-16, gross disbursements, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795369

In 2016, 37% of bilateral ODA was allocated to social infrastructure and services, representing USD 161.3 million, with a strong focus on education (USD 70.5 million) and government and civil society (USD 55.4 million). USD 78 million was allocated to production sectors, in particular to agriculture (USD 42.4 million). USD 36.8 million was allocated to humanitarian aid. In 2016, New Zealand committed USD 122 million to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

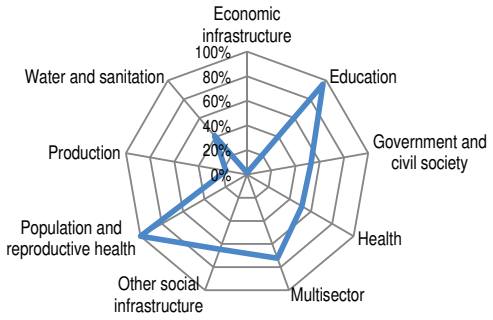
Figure 33.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795388

USD 169.5 million of bilateral ODA supported gender equality. In 2016, 47.7% of New Zealand's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. A high share of New Zealand's aid to population and reproductive health, education, and other social infrastructure focuses on gender.

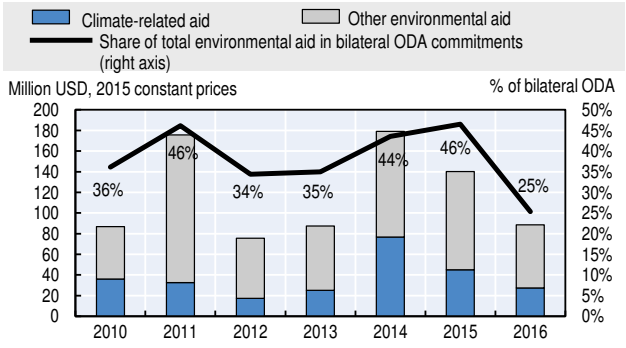
Figure 33.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795407

USD 89 million of bilateral ODA contributed to environmental outcomes in 2016. The share of New Zealand's bilateral allocable aid that focused on the environment was 25% and 7.9% (USD 28.1 million) concentrated on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 33.11. **Bilateral allocable ODA in support of global and local environment objectives, commitments, New Zealand**



StatLink http://dx.doi.org/10.1787/888933795426

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

NORWAY

Leaving no one behind: Norway's approach and priorities

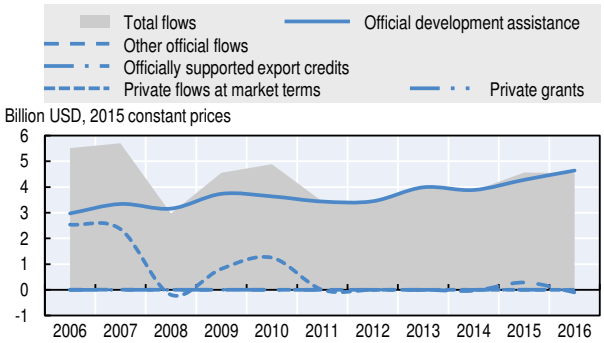
Leaving no one behind is a guiding priority for Norwegian development co-operation, which has a long-standing focus on poverty eradication and people most in need. Norway is currently asking "how" it can step up a gear on what it has always been doing in the framework of the 2030 Agenda. It sees leaving no one behind bringing a welcome re-focus on reaching the poorest and most marginalised people, on the need to understand local contexts to implement the Sustainable Development Goals and to find effective ways for official development assistance (ODA) to align behind country priorities and processes. It also sees room for a better understanding of the role of global public goods in realising leaving no one behind.

For Norway, while the relative importance of ODA has declined as a source finance and trigger for inclusive national development, it can play an important role as a mediator and facilitator of change in favour of the groups and people who are left behind.

Norway addresses leave no one behind in key sectors like education, health, business development, the environment and humanitarian aid, which have the potential to reach the most in need. Its parliament decided recently to focus more on sub-Saharan Africa and humanitarian needs. Having access to reliable and disaggregated data is a major political and technical challenge. Norway provides statistical capacity building in some partner countries along with international partners.

Financial flows from Norway to developing countries

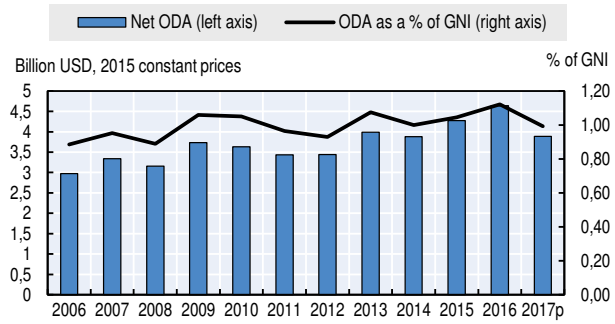
Figure 34.1. **Net resource flows to developing countries, 2006-16, Norway**



Note: Data on private flows at market terms are not available for 2016. Data on official supported export credits are not available for 2010. Data on other official flows are not available for 2011.

StatLink http://dx.doi.org/10.1787/888933795445

Figure 34.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Norway**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933795464

Norway's performance against commitments for effective development co-operation

Table 34.1. **Results of the 2016 Global Partnership monitoring round (updated), Norway**

Norway	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	61.6%	85.7%	56.4%	100.0%	85.4%	54.5%	good	fair	needs improvement
Baseline	-	68.0%	62.4%	100.0%	85.5%	52.5%	good	fair	needs improvement
Trend	-	⇑	⇓	=	⇓	⇑	=	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797858

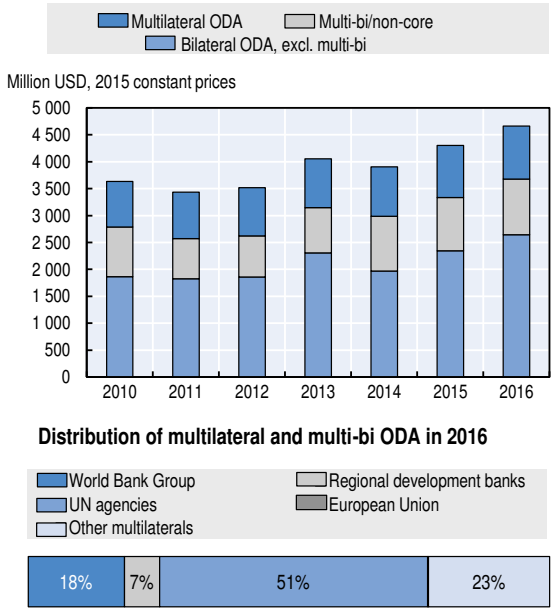
Norway's official development assistance

In 2017, Norway provided USD 4.1 billion in net ODA (preliminary data), which represented 0.99% of gross national income (GNI) and a 10% decrease in real terms from 2016, due to lower levels of reported in-donor refugee costs. Norway is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% and it has consistently maintained its level of development assistance, having spent about 1% of GNI on official development assistance (ODA) every year since 2009. In 2017, in-donor refugee costs were USD 150 million and represented 3.6% of Norway's total net ODA, compared to 18.3% in 2016.

All of Norway's ODA was untied in 2016 (excluding administrative costs and in-donor refugee costs), while the DAC average was 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 78.9% of ODA was provided bilaterally. Norway allocated 21.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 28.2% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

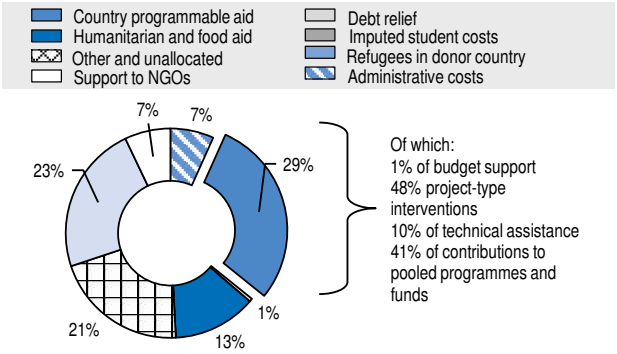
Figure 34.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Norway**



StatLink http://dx.doi.org/10.1787/888933795483

In 2016, 29.1% of bilateral ODA was programmed with partner countries. Norway's share of country programmable aid was lower than the DAC country average of 46.8% in 2016. Project-type interventions accounted for 48% of this aid. Twenty-three per cent of bilateral aid covered the cost of refugees in donor country and 21% was classified as "other and unallocated".

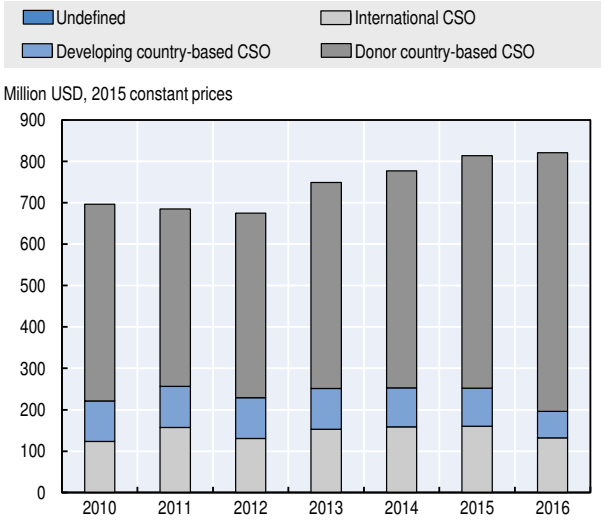
Figure 34.4. **Composition of bilateral ODA, 2016, gross disbursements, Norway**



StatLink http://dx.doi.org/10.1787/888933795502

In 2016, USD 775.3 million of Norway's bilateral ODA was channelled to and through civil society organisations (CSOs). Norway's ODA channelled to and through CSOs decreased as a share of bilateral ODA (from 24.4% in 2015 to 22.3% in 2016).

Figure 34.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Norway**



StatLink http://dx.doi.org/10.1787/888933795521

Bilateral ODA primarily focused on sub-Saharan Africa and the Middle East. In 2016, USD 586.9 million was allocated to sub-Saharan Africa, USD 398.1 million to the Middle East, and USD 197.3 million to south and central Asia.

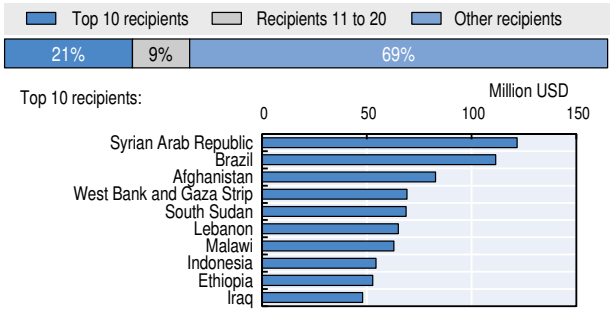
Figure 34.6. **Share of bilateral ODA by region, 2016, gross disbursements, Norway**

Note: Fifty-five per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933795540

In 2016, 21.2% of bilateral ODA went to Norway's top 10 recipients. Five of its 12 focus countries are among its top 10 recipients. In 2016, its support to fragile contexts reached USD 967.3 million (28% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (54%) and contributions to pooled funds (38%).

Figure 34.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Norway**

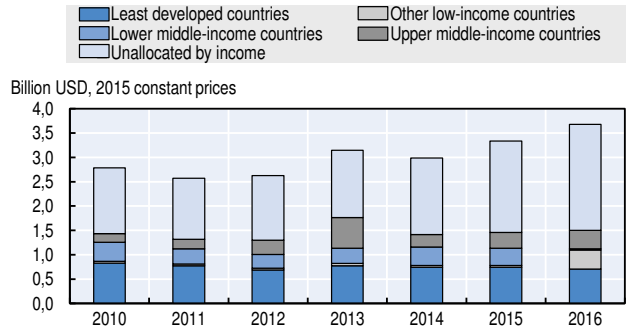


StatLink http://dx.doi.org/10.1787/888933795559

In 2016, 19.1% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 665 million. The share has fallen from 22.3% in 2015 and is below the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 59.1% was unallocated by income group.

At 0.27% of GNI in 2016, total ODA to the LDCs exceeded the UN target of 0.15% of GNI.

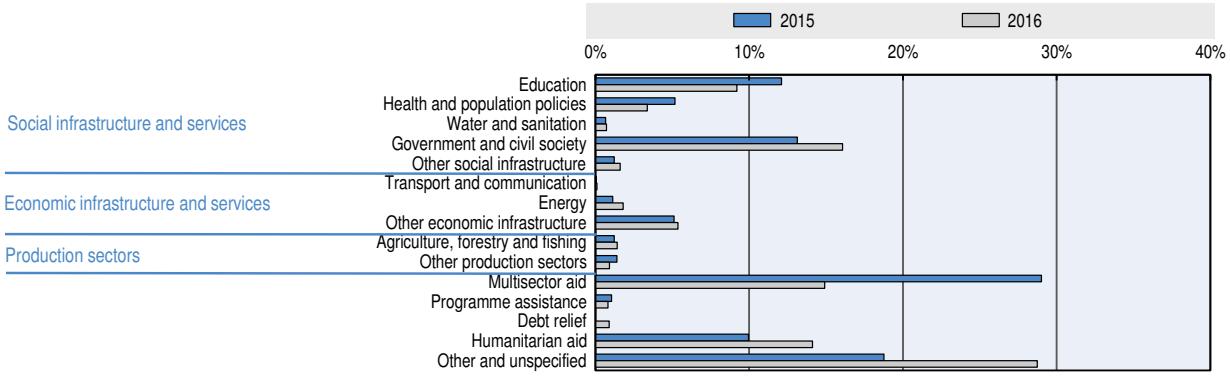
Figure 34.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Norway**



StatLink http://dx.doi.org/10.1787/888933795578

In 2016, 31% of bilateral ODA was allocated to social infrastructure and services, reaching USD 1.1 billion, with a strong focus on support to government and civil society (USD 555.5 million) and education (USD 318 million). Humanitarian aid amounted to USD 487 million. In 2016, Norway committed USD 9 million of ODA (0.4% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 330.5 million (13.6% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

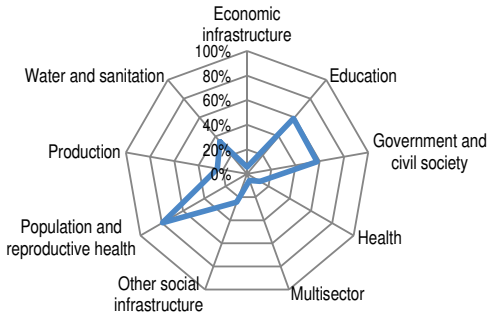
Figure 34.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Norway**



StatLink http://dx.doi.org/10.1787/888933795597

USD 786.5 million of bilateral ODA supported gender equality. In 2016, 32.3% of its bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is an increase from 2015 when it stood at 22.8%. A high share of Norway's aid to population and reproductive health focuses on gender.

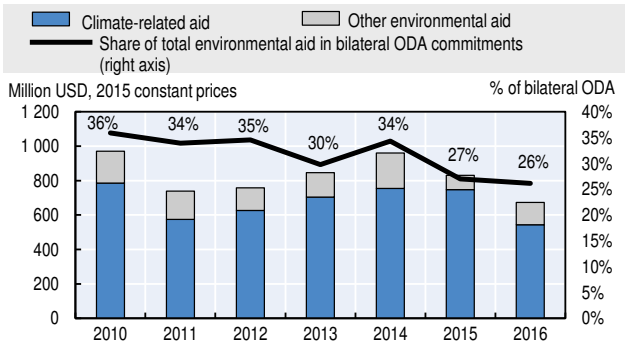
Figure 34.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Norway**



StatLink http://dx.doi.org/10.1787/888933795616

USD 635.5 million of bilateral ODA supported the environment. In 2016, 26.1% of its bilateral allocable aid focused on the environment and 21.1% (USD 513.7 million) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 34.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Norway**



StatLink http://dx.doi.org/10.1787/888933795635

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

POLAND

Leaving no one behind: Poland's approach and priorities

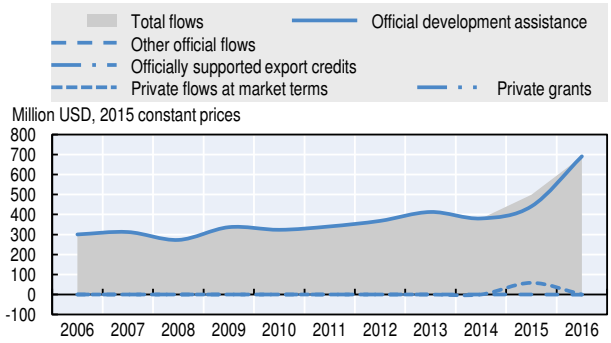
Poland is planning to include a special principle of leaving no one behind in its forthcoming 2021-2025 Multiannual Development Co-operation Programme.

Polish development co-operation addresses leaving no one behind at present through its focus on the principle of non-discrimination of vulnerable groups in least developed and middle-income countries. It targets vulnerable or excluded people in some of its partner countries through support for social policy and services for people with disabilities, victims of domestic violence, children in foster care, and conflict affected populations.

For Poland, the principle to leave no one behind means ensuring that no country is left behind including middle-income countries and other more advanced developing countries where development co-operation policies can target poor people and vulnerable groups. Poland believes that the concept of leaving no one behind needs to be clarified to guide programming and projects and to develop the right instruments.

Financial flows from Poland to developing countries

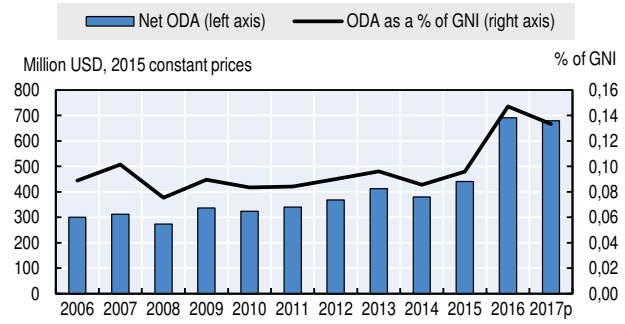
Figure 35.1. **Net resource flows to developing countries, 2006-16, Poland**



Note: Data on private flows at market terms are only available for 2015. Data on other official flows are only available for 2016.

StatLink http://dx.doi.org/10.1787/888933795654

Figure 35.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Poland**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933795673

Poland's performance against commitments for effective development co-operation

Table 35.1. **Results of the 2016 Global Partnership monitoring round (updated), Poland**

Poland	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	-	-	-	34.5	-	-	Good	Good	-
Baseline				33.6			Good	Needs improvement	-
Trend				⇑			=	⇑	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797877

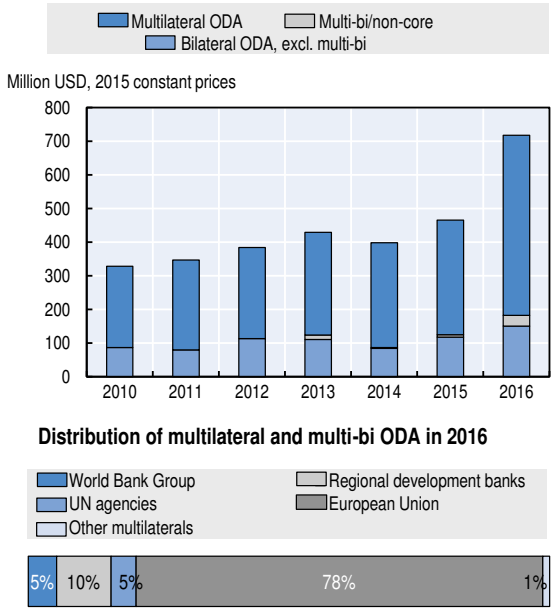
Poland's official development assistance

In 2017, Poland provided USD 674 million in net ODA (preliminary data), which represented 0.13% of gross national income (GNI) and a 4% decrease in real terms from 2016, due to cuts in its bilateral aid loans. Scaling up its official development assistance (ODA) to deliver on its international commitment to achieve an ODA to GNI ratio of 0.33% by 2030 will be challenging without a plan. In 2017, in-donor refugee costs were USD 6 million and represented 0.9% of Poland's total net ODA (the same share as in 2016).

Poland's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 34.5% in 2016 (up from 33.6% in 2015), compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 97.6% in 2016. Loans amounted to 11.2% of gross ODA.

Poland delivered 25.3% of ODA bilaterally in 2016. It channelled 74.7% of its ODA to multilateral organisations in 2016. Its multilateral aid consisted mainly of mandatory assessed contributions to the European Union and other international organisations. In addition, it channelled 17% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

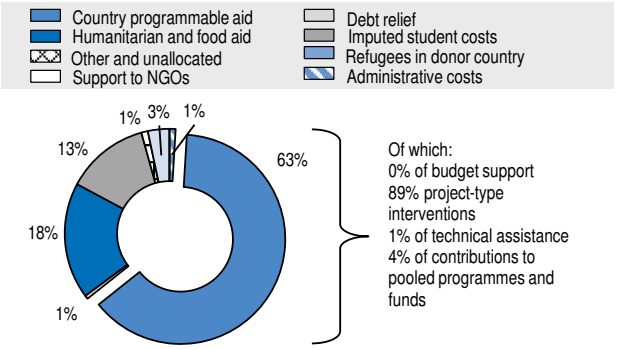
Figure 35.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Poland**



StatLink http://dx.doi.org/10.1787/888933795692

In 2016, 63.3% of bilateral ODA was programmed with partner countries. Poland's share of country programmable aid was higher than the DAC country average (46.8%) in 2016 and project-type interventions made up 89% of this aid.

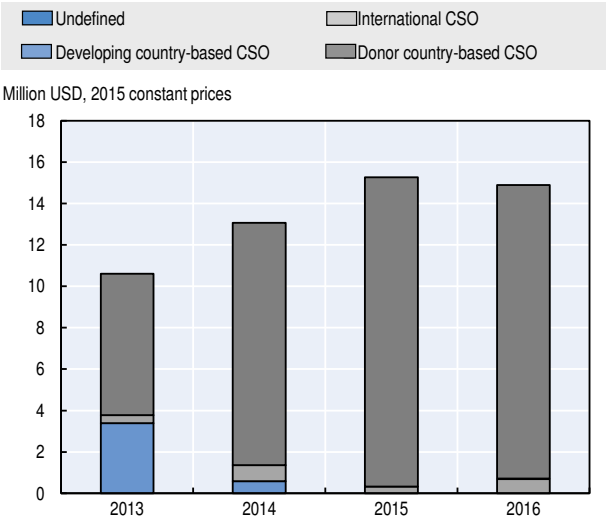
Figure 35.4. **Composition of bilateral ODA, 2016, gross disbursements, Poland**



StatLink http://dx.doi.org/10.1787/888933795711

In 2016, USD 14.3 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Poland's ODA to and through CSOs decreased between 2015 and 2016 as a share of bilateral aid (from 12.2% to 8.2%).

Figure 35.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2013-16, Poland**



StatLink http://dx.doi.org/10.1787/888933795730

In 2016, bilateral ODA primarily focused on sub-Saharan Africa and Eastern Europe. USD 80.4 million was allocated to sub-Saharan Africa and USD 64.6 million to Eastern Europe.

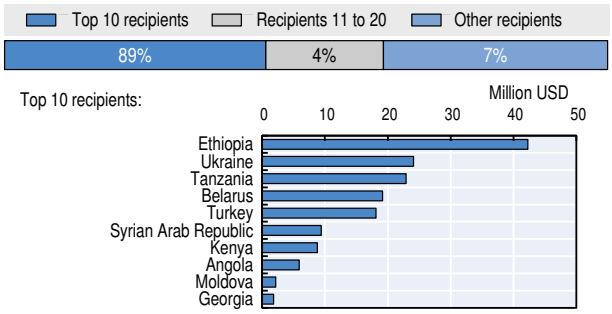
Figure 35.6. **Share of bilateral ODA by region, 2016, gross disbursements, Poland**

Note: Six per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933795749

In 2016, 88.7% of bilateral ODA went to Poland's top 10 recipients. Poland divides its geographical priorities into two groups: Eastern Partnership countries and selected countries of Africa, Asia and the Middle East. Seven of its ten priority countries are among its top 10 recipients. Its support to fragile contexts reached USD 93.3 million in 2016 (53% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (90%), above the 65% DAC average in those contexts.

Figure 35.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Poland**

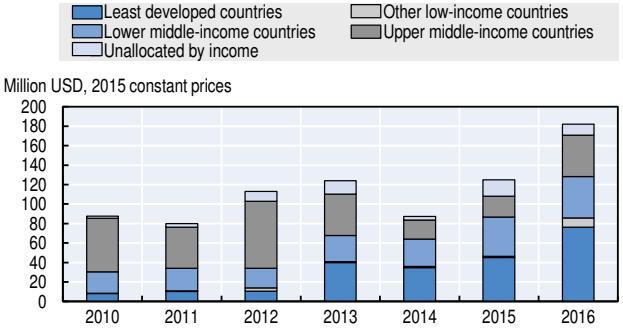


StatLink http://dx.doi.org/10.1787/888933795768

In 2016, 42% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 73.3 million. This is an increase from 2015, when the share was 36.2%, and is higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016.

At 0.04% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

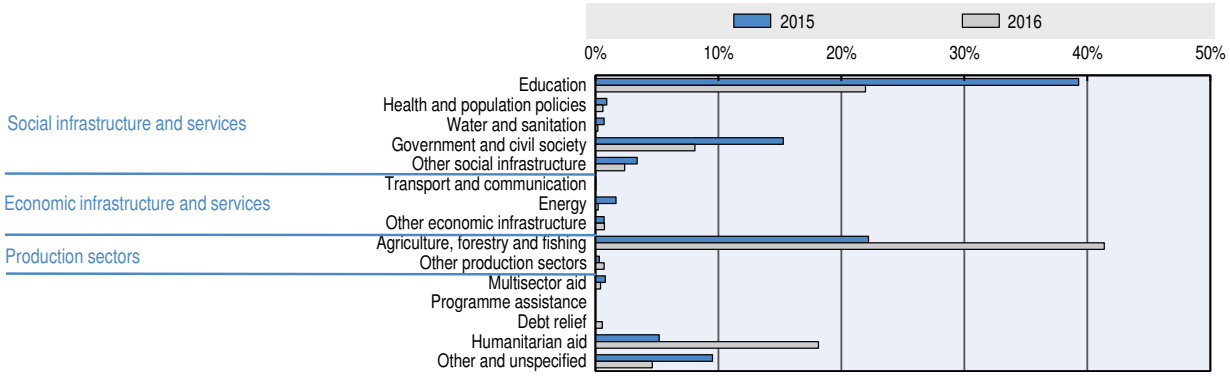
Figure 35.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Poland**



StatLink http://dx.doi.org/10.1787/888933795787

In 2016, 33.2% of bilateral ODA was allocated to social infrastructure and services, reaching USD 58.4 million, with a strong focus on education (USD 38.6 million) and government and civil society (USD 14.2 million). USD 74 million went to production sectors, mainly to agriculture (USD 72.7 million). Humanitarian aid amounted to USD 31.9 million. In 2016, Poland committed USD 75.5 million (52.3% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

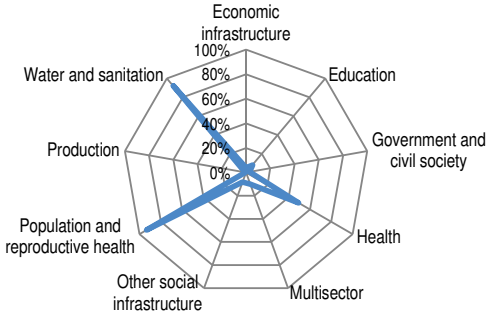
Figure 35.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Poland**



StatLink http://dx.doi.org/10.1787/888933795806

USD 3.7 million of bilateral ODA supported gender equality. In 2016, 2.6% of Poland's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. Sectors where Poland has a gender focus are population and reproductive health and water and sanitation.

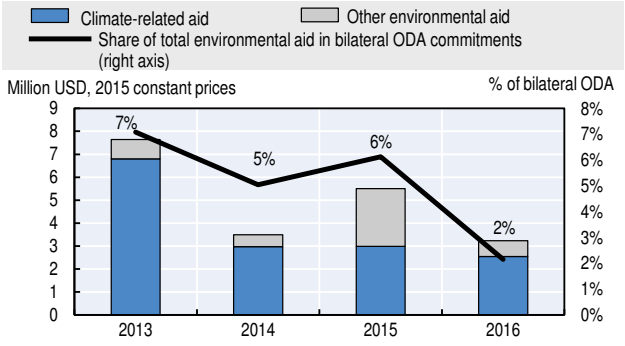
Figure 35.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Poland**



StatLink http://dx.doi.org/10.1787/888933795825

USD 3.1 million of bilateral ODA supported the environment. In 2016, 2.2% of Poland's bilateral allocable aid supported the environment and 1.7% (USD 2.4 million) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 35.11. **Bilateral allocable ODA in support of global and local environment objectives, 2013-16, commitments, Poland**



StatLink http://dx.doi.org/10.1787/888933795844

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

PORTUGAL

Leaving no one behind: Portugal's approach and priorities

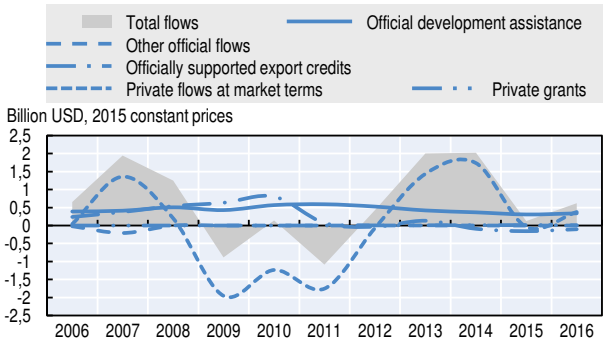
Portugal is committed to the principle of leaving no one behind and the notions of inclusion, universality and equity it entails. Through its development co-operation, Portugal aims to eradicate poverty; promote the respect of human rights, democracy, the rule of law; and the social, economic and political inclusion of all. It also addresses the needs of the poorest and most vulnerable countries in policy areas that have transboundary impacts, such as trade, climate and migration.

For Portugal, applying a leave no one behind approach helps focus on the poorest, vulnerable and excluded segments of the population in all developing countries. It supports, for example, social protection for abandoned children and people with disabilities. Official development assistance (ODA) can be a relevant source of finance in the poorest countries and can catalyse other sources of finance and technical co-operation in all developing contexts. It sees a need, however, for better tools, instruments and partnerships for mainstreaming leave no one behind in development co-operation and to deliver real results for vulnerable people and groups.

Key challenges to success include finding the right balance between ODA allocations (that are still crucial for those countries that are lagging behind) and the use of ODA to mobilise other public and private sources of finance to catalyse investment in a more efficient and effective manner and to reach the furthest behind groups.

Financial flows from Portugal to developing countries

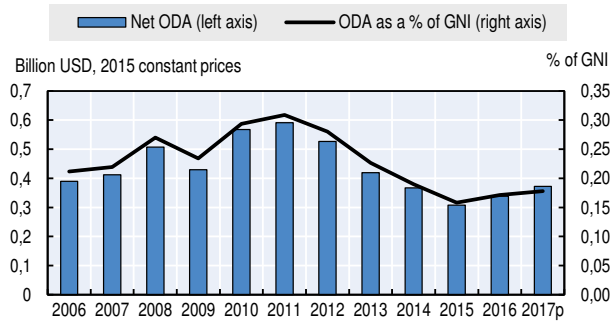
Figure 36.1. **Net resource flows to developing countries, 2006-16, Portugal**



Note: Data on other official flows are not available for 2008, 2009 and 2010.

StatLink http://dx.doi.org/10.1787/888933795863

Figure 36.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Portugal**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933795882

Portugal's performance against commitments for effective development co-operation

Table 36.1. **Results of the 2016 Global Partnership monitoring round (updated), Portugal**

Portugal	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	73.4%	82.6%	17.1%	59.1	100.0%	18.3%	excellent	fair	-
Baseline	-	75.9%	21.1%	49	100.0%	80.5%	excellent	good	-
Trend	-	⇑	⇓	⇑	=	⇓	=	⇓	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797896

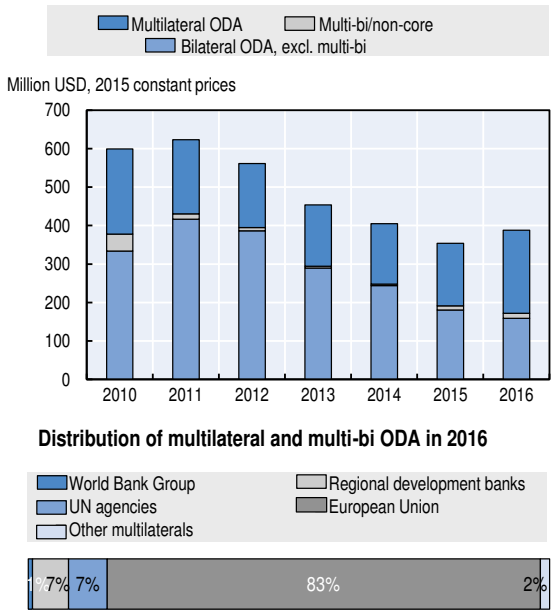
Portugal's official development assistance

In 2017, Portugal provided USD 378 million in net ODA (preliminary data), which represented 0.18% of gross national income (GNI) and a rise of 6.9% in real terms from 2016 due to an increase in its multilateral contributions to the World Bank and regional development banks. Portugal intends to meet its official development assistance (ODA) target when its economy begins to recover (OECD, 2015[2]) and is committed, at the European level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. In 2017, in-donor refugee costs were USD 3 million and represented 0.8% of Portugal's total net ODA, compared to 1.3% in 2016.

Portugal's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 59.1% in 2016 (up from 49% in 2015), compared to the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 95.2% in 2016. Loans amounted to 12% of gross ODA in 2016.

In 2016, 44.4% of ODA was provided bilaterally. Portugal allocated 55.6% of total ODA as core contributions to multilateral organisations. In addition, it channelled 7.8% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

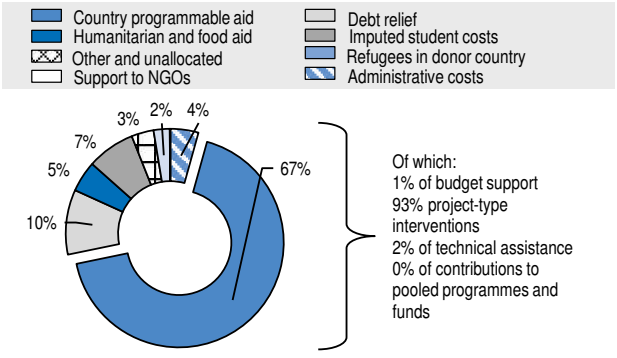
Figure 36.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Portugal**



StatLink http://dx.doi.org/10.1787/888933795901

In 2016, 67.4% of bilateral ODA was programmed with partner countries. The share of country programmable aid was high compared with the 2016 DAC country average of 46.8% and project-type interventions made up 93% of this aid.

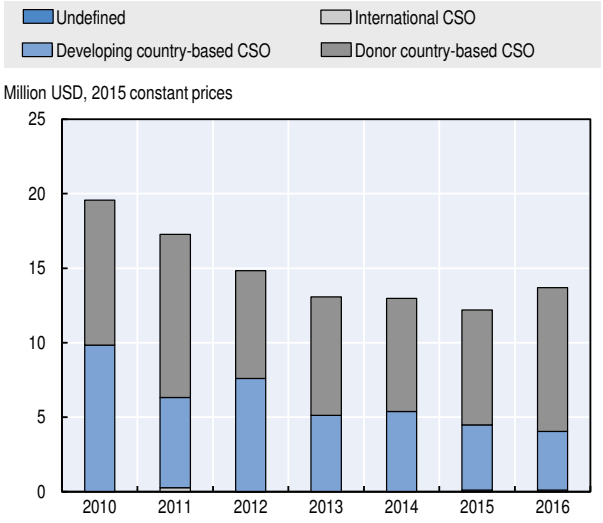
Figure 36.4. **Composition of bilateral ODA, 2016, gross disbursements, Portugal**



StatLink http://dx.doi.org/10.1787/888933795920

In 2016, USD 13.9 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Portugal's ODA to and through CSOs increased between 2015 and 2016 as a share of bilateral ODA (from 6.4% to 8%).

Figure 36.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Portugal**



StatLink http://dx.doi.org/10.1787/888933795939

Bilateral ODA was heavily focused on sub-Saharan Africa. In 2016, USD 112.1 million was allocated to this region and USD 23.5 million was allocated to Far East Asia.

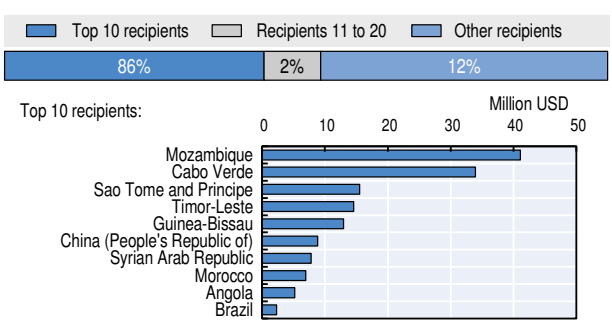
Figure 36.6. **Share of bilateral ODA by region, 2016, gross disbursements, Portugal**

Note: Nine per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933795958

In 2016, 85.8% of bilateral ODA went to Portugal's top 10 recipients. Portugal's programme is focused on its six Lusophone priority partner countries, which are its top ODA recipients. Its support to fragile contexts reached USD 83.9 million in 2016 (48% of gross bilateral ODA). Support to fragile contexts was distributed mainly between project-type interventions (60%), debt relief (20%) and contributions to pooled funds (9%).

Figure 36.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Portugal**

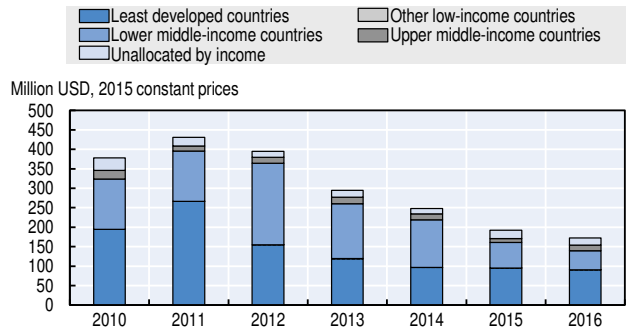


StatLink http://dx.doi.org/10.1787/888933795977

In 2016, 52.4% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 91.3 million. This is an increase from 49.5% in 2015 and is higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016.

At 0.05% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

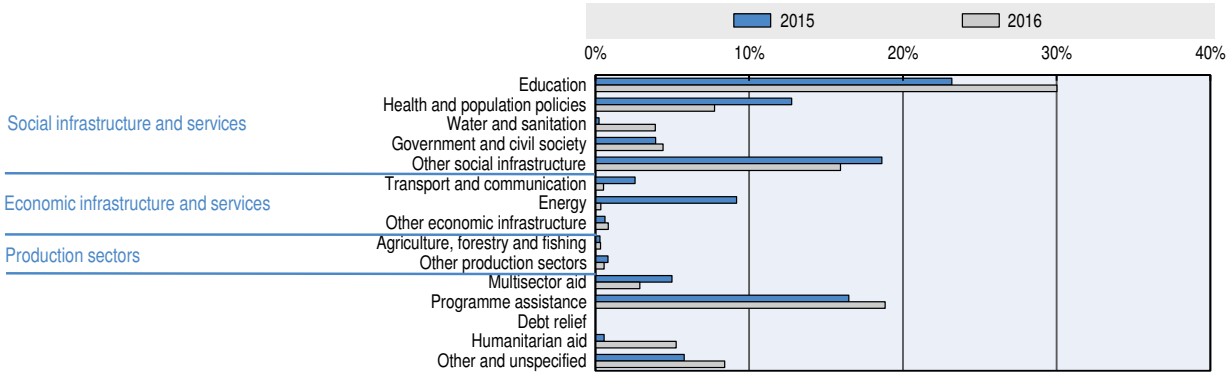
Figure 36.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Portugal**



StatLink http://dx.doi.org/10.1787/888933795996

In 2016, 62% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 98.2 million, with a strong focus on education (USD 47.5 million). Humanitarian aid amounted to USD 8.3 million. Portugal committed USD 4 million (3.1% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy in 2016.

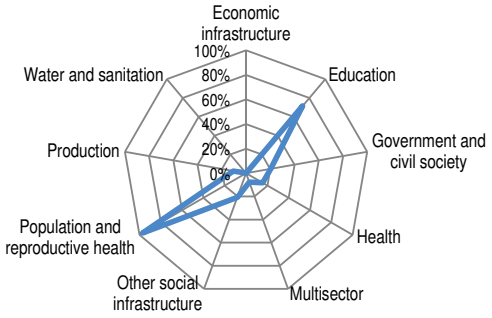
Figure 36.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Portugal**



StatLink http://dx.doi.org/10.1787/888933796015

USD 34.8 million of bilateral ODA supported gender equality. In 2016, 26.5% of Portuguese bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is an increase from 19.8% in 2015. A high share of Portugal's aid to population and reproductive health focuses on gender.

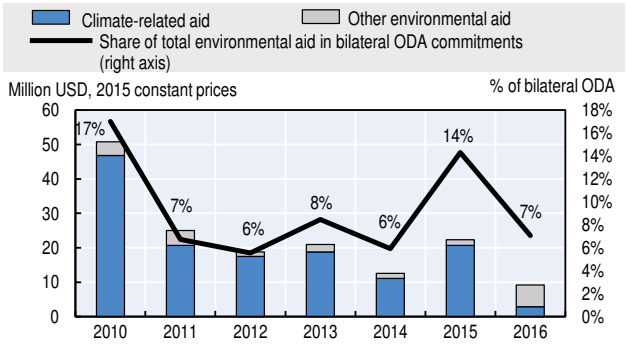
Figure 36.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Portugal**



StatLink http://dx.doi.org/10.1787/888933796034

USD 9.3 million of bilateral ODA supported the environment. In 2016, 7.1% of Portugal's bilateral allocable aid supported the environment and 2.2% (USD 2.9 million) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 36.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Portugal**



StatLink http://dx.doi.org/10.1787/888933796053

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

Reference

OECD (2015), *OECD Development Co-operation Peer Reviews: Portugal 2016*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264248571-en*.

SLOVAK REPUBLIC

Leaving no one behind: The Slovak Republic's approach and priorities

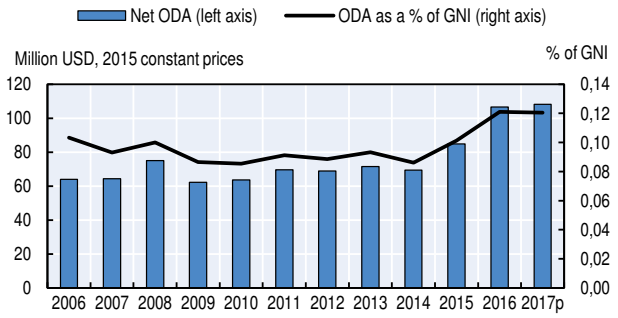
The Slovak Republic's development co-operation programme aims to contribute to sustainable development in partner countries, primarily by supporting education, employment, and democracy and good governance. The Slovak Republic promotes the creation of economic opportunities and employment as an effective instrument for fighting poverty and the causes of migration, reducing inequality, and strengthening developing countries' economic and social resilience.

The Slovak Republic is preparing a new strategy for implementing the 2030 Agenda and plans to focus on six priority areas: 1) sustainable economic growth in the ageing population and changing global environment; 2) education as a life-long process, which should enable a life in dignity under rapidly changing circumstances and requirements; 3) good health; 4) sustainable settlements and countryside in the context of climate change; 5) elimination of poverty and social inclusion; and 6) rule of law, democracy and security emphasising the role of strong institutions and data-based governance.

Financial flows from the Slovak Republic to developing countries

At present, data on other official flows and private flows at market terms from the Slovak Republic to developing countries are not available. Data on private grants (funds raised by non-governmental organisations and foundations) are only available for 2016 (amounting to USD°0.1°million).

Figure 37.1. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Slovak Republic**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933796072

The Slovak Republic's performance against commitments for effective development co-operation

Table 37.1. **Results of the 2016 Global Partnership monitoring round (updated), Slovak Republic**

Slovak Republic	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	50.0%	100.0%	1.7%	64.3	100.0%	33.3%	fair	excellent	needs improvement
Baseline				47.5					
Trend				⇑					

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797915

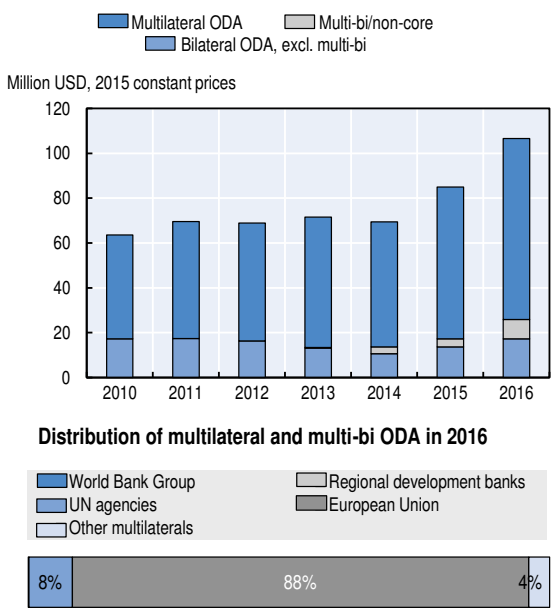
The Slovak Republic's official development assistance

In 2017, the Slovak Republic provided USD 113 million in net ODA (preliminary data), which represented 0.12% of gross national income (GNI) and a rise of 3.5 % in real terms from 2016, due to the overall scaling up of its aid programme. The Slovak Republic is committed to gradually meeting the official development assistance (ODA) target of 0.33% adopted at the EU level. Its ODA volumes are on a positive trajectory and an informal agreement is in place to increase the bilateral budget by 10% per year. In 2017, in-donor refugee costs were USD 1 million and represented 0.6% of total net ODA, compared to 1.5% in 2016.

Its share of untied ODA (excluding administrative costs and in-donor refugee costs) was 64.3% in 2016 (up from 47.5% in 2015); the Development Assistance Committee (DAC) average was 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 24.3% of the Slovak Republic's ODA was provided bilaterally, while 75.7% of total ODA was allocated as core contributions to multilateral organisations. The majority of its multilateral aid went to fulfil its assessed contribution to the EU. In addition, it channelled 33.1% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

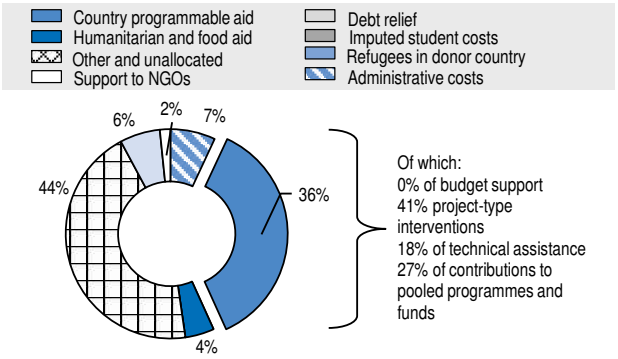
Figure 37.2. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Slovak Republic**



StatLink http://dx.doi.org/10.1787/888933796091

In 2016, 36.3% of bilateral ODA was programmed with partner countries. The Slovak Republic's share of country programmable aid was lower than the DAC country average (46.8%) in 2016 and project-type interventions made up 41% of this aid. Forty-four per cent of bilateral ODA was classified as "other and unallocated".

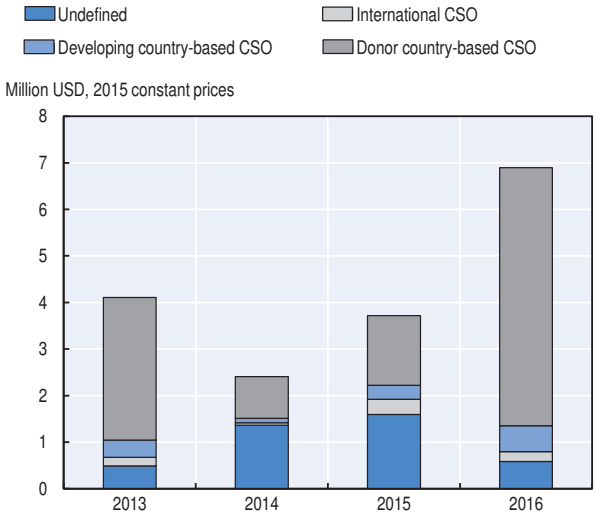
Figure 37.3. **Composition of bilateral ODA, 2016, gross disbursements, Slovak Republic**



StatLink http://dx.doi.org/10.1787/888933796110

In 2016, USD 6.8 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Slovak ODA to and through CSOs increased between 2015 and 2016 as a share of bilateral aid (from 21.6% to 26.6%).

Figure 37.4. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2013-16, Slovak Republic**



StatLink http://dx.doi.org/10.1787/888933796129

Bilateral ODA was primarily focused on Eastern Europe. In 2016, USD 5.7 million was allocated to Eastern Europe and USD 2.4 million to sub-Saharan Africa.

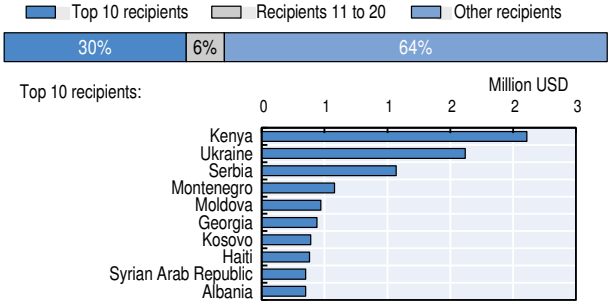
Figure 37.5. **Share of bilateral ODA by region, 2016, gross disbursements, Slovak Republic**

Note: Fifty-nine per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933796148

In 2016, 30.2% of bilateral ODA went to the Slovak Republic's top 10 recipients. Six of its priority countries (Albania, Georgia, Kenya, Kosovo, the Republic of Moldova and Ukraine) were among its top 10 recipients. In 2016, its support to fragile contexts reached USD 3.6 million (14% of gross bilateral ODA) and consisted mainly of project-type interventions (72%) and technical assistance (13%).

Figure 37.6. **Bilateral ODA to top recipients, 2016, gross disbursements, Slovak Republic**

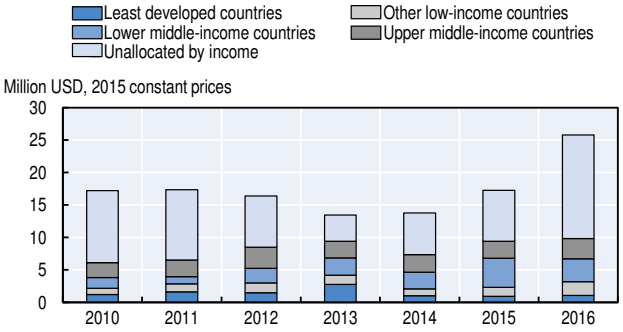


StatLink http://dx.doi.org/10.1787/888933796167

In 2016, 4% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 1.1 million. This is a decrease from 5.4% in 2015 and is lower than the 2016 DAC average of 21.9%. Lower middle-income countries received the highest share of bilateral ODA in 2016 (13.7%), noting that 61.9% was unallocated by income group.

At 0.02% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

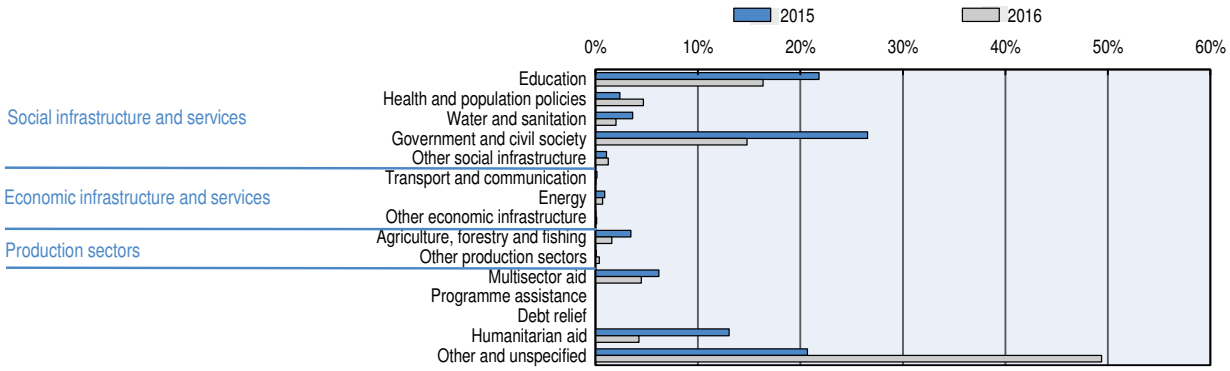
Figure 37.7. **Bilateral ODA by income group, 2010-16, gross disbursements, Slovak Republic**



StatLink http://dx.doi.org/10.1787/888933796186

In 2016, 39.1% of bilateral ODA (USD 10.6 million) was allocated to social infrastructure and services, with a strong focus on education (USD 4.4 million) and support to government and civil society (USD 4 million). Humanitarian aid amounted to USD 1 million. A high share (49.4%) of bilateral ODA was classified as "unallocated/unspecified". The Slovak Republic committed USD 0.8 million (3.2% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy in 2016.

Figure 37.8. **Share of gross bilateral ODA by sector, 2015-16, commitments, Slovak Republic**

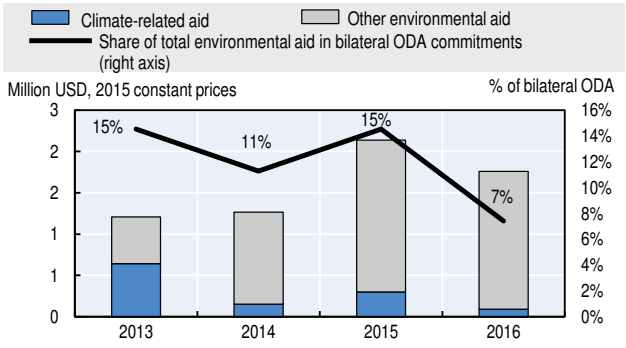


StatLink http://dx.doi.org/10.1787/888933796205

USD 8 million of bilateral ODA supported gender equality. In 2016, 34.9% of Slovak bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with 0.6% in 2015 and the DAC country average of 36.5%.

USD 1.8 million supported the environment in 2016. In 2016, 7.4% of its bilateral allocable aid supported the environment and 0.4% (USD 0.1 million) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 37.9. **Bilateral allocable ODA in support of global and local environment objectives, 2013-16, commitments, Slovak Republic**



StatLink http://dx.doi.org/10.1787/888933796224

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

SLOVENIA

Leaving no one behind: Slovenia's approach and priorities

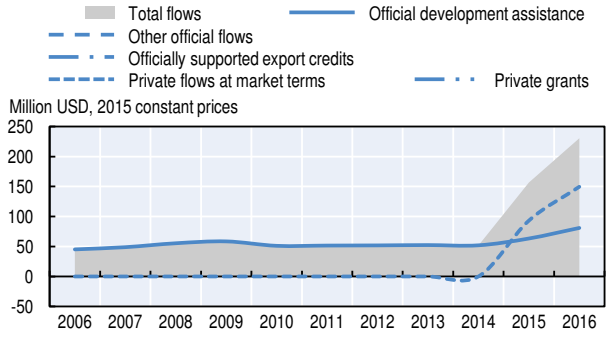
Slovenia's 2017 Resolution on Development Co-operation and Humanitarian Assistance prioritises equal opportunities, including gender equality. In its strategy aimed to operationalise the Resolution, Slovenia will address leaving no one behind. The strategy will outline a human rights-based approach, reflecting objectives of inclusion and equality of rights. Slovenia will also continue to target vulnerable groups in its humanitarian assistance, notably children and women refugees.

According to Slovenia, there is scope for greater clarity of leaving no one behind to help translate it into practice and results. So far, it has interpreted leave no one behind mainly in terms of reducing extreme poverty. It considers that the principle can help development co-operation increase focus on equality, better prospects and social cohesion for all. It also sees potential for knowledge sharing on good practices and developing new approaches in development co-operation to ensure people are not left behind.

In its programming, Slovenia has a special focus on women, youth and children. It targets least developed countries mainly through its multilateral co-operation and partners. When deciding on the geographic location of its bilateral projects, Slovenia focuses on poor and underdeveloped regions of its partner countries in the Western Balkans, where it implements the bulk of its bilateral co-operation.

Financial flows from Slovenia to developing countries

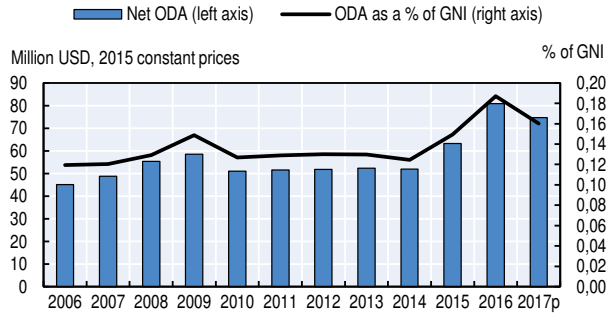
Figure 38.1. **Net resource flows to developing countries, 2006-16, Slovenia**



Note: Data on private flows at market terms are only available for 2015 and 2016.

StatLink http://dx.doi.org/10.1787/888933796243

Figure 38.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Slovenia**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933796262

Slovenia's performance against commitments for effective development co-operation

Table 38.1. **Results of the 2016 Global Partnership monitoring round (updated), Slovenia**

Slovenia	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	33.3%	0.0%	0.0%	53.4	0.0%	33.3%	excellent	good	-
Baseline	-	-	-	12.4	-	-	good	good	-
Trend	-	-	-	⇑	-	-	⇑	=	-

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797934

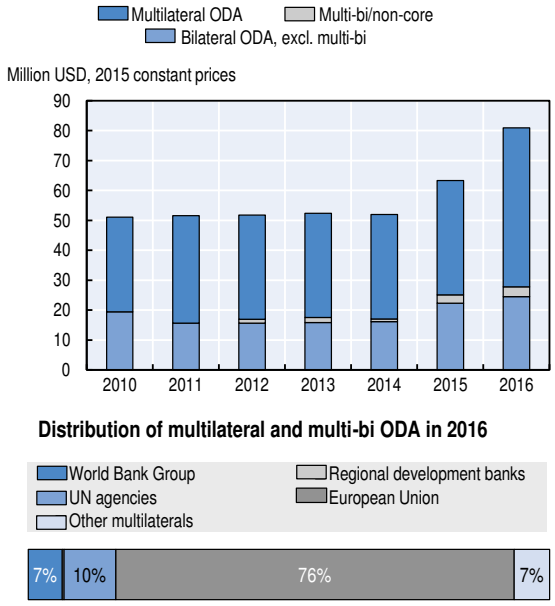
Slovenia's official development assistance

In 2017, Slovenia provided USD 76 million in net ODA (preliminary data), which represented 0.16% of gross national income (GNI) and a decrease of 10% in real terms from 2016 due to lower in-donor refugee costs. It shall strive to increase its ODA/GNI to 0.33% by 2030 as agreed at the EU level. In 2017, in-donor refugee costs were USD 1 million and represented 1.8% of Slovenia's total net official development assistance (ODA), compared to 8.9% in 2016.

Slovenia's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 53.4% in 2016, while the Development Assistance Committee (DAC) average was 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 34.3% of ODA was provided bilaterally. In 2016, 65.7% of Slovenia's ODA was channelled to multilateral organisations. Slovenia principally allocated its multilateral contributions to the European Union (EU general budget and European Development Fund) to meet its mandatory contributions. In addition, it channelled 11.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

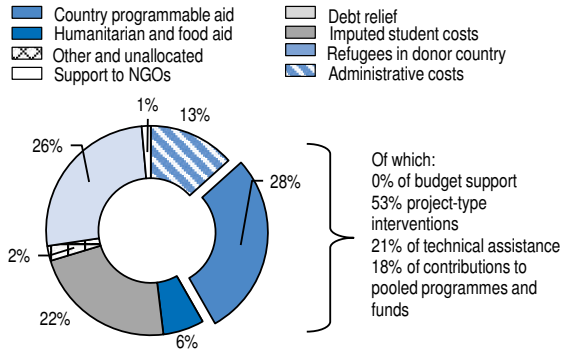
Figure 38.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796281

In 2016, 28.4% of bilateral ODA was programmed with partner countries. Slovenia's share of country programmable aid was lower than the DAC country average of 46.8% in 2016 and project-type interventions made up 53% of this aid. Imputed student costs and refugees in donor country costs accounted for nearly half of bilateral aid.

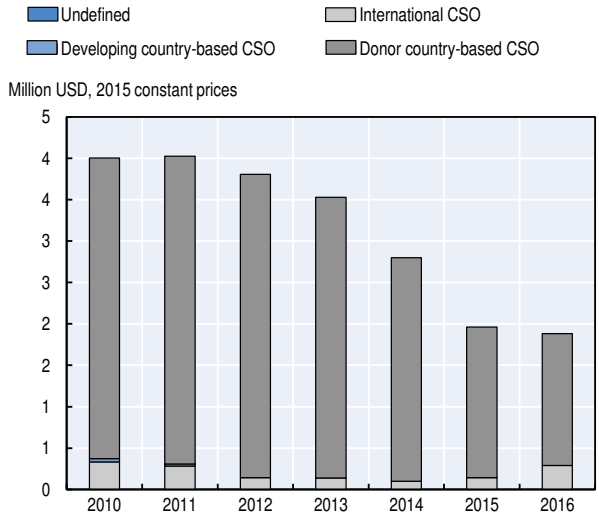
Figure 38.4. **Composition of bilateral ODA, 2016, gross disbursements, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796300

In 2016, USD 1.9 million of bilateral ODA was channelled to and through civil society organisations (CSOs). This was equivalent to 6.8% of bilateral ODA. Aid to and through CSOs decreased between 2015 and 2016 as a share of bilateral ODA (from 7.8% in 2015).

Figure 38.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796319

Bilateral ODA heavily focused on South East Europe. In 2016, USD 14.6 million was allocated to this region.

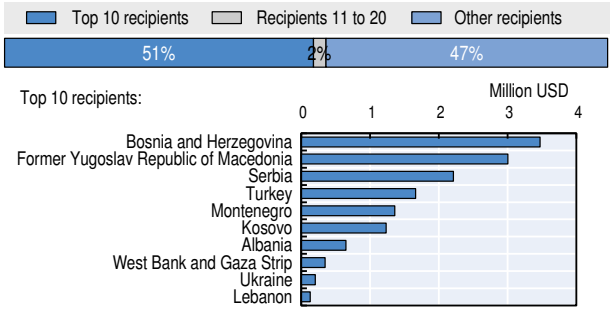
Figure 38.6. **Share of bilateral ODA by region, 2016, gross disbursements, Slovenia**

Note: Forty-three per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933796338

In 2016, 51.2% of bilateral ODA went to Slovenia's top 10 recipients. Slovenia has eight priority partner countries, seven of which are among its top 10 recipients. In 2016, its support to fragile contexts reached USD 0.9 million (3% of gross bilateral ODA). Support to fragile contexts consisted mainly of contributions to pooled funds (37%), project-type interventions (35%), and technical assistance and scholarships.

Figure 38.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Slovenia**

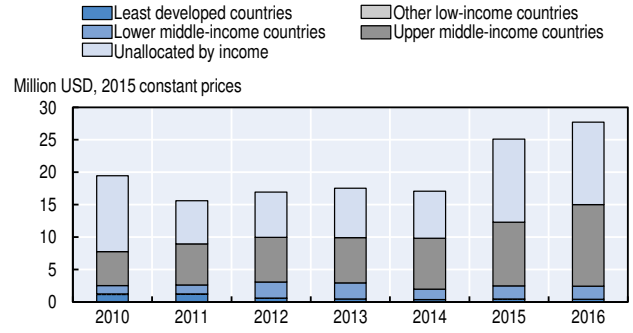


StatLink http://dx.doi.org/10.1787/888933796357

In 2016, 1.5% of bilateral ODA was allocated to the LDCs, amounting to USD 0.4 million. This is stable from 1.6% in 2015, and is far below the 2016 DAC average of 21.9%. Slovenia aims to focus on the LDCs in Africa mainly through multilateral channels. Upper middle-income countries received the highest share of bilateral ODA in 2016 (45.4%), while 45.8% was unallocated by income group.

At 0.03% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

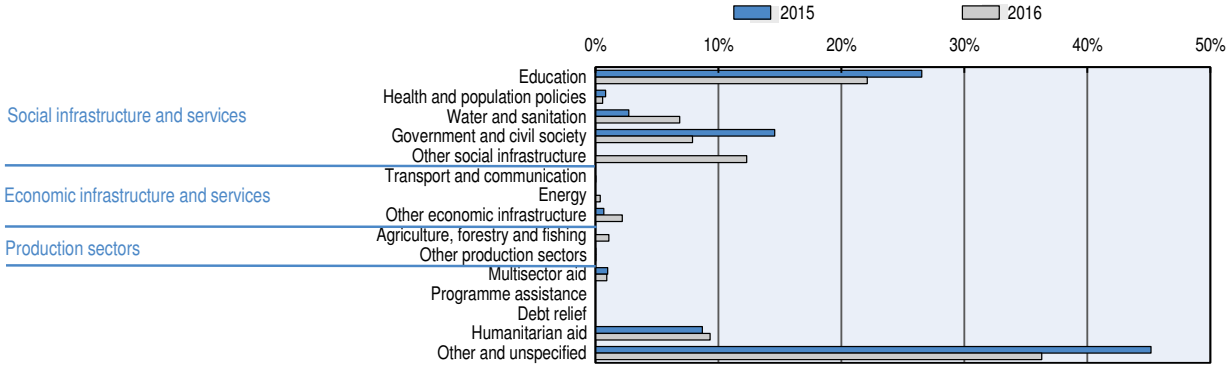
Figure 38.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796376

In 2016, 49.7% of Slovenia's bilateral ODA was allocated to social infrastructure and services (USD 15.5 million), with a strong focus on education (USD 6.9 million). Humanitarian aid amounted to USD 3 million. A high share (36.3%) of bilateral ODA was classified as "unallocated/unspecified". In 2016, Slovenia committed USD 1.2 million (8.4% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

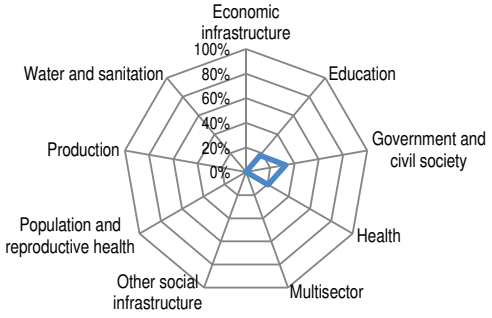
Figure 38.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796395

USD 0.8 million of bilateral ODA supported gender equality in 2016. In 2016, 18.2% of Slovenian bilateral allocable aid (of which only 32% was screened for gender equality) had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%.

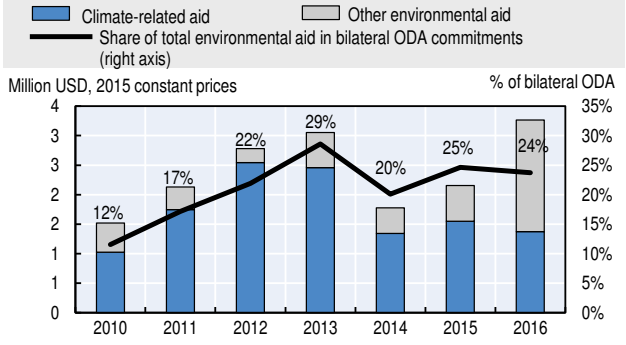
Figure 38.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796414

USD 3.3 million supported the environment in 2016. In 2016, 23.7% of Slovenian bilateral allocable aid focused on the environment and 10% (or USD 1.4 million) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 38.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Slovenia**



StatLink http://dx.doi.org/10.1787/888933796433

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

SPAIN

Leaving no one behind: Spain's approach and priorities

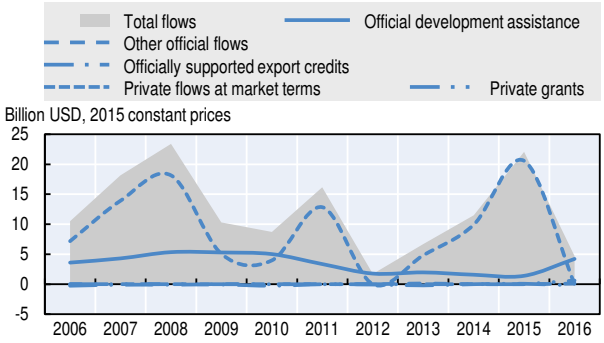
Spain has made an explicit commitment to leaving no one behind in its new Fifth Master Plan for Development Co-operation. According to Spain addressing leaving no one behind requires a differentiated, people-centred approach that adapts to the needs of different developing countries according to four fundamental variables: 1) levels of poverty; 2) human development; 3) inequality; and 4) vulnerability.

Spanish development co-operation strives to respect cross-cutting principles of human rights and fundamental freedoms, gender equality, respect for cultural diversity, and environmental sustainability. It also targets vulnerable populations in middle-income countries and reducing inequalities within developing countries. It uses indicators such as the Human Development Index, GDP per capita and the multidimensional poverty index as its evidence base for selecting countries and regions.

For Spain, applying a leave no one behind approach helps ensure that policies focus on excluded people, can increase efficiency in allocating resources, and enable a better understanding of the problems and challenges to inclusive development. A key challenge is managing potential trade-offs between reaching the furthest behind first, pressure to allocate funds efficiently to maximise impact, and the potentially higher cost of reaching the most vulnerable populations.

Financial flows from Spain to developing countries

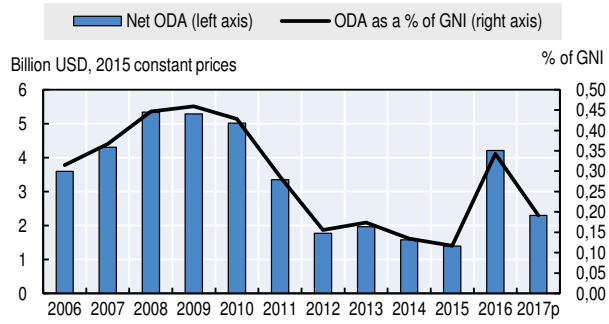
Figure 39.1. **Net resource flows to developing countries, 2006-16, Spain**



Note: Data on private grants are only available for 2012 and 2013. Data on private flows at market terms are not available for 2016. Data on officially export credits are not available for 2014. Data on other official flows are not available for 2006, 2008 and 2010.

StatLink http://dx.doi.org/10.1787/888933796452

Figure 39.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Spain**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933796471

Spain's performance against commitments for effective development co-operation

Table 39.1. **Results of the 2016 Global Partnership monitoring round (updated), Spain**

Spain	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	89.6%	88.7%	34.8%	82.1	87.0%	39.4%	needs improvement	needs improvement	needs improvement
Baseline	-	76.8%	69.1%	80.8	87.5%	39.3%	good	needs improvement	needs improvement
Trend	-	⇑	⇓	⇑	⇓	⇑	⇓	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797953

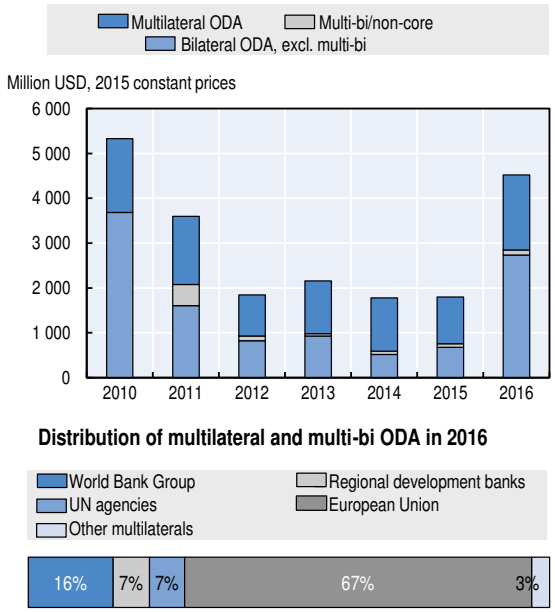
Spain's official development assistance

In 2017, Spain provided USD 2.4 billion in net ODA (preliminary data), which represented 0.19% of gross national income (GNI) and a 44% decrease in real terms from 2016, after a significant rise in 2016 due to exceptional debt relief for Cuba. Spain is committed, at the EU level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. In 2017, in-donor refugee costs were USD 218 million and represented 9% of Spain's total net official development assistance (ODA), compared to 2.1% in 2016.

Spain's share of untied ODA (excluding administrative costs and in-donor refugee costs) increased from 80.8% in 2015 to 81.7% in 2016, compared with the Development Assistance Committee (DAC) average of 81.2% in 2016. The grant element of total ODA was 100% in 2016. Loans amounted to 1.8% of gross ODA in 2016.

In 2016, 63% of Spain's ODA was provided bilaterally. It allocated 37% of total ODA as core contributions to multilateral organisations. In addition, it channelled 4% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

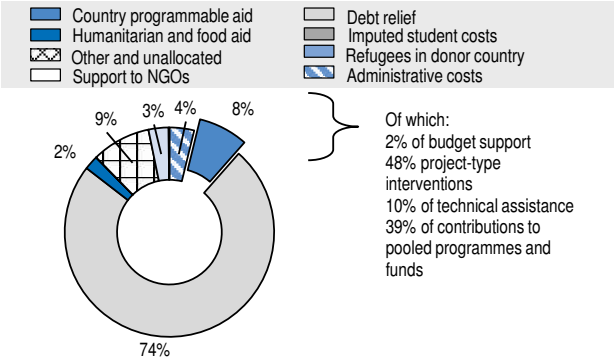
Figure 39.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Spain**



StatLink http://dx.doi.org/10.1787/888933796490

In 2016, 7.3% of bilateral ODA was programmed with partner countries. Spain's share of country programmable aid was lower than the DAC country average (46.8%). Debt relief accounted for 74% of gross bilateral aid.

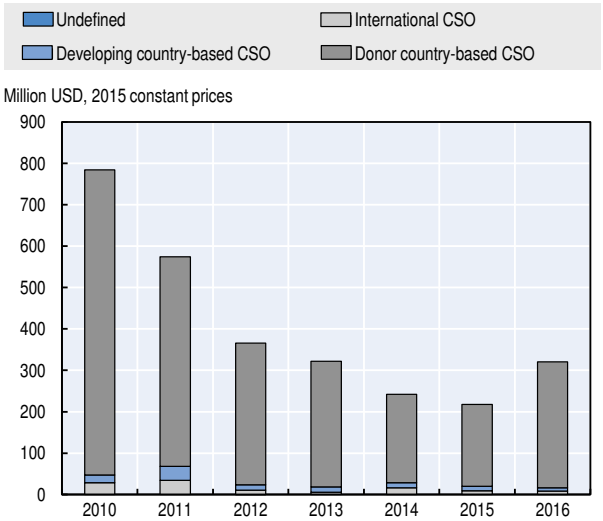
Figure 39.4. **Composition of bilateral ODA, 2016, gross disbursements, Spain**



StatLink http://dx.doi.org/10.1787/888933796509

In 2016, USD 321.2 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, ODA channelled to and through CSOs fell as a share of bilateral aid (from 28.7% in 2015 to 11.2% in 2016).

Figure 39.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Spain**



StatLink http://dx.doi.org/10.1787/888933796528

Bilateral ODA was primarily focused on Latin America and the Caribbean. In 2016, USD 2.3 billion was allocated to Latin America and the Caribbean and USD 91.5 million was allocated to sub-Saharan Africa.

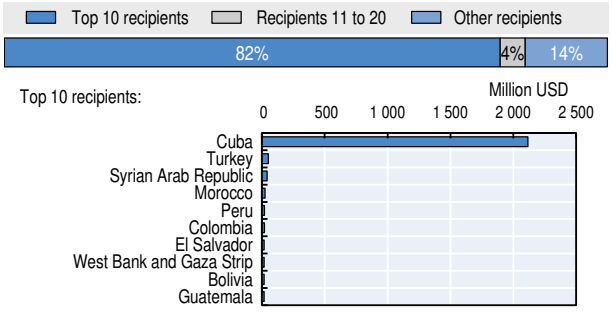
Figure 39.6. **Share of bilateral ODA by region, 2016, gross disbursements, Spain**

Note: Seven per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933796547

In 2016, 82.2% of bilateral ODA went to Spain's top 10 recipients. Spain reduced the number of its priority partner countries from 50 in 2012 to 23 in 2015 and 2016, focusing on three priority regions. Six of its top 10 recipients are priority partner countries. In 2016, its support to fragile contexts reached USD 183.9 million. Support to fragile contexts consisted mainly of project-type interventions (52%) and other in-donor expenditures (35%).

Figure 39.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Spain**

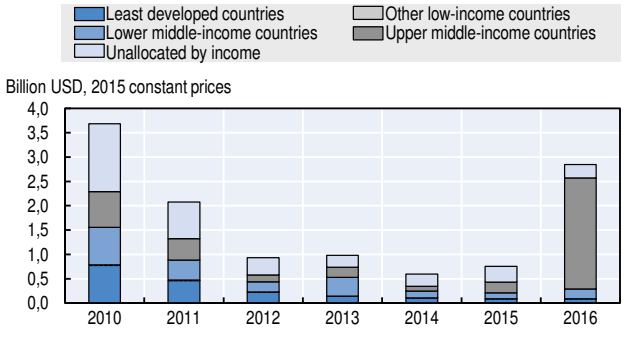


StatLink http://dx.doi.org/10.1787/888933796566

In 2016, 3% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 85.7 million. This is a decrease from 11.4% in 2015 and is lower than the 2016 DAC average of 21.9%. Upper middle-income countries received the highest share of bilateral ODA in 2016 (80.2%).

At 0.04% of GNI in 2016, total ODA to the LDCs was below the UN target of 0.15% of GNI.

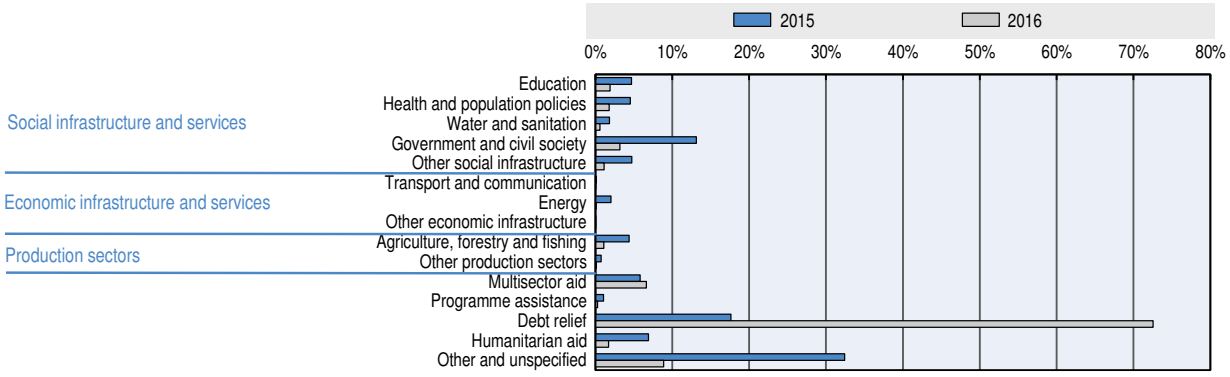
Figure 39.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Spain**



StatLink http://dx.doi.org/10.1787/888933796585

In 2016, 73% of bilateral ODA (USD 2.1 billion) was allocated to actions relating to debt. USD 256.2 million (8.6% of bilateral ODA) was allocated to social infrastructure and services, with strong focus on support to government and civil society (USD 95.4 million) and education (USD 57 million). Humanitarian aid amounted to USD 51.2 million. In 2016, Spain committed USD 40.1 million to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

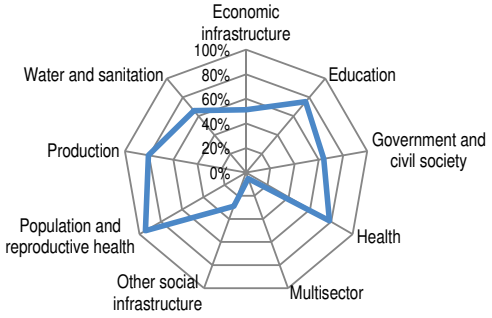
Figure 39.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Spain**



StatLink http://dx.doi.org/10.1787/888933796604

USD 241.1 million of bilateral ODA supported gender equality. In 2016, 41.4% of Spanish bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, above the DAC country average of 36.5%. This is up from 35.8% in 2015. A high share of Spain's aid to population and reproductive health, health, and production focuses on gender.

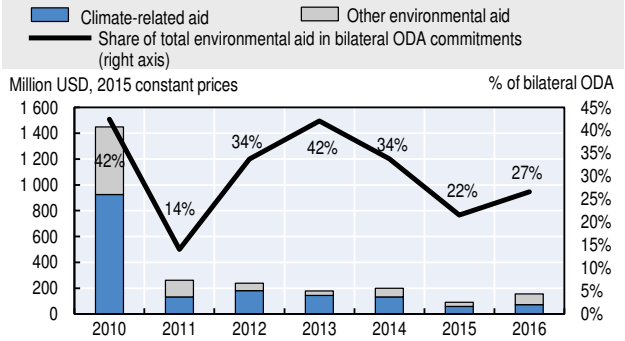
Figure 39.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Spain**



StatLink http://dx.doi.org/10.1787/888933796623

USD 154.8 million of Spain's bilateral ODA supported the environment. In 2016, 26.6% of Spanish bilateral allocable aid supported the environment and 12.5% (USD 73 million) focused particularly on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 39.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Spain**



StatLink http://dx.doi.org/10.1787/888933796642

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

SWEDEN

Leaving no one behind: Sweden's approach and priorities

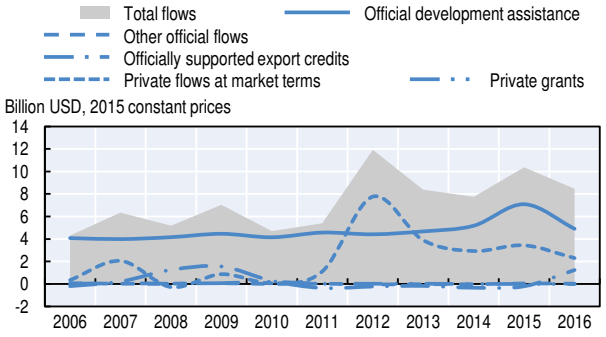
Sweden has embedded the pledge to leave no one behind in its 2016 government policy framework, which focuses on countries facing the greatest resource challenges, where development needs are greatest and where Sweden can make a difference. The two overarching principles are poor people's perspectives and the rights perspective. In addition, three thematic perspectives are integrated into decision making, implementation and follow-up: 1) environment and climate; 2) gender equality; and 3) conflict.

Sweden's multidimensional approach to poverty eradication (and new toolbox) focuses on resources, opportunities and choice, power and voice, and human security. It recognises that people and groups experiencing poverty and the drivers of poverty and vulnerability change with contexts. In line with this, the Swedish International Development Cooperation Agency (Sida) seeks to identify who is excluded and marginalised in each country and then designs its approach to meet their needs.

Least developed and conflict or post-conflict countries are the main focus of its bilateral development co-operation. Support to middle-income countries is limited financially since access to finance may be less of a challenge than redistributing existing resources more equally. Sida is also strengthening its focus on the humanitarian-development nexus providing short-term crisis support while building sustainable pathways out of poverty.

Financial flows from Sweden to developing countries

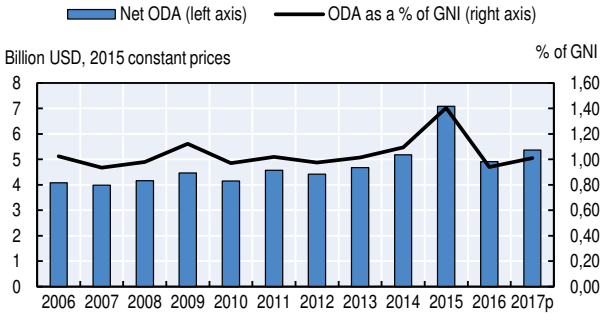
Figure 40.1. **Net resource flows to developing countries, 2006-16, Sweden**



Note: Data on private grants are not available for 2014-16.

StatLink http://dx.doi.org/10.1787/888933796661

Figure 40.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Sweden**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933796680

Sweden's performance against commitments for effective development co-operation

Table 40.1. **Results of the 2016 Global Partnership monitoring round (updated), Sweden**

Sweden	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	54.4%	59.6%	62.6%	96.3	75.7%	69.2%	needs improvement	excellent	excellent
Baseline	-	73.8%	65.9%	86.8	78.7%	78.0%	good	excellent	excellent
Trend	-	⇓	⇓	⇑	⇓	⇓	⇓	=	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797972

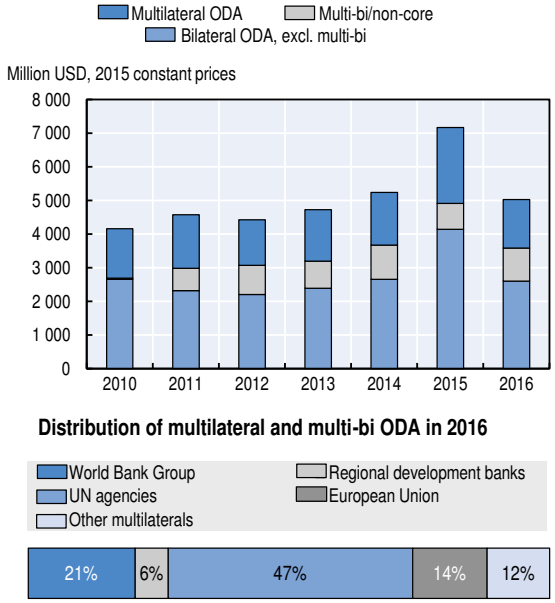
Sweden's official development assistance

In 2017, Sweden provided USD 5.5 billion in net ODA (preliminary data), which represented 1.01% of gross national income (GNI) and a 9.9% increase in real terms from 2016, mostly due to an increase in grants for Africa and least developed countries (LDCs) and in contributions to multilateral organisations. Sweden is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% and the government is committed to continue delivering 1% of its GNI to ODA, which is backed by a broad bipartisan support in parliament. In 2017, in-donor refugee costs were USD 828 million and represented 15% of Sweden's total net ODA, compared to 16.8% in 2016.

Sweden's share of untied ODA (excluding administrative costs and in-donor refugee costs) increased from 86.8% in 2015 to 96.3% in 2016, and remains above the DAC average of 81.2% in 2016. The grant element of total ODA was 100% in 2016. Loans amounted to 0.9% of gross ODA.

In 2016, 71.2% of ODA was provided bilaterally. Sweden allocated 28.8% of total ODA as core contributions to multilateral organisations. In addition, it channelled 27.3% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

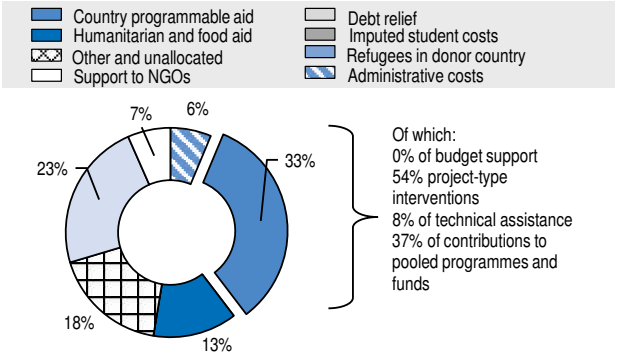
Figure 40.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Sweden**



StatLink http://dx.doi.org/10.1787/888933796699

In 2016, 33.3% of bilateral ODA was programmed with partner countries, making Sweden's share of country programmable aid lower than the DAC country average (46.8%). Project-type interventions accounted for 54% of this aid. Twenty-three per cent of bilateral ODA was allocated to refugees in donor country. Assuming in-donor refugee costs continue to decrease, Sweden aims to increase allocations to bilateral programmes from 2018.

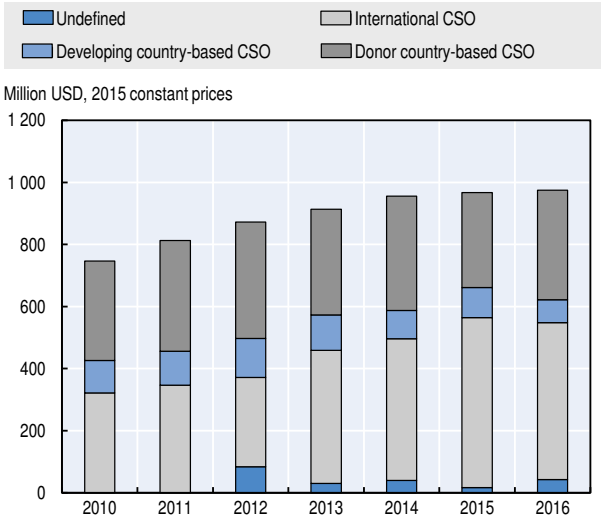
Figure 40.4. **Composition of bilateral ODA, 2016, gross disbursements, Sweden**



StatLink http://dx.doi.org/10.1787/888933796718

In 2016, USD 958.8 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, ODA channelled to and through CSOs increased as a share of bilateral aid (from 19.7% to 26.8%).

Figure 40.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Sweden**



StatLink http://dx.doi.org/10.1787/888933796737

Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, USD 845 million was allocated to sub-Saharan Africa, USD 255.1 million to the Middle East, and USD 220 million to south and central Asia.

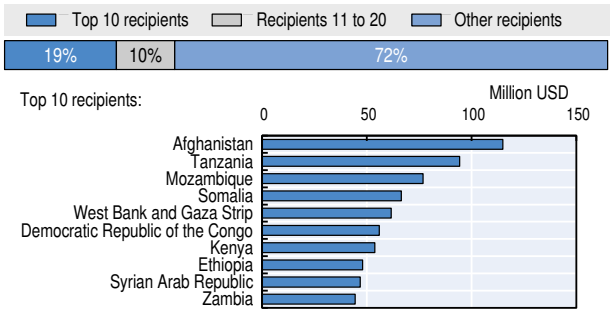
Figure 40.6. **Share of bilateral ODA by region, 2016, gross disbursements, Sweden**

Note: Fifty-three per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933796756

In 2016, 18.6% of bilateral ODA went to Sweden's top 10 recipients. All of its top 10 recipients are priority partners. In 2016, its support to fragile contexts reached USD 1.2 billion (33% of gross bilateral ODA). Support to fragile contexts consisted mainly of contributions to pooled funds (49%) and project-type interventions (45%).

Figure 40.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Sweden**

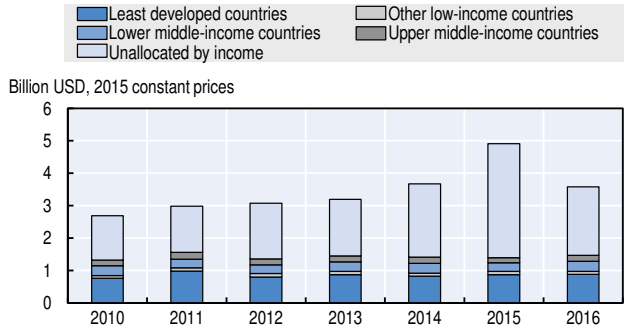


StatLink http://dx.doi.org/10.1787/888933796775

In 2016, 24.8% of bilateral ODA (USD 885.8 million) was allocated to the LDCs. This is an increase from 17.8% in 2015, and is higher than the DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 58.9% was unallocated by income group.

At 0.27% of GNI in 2016, total ODA to the LDCs exceeds the UN target of 0.15% GNI.

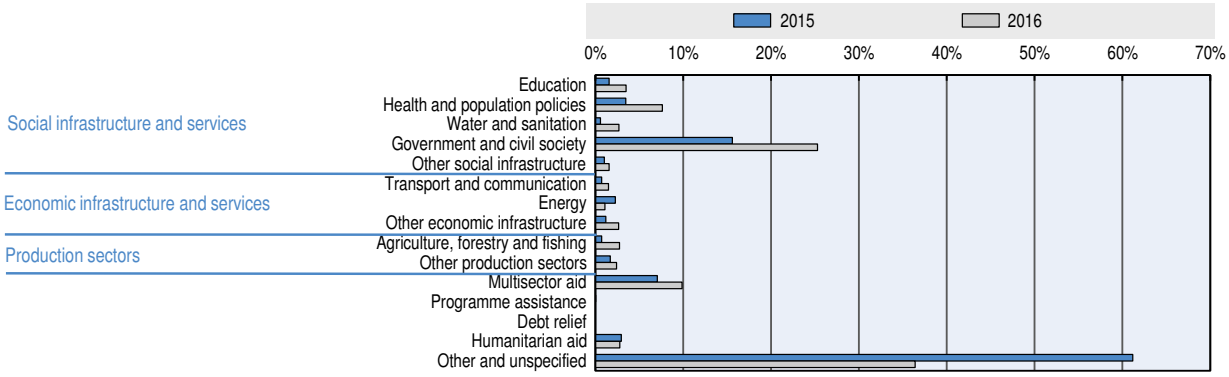
Figure 40.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Sweden**



StatLink http://dx.doi.org/10.1787/888933796794

In 2016, 40.6% of bilateral ODA was allocated to social infrastructure and services, for a total of USD 1.3 billion, with a strong focus on support to government and civil society (USD 825.9 million). Humanitarian aid amounted to USD 91 million. In 2016, Sweden committed USD 337.8 million (15.1% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

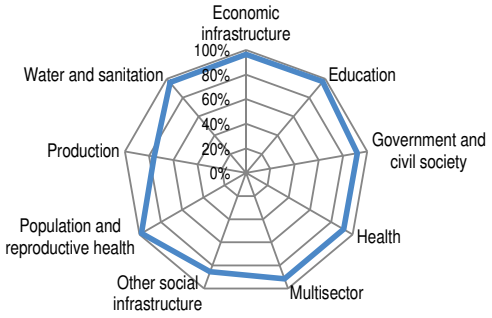
Figure 40.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Sweden**



StatLink http://dx.doi.org/10.1787/888933796813

USD 1.8 billion of bilateral ODA supported gender equality. In 2016, 87.6% of Swedish bilateral sector-allocable aid had gender equality and women's empowerment as a principal or significant objective (down from 88.8% in 2015), compared with the DAC country average of 36.5%. Sweden has a strong focus on gender equality in all sectors.

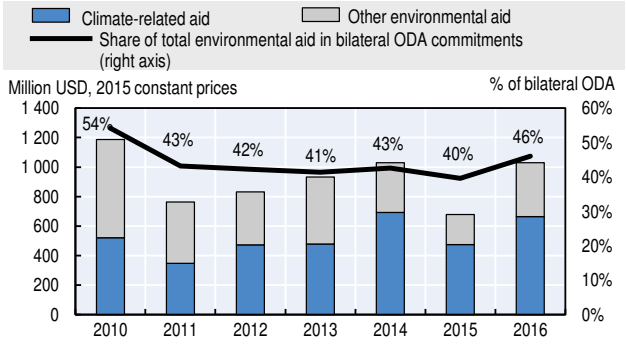
Figure 40.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Sweden**



StatLink http://dx.doi.org/10.1787/888933796832

USD 1 billion of bilateral ODA supported the environment. In 2016, 46% of its bilateral allocable aid supported the environment and 29.7% (USD 662.8 million) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 40.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Sweden**



StatLink http://dx.doi.org/10.1787/888933796851

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

SWITZERLAND

Leaving no one behind: Switzerland's approach and priorities

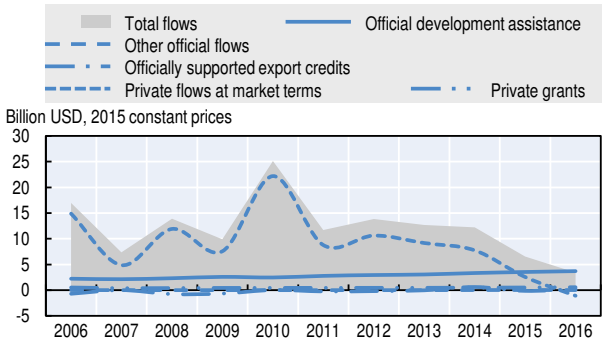
Switzerland committed to leaving no one behind in the 2030 Agenda and plans to refer to it in the next parliamentary Dispatch on development co-operation (in 2021). The Swiss Agency for Development Co-operation (SDC) has a long-standing focus on multidimensional poverty, tackling root causes of exclusion and discrimination. In addition to its humanitarian aid, the SDC states that it meets its target to allocate 50% of its bilateral budget to fragile and conflict-affected countries, which it considers as the countries left behind.

The SDC considers that all individuals or groups excluded from sustainable development and lacking minimum standards of living are left behind. It is developing a working tool to address leaving no one behind which builds on the human rights-based approach it has mainstreamed. The tool identifies two pathways: 1) working towards an inclusive society where all groups benefit from minimum standards of living and mainstreaming "leave no one behind" through targeted actions on barriers to inclusion; and 2) prioritising groups in specific contexts and designing targeted programmes to enhance resilience and inclusion. It is also developing factsheets on what leave no one behind means in specific sectors and will integrate this approach in its results-based management tools.

For the SDC, the risk of weak political buy-in to reach the furthest behind is a challenge in some contexts. Lack of disaggregated data is also a challenge.

Financial flows from Switzerland to developing countries

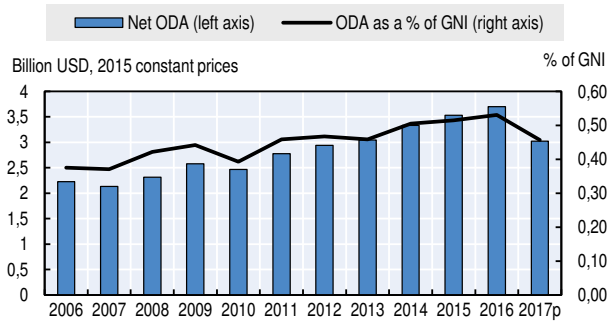
Figure 41.1. **Net resource flows to developing countries, 2006-16, Switzerland**



Note: Data on other official flows are only available for 2006 and 2014-16.

StatLink http://dx.doi.org/10.1787/888933796870

Figure 41.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, Switzerland**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933796889

Switzerland's performance against commitments for effective development co-operation

Table 41.1. **Results of the 2016 Global Partnership monitoring round (updated), Switzerland**

Switzerland	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	51.3%	44.6%	37.4%	94.3	77.3%	65.4%	fair	excellent	needs improvement
Baseline	-	35.6%	27.1%	94.6	75.7%	76.9%	fair	excellent	fair
Trend	-	⇑	⇑	⇓	⇑	⇓	=	=	⇓

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933797991

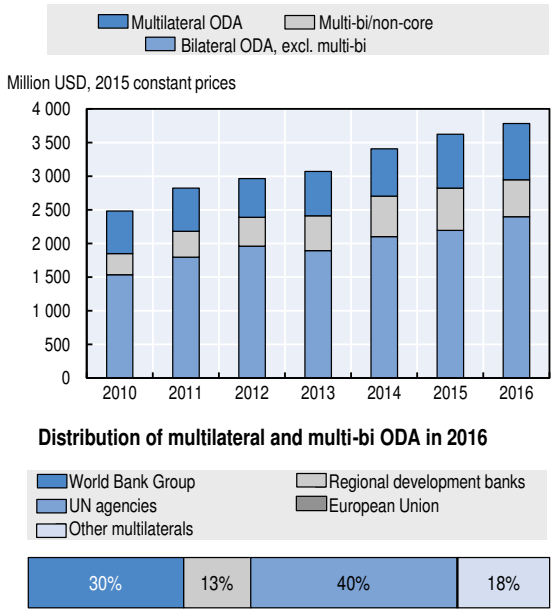
Switzerland's official development assistance

In 2017, Switzerland provided USD 3.1 billion in net ODA (preliminary data), which represented 0.46% of gross national income (GNI) and a 13.9% decrease in real terms from 2016, due to lower levels of in-donor refugee costs reported. Under the expenditure stabilisation programme decided by the Federal Council for the period from 2017 to 2019, Switzerland's official development assistance (ODA) will be at around 0.48% of GNI. In 2017, in-donor refugee costs were USD 285 million and represented 9.2% of Switzerland's total net ODA, compared to 19.3% in 2016.

Switzerland's share of untied ODA (excluding administrative costs and in-donor refugee costs) was 94.3% in 2016 (remaining stable from 94.6% in 2015), above the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016. Loans amounted to 2.1% of gross ODA in 2016.

In 2016, 77.9% of ODA was provided bilaterally. Switzerland allocated 22.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 18.7% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

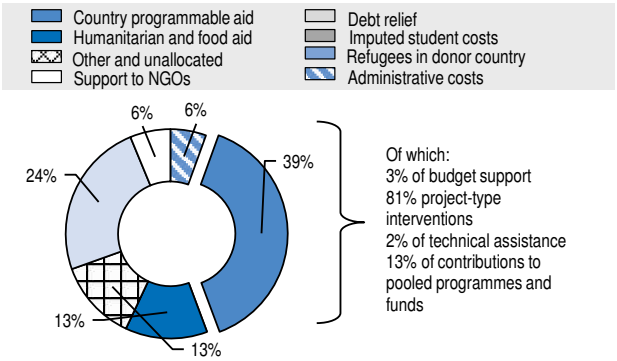
Figure 41.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, Switzerland**



StatLink http://dx.doi.org/10.1787/888933796908

In 2016, 38.8% of bilateral ODA was programmed with partner countries. The share of country programmable aid was lower than the DAC country average (46.8%); project-type interventions made up 81% of this aid. Twenty-four per cent of bilateral ODA covered the costs of refugees in donor country.

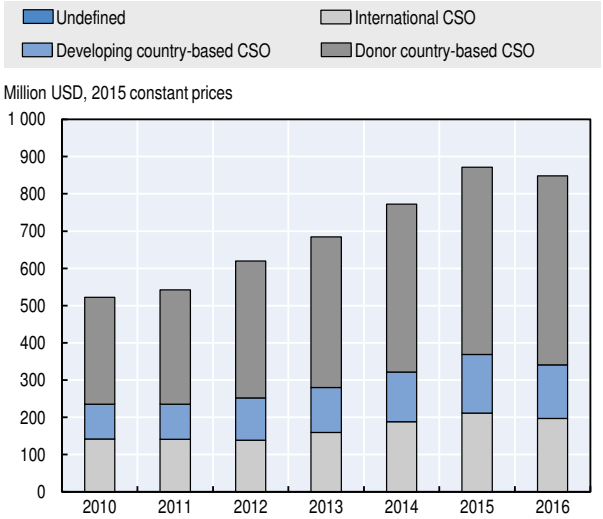
Figure 41.4. **Composition of bilateral ODA, 2016, gross disbursements, Switzerland**



StatLink http://dx.doi.org/10.1787/888933796927

In 2016, USD 821.6 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2015 and 2016, ODA channelled to and through CSOs decreased as a share of bilateral aid (from 30.9% to 28.8%).

Figure 41.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, Switzerland**



StatLink http://dx.doi.org/10.1787/888933796946

Bilateral ODA primarily focused on sub-Saharan Africa. In 2016, USD 500.4 million was allocated to sub-Saharan Africa, USD 286.4 million to south and central Asia, and USD 179.7 million to Eastern Europe.

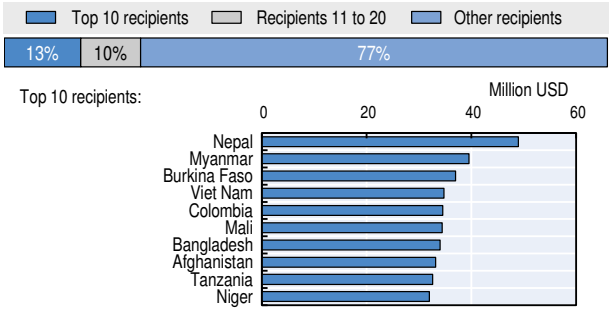
Figure 41.6. **Share of bilateral ODA by region, 2016, gross disbursements, Switzerland**

Note: Forty-five per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933796965

In 2016, 12.7% of bilateral ODA went to Switzerland's top 10 recipients. All countries on the list of top 10 recipients figure among the list of Switzerland's 30 priority partner countries. Swiss support to fragile contexts reached USD 731 million in 2016 (26% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (62%) and contributions to pooled funds (34%).

Figure 41.7. **Bilateral ODA to top recipients, 2016, gross disbursements, Switzerland**

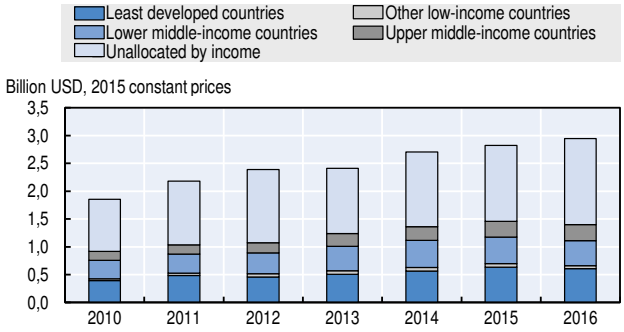


StatLink http://dx.doi.org/10.1787/888933796984

In 2016, 20.6% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 588.8 million. This share has decreased compared to 22.4% in 2015 and is in line with the DAC country average in 2016 (21.9%). The LDCs received the highest share of bilateral ODA in 2016, noting that 52.6% was unallocated by income group.

At 0.13% of its GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

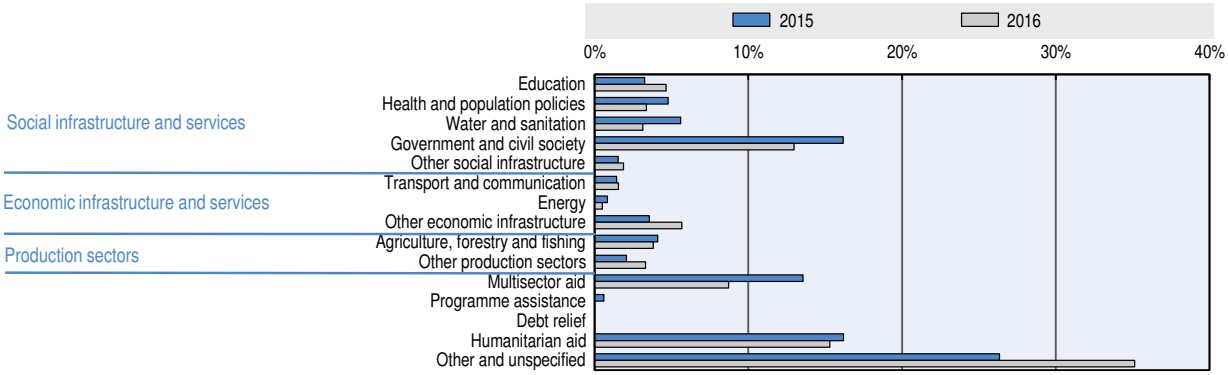
Figure 41.8. **Bilateral ODA by income group, 2010-16, gross disbursements, Switzerland**



StatLink http://dx.doi.org/10.1787/888933797003

In 2016, 26% of bilateral ODA (USD 622 million) was allocated to social infrastructure and services, with a strong focus on support to government and civil society (USD 310.2 million) and education (USD 111.4 million). Humanitarian aid amounted to USD 366 million. In 2016, Switzerland committed USD 24.6 million (1.6% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 355 million (22.8% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

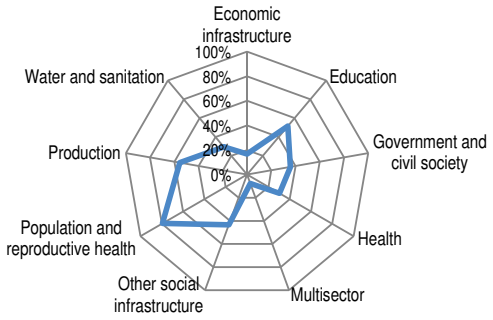
Figure 41.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, Switzerland**



StatLink http://dx.doi.org/10.1787/888933797022

USD 401.7 million of bilateral ODA supported gender equality. In 2016, 25.8% of Swiss aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is up from 2015 (14.5%). A high share of Switzerland's aid to population and reproductive health focuses on gender.

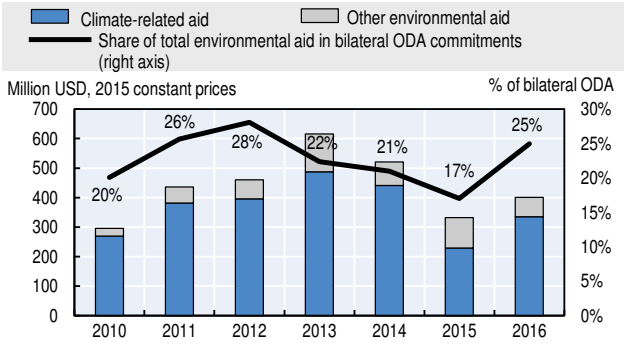
Figure 41.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, Switzerland**



StatLink http://dx.doi.org/10.1787/888933797041

USD 388.4 million of bilateral ODA supported the environment. In 2016, 25% of Switzerland's bilateral allocable aid supported the environment, compared with the DAC country average of 33%. In 2016, 20.9% (USD 324.6 million) of Swiss bilateral allocable aid focused specifically on climate change, compared with the DAC country average of 25.7%.

Figure 41.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Switzerland**



StatLink http://dx.doi.org/10.1787/888933797060

Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

UNITED KINGDOM

Leaving no one behind: The United Kingdom's approach and priorities

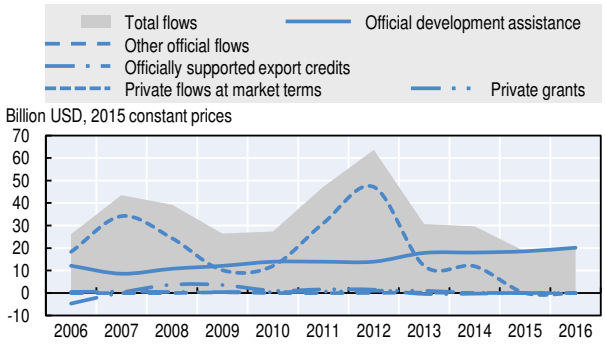
The United Kingdom's 2015 strategy "UK aid: Tackling global challenges in the national interest" commits the United Kingdom to lead efforts in implementing leave no one behind. The policy paper "Leaving no one behind: Our promise" commits to putting the last first, targeting the most vulnerable and disadvantaged, the most excluded, those in crises, and most at risk of violence and discrimination. It strives to end violence against girls and women, including ending female genital mutilation and child, early and forced marriage, and tackling sexual violence in conflict.

For the Department for International Development (DFID), an opportunity of leave no one behind is that growth and development benefit from being inclusive. In its draft framework, DFID focuses on three pillars: understand, empower, include. The understand pillar aims to get data and evidence on who, where and why people are left behind and is accompanied by a data disaggregation plan. Gender equality and disability are high priorities and four country offices – Bangladesh, Nepal, Rwanda and Zimbabwe – are testing new ways to embed leave no one behind.

In its programming, DFID uses poverty analysis to identify most vulnerable groups. It is developing new diagnostic tools, which will integrate inclusion tools into its portfolio-wide poverty diagnostic. Key challenges are managing the risks of people still being left behind in 2030 and understanding additional costs and then financing the cost of leaving no one behind.

Financial flows from the United Kingdom to developing countries

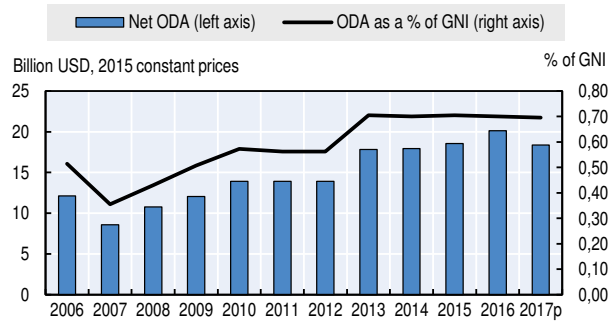
Figure 42.1. **Net resource flows to developing countries, 2006-16, United Kingdom**



Note: Data on private flows at market terms, officially supported export credits and other official flows are not available for 2015-16. Data on private grants are not available for 2014-16.

StatLink http://dx.doi.org/10.1787/888933797079

Figure 42.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, United Kingdom**



P: preliminary data.

StatLink http://dx.doi.org/10.1787/888933797098

The United Kingdom's performance against commitments for effective development co-operation

Table 42.1. **Results of the 2016 Global Partnership monitoring round (updated), United Kingdom**

United Kingdom	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	43.3%	77.6%	64.6%	100	65.3%	57.9%	needs improvement	good	good
Baseline	-	70.5%	66.7%	100	79.2%	84.7%	needs improvement	fair	good
Trend	-	⇑	⇓	=	⇓	⇓	=	⇑	=

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

StatLink http://dx.doi.org/10.1787/888933798010

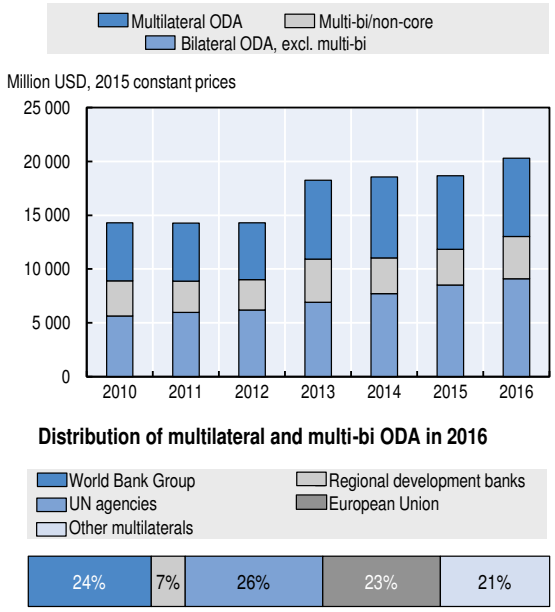
The United Kingdom's official development assistance

In 2017, the United Kingdom provided USD 17.9 billion in net ODA (preliminary data), which represented a 2.1% increase in real terms from 2016 and continued adherence to its legislative commitment to spend 0.70% of gross national income (GNI) on ODA. The United Kingdom is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% of ODA/GNI in 2017. In 2017, in-donor refugee costs were USD 491 million and represented 2.7% of the United Kingdom's total net ODA, compared to 3.2% in 2016.

All of the United Kingdom's ODA (excluding administrative costs and in-donor refugee costs) was untied in 2016, while the DAC average was 81.2%. The grant element of total ODA was 96.2% in 2016. Loans amounted to 6% of gross ODA.

In 2016, 64.1% of ODA was provided bilaterally. The United Kingdom allocated 35.9% of total ODA as core contributions to multilateral organisations. In addition, it channelled 30.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

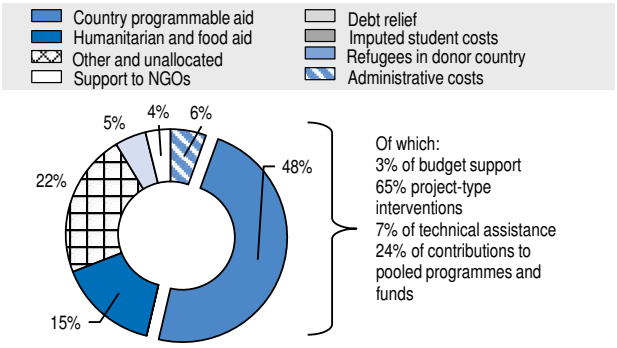
Figure 42.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, United Kingdom**



StatLink http://dx.doi.org/10.1787/888933797117

In 2016, 48.1% of bilateral ODA was programmed with partner countries. The United Kingdom's share of country programmable aid was higher than the DAC country average (46.8%) and project-type interventions accounted for 65% of this aid. Twenty-two per cent of bilateral ODA was categorised as "other and unallocated" aid.

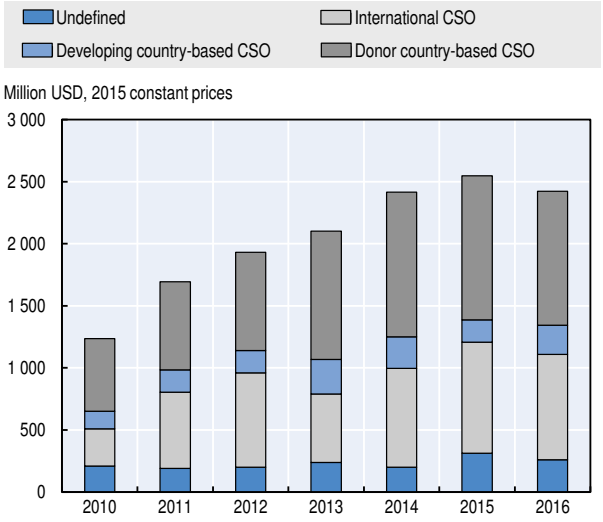
Figure 42.4. **Composition of bilateral ODA, 2016, gross disbursements, United Kingdom**



StatLink http://dx.doi.org/10.1787/888933797136

In 2016, USD 2.2 billion of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs has decreased as a share of bilateral ODA (from 21.5% in 2015 to 18.5% in 2016).

Figure 42.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, United Kingdom**



StatLink http://dx.doi.org/10.1787/888933797155

Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, USD 3.4 billion was allocated to sub-Saharan Africa, USD 1.7 billion to south and central Asia, and USD°1.3°billion to the Middle East.

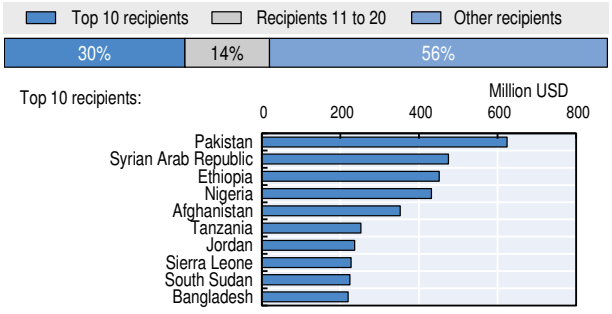
Figure 42.6. **Share of bilateral ODA by region, 2016, gross disbursements, United Kingdom**

Note: Thirty-eight per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933797174

In 2016, 29.9% of bilateral ODA went to the United Kingdom's top 10 recipients. The top 10 recipients in 2016 are countries in the Middle East and North Africa, South and Central Asia, and sub-Saharan Africa. In 2016, the United Kingdom's support to fragile contexts reached USD 5.3 billion (46% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (60%) and contributions to pooled funds (30%).

Figure 42.7. **Bilateral ODA to top recipients, 2016, gross disbursements, United Kingdom**

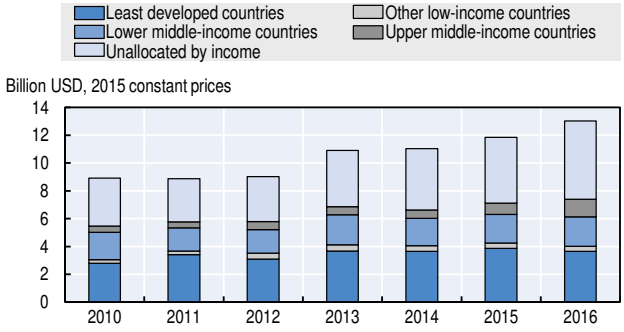


StatLink http://dx.doi.org/10.1787/888933797193

In 2016, 28% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 3.3 billion. This share has decreased from 32.5% in 2015 but remains higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, noting that 43.2% was unallocated by income group.

At 0.22% of GNI in 2016, total ODA to the LDCs was above the UN target of 0.15% of GNI.

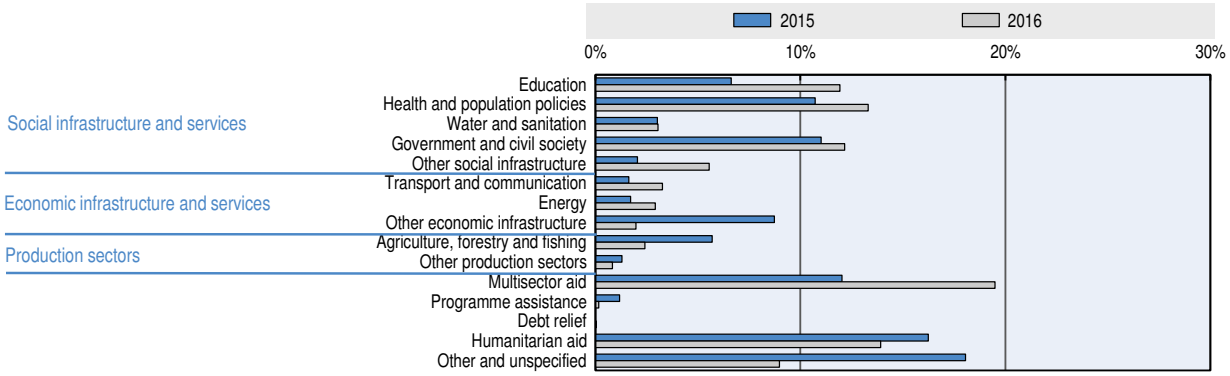
Figure 42.8. **Bilateral ODA by income group, 2010-16, gross disbursements, United Kingdom**



StatLink http://dx.doi.org/10.1787/888933797212

In 2016, 46% of bilateral ODA was allocated to social infrastructure and services, at a total of USD 3.4 billion, with a strong focus on government and civil society (USD 889.1 million), education (USD 872.5 million), and health (USD 842.5 million). Humanitarian aid amounted to USD 1 billion. In 2016, the United Kingdom committed USD 5.8 million (0.1% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 833.9 million (12.5% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

Figure 42.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, United Kingdom**



StatLink http://dx.doi.org/10.1787/888933797231

USD 3 billion of bilateral ODA supported gender equality. In 2016, 45.5% of the United Kingdom's bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This represents an increase from 40.5% in 2015.

USD 1.5 billion of bilateral ODA supported the environment. In 2016, 22.8% of the United Kingdom's bilateral allocable aid supported the environment and 21.2% (USD 1.4 billion) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

Figure 42.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, United Kingdom**

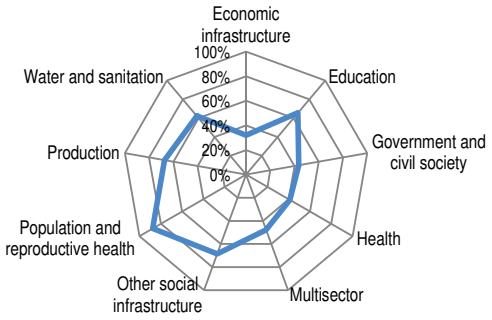


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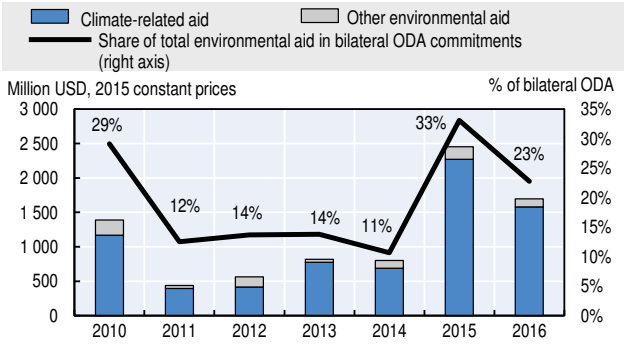
Figure 42.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, United Kingdom**



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Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

UNITED STATES

Leaving no one behind: The United States' approach and priorities

The United States is in the process of reviewing many of its policies. While such review is underway, the United States reserves its position on this topic.

Financial flows from the United States to developing countries

Figure 43.1. **Net resource flows to developing countries, 2006-16, United States**

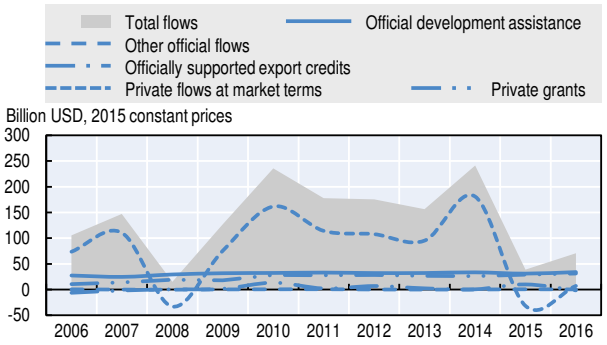

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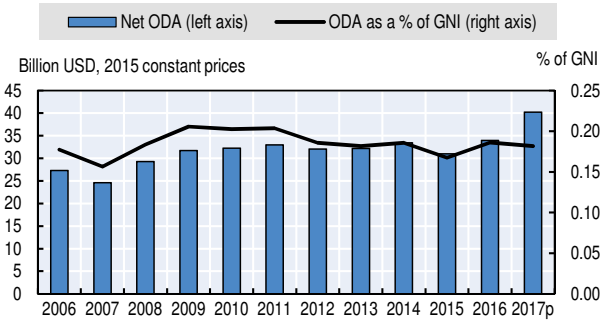
Figure 43.2. **Net ODA: Trends in volume and as a share of GNI, 2006-17, United States**



StatLink http://dx.doi.org/10.1787/888933797307

The United States' performance against commitments for effective development co-operation

Table 43.1. **Results of the 2016 Global Partnership monitoring round (updated), United States**

United States	Alignment and ownership by partner country (%)				Predictability (%)		Transparency		
	Use of country-led results frameworks	Funding recorded in countries' national budgets	Funding through countries' systems	Untied ODA	Annual predictability	Medium-term predictability	Retrospective statistics (OECD CRS)	Information for forecasting (OECD FSS)	Publishing to IATI
2016	49.2%	36.6%	20.5%	64.6	91.7%	73.7%	needs improvement	needs improvement	needs improvement
Baseline	-	32.5%	11.1%	55.5	81.7%	62.9%	fair	needs improvement	fair
Trend	-	⇑	⇑	⇑	⇑	⇑	⇓	=	⇓

Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.

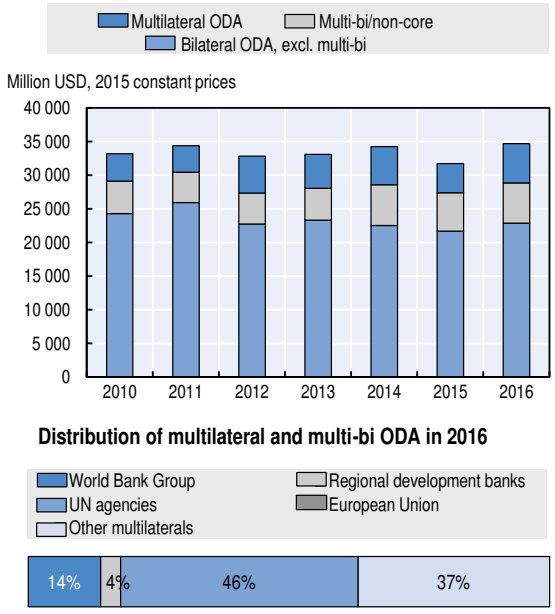
The United States' official development assistance

In 2017, the United States provided USD 35.3 billion in net ODA (preliminary data), which represented 0.18% of gross national income (GNI) and a 0.7% increase in real terms from 2016 due to an increase in its bilateral aid that offset a decrease in contributions to multilateral organisations. In 2017, in-donor refugee costs were USD 1.7 billion and represented 4.7% of the United States' total net official development assistance (ODA), compared to 4.9% in 2016.

The United States' share of untied ODA (excluding administrative costs and in-donor refugee costs) was 64.6% in 2016 (up from 55.5% in 2015), while the Development Assistance Committee (DAC) average was 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 83.3% of ODA was provided bilaterally. The United States allocated 16.7% of total ODA as core contributions to multilateral organisations. In addition, it channelled 20.7% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

Figure 43.3. **ODA composition in 2010-16 and distribution of multilateral ODA in 2016, United States**



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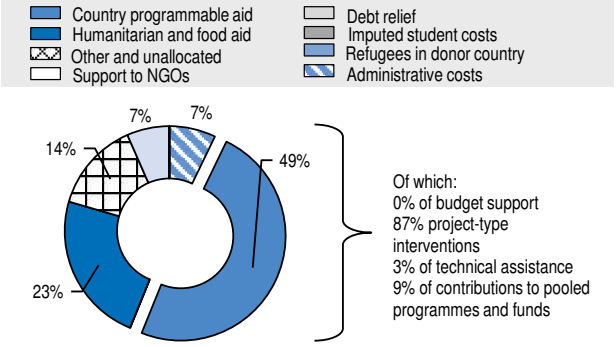
In 2016, 49% of bilateral ODA was programmed with partner countries. The share of country programmable aid was above the DAC country average (46.8%); project-type interventions amounted to 87% of this aid. Twenty-three per cent of bilateral ODA was allocated to humanitarian and food aid.

Figure 43.4. **Composition of bilateral ODA, 2016, gross disbursements, United States**



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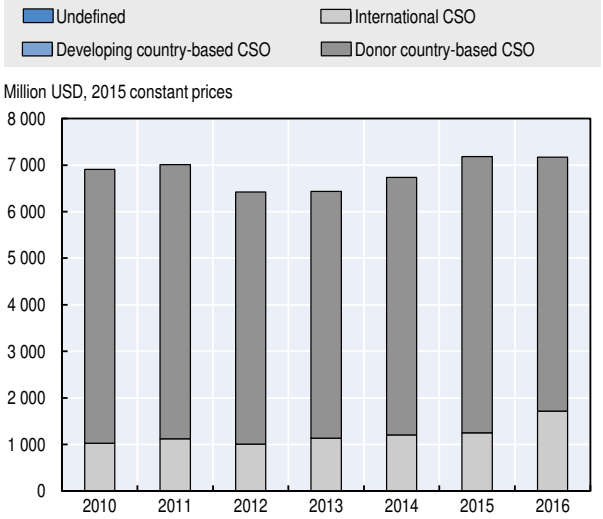
In 2016, USD 7.3 billion of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs has slightly decreased as a share of bilateral aid (from 26.2% in 2015 to 24.8% in 2016).

Figure 43.5. **Gross bilateral ODA disbursements to and through CSOs by type of CSO, 2010-16, United States**



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The largest share of bilateral ODA was directed to sub-Saharan Africa. In 2016, USD 9.9 billion was allocated to sub-Saharan Africa, USD 3.1 billion to south and central Asia, and USD 3 billion to the Middle East.

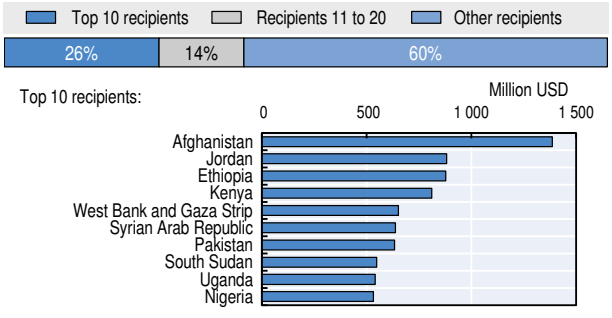
Figure 43.6. **Share of bilateral ODA by region, 2016, gross disbursements, United States**

Note: Thirty-two per cent of bilateral ODA allocated was unspecified by region in 2016. This share is not represented on the map.

StatLink http://dx.doi.org/10.1787/888933797383

In 2016, 25.7% of bilateral ODA went to the United States' top 10 recipients. The United States provides development assistance to 136 countries, and the share of ODA to its top recipients is declining. Its support to fragile contexts reached USD 13.7 billion in 2016 (47% of gross bilateral ODA). Support to fragile contexts consisted mainly of project-type interventions (69%) and contributions to pooled funds (29%).

Figure 43.7. **Bilateral ODA to top recipients, 2016, gross disbursements, United States**



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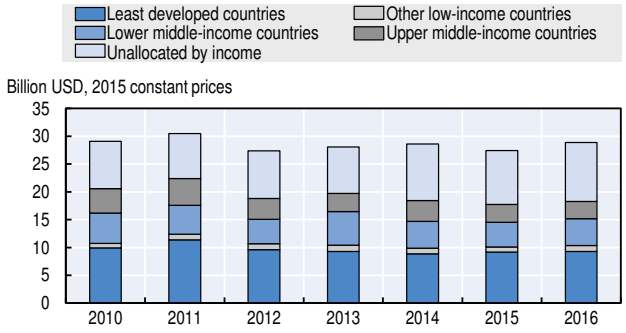
In 2016, 32.2% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 9.4 billion. This share has slightly decreased since 2015 (when it stood at 33.5%), and is higher than the 2016 DAC average of 21.9%. The LDCs received the highest share of bilateral ODA in 2016, compared with other income groups.

At 0.06% of GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI.

Figure 43.8. **Bilateral ODA by income group, 2010-16, gross disbursements, United States**



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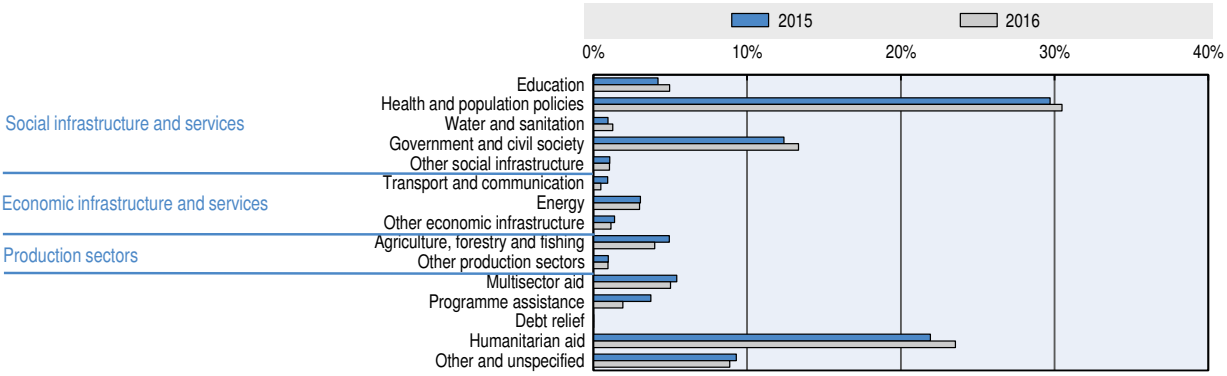
In 2016, 51.1% of bilateral ODA was allocated to social infrastructure and services, totalling USD 15.5 billion, with a strong focus on population policies and programmes (USD 6.6 billion) and support to government and civil society (USD 4 billion). Humanitarian aid amounted to USD 7.1 billion. In 2016, the United States committed USD 28.4 million (0.1% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 2.9 billion (10.5% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.

Figure 43.9. **Share of gross bilateral ODA by sector, 2015-16, commitments, United States**



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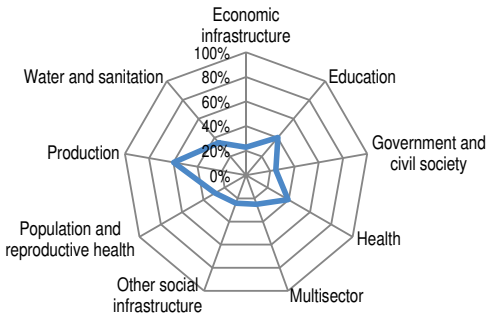
USD 6.6 billon of bilateral ODA supported gender equality. In 2016, 23.9% of the United States' bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. This is up from 19% in 2015.

Figure 43.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2016, commitments, United States**



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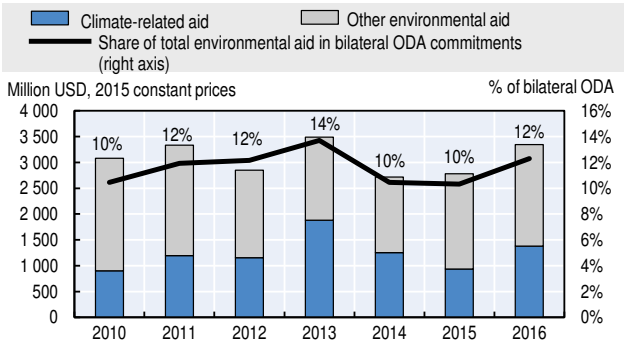
USD 3.4 billion of bilateral ODA supported the environment. In 2016, 12.3% of its bilateral allocable aid supported the environment and 5.1% (USD 1.4 billion) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%. The United States has developed a new data-screening process to significantly improve reporting on environment and Rio markers.

Figure 43.11. **Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, United States**



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Note to reader: Annex B provides "Methodological notes on the profiles of Development Assistance Committee members".

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PART IV

Chapter 15

Profiles of other development co-operation providers reporting to the OECD

This section was prepared by
Marisa Berbegal Ibáñez, Juan Casado Asensio, Tomas Hos, Michael Laird, Nadine Piefer and Cécile Sangaré, in collaboration with Valérie Thielemans.

This chapter presents information on the volume and key features of the development co-operation provided by countries that are not members of the Development Assistance Committee (DAC). The chapter includes the 13 providers who reported to the OECD on their development co-operation programmes with a sufficient level of detail.

It also includes profiles for the Bill & Melinda Gates Foundation and the United Postcode Lotteries, both of which are leading private funders for development. As these foundations report to the OECD on a regular basis following the DAC statistical standards, their data are fully compatible with statistics on other development finance flows, particularly official development assistance (ODA).

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 the international law.

AZERBAIJAN

In 2016, Azerbaijan's net official development assistance (ODA) amounted to USD 13 million, representing an increase of 3% from 2015. The ratio of ODA as a share of gross national income (GNI) rose from 0.02% to 0.04%.

Azerbaijan's Ministry of Foreign Affairs is responsible for setting the overall development co-operation guidelines of the country. Project implementation is the responsibility of the Azerbaijan International Development Agency (AIDA), which was established in 2011 within the Ministry of Foreign Affairs. AIDA's annual budget allocation is provided from the state budget. AIDA co-ordinates the activities of the relevant government bodies in the field of development (primarily line ministries), ensuring that their activities are consistent with Azerbaijan's foreign policy objectives.

In 2016, Azerbaijan's bilateral development co-operation consisted mainly of contributions to specific-purpose programmes and funds managed by international organisations. In Development Assistance Committee (DAC) statistics, such ODA is not assigned to specific countries but rather to regions or unspecified locations. The main sectors for Azerbaijan's bilateral development co-operation were production (agriculture, industry, mining, tourism, etc.), governance and civil society, and multisector aid.

Azerbaijan's multilateral ODA, which accounted for 69% of Azerbaijan's net disbursements in 2016, was provided primarily through regional development banks, notably the Asian Infrastructure Development Bank (accounting for 65% of its multilateral ODA in 2016).

In 2017, Azerbaijan, a DAC Invitee,[1] participated in the meeting of the DAC Working Party on Development Finance Statistics.

> "Guided by the 'Sustainable Development Goals', AIDA is actively engaged in combating poverty, the development of science, education, culture and healthcare, wider application of information technologies and efficient use of energy resources. The main objective of AIDA is to share Azerbaijan's broad capacity and experience in various economic and social fields with the developing world through its humanitarian aid and development assistance programmes."
>
> Azerbaijan International Development Agency website

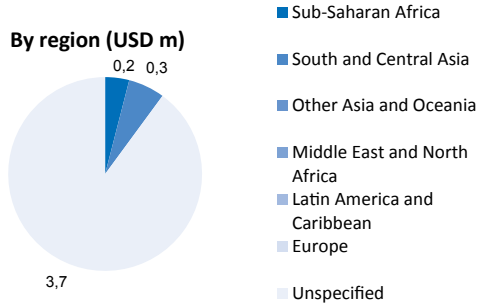
1. An Invitee may be invited, on a case-by-case basis, to participate in formal meetings of the DAC or its subsidiary bodies. An Invitee may take part in discussions but does not take part in decisionmaking processes, nor is it bound by the DAC's conclusions, proposals or decisions.

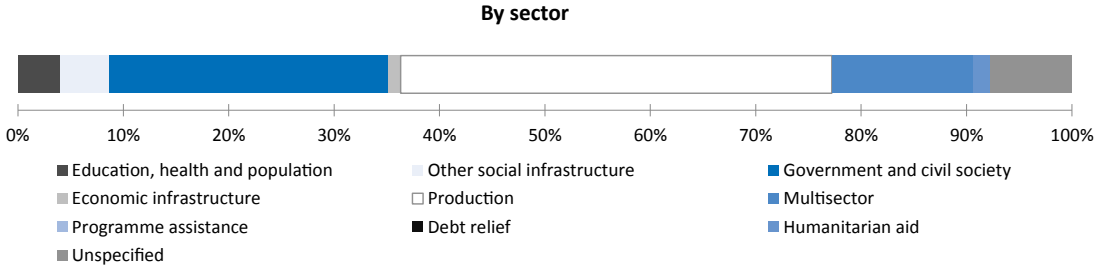
Figure 44.1. **ODA key statistics: Azerbaijan**

Azerbaijan

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

Net ODA	2015	2016	Change 2015/16
Current (USD m)	13	13	3%
Constant (2015 USD m)	13	13	4%
In Azerbaijani manat (millions)	13	21	61%
ODA/GNI	0,02%	0,04%	
Bilateral share	55%	31%	





Source: OECD (2018), "Azerbaijan's official development assistance (ODA)", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm* (accessed 10 May 2018).

StatLink http://dx.doi.org/10.1787/888933798029

Leaving no one behind: AIDA support to the "Alliance to Fight Avoidable Blindness"

Azerbaijan shares its experience and know-how with developing countries within the framework of South-South co-operation in order to achieve the Sustainable Development Goals enshrined in the 2030 Agenda for Sustainable Development.

In this regard, the Azerbaijan International Development Agency (AIDA) considers one of its most successful programmes to be its contribution to the "Alliance to Fight Avoidable Blindness". The campaign was implemented in several African countries each year between 2012 and 2016 as part of AIDA's strategic partnership with the Islamic Development Bank. Under the initiative of AIDA, Azerbaijani ophthalmologists from the National Eye Center, named after Academician Zarifa Aliyeva, participated in the campaign by sharing their knowledge and experience with their colleagues from recipient countries. During this campaign, more than 300 000 people had eye examinations and more than 56 000 patients regained their vision after cataract surgery carried out free of charge. In addition, 177 local doctors benefited from professional training as part of the campaign. The second phase of the campaign will be launched in 2018.

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OECD (2018), "Development finance of countries beyond the DAC", webpage, (accessed 10 May 2018), *http://www.oecd.org/dac/dac-global-relations/non-dac-reporting.htm*

Republic of Azerbaijan Ministry of Foreign Affairs (n.d.), "Azerbaijan International Development Agency", webpage, *http://www.mfa.gov.az/?language=en&options=content&id=667*.

BULGARIA

In 2017, preliminary data show that Bulgaria's official development assistance (ODA) reached USD 62 million (0.11% of gross national income [GNI]). In 2016, Bulgaria's net ODA amounted to USD 68 million, representing an increase of 66% in real terms over 2015. The ODA/GNI ratio rose from 0.09% in 2015 to 0.13% in 2016.

Government Decree No. 234/2011 on the policy of the Republic of Bulgaria to participate in international development co-operation defines the tasks, mechanisms and institutional framework of the country's development co-operation. It also provides guidelines for planning, implementing, monitoring, evaluating and auditing Bulgaria's development co-operation. The medium-term programmes for development co-operation and humanitarian aid, covering three- or four-year periods, determine the specific areas of intervention and expected outcomes, as well as financial allocations among priority partner countries and sectors. The Ministry of Foreign Affairs (United Nations and Co-operation for Development Directorate, International Co-operation for Development Department) leads and co-ordinates Bulgaria's development co-operation activities, in co-operation with line ministries, elaborates ODA policy and annual action plans, and negotiates agreements with partner countries. In addition, the inter-institutional International Development Co-operation Council, a consultative body created in 2007, assists the Ministry of Foreign Affairs in programming and promoting Bulgaria's development co-operation.

In 2016, Bulgaria provided its bilateral development co-operation mostly to Turkey, the Syrian Arab Republic, Georgia, the Former Yugoslav Republic of Macedonia and Serbia. The main sector of Bulgaria's bilateral development co-operation was humanitarian aid. Bulgaria provided its bilateral development co-operation mostly in the form of grants for financial and technical support, as well as expenses for in-donor refugee costs.

Multilateral ODA accounted for 82% of Bulgaria's total ODA in 2016, provided primarily through the European Union (accounting for 72% of its multilateral ODA in 2016), the World Bank Group (19%) and regional development banks (5%).

Bulgaria is an Invitee of the Development Assistance Committee.[2]

> "Development co-operation and humanitarian assistance form an integral part of the foreign policy of the Republic of Bulgaria and contribute to achieving its goals. Official development assistance (ODA) is an important tool for promoting sustainable growth of developing countries, for supporting their integration in the global economy and for building fairer and more democratic societies. Humanitarian aid aims to save human lives, relieve suffering and safeguard human dignity both during and after crises, as well as prevent such situations to occur. It strengthens resilience of countries."
>
> Bulgarian Medium-Term Programme, Development Aid and Humanitarian Assistance for the Period 2016 2019

2. An Invitee may be invited, on a case-by-case basis, to participate in formal meetings of the DAC or its subsidiary bodies. An Invitee may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

Figure 45.1. **ODA key statistics: Bulgaria**

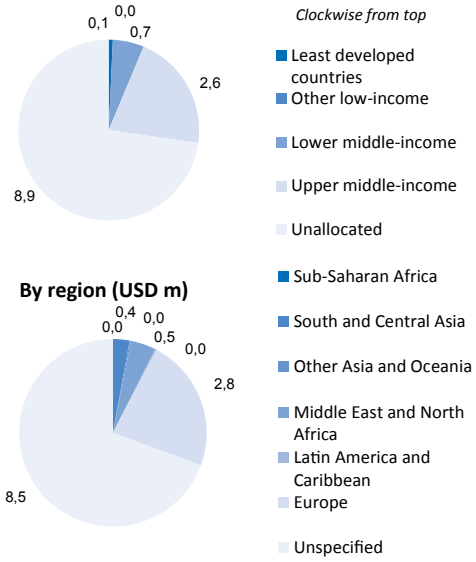
Bulgaria

Net ODA	2015	2016	Change 2015/16
Current (USD m)	41	68	65%
Constant (2015 USD m)	41	68	66%
In Bulgarian lev (millions)	72	120	66%
ODA/GNI	0,09%	0,13%	
Bilateral share	3%	18%	

Top ten recipients of gross ODA (million USD)	
1 Turkey	1,9
2 Syrian Arab Republic	0,3
3 Georgia	0,3
4 Former Yugoslav Republic of M	0,2
5 Serbia	0,2
6 Iraq	0,1
7 Afghanistan	0,1
8 Bosnia and Herzegovina	0,1
9 Ukraine	0,0
10 Moldova	0,0
Memo: Share of gross bilateral ODA	
Top 20 recipients	27%
Top 10 recipients	27%
Top 5 recipients	24%

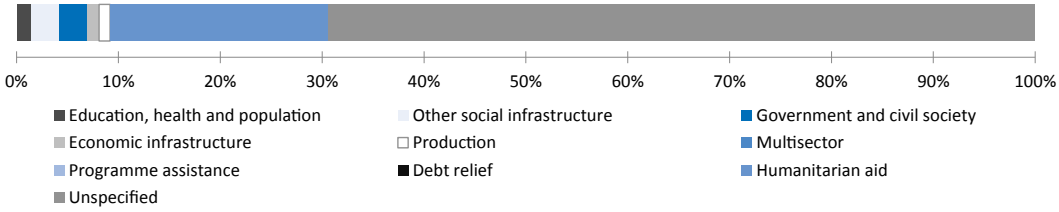
Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

By income group (USD m)



By region (USD m)

By sector



Source: OECD (2018), "Bulgaria's official development assistance", webpage, *www.oecd.org/dac/dac-global-relations/bulgarias-official-development-assistance.htm*

StatLink http://dx.doi.org/10.1787/888933798048

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ESTONIA

In 2017, preliminary data show that Estonia's net official development assistance (ODA) reached USD 42 million (0.17% of gross national income [GNI]). In 2016, Estonia's net ODA amounted to USD 43 million, representing an increase of 26% in real terms over 2015. The ratio of ODA as a share of GNI also rose, from 0.15% to 0.19%.

Estonia's development co-operation is provided in line with its Strategy for Development Co-operation and Humanitarian Aid, 2016-2020. This strategy sets out the goals and objectives of Estonia's development co-operation, its sectoral and geographical priorities, as well as its estimated financial allocations for ODA. The Ministry of Foreign Affairs is the key institution responsible for managing and co-ordinating Estonia's development co-operation.

In 2016, Estonia provided its bilateral development co-operation mostly to Turkey, Ukraine, Afghanistan, Georgia and the Syrian Arab Republic, often in the form of small-scale technical co-operation projects. The main sectors of Estonia's bilateral development co-operation were governance and civil society; education, health and population; and multisector aid. Cross-cutting themes for Estonia's development co-operation were information and communication technologies, transparency and democratic participation, and the rights of women and children.

Multilateral ODA accounted for 57% of Estonia's total ODA in 2016, provided primarily through the European Union (accounting for 83% of its multilateral ODA in 2016), as well as through the World Bank and the United Nations.

Estonia, which joined the OECD in 2010, is an observer to the Development Assistance Committee (DAC). In 2017, Estonia participated in several meetings of the DAC, including its high-level and senior-level meetings.

> "The main objective of Estonian development co-operation is to contribute to the eradication of poverty and to attaining the other Sustainable Development Goals. Estonian bilateral development co-operation is primarily aimed at countries to which Estonia can offer added value based on its own experiences. Thus, the priority partner countries of Estonian bilateral development co-operation are Georgia, Moldova, Ukraine, Afghanistan and Belarus. However, flexibility is also important for Estonian development co-operation and humanitarian aid, as it allows Estonia to react to the world's crises in co-operation with international partners."
>
> Strategy for Estonian Development Co-operation and Humanitarian Aid, 2016-2020

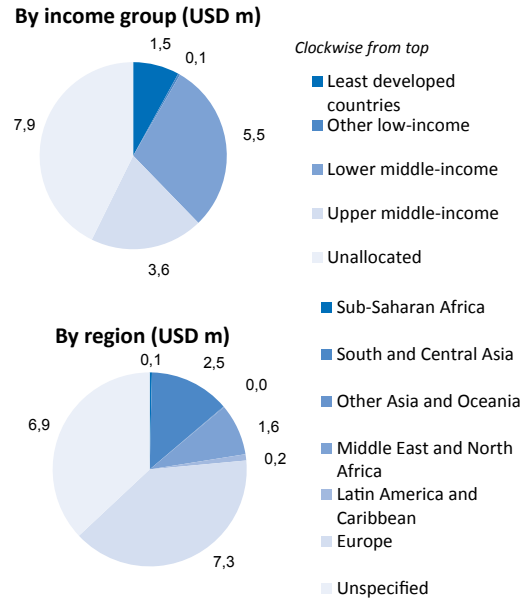
Figure 46.1. **ODA key statistics: Estonia**

Estonia

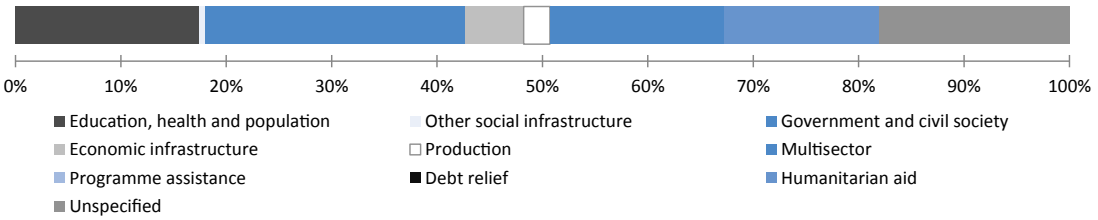
Net ODA	2015	2016	Change 2015/16
Current (USD m)	34	43	28%
Constant (2015 USD m)	34	43	26%
In euro (millions)	31	39	28%
ODA/GNI	0,15%	0,19%	
Bilateral share	44%	43%	

Top ten recipients of gross ODA (million USD)	
1 Turkey	3,1
2 Ukraine	2,6
3 Afghanistan	1,4
4 Georgia	0,9
5 Syrian Arab Republic	0,8
6 Moldova	0,8
7 Iraq	0,2
8 Belarus	0,2
9 West Bank and Gaza Strip	0,1
10 Kyrgyzstan	0,1
Memo: Share of gross bilateral ODA	
Top 20 recipients	57%
Top 10 recipients	55%
Top 5 recipients	47%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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ISRAEL

In 2017, preliminary data show that Israel's net official development assistance (ODA) reached USD 342 million (0.10% of gross national income [GNI]). In 2016, Israel's net ODA amounted to USD 351 million, representing an increase of 46% in real terms over 2015. The ratio of ODA as a share of GNI rose from 0.08% to 0.11%.

Israel's Agency for International Development Co-operation – MASHAV, a division of the Ministry of Foreign Affairs – is in charge of planning, implementing and co-ordinating Israel's development co-operation.

In 2016, Israel provided its bilateral development co-operation mostly to the Syrian Arab Republic, Jordan and the West Bank and Gaza Strip. Israel did not report any information on the sectoral distribution of its programme. Israel provides its bilateral development co-operation mostly in the form of technical co-operation projects and capacity building, provided both in Israel and in developing countries.

Israel is also engaged in triangular co-operation, sharing its experience with other countries. It partners with several international organisations (e.g. the United Nations Development Programme, the Food and Agriculture Organization of the United Nations, and the World Food Programme) and Development Assistance Committee (DAC) members (e.g. Canada, France, Germany, Italy and the United States) to support developing countries in areas in which it has a comparative advantage.

Multilateral ODA accounted for USD 95 million in 2016, representing 27% of Israel's total ODA. It was provided primarily through regional development banks (with a contribution to the Asian Infrastructure Investment Bank accounting for 81% of multilateral contributions), as well as through the United Nations (accounting for 13% of its multilateral ODA in 2016) and the World Bank Group (4%).

Israel, which joined the OECD in 2010, is an observer to the DAC. In 2017, Israel participated in several meetings of the DAC, including its high-level and senior-level meetings, as well as the meetings of several DAC subsidiary bodies: the Network on Environment and Development Co-operation (ENVIRONET), the Network on Gender Equality (GENDERNET), and the Network on Development Evaluation (EvalNet). A representative from Israel participated, as an observer, in the DAC Peer Review of Finland.

> "For over 53 years, the MASHAV has been committed to co-operation throughout the developing world, promoting projects, focusing on the centrality of human resources enrichment and institutional capacity building in the area of development. [...] As a country which has gone through the process of switching from an underdeveloped state in the 1950s to a recent membership in the OECD, we feel we can share with others our first-hand experience in development".
>
> Ambassador Daniel Carmon, Head of MASHAV, Israel's Agency for International Development Co-operation, 2011.

Figure 47.1. **ODA key statistics: Israel**

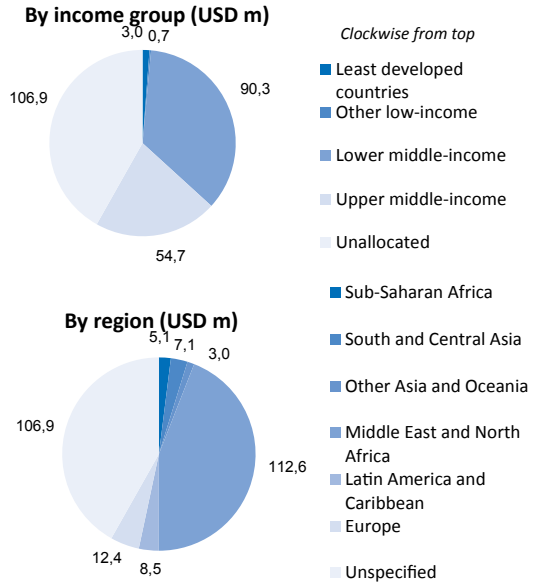
Israel

Net ODA	2015	2016	Change 2015/16
Current (USD m)	233	351	51%
Constant (2015 USD m)	233	340	46%
In Israeli new sheqel (millions)	904	1 346	49%
ODA/GNI	0,08%	0,11%	
Bilateral share	92%	73%	

P. Preliminary data.

Top ten recipients of gross ODA (million USD)	
1 Syrian Arab Republic	52,9
2 Jordan	40,2
3 West Bank and Gaza Strip	19,4
4 Ukraine	9,9
5 Argentina	3,1
6 India	3,1
7 China (People's Republic of)	1,9
8 Brazil	1,8
9 Belarus	1,7
10 Senegal	1,4
Memo: Share of gross bilateral ODA	
Top 20 recipients	56%
Top 10 recipients	53%
Top 5 recipients	49%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown



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KAZAKHSTAN

In 2016, Kazakhstan's net official development assistance (ODA) amounted to USD 31 million, compared to USD 43 million in 2015, a decrease of 43% in real terms. The ratio of ODA as a share of gross national income [GNI] was 0.03% in 2016, compared to 0.04% in 2015.

The Foreign Policy Concept of Kazakhstan 2014-2020 guides Kazakhstan's contribution to the international community's development co-operation efforts. The ODA Concept of Kazakhstan (April 2013) sets out a roadmap for becoming a provider of development co-operation. Law No. 263-V on Official Development Assistance (December 2014) describes the main objectives, principles, competences and sectoral priorities of Kazakhstan's ODA. In accordance with Article 6 of this law, Presidential Decree No. 415 "On approval of the main directions of the state policy in the sphere of ODA for 2017-2020" (January 2017) identifies the geographic and sectoral priorities, forms and mechanisms of financing, key parameters and tools for practical activities of Kazakhstan in the field of official development assistance for the period up to 2020.

The ODA Law provides the legal basis for establishing an agency under the Ministry of Foreign Affairs, provisionally known as the Kazakhstan Agency for International Development Assistance (KAZAID), to implement development co-operation activities. For the moment, the Ministry of Foreign Affairs is the designated authority to implement the main lines of Kazakhstan's ODA policy, including ODA activities.

In 2016, the main sectors for Kazakhstan's bilateral development co-operation were government and civil society, economic infrastructure, and other social infrastructure (Kazakhstan did not report details on recipient countries).

Multilateral ODA accounted for 64% of Kazakhstan's net disbursements in 2016, provided primarily through the United Nations (accounting for 91% of its multilateral ODA in 2016), as well as through other multilateral organisations.

Kazakhstan has been a Development Assistance Committee Invitee since 2015.[3]

> "ODA shall be provided with the aim to facilitate: 1) further integration of Kazakhstan into the regional and international relations system; 2) establishment of external conditions favourable to the successful implementation of Kazakhstan's development strategies and programs; 3) peace-building, regional and global security; 4) promotion of the social and economic development of a partner country and the well-being of its citizens; and 5) gradual transition of a partner country to address environmental protection and climate change."
>
> Article 3. Goals and Objectives of Official Development Assistance
>
> Law of the Republic of Kazakhstan on Official Development Assistance (10 December 2014, No. 263-V)

3. An Invitee may be invited, on a case-by-case basis, to participate in formal meetings of the DAC or its subsidiary bodies. An Invitee may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

Figure 48.1. **ODA key statistics: Kazakhstan**

Kazakhstan

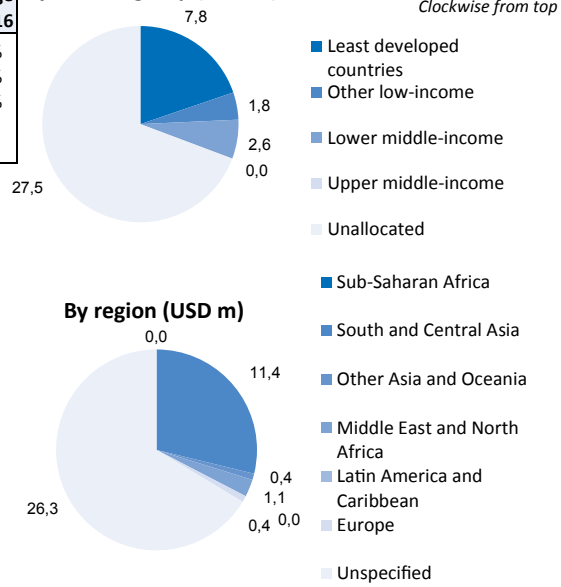
Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

Net ODA	2015	2016	Change 2015/16
Current (USD m)	43	31	-28%
Constant (2015 USD m)	43	31	-28%
In kazakhstani tenge (millions)	9 525	10 549	11%
ODA/GNI	0,02%	0,03%	
Bilateral share	79%	64%	

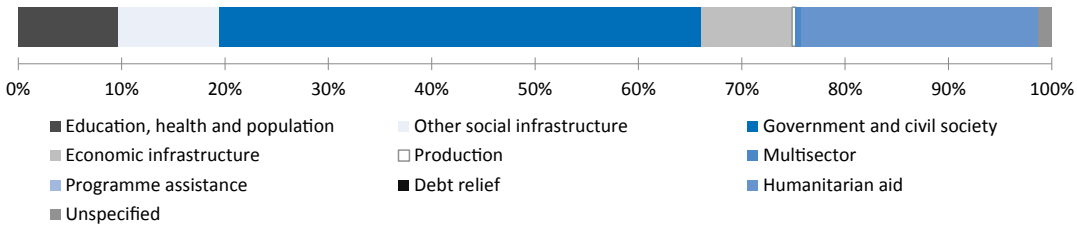
P. Preliminary data.

Top ten recipients of gross ODA (million USD)	
1 Afghanistan	3,9
2 Tajikistan	0,9
3 Syrian Arab Republic	0,6
4 Kyrgyzstan	0,3
5 Ukraine	0,2
6 Mongolia	0,2
7 Azerbaijan	0,0
8	
9	
10	
Memo: Share of gross bilateral ODA	
Top 20 recipients	31%
Top 10 recipients	31%
Top 5 recipients	30%

By income group (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

StatLink *http://dx.doi.org/10.1787/888933798105*

Leaving no one behind: Promoting women's economic empowerment in Afghanistan

In 2017, Kazakhstan, with support from the United Nations Development Programme, launched its first triangular co-operation project with Japan to support women's economic empowerment in Afghanistan.

The two-year project has two main objectives. First, it is designed to increase the economic independence of Afghan women involved in public administration, health and education by transferring Kazakhstan's experience to them. Second, it aims to provide Kazakhstan with the opportunity to learn practical skills in the implementation of ODA projects.

As part of this project, from 8 to 13 July 2017, Kazakhstan hosted in Astana a scientific and practical seminar to increase the capacity of 24 civil servants and representatives of non-governmental organisations from Afghanistan. The participants from Kazakhstan provided technical assistance to transfer their knowledge and experience.

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KUWAIT

In 2016, Kuwait's total net official development assistance (ODA) reached USD 1 billion. The ratio of ODA as a share of gross national income (GNI) was 0.87%, which exceeds the 0.7% target set by the United Nations. Kuwait's ODA in 2016 is much higher than in previous years because in 2016 it included, for the first time, grants by the state of Kuwait administered by the Kuwait Fund for Arab Economic Development (KFAED) and other institutions, as well as grants by the Kuwait Fund.

Kuwait's Law No. 35 of 1961 created the legal basis for the KFAED to act as an implementing agency in all developing countries on behalf of the Kuwaiti government. The KFAED acts under the overall supervision of the Prime Minister, who in practice delegates this mandate to the Minister of Finance. Other ministries, public authorities and non-governmental organisations also contribute to promoting development internationally, notably the Ministry of Foreign Affairs which can also provide humanitarian assistance.

The KFAED primarily provides concessional loans and loans to co-finance projects with other international, regional or national development partners. In addition, the Kuwait Fund provides guarantees. It also administers Kuwaiti government grants (outside its own budget) and provides some grants for technical, economic, and financial studies and assistance. The other actors in Kuwait's development co-operation system mainly provide grants.

In 2016, Kuwait provided its bilateral development co-operation mostly to Morocco, Jordan, Iraq, and the West Bank and Gaza Strip. The main sectors for Kuwait's bilateral development co-operation were economic infrastructure-related sectors, mainly transport and energy.

Multilateral ODA accounted for 3% of Kuwait's net disbursements in 2016, provided primarily through the World Bank Group (accounting for 70% of its multilateral ODA in 2016) and the Arab Gulf Program for Development (AgFund, 15%).

Kuwait became a Participant of the Development Assistance Committee (DAC) on 30 January 2018.[4] In 2017, the Kuwait Fund participated in the Arab-DAC Dialogue on Development held in Bern, Switzerland.

> "The Kuwait Fund for Arab Economic Development is the first institution in the Middle East that took an active role in the international development efforts. […] Today, the Kuwait Fund forms a solid bridge of friendship and solidarity between the state of Kuwait and the developing nations".
>
> Kuwait Fund website

4. As a Participant, Kuwait can attend formal meetings of the DAC and its subsidiary bodies. A Participant may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

Figure 49.1. **ODA key statistics: Kuwait**

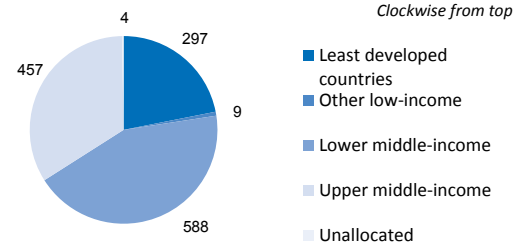
Kuwait

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

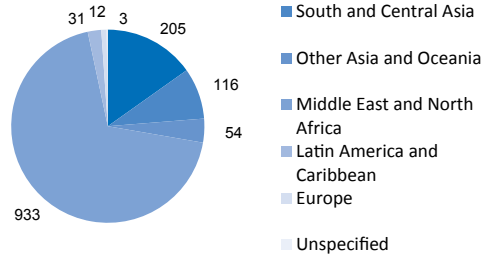
Net ODA	2015	2016	Change 2015/16
Current (USD m)	304	1 080	255%
Constant (2015 USD m)	304	1 087	257%
In Kuwaiti dinar (millions)	92	326	256%
ODA/GNI		0,87%	
Bilateral share	100%	97%	

Top ten recipients of gross ODA (million USD)	
1 Morocco	287,7
2 Jordan	246,2
3 Iraq	86,8
4 West Bank and Gaza Strip	86,1
5 Egypt	84,4
6 Syrian Arab Republic	63,5
7 Djibouti	57,2
8 Lebanon	41,9
9 Bangladesh	39,6
10 China (People's Republic of)	31,2
Memo: Share of gross bilateral ODA	
Top 20 recipients	89%
Top 10 recipients	76%
Top 5 recipients	58%

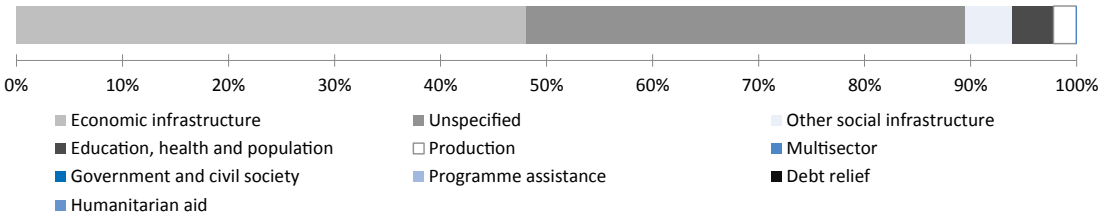
By income group (USD m)



By region (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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LATVIA

In 2017, preliminary data show that Latvia's net official development assistance (ODA) reached USD 32 million (0.11% of gross national income [GNI]). In 2016, Latvia's net ODA amounted to USD 30 million, representing an increase of 29% in real terms over 2015. The ODA/GNI ratio rose from 0.09% to 0.11%.

Latvia's development co-operation is provided in line with the Latvian Development Co-operation Policy Strategy for 2016-2020, which defines the goals, principles and directions of Latvia's development co-operation. The Ministry of Foreign Affairs is responsible for formulating development co-operation policy and for co-ordinating activities.

In 2016, Latvia provided its bilateral development co-operation mostly to Turkey (for assistance to refugees from the Syrian Arab Republic), Ukraine, Georgia, the Republic of Moldova and Afghanistan. The main sectors for Latvia's bilateral ODA were humanitarian aid; government and civil society; and education, health and population. Latvia provides its bilateral development co-operation mostly in the form of small-scale technical co-operation projects.

Multilateral ODA accounted for 89% of Latvia's total ODA in 2016, provided primarily through the European Union (accounting for 85% of its multilateral ODA in 2016), as well as through the World Bank Group (7%) and the United Nations (5%).

Latvia, which joined the OECD in 2016, is an observer to the Development Assistance Committee (DAC). In 2017, Latvia participated in several meetings of the DAC, including its high-level and senior-level meetings, as well as the meetings of several DAC subsidiary bodies: the DAC Working Party on Development Finance Statistics (WP-STAT) and the Network on Development Evaluation (EvalNet).

> "In implementing development co-operation both bilaterally and multilaterally Latvia is guided by the following principles – the main responsibility of partner countries over their national development; co-ordination and partnership; sustainability of results and predictability of aid; transparency and policy coherence for sustainable development. One of the principles is the implementation of horizontal issues – good governance, democracy, respect for human rights, gender equality, and environmental sustainability – in all activities of development co-operation."
>
> Latvian Development Co-operation Policy Guidelines for 2016-2020

Figure 50.1. **ODA key statistics: Latvia**

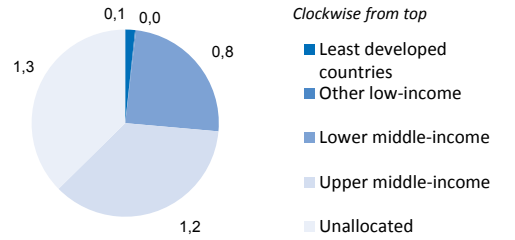
Latvia

Net ODA	2015	2016	Change 2015/16
Current (USD m)	23	30	30%
Constant (2015 USD m)	23	30	29%
In euro (millions)	21	27	31%
ODA/GNI	0,09%	0,11%	
Bilateral share	10%	11%	

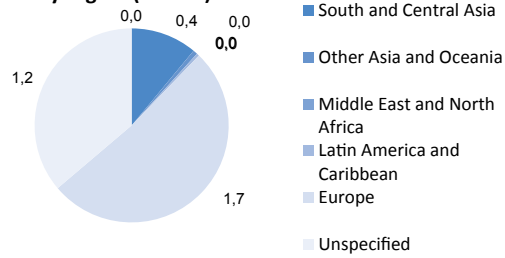
Top ten recipients of gross ODA (million USD)	
1 Turkey	1,1
2 Ukraine	0,5
3 Georgia	0,2
4 Moldova	0,1
5 Afghanistan	0,1
6 Uzbekistan	0,0
7 Belarus	0,0
8 China (People's Republic of)	0,0
9 Kyrgyzstan	0,0
10 Kazakhstan	0,0
Memo: Share of gross bilateral ODA	
Top 20 recipients	63%
Top 10 recipients	62%
Top 5 recipients	58%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

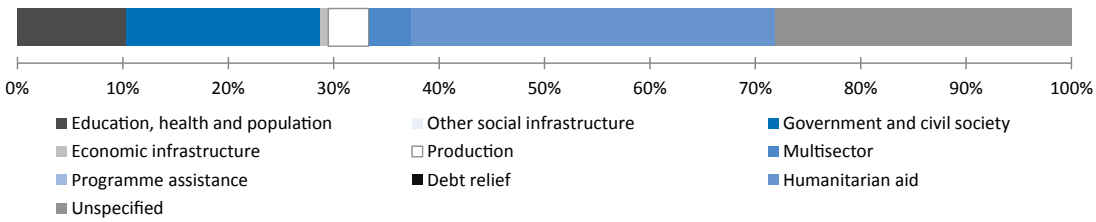
By income group (USD m)



By region (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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Leaving no one behind: Raising awareness of girls' rights

One of the priorities of Latvia's Development Co-operation Policy Guidelines for 2016-2020 is the promotion of democratic participation and development of the civil society, including the promotion of gender equality and women's empowerment. The Sustainable Development Goals cannot be achieved if they leave out women, who make up half of the world's population. It is consequently crucial to be aware of and unlock the economic potential of girls and women. In this regard, the Ministry of Foreign Affairs of Latvia supports the activities of the Latvian civil society organisation "Marta" to implement projects in the Central Asian countries of Tajikistan and Kyrgyzstan with the goal of raising awareness of girls' rights to receive an education and attain economic independence, and preventing early marriages. Engaging with local authorities, heads of schools, teachers, parents, civil society organisations, media and youth representatives, considerable work has been done to produce, in an inclusive manner, methodological materials and action plans setting out certain steps to encourage girls to stay at school also after grades 8 and 9.

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OECD (2018), "Development finance of countries beyond the DAC", webpage, (accessed 10 May 2018), *http://www.oecd.org/dac/dac-global-relations/non-dac-reporting.htm*

LITHUANIA

In 2017, preliminary data show that Lithuania's net official development assistance (ODA) reached USD 59 million (0.13% of gross national income [GNI]). In 2016, Lithuania's net ODA amounted to USD 57 million, representing an increase of 19% in real terms over 2015. The ODA/GNI ratio rose from 0.12% to 0.14%.

The Law on Development Co-operation and Humanitarian Aid, adopted in 2013 and updated with a new edition in 2016, provides the framework for Lithuania's development co-operation policy and outlines its mission, goals, principles, priorities, responsibilities and financing. The main principles of Lithuania's development co-operation are: partnership with partner countries, partner country's ownership, solidarity, efficiency, transparency and responsibility, co-ordination and complementarity, and policy coherence.

The Ministry of Foreign Affairs is responsible for implementing and co-ordinating Lithuania's development co-operation and takes an active role in encouraging Lithuanian national and municipal authorities and bodies, non-governmental organisations, and the private sector to take a stronger role in implementing the 2030 Agenda in partner countries. In 2017, to improve the quality and effectiveness of its ODA, project management functions were partly transferred from the ministry to the new Central Project Management Agency (which should develop gradually into a fully fledged Lithuanian Development Co-operation Agency). In 2017, representatives of business associations were also incorporated into the National Development Co-operation Commission, which plays a key role in ensuring policy coherence for development.

Lithuania's inter-governmental Development Co-operation Action Plan for the period 2017-19 aims to support effective development policies in line with achieving the Sustainable Development Goals by 2030 and in accordance with the needs of partner countries. Thirteen ministries and other public institutions have committed to implement the action plan and allocate funds for development co-operation.

In 2016, Lithuania provided its bilateral development co-operation mostly to Ukraine, Turkey, Belarus, Georgia and the Republic of Moldova. The main sectors for Lithuania's bilateral development co-operation were humanitarian aid; education, health and population; and governance and civil society. Lithuania provides its bilateral development co-operation mostly in the form of small-scale technical co-operation projects.

Multilateral ODA accounted for 76% of Lithuania's total ODA in 2016, provided primarily through the European Union (accounting for 87% of its multilateral ODA in 2016), as well as through the World Bank Group (8%) and the United Nations (3%).

In 2017, Lithuania, an OECD accession country and a Development Assistance Committee (DAC) Invitee,[5] participated in the DAC senior-level and high-level meetings, as well as in the meetings of several DAC subsidiary bodies: the Working Party on Development Finance Statistics (WP-STAT), the Network on Development Evaluation (EvalNet), the Network on Gender Equality (GENDERNET) and the Network on Governance (GOVNET). In November 2017, OECD staff delivered a presentation on policy coherence for sustainable development at the meeting in Vilnius of the National Development Co-operation Commission and participated in a seminar on ODA statistics and reporting.

5. An Invitee may be invited, on a case-by-case basis, to participate in formal meetings of the DAC or its subsidiary bodies. An Invitee may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

Lithuanian development co-operation aims to: 1) contribute to global efforts to reduce poverty in developing countries and the implementation of other Sustainable Development Goals decided on by the United Nations; 2) contribute to the development of an area of democracy, security and stability as well as sustainable development in the partner countries; 3) contribute to the enhancement of human rights and gender equality in the partner countries; 4) strengthen political, economic, social and cultural ties with the partner countries; and 5) inform and educate Lithuanian society about development co-operation policies of the United Nations, European Union and Lithuania, their goals and challenges, the results achieved, and to seek broader public acceptance and support for this activity.

From Article 3, Law on Development Cooperation and Humanitarian Aid, 2016

Figure 51.1. **ODA key statistics: Lithuania**

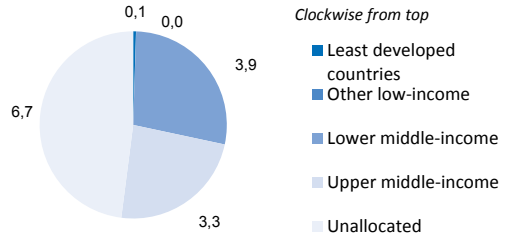
Lithuania

Net ODA	2015	2016	Change 2015/16
Current (USD m)	48	57	19%
Constant (2015 USD m)	48	57	19%
In euro (millions)	43	52	19%
ODA/GNI	0,12%	0,14%	
Bilateral share	20%	24%	

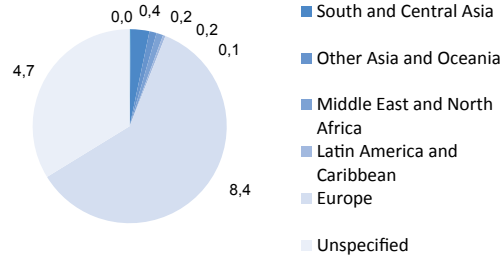
Top ten recipients of gross ODA (million USD)	
1 Ukraine	3,2
2 Turkey	1,7
3 Belarus	1,3
4 Georgia	0,3
5 Moldova	0,2
6 Malaysia	0,1
7 Syrian Arab Republic	0,1
8 Iraq	0,1
9 Armenia	0,0
10 China (People's Republic of)	0,0
Memo: Share of gross bilateral ODA	
Top 20 recipients	51%
Top 10 recipients	50%
Top 5 recipients	48%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

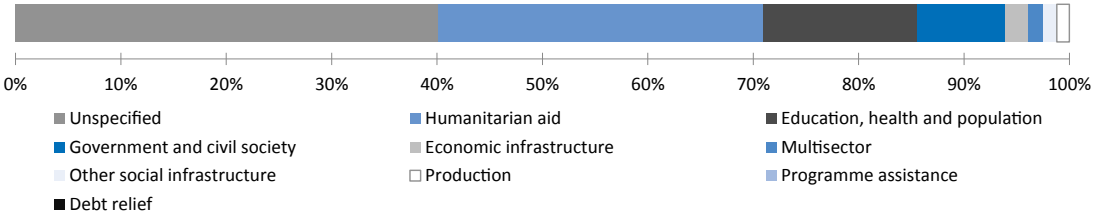
By income group (USD m)



By region (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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ROMANIA

In 2016, Romania's net official development assistance (ODA) amounted to USD 269 million, representing an increase of 71% in real terms over 2015. The ODA/GNI ratio rose from 0.09% in 2015 to 0.15% in 2016.

Law No. 213/2016 provides the legal basis for the development co-operation and humanitarian aid activities financed from Romanian public funds. The Ministry of Foreign Affairs is the national co-ordinator of Romania's development co-operation and humanitarian aid policy. It monitors progress made in achieving the objectives and commitments assumed by Romania, reports annually to the government on activities implemented, and signs funding agreements. An Advisory Committee, composed of representatives from line ministries, public institutions, civil society, academia and the private sector, is responsible for ensuring the co-ordination and unity of strategic planning and priorities in the field of development co-operation. Law No. 213/2016 also created an Agency for International Development Cooperation, "RoAid", which is responsible for implementing development co-operation and humanitarian aid-related activities.

In 2016, Romania provided its bilateral development co-operation mostly to the Republic of Moldova, Turkey, Serbia, Ukraine and the Syrian Arab Republic. The main sectors of Romania's bilateral development co-operation were governance and civil society; education, health and population; and humanitarian aid. Romania provides its bilateral development co-operation mostly in the form of scholarships and grants for financial and technical support.

Multilateral ODA accounted for 59% of Romania's total ODA in 2016, provided primarily through the European Union (accounting for 87% of its multilateral ODA in 2016), as well as through the World Bank Group (7%) and the United Nations (3%).

Romania became a Development Assistance Committee participant on 5 April 2018.

> Romania's Strategic Multiannual Program is in line with the current global and EU development initiatives, namely Agenda 2030, including the 17 Sustainable Development Goals, and the new European Consensus on Development, which have as core objectives the eradication of poverty and further correlating the economic, social and environmental dimension of sustainable development, focusing on people, the planet, prosperity, peace and partnerships.
>
> Strategic Multiannual Program on International Development Co-operation and Humanitarian Assistance Policy, 2018-2021

Figure 52.1. **ODA key statistics: Romania**

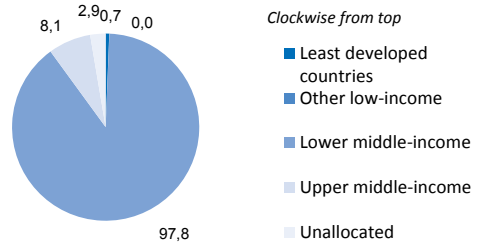
Romania

Net ODA	2015	2016	Change 2015/16
Current (USD m)	158	269	70%
Constant (2015 USD m)	158	271	71%
In Romanian new leu (millions)	633	1 093	73%
ODA/GNI	0,09%	0,15%	
Bilateral share	21%	41%	

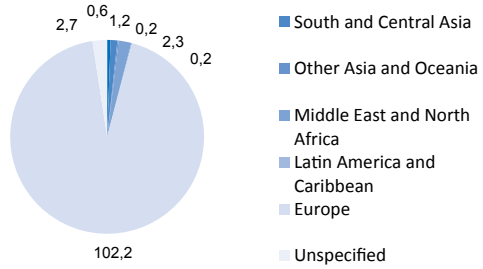
Top ten recipients of gross ODA (million USD)	
1 Moldova	94,6
2 Turkey	4,3
3 Serbia	1,4
4 Ukraine	0,8
5 Syrian Arab Republic	0,7
6 Albania	0,6
7 West Bank and Gaza Strip	0,5
8 Georgia	0,4
9 Former Yugoslav Republic of Macedonia	0,3
10 Jordan	0,3
Memo: Share of gross bilateral ODA	
Top 20 recipients	96%
Top 10 recipients	95%
Top 5 recipients	93%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

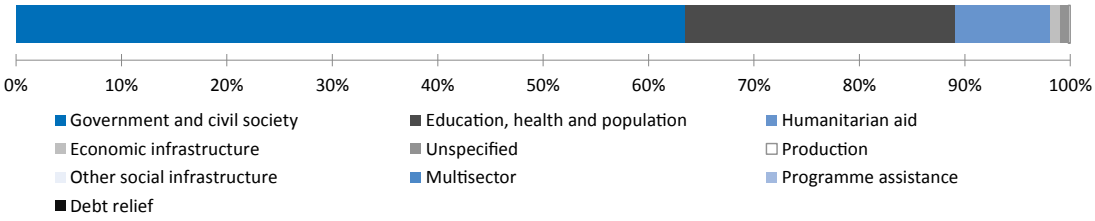
By income group (USD m)



By region (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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Leaving no one behind: Sharing Romanian expertise and experience effectively

The Mobility Fund for governmental experts is a global rapid-reaction instrument created to meet the *ad hoc* needs of Romania's partner countries by providing Romanian experts and expertise in fields where Romania can add value. Since 2013, this instrument has been used to finance 43 short-term missions that shared Romanian experience and expertise, in line with Romania's development co-operation strategy, thus contributing to the development of partner countries.

The missions funded aimed to train experts from the beneficiary countries in areas such as project management, the sanitary-veterinary field, public communication, consumer protection, electoral assistance, disaster risk reduction and crisis management. They also aimed at sharing Romania's experience and expertise in such fields as: the EU pre-accession process, fight against corruption, competition, child protection, reform of the justice system and national security.

During 2016, the Mobility Fund was used to organise 14 missions to share Romania's experience and expertise in areas including: child protection, anti-corruption and food safety, legislative harmonisation, zootechnics, consumer protection, judicial co-operation, etc.

The feedback on these missions has been positive. According to a representative of World Vision: "The Mobility Fund is an extraordinary instrument. [...] Simple procedures, maximum results, great satisfaction. [...] The amount of innovative ideas resulting from these exchanges has been amazing and materialized in the improvement of legislation, strategy and reform plans which, eventually, in my field, means a better life for children."

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RUSSIAN FEDERATION

In 2017, preliminary data show that the Russian Federation's net official development assistance (ODA) reached USD 1.2 billion (0.08% of gross national income [GNI]). In 2016, the Russian Federation's net ODA amounted to USD 1.3 billion compared to USD 1.2 billion in 2015, an increase of 12% in real terms. The ratio of ODA as a share of GNI rose from 0.09% in 2015 to 0.10% in 2016.

The Russian Federation's development co-operation is provided in line with the Concept of the Russian Federation's State Policy in the Area of International Development Assistance, approved by the President of the Russian Federation in 2014. The concept sets out the objectives, principles and priorities of the Russian Federation's development co-operation, as well as the criteria for providing assistance to partner countries. The Ministry of Foreign Affairs and the Ministry of Finance, in co-operation with other government agencies, play a leading role in formulating the Russian Federation's development co-operation policy and supervise its implementation.

In 2016, the Russian Federation provided its bilateral development assistance mainly to Cuba, Kyrgyzstan, the Democratic People's Republic of Korea, Armenia and Tajikistan. Most of the Russian Federation's bilateral development co-operation was provided in the form of debt relief (56%). Other bilateral development co-operation was provided in the form of programme assistance and multisector aid.

The Russian Federation's multilateral ODA accounted for 39% its total ODA, provided mostly through the Asian Infrastructure and Investment Bank (accounting for 46% of its multilateral ODA in 2016), the United Nations (30%) and the World Bank Group (18%).

In 2017, the Russian Federation, an OECD accession country and a Development Assistance Committee (DAC) Invitee,[6] participated in the meeting of the DAC Working Party on Development Finance Statistics (WP-STAT).

> "Russia considers sustainable socio-economic development of countries and peoples as an indispensable element of the modern collective security system. […] Therefore, present-day realities of global policy and economy and Russia's status of a superpower suggest that Russia could pursue a more active policy in international development assistance, including an increase in government spending for these purposes".
>
> Concept of Russia's Participation in International Development Assistance, 2007

6. An Invitee may be invited, on a case-by-case basis, to participate in formal meetings of the DAC or its subsidiary bodies. An Invitee may take part in discussions but does not take part in decisionmaking processes, nor is it bound by the DAC's conclusions, proposals or decisions.

Figure 53.1. **ODA key statistics: Russian Federation**

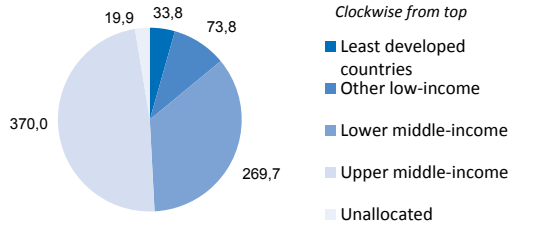
Russian Federation

Net ODA	2015	2016	Change 2015/16
Current (USD m)	1 161	1 258	8%
Constant (2015 USD m)	1 161	1 300	12%
In Russian ruble (millions)	71 150	84 351	19%
ODA/GNI	0,09%	0,10%	
Bilateral share	78%	61%	

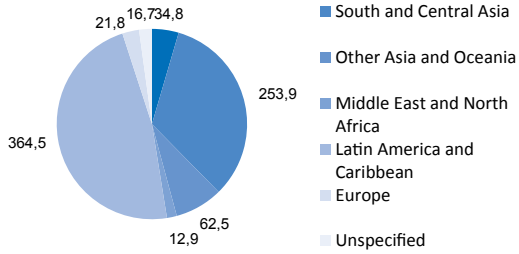
Top ten recipients of gross ODA (million USD)	
1 Cuba	352,0
2 Kyrgyzstan	198,8
3 Democratic People's Republic of Korea	58,6
4 Armenia	40,3
5 Tajikistan	13,7
6 Nicaragua	12,0
7 Serbia	11,7
8 Madagascar	9,9
9 Mozambique	8,0
10 West Bank and Gaza Strip	6,8
Memo: Share of gross bilateral ODA	
Top 20 recipients	97%
Top 10 recipients	93%
Top 5 recipients	86%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

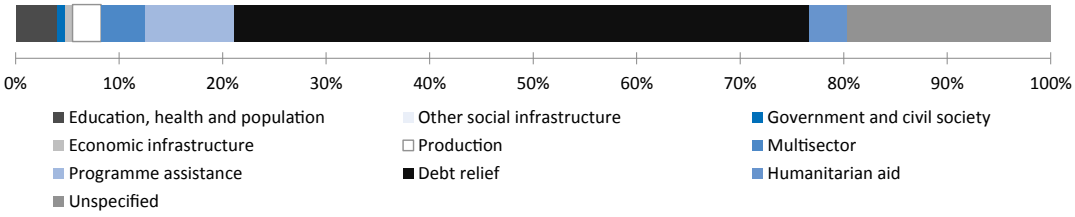
By income group (USD m)



By region (USD m)



By sector



Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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THAILAND

In 2016, Thailand's net ODA amounted to USD 168 million, representing an increase of 170% in real terms over 2015. The ODA/GNI ratio rose from 0.02% in 2015 to 0.05% in 2016.

The Ministry of Foreign Affairs is responsible for Thailand's bilateral and multilateral development co-operation policies. Its Department of International Organisations (DIO) also makes contributions to international organisations, such as the United Nations and the Asian Development Bank.

Thailand's development co-operation is guided by the "Philosophy of Sufficiency Economy (SEP)" – a model that Thailand followed for its own development and which aims at providing a balanced and stable development to achieve the SDGs. It looks at modernising economies and societies by coping with critical challenges that arise from globalisation.

The Thailand International Development Cooperation Agency (TICA), under the Ministry of Foreign Affairs, is the central implementing agency for technical co-operation and capacity building. It provides a number of training courses, post-graduate scholarships, fellowships and study visits as well as programmes to dispatch Thai experts and volunteers. TICA also provides funding to other government agencies and private organisations to support capacity development for developing countries.

The Export-Import Bank (EXIM), under supervision of the Minister of Finance, is Thailand's largest provider of ODA, offering concessional loans to developing countries, mainly to Thailand's neighbours. These loans are linked to provision of goods and services from Thai companies.

The Neighbouring Countries Economic Development Cooperation Agency (NEDA), which is based in the Ministry of Finance, is Thailand's second largest provider of ODA. It provides grants and concessional loans to neighbouring countries. NEDA also provides some technical assistance, research and academic support to stimulate regional economic development in the South-East Asia region.

Seventeen line ministries (including education, health and transport) also provide grants for bilateral projects and make contributions to some multilateral organisations.

In 2016, Thailand provided its bilateral development co-operation mostly to Lao People's Democratic Republic, Myanmar, Cambodia, Bhutan and Viet Nam.

Multilateral ODA accounted for 68% of Thailand's total ODA in 2016, provided primarily through the Asian Infrastructure Investment Bank (accounting for 86% of its multilateral ODA in 2016), as well as through the World Bank Group (3%).

Thailand has reported to the OECD aggregate data on its development co-operation since 2006.

> Our development co-operation is in line with the United Nations' 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) and focuses on sharing Thailand's successes with our friends in various sustainable development sectors, ranging from agricultural and food security, education, public health to tourism and rural development.
>
> (Thailand International Cooperation Agency and Philosophy of Sufficiency Economy in Action, TICA 2017)

Figure 54.1. **ODA key statistics: Thailand**

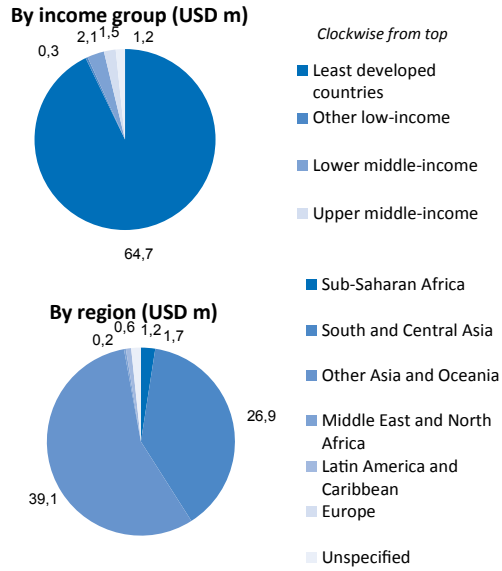
Thailand

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown

Net ODA	2015	2016	Change 2015/16
Current (USD m)	62	168	169%
Constant (2015 USD m)	62	169	170%
In Thailand baht (millions)	2 138	5 911	176%
ODA/GNI	0,02%	0,05%	
Bilateral share	87%	32%	

P. Preliminary data.

Top ten recipients of gross ODA (million USD)	
1 Lao People's Democratic Republic	33,2
2 Myanmar	25,1
3 Cambodia	3,5
4 Bhutan	1,0
5 Viet Nam	0,8
6 Indonesia	0,4
7 Sri Lanka	0,2
8 Fiji	0,2
9 China (People's Republic of)	0,2
10 Bangladesh	0,2
Memo: Share of gross bilateral ODA	
Top 20 recipients	95%
Top 10 recipients	93%
Top 5 recipients	91%



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

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TURKEY

In 2017, preliminary data show that Turkey's net official development assistance (ODA) reached USD 8.1 billion (0.95% of gross national income [GNI]). In 2016, Turkey's net ODA amounted to USD 6.5 billion, representing an increase of 72% in real terms over 2015. The ratio of ODA as a share of GNI rose from 0.50% in 2015 to 0.76% in 2016, which exceeds the 0.7% target set by the United Nations. As in 2014 and 2015, the increase in Turkey's ODA mostly related to its response to the refugee crisis in its neighbouring country, the Syrian Arab Republic.

Turkey's development co-operation is provided in line with the Statutory Decree on the Organization and Duties of the Turkish Co-operation and Co-ordination Agency (TIKA), adopted in 2011. The agency designs and co-ordinates Turkey's bilateral development co-operation activities and implements projects in collaboration with other ministries, non-governmental organisations (NGOs) and the private sector. TIKA is an autonomous institution attached to the Prime Minister's Office. Other public institutions, NGOs, and the private sector also implement projects and programmes funded through Turkey's ODA.

In 2016, Turkey provided the largest share of its bilateral development co-operation to the Syrian Arab Republic, Somalia, the West Bank and Gaza Strip, Afghanistan, and Bosnia and Herzegovina. The main sectors for Turkey's bilateral development co-operation were humanitarian aid and refugee support; education, health and population; and economic infrastructure (communications and business and other services).

Turkey is also engaged in triangular co-operation. For example, Turkey is one of the most active partners of the Islamic Development Bank's Reverse Linkage mechanism, which facilitates and enables the bank's member states to share expertise, knowledge and good practice on specific development constraints. Turkey has recently mapped its resource centres to enhance its participation in this mechanism.

Multilateral ODA accounted for 4% of Turkey's total ODA in 2016, provided mainly through regional development banks (the Asian Infrastructure Development Bank accounted for nearly 71% of multilateral contributions), as well as through the United Nations (14%) and other multilateral agencies. Turkey hosts the Technology Bank for Least Developed Countries to strengthen the science, technology and innovation capacity in these countries.

Turkey, a founding member of the OECD, is an observer to the Development Assistance Committee (DAC). In 2017, Turkey participated in several meetings of the DAC, including its high-level and senior-level meetings, as well as the meetings of several DAC subsidiary bodies: the Working Party on Development Finance Statistics (WP-STAT) and the Network on Development Evaluation (EvalNet).

> "… Turkey continues its efforts to play a constructive role in major issues in its own region and beyond. These efforts are reinforced by Turkey's development co-operation activities. Turkey's endeavors in the field of development co-operation demonstrate its dedication to the global efforts aimed at poverty eradication and sustainable development for a better future for all."
>
> Turkey's Development Co-operation: General Characteristics, Ministry of Foreign Affairs

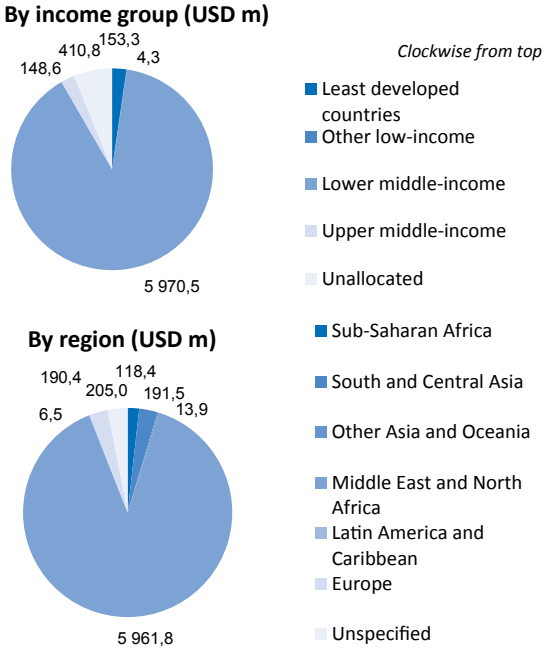
Figure 55.1. **ODA key statistics: Turkey**

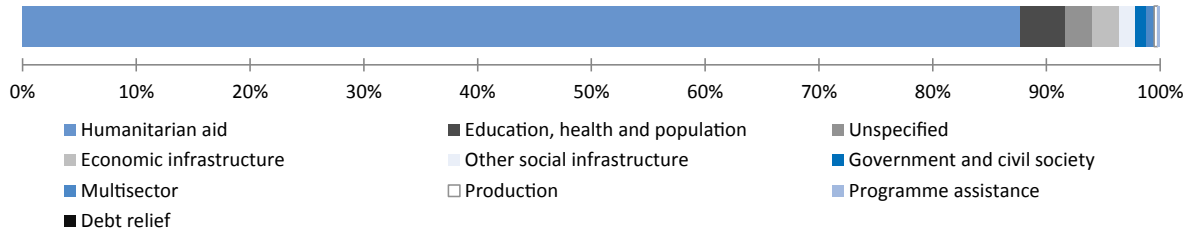
Turkey

Net ODA	2015	2016	Change 2015/16
Current (USD m)	3 919	6 488	66%
Constant (2015 USD m)	3 919	6 739	72%
In Turkish new lira (millions)	10 672	19 609	84%
ODA/GNI	0,50%	0,76%	
Bilateral share	98%	96%	

Top ten recipients of gross ODA (million USD)	
1 Syrian Arab Republic	5851,2
2 Somalia	59,6
3 West Bank and Gaza Strip	43,1
4 Afghanistan	32,7
5 Bosnia and Herzegovina	30,3
6 Kyrgyzstan	25,4
7 Former Yugoslav Republic of Macedonia	19,0
8 Kazakhstan	19,0
9 Azerbaijan	14,2
10 Tunisia	12,3
Memo: Share of gross bilateral ODA	
Top 20 recipients	93%
Top 10 recipients	91%
Top 5 recipients	90%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown





Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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Leaving no one behind: Turkey's approach

Turkey's development assistance is an instrument to strengthen its co-operation with other countries. Furthermore, Turkey's efforts in the field of development co-operation are a testimony to its dedication to the global efforts aimed at creating a more peaceful and stable environment, poverty eradication and sustainable development for a better future for all. In this vain, implementation of the Sustainable Development Goals (SDGs) around the world is a high priority for Turkey. Turkey believes that the SDGs provide unprecedented opportunities to build partnerships and take robust action to achieve the goal of ensuring "no one is left behind". To this end, Turkey prioritises the needs of the least-developed countries and continues to fulfil its commitments towards this most vulnerable group of countries. Forming partnerships based on a human-centered and demand-driven approach is at the core of Turkey's policy in development co-operation. Turkey believes that its ability to tailor its assistance according to the needs of the recipient countries, as well as its practical, flexible and cost-efficient development solutions, stand out among emerging donors.

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UNITED ARAB EMIRATES

In 2017, preliminary data show that the United Arab Emirates' net official development assistance (ODA) reached USD 4.6 billion (1.31% of gross national income [GNI]). In 2016, the United Arab Emirates' total net ODA reached USD 4.2 billion, representing a decrease in real terms of 3% over 2015. The ratio of ODA as a share of GNI rose to 1.21% in 2016, up from 1.18% in 2015, which exceeds the 0.7% target set by the United Nations.

The Ministry of International Cooperation and Development and the Ministry of Foreign Affairs were merged in February 2016. The new Ministry for Foreign Affairs and International Cooperation (MOFAIC) has overall responsibility for setting policy, geographical and sectoral priorities for the United Arab Emirates' development co-operation. The ministry also identifies modalities and mechanisms for foreign aid distribution and implementation, and documents aid flows. In December 2016, the MOFAIC launched the United Arab Emirates' new development co-operation strategy for 2017-21 (Government of the United Arab Emirates, 2016).

In 2016, the United Arab Emirates provided its bilateral co-operation mostly to Egypt, Yemen, Jordan, Serbia, Morocco and Somalia. The main sectors of the United Arab Emirates' bilateral disbursements were programme assistance, humanitarian aid and economic infrastructure (transport and energy). The United Arab Emirates provides its bilateral programme mostly in the form of grants.

The United Arab Emirates is also engaged in triangular co-operation, for example through the UAE-Pacific Partnership Fund in which the United Arab Emirates collaborated with the Asian Development Bank, World Bank, Japan, European Union and, especially, New Zealand in a number of Pacific small island developing states. The United Arab Emirates has also developed a technical assistance programme to work through its public-private partnerships and partner countries using a variety of modalities, including triangular co-operation.

Multilateral ODA accounted for 2% of the country's total ODA in 2016, provided primarily through the Islamic Development Bank (43%), the UN agencies (24%) and the World Bank Group (19%).

The United Arab Emirates is a Participant in the Development Assistance Committee (DAC).[7] In 2017, it participated in the DAC senior-level and high-level meetings, as well as the meetings of several DAC subsidiary bodies: the DAC Network on Gender Equality (GENDERNET) and the DAC Working Party on Development Finance Statistics (WP-STAT). The United Arab Emirates also participated in the 2017 Arab-DAC Dialogue on Development held in Bern, Switzerland.

> "Global peace and prosperity represent the key pillars of the UAE's Foreign Assistance Policy at a time that, unfortunately, witnesses more manifestations of poverty and instability. It requires us to take a genuine stand to review the moral obligations of states and organisations to alleviate human suffering through maximising aid impact, pushing towards support for stability, and putting an end to the conflicts and wars that generate more human tragedies."
>
> H.H. Sheikh Abdullah bin Zayed Al Nahyan, United Arab Emirates Minister of Foreign Affairs and International Cooperation, 2016

7. As a Participant, the United Arab Emirates can attend formal meetings of the DAC and its subsidiary bodies. A Participant may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

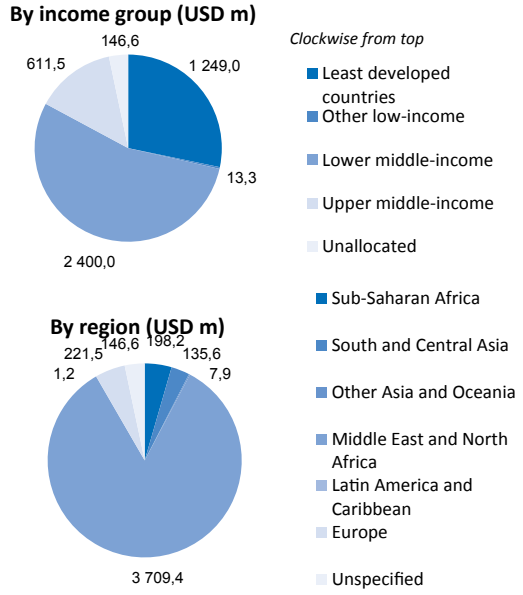
Figure 56.1. **ODA key statistics: United Arab Emirates**

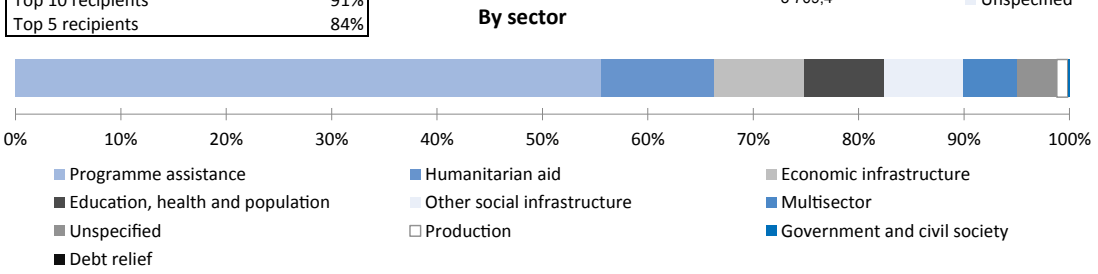
United Arab Emirates

Net ODA	2015	2016	Change 2015/16
Current (USD m)	4 381	4 241	-3%
Constant (2015 USD m)	4 381	4 270	-3%
In UAE dirham (millions)	16 091	15 575	-3%
ODA/GNI	1,18%	1,21%	
Bilateral share	99%	98%	

Top ten recipients of gross ODA (million USD)	
1 Egypt	2 069
2 Yemen	994,1
3 Jordan	238,1
4 Serbia	200,4
5 Morocco	196,8
6 Somalia	96,2
7 Iraq	74,8
8 Mauritania	47,3
9 Libya	43,7
10 Afghanistan	41,4
Memo: Share of gross bilateral ODA	
Top 20 recipients	95%
Top 10 recipients	91%
Top 5 recipients	84%

Gross bilateral ODA, 2016 (disbursements), unless otherwise shown





Source: OECD (2017), "Development finance of countries beyond the DAC", webpage, *www.oecd.org/dac/stats/non-dac-reporting.htm*.

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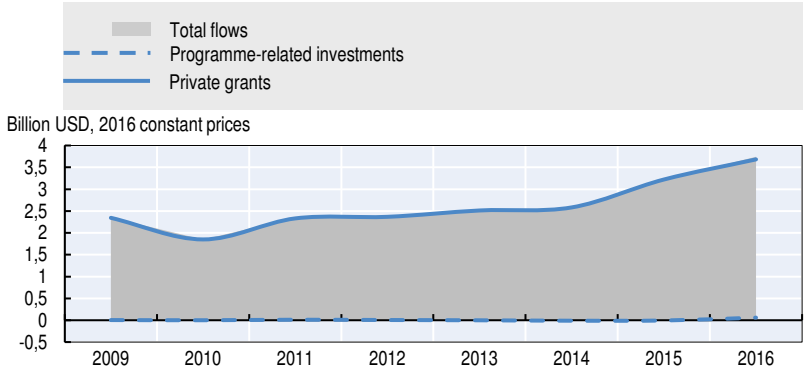
BILL & MELINDA GATES FOUNDATION

Leaving no one behind: The approach and priorities of the Bill & Melinda Gates Foundation

The Bill & Melinda Gates Foundation is committed to reducing global inequalities in health and reproductive health by addressing the burden of infectious diseases, child mortality and healthcare coverage. The foundation is also dedicated to stimulating inclusive and sustainable economic growth among the world's poorest communities through scaling market-based innovations. Its approach to grant making emphasises collaboration, innovation, risk-taking, and, most importantly, results. The Bill & Melinda Gates Foundation has reported to the OECD on a regular basis since 2009.

Financial flows from the Bill & Melinda Gates Foundation to developing countries

Figure 57.1. **Net resource flows to developing countries from the Bill & Melinda Gates Foundation, 2009-16**



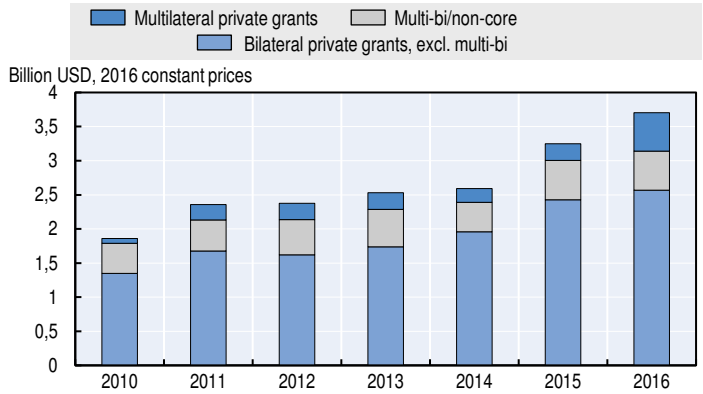
Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

Grant making and programme-related investments of the Bill & Melinda Gates Foundation

The Bill & Melinda Gates Foundation provided USD 3.7 billion in net grants and programme-related investments in 2016, which represented an increase of 16.4% in real terms from 2015. Grant-making activities accounted for 98% of the net disbursed total. The remaining share refers to net programme-related investment, notably in the form of shares in collective investment vehicles and loans.

In 2016, 84.8% of the grants allocated by the Bill & Melinda Gates Foundation were provided bilaterally. The remaining 15.2% took the form of core contributions to multilateral organisations, namely Gavi, The Vaccine Alliance and the Global Fund to Fight AIDS, Tuberculosis and Malaria. Of the bilateral grants, 15.4% was channelled through multilateral organisations (multi-bi/non-core).

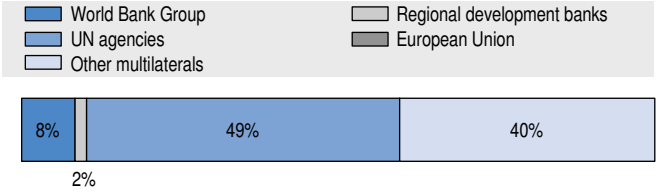
Figure 57.2. **Grants from the Bill & Melinda Gates Foundation by modality and main channel of delivery in 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*

Overall, UN agencies benefited from 49% of the foundation's support channelled to/through the multilateral system, followed by other multilaterals (40%; e.g. Gavi, The Vaccine Alliance and Global Fund to Fight AIDS, Tuberculosis and Malaria), the World Bank Group (8%) and regional development banks (2%).

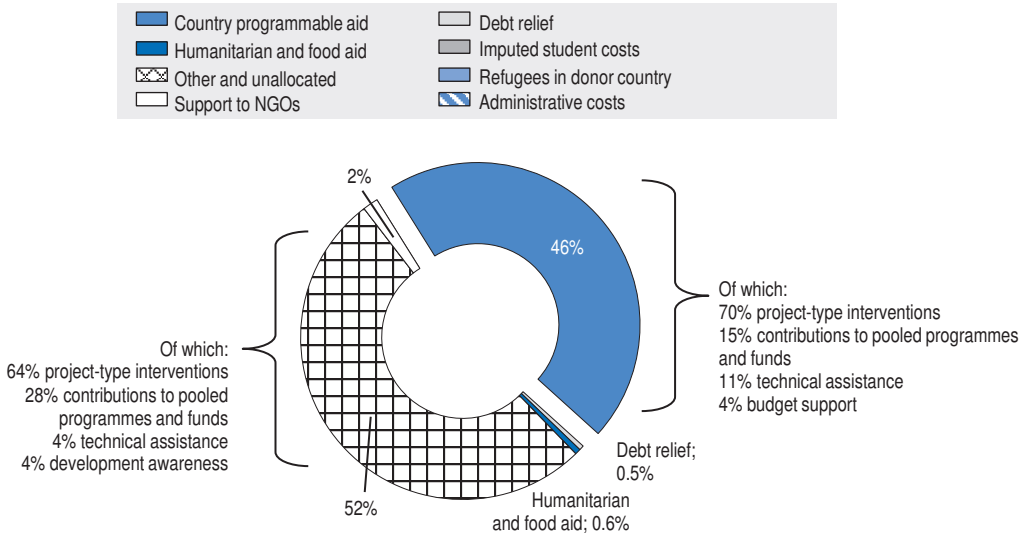
Figure 57.3. **Distribution of multilateral and multi-bi private grants in 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 45.6% of bilateral grants were programmed with partner countries. Over 70% of the Bill & Melinda Gates Foundation's country programmable grant making consisted of project-type interventions, followed by contributions to pooled programmes and funds (15%), technical assistance (11%), and budget support (4%). A large share (52%) of the foundation's grant making was other and unallocated, mainly referring to activities benefiting multiple regions, 64% of which were project-type interventions and 28% contributions to pooled programmes and funds.

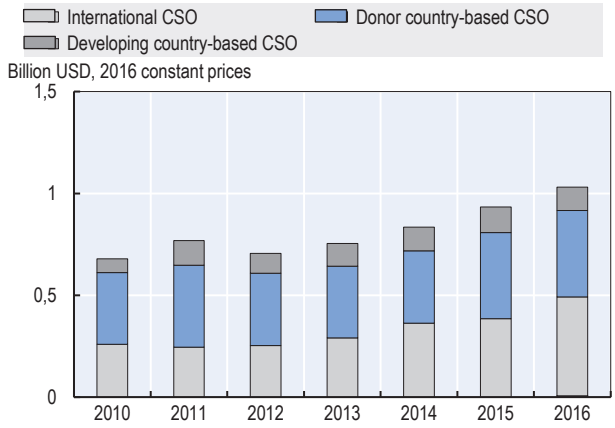
Figure 57.4. **Composition of bilateral grants from the Bill & Melinda Gates Foundation, 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, USD 1.03 billion of bilateral grants were channelled to and through civil society organisations (CSOs). This represented 32.8% of bilateral grant making, compared with 31.1% in 2015.

Figure 57.5. **Bilateral grants from the Bill & Melinda Gates Foundation by type of implementing CSO, 2010-16, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

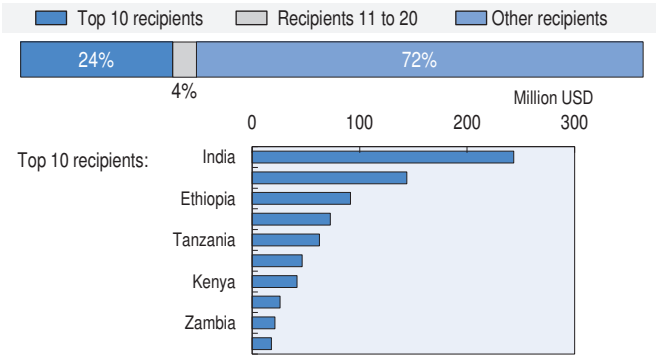
In 2016, the Bill & Melinda Gates Foundation's bilateral grants were primarily focused on Africa and Asia. USD 842 million was allocated to sub-Saharan Africa and USD 379.9 million to South and Central Asia.

Figure 57.6. **Share of bilateral grants from the Bill & Melinda Gates Foundation by region, 2016, gross disbursements**

Note: Fifty-seven per cent of bilateral grants were unspecified by region in 2016. This share is not represented on the map.
Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 24.4% of bilateral grants went to the Bill & Melinda Gates Foundations' top 10 **recipient countries**. These partner countries mainly include India and other south Asian countries, and countries in sub-Saharan Africa.

Figure 57.7. **Top recipients of bilateral grants from the Bill & Melinda Gates Foundation, 2016, gross disbursements**

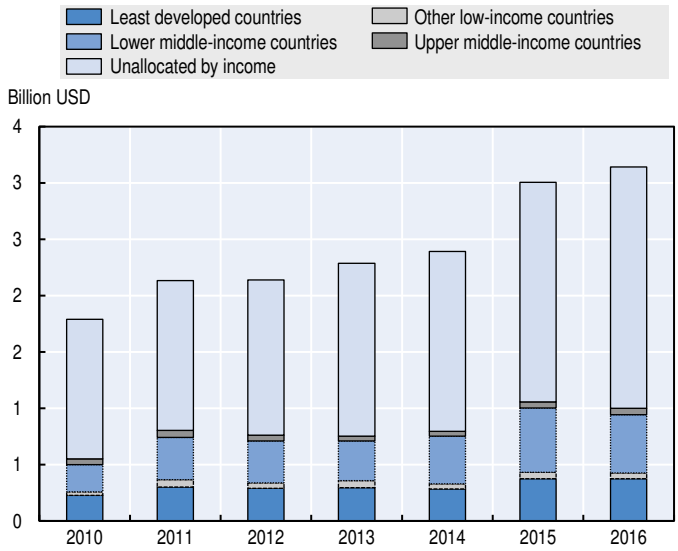


Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

USD 646.1 million (17.4% of gross bilateral grants) supported fragile contexts, mainly as project-type interventions (65%), contributions to pooled programmes and funds (17%), and technical assistance (11%).

In 2016, 11.9% of bilateral grants of the Bill & Melinda Gates Foundation were allocated to least developed countries (LDCs), corresponding to USD 374.8 million. This figure is comparable to 2015 when the LDCs benefited from 12.5% of the foundations' grant making. Lower middle-income countries received the highest share of bilateral grants in 2016 (16.4%).

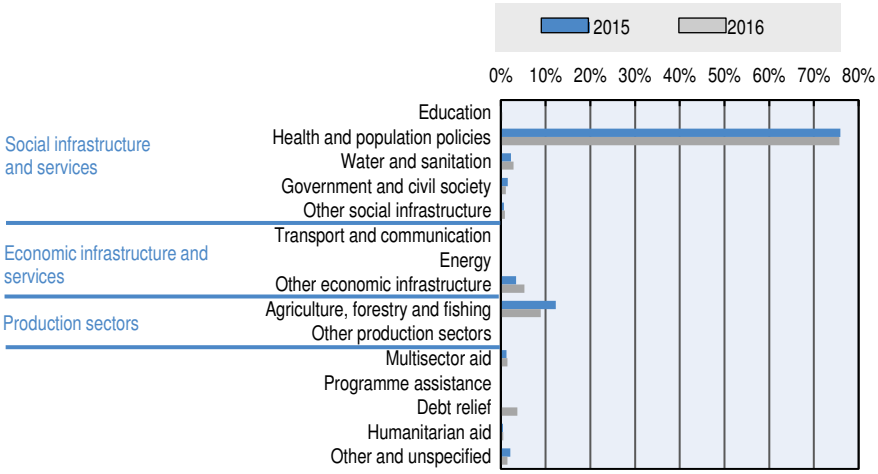
Figure 57.8. **Bilateral grants from the Bill & Melinda Gates Foundation by income group, 2010-16, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 81% of bilateral grants were allocated to social infrastructure and services, representing USD 2.9 billion. Health and population policies were clearly the main sector groups targeted by the Bill & Melinda Gates Foundation, amounting to USD 2.7 billion (76% of the foundation's total bilateral grant making). Agriculture, forestry and fishing benefited from USD 318.9 million (9%) and other economic infrastructure from USD 188.0 million (5%). USD 131.0 million (4%) was provided as debt relief, resulting from the Bill & Melinda Gates Foundation's innovative financing schemes to further its vaccination activities.

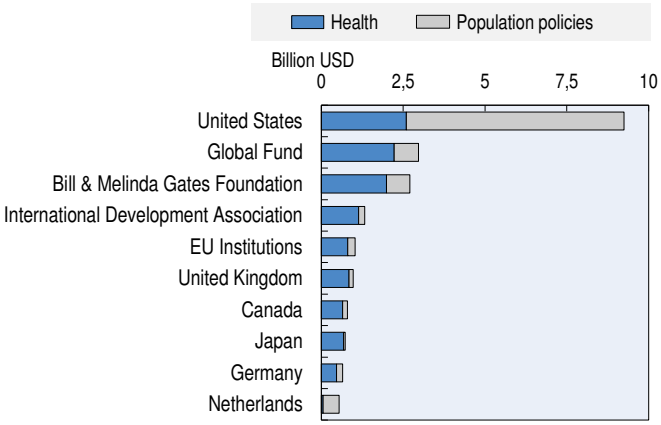
Figure 57.9. **Sectoral distribution of bilateral grants from the Bill & Melinda Gates Foundation, 2015-16, commitments**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In addition, considering the whole spectrum of development finance providers active in health and population policies in 2016, the Bill & Melinda Gates Foundation was the third-largest financier in these two sectors with USD 2.7 million committed.

Figure 57.10. **Top providers for health and population policies, 2016, commitments**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

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UNITED POSTCODE LOTTERIES

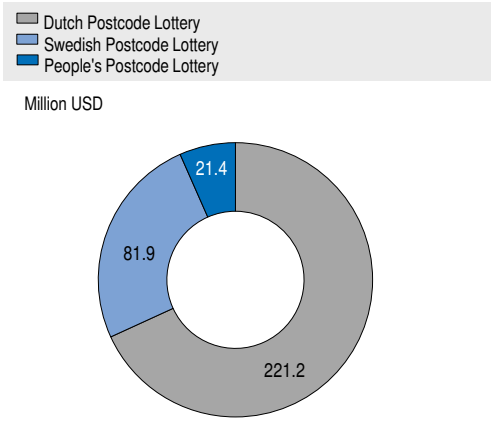
Leaving no one behind: United Postcode Lotteries' approach and priorities

The United Postcode Lotteries refers to three charity lotteries administered by Novamedia which report to the OECD on their development grant making, namely the Dutch Postcode Lottery, the Swedish Postcode Lottery and the People's Postcode Lottery. Through their highly diversified grant-making portfolio, the charity lotteries aim at a fairer and greener world. The United Postcode Lotteries are a leading private provider of unrestricted funding to organisations working for development. The United Postcode Lotteries started reporting to the OECD in 2017.

Financial flows from the United Postcode Lotteries to developing countries

In 2016, the United Postcode Lotteries provided USD 324 million for development, 68% of which came from the Dutch Postcode Lottery, 25% from the Swedish Postcode Lottery and 7% from the People's Postcode Lottery. All three lotteries support development through grant making.

Figure 58.1. **Net resource flows to developing countries from the United Postcode Lotteries per postcode lottery, 2016**

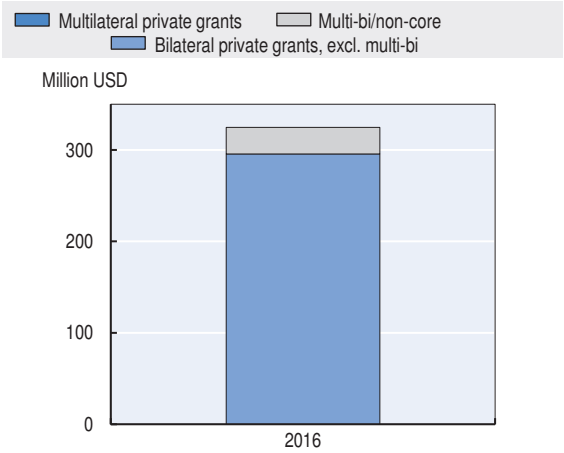


Source: OECD (n.d.), OECD-DAC Statistics (database), *www.oecd.org/dac/stats/idsonline.htm*.

Grant making of the United Postcode Lotteries

In 2016, grants allocated by the United Postcode Lotteries were provided bilaterally, 9% of which were channelled through pooled programmes and funds of UN agencies (UNICEF, UNHCR and the World Food Programme).

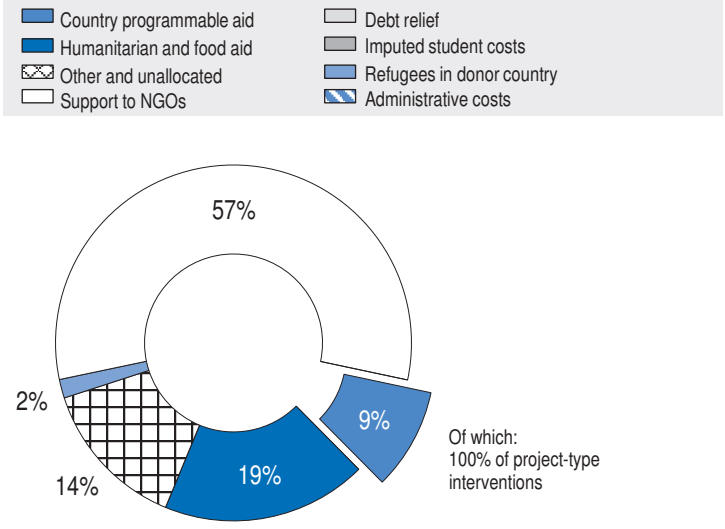
Figure 58.2. **Grants from the United Postcode Lotteries by modality and main channel of delivery in 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 57% of grants extended by the United Postcode Lotteries were core support to non-governmental organisations (NGOs), followed by humanitarian aid (19%). Only 9.2% were programmed with partner countries, all of which were project-type interventions. USD 5.5 million (1.7%) was extended in support of refugees in donor countries. Other and unallocated aid amounted to 14%, including activities with a regional scope and raising development awareness in donor countries.

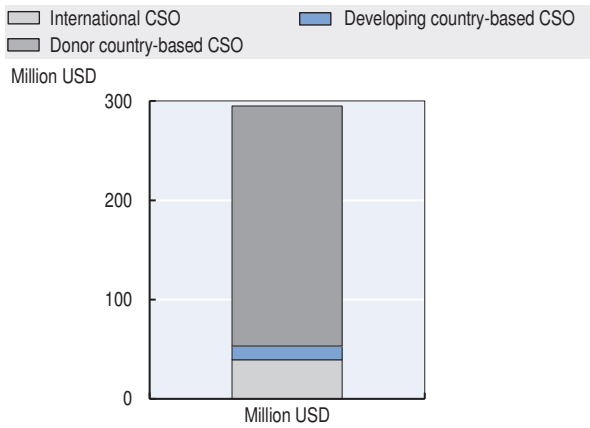
Figure 58.3. **Composition of grants from the United Postcode Lotteries, 2016, gross disbursements**



Source: OECD (n.d.) *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, the United Postcode Lotteries channelled USD 295.0 **million to and through civil society organisations (CSOs),** 82% of which was channelled to and through donor country-based NGOs, followed by international NGOs (13%) and NGOs in developing countries (5%).

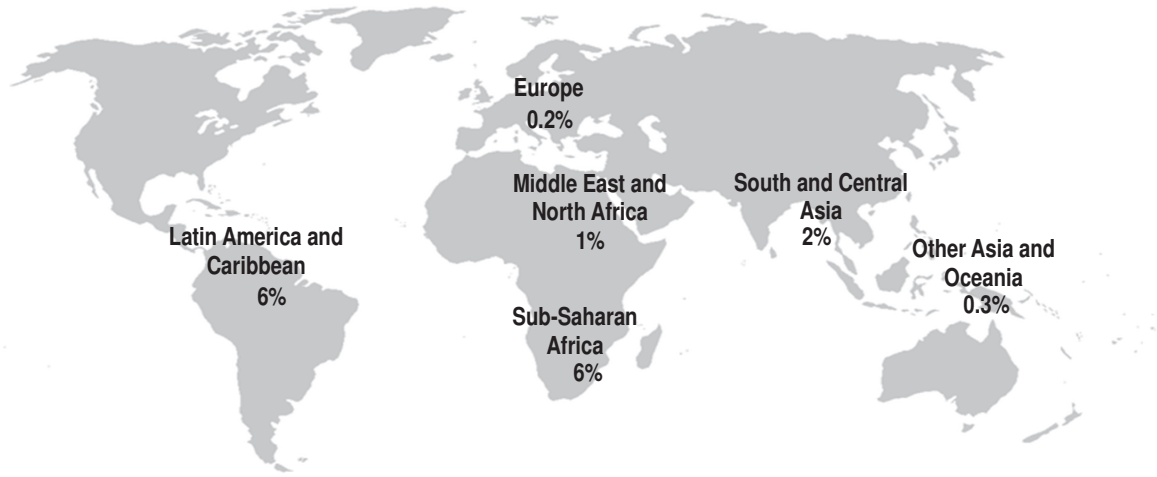
Figure 58.4. **Grants from the United Postcode Lotteries by type of implementing CSO, 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 86% of grants by the United Postcode Lotteries were unallocated by region. Of the allocable grant making, sub-Saharan Africa and Latin America and Caribbean benefited from 6% each, followed by South and Central Asia (2%).

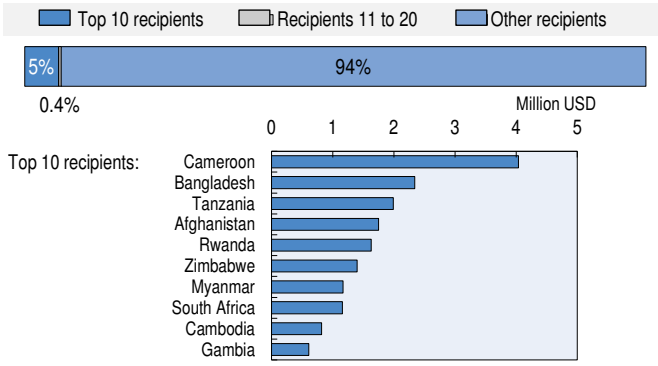
Figure 58.5. **Share of grants from the United Postcode Lotteries by region, 2016, percentage of gross disbursements**



Note: Eighty-six per cent of grants were unspecified by region in 2016. This share is not represented on the map.
Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

The United Postcode Lotteries allocated 5.4% of their grants to their top 10 **recipients in 2016.** Cameroon, Bangladesh and the United Republic of Tanzania benefited to the largest extent from these activities. Sixty per cent of the country allocable grants benefited least developed countries.

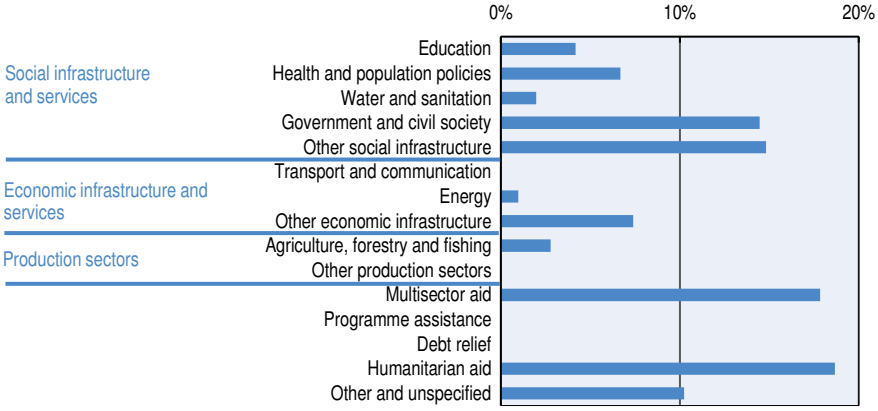
Figure 58.6. **Top recipients of grants from the United Postcode Lotteries, 2016, gross disbursements**



Source: OECD (n.d.), *OECD-DAC Statistics* (databasee), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, 42.1% of the grants committed by the United Postcode Lotteries were allocated to social infrastructure and services. A total of USD 136.7 million of the grants were allocated to social sectors, with a strong focus on other social infrastructure (USD 48.1 million, 72% of which for multisector aid to basic social services) and government and civil society (USD 46.9 million, 47% of which for human rights and 26% for women's equality organisations and institutions and ending violence against women and girls). USD 57.9 million was provided in support of multisector aid, 94% of which targeted environmental protection and biodiversity.

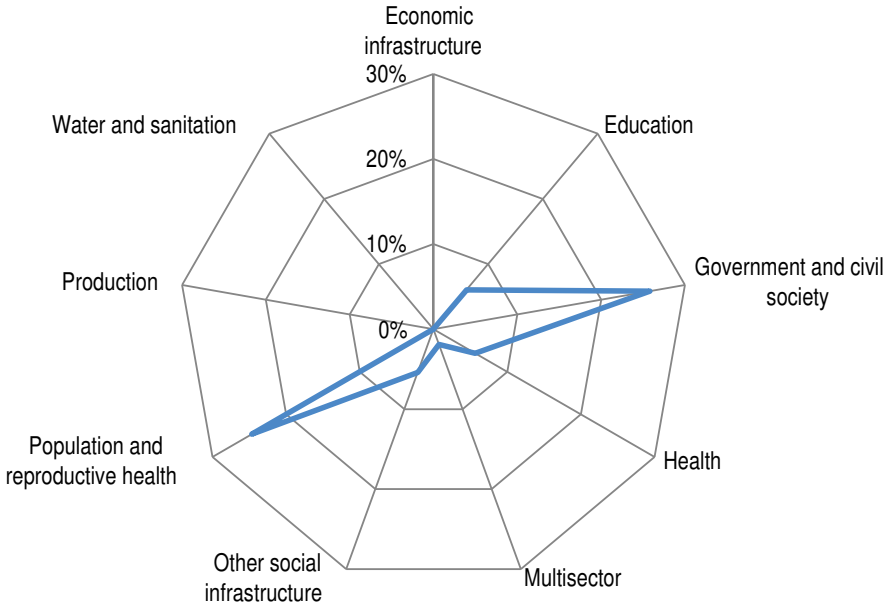
Figure 58.7. **Sectoral distribution of grants from the United Postcode Lotteries, 2016, commitments**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, the United Postcode Lotteries committed USD 18.6 **million for gender equality**, i.e. 8.1% of their allocable grant making for development. A relatively high share of their support to the government and civil society and population (26%) and reproductive health (25%) had gender equality and women's empowerment as a principal or significant objective.

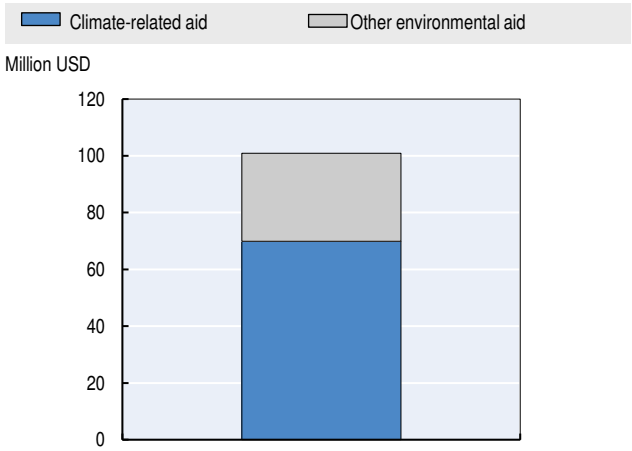
Figure 58.8. **Share of allocable grants from the United Postcode Lotteries in support of gender equality by sector, 2016, commitments**



Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

In 2016, USD 100.9 million of United Postcode Lotteries' grants supported the environment. USD 31.0 million (9.6% of their grant making) focused on local environment only, an additional USD 69.9 million focused on climate change (90% of which targeted both mitigation and adaptation).

Figure 58.9. **Allocable grants from the United Postcode Lotteries in support of global and local environment objectives, 2016, commitments**



Notes: 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 be marked, for example climate change mitigation and biodiversity, or for biodiversity and desertification. Figure 56.9 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 graph. Details are available at: *www.oecd.org/dac/stats/rioconventions.htm*.

Source: OECD (n.d.), *OECD-DAC Statistics* (database), *www.oecd.org/dac/stats/idsonline.htm*.

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PART IV

Chapter 16

Estimates for other providers of development co-operation not reporting to OECD

This section was prepared by
Marisa Berbegal Ibáñez, Juan Casado Asensio, Michael Laird and Nadine Piefer.
Estimates on development co-operation flows were produced by Marisa Berbegal Ibáñez.

This chapter includes information on the estimated volume and key features of the development co-operation provided by ten providers that are not members of the Development Assistance Committee (DAC) and which are among the largest providers of development co-operation, including OECD priority partners. The OECD estimates the volume of their programme based on official government reports, complemented by web-based research (mainly on contributions to multilateral organisations).

BRAZIL

The most recent available figures on Brazil's South-South co-operation are for 2013 (IPEA, 2016) and were published in 2016. The 2013 figure – a total of USD 397 million – includes activities that are not, or not entirely, included as development co-operation in Development Assistance Committee (DAC) statistics (and may also exclude some development activities that would be included in DAC statistics).[8]

Brazil is currently developing a conceptual framework to measure and value South-South co-operation, both in quantitative and qualitative terms. For its part, the OECD estimates that Brazil's development co-operation amounted to USD 316 million in 2013, down from USD 411 million in 2012. Of these USD 316 million, 66%, or USD 208 million, were channelled through multilateral organisations. More recent estimates by the OECD show that Brazil channelled USD 126 million through multilateral organisations in 2016 (derived from the multilateral organisations' websites and from information provided by UN DESA on UN agencies).

The Ministry of External Relations oversees Brazil's development co-operation with the Brazilian Co-operation Agency providing technical co-operation. Apart from technical co-operation, Brazil's bilateral co-operation includes humanitarian assistance, scientific and technological co-operation, scholarships and imputed student costs, and refugee costs.

A priority for Brazil is engaging in trilateral co-operation. Brazil partners with several international organisations (e.g. the United Nations Development Programme; the Food and Agriculture Organization of the United Nations; the World Food Programme; the International Labour Organization; the United Nations Office on Drugs and Crime; and the United Nations Educational, Scientific and Cultural Organization [UNESCO]) and DAC members (e.g. the European Commission, France, Germany, Italy, Japan, Portugal, Spain, Switzerland, the United Kingdom and the United States). These programmes support developing countries (e.g. South American countries, Lusophone and other African countries, Haiti and Timor-Leste) in areas such as agriculture, food security, health and public administration.

Brazil's development co-operation to multilateral organisations in 2016 was primarily channelled through the United Nations (67%) and the Inter-American Development Bank (33%).

Brazil is a Key Partner of the OECD. In 2017, Brazil participated in the DAC senior-level and high-level meetings as well as the meeting of the DAC Working Party on Development Finance Statistics (WP-STAT). Brazil also co-organised with the OECD an international seminar in Brasilia on "Trilateral Cooperation – Experiences and Challenges".

> "… in an increasingly interdependent world, peace, prosperity and human dignity do not depend only on national actions and international development co-operation is key to establish a more fair and peaceful international order […] Brazil has been using solutions created and developed domestically, in areas such as agriculture, education and public security, to support countries with similar challenges to overcome obstacles to their development."
>
> Luiz Inácio Lula da Silva, former President of Brazil (IPEA and ABC, 2010)

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IPEA and ABC (2017), Coperação Brasileira para o Desenvolvimento Internacional 2011-2013 (in Portuguese), Instituto de Pesquisa Econômica Aplicada and Agência Brasileira de Cooperação, Brasilia, *http://www.ipea.gov.br/portal/images/stories/PDFs/livros/livros/161*.

8. Brazil's development co-operation is significantly higher according to the official figures published by the Brazilian government. The OECD uses these data but, for the purposes of this analysis, only includes in its estimates: 1) activities in low and middle-income countries; and 2) contributions to multilateral agencies whose main aim is promoting the economic development and welfare of developing countries (or a percentage of these contributions when a multilateral agency does not work exclusively on developmental activities in developing countries). The OECD also excludes bilateral peacekeeping activities. Brazil's official data may exclude some activities that would be included as development co-operation in DAC statistics, and so are also excluded from the OECD estimates that are based on Brazil's own data.

CHILE

Chile's total concessional finance for development reached USD 33 million in 2016, the same figure as 2015 (OECD estimates based on Government of Chile [2016; 2015] and websites of multilateral organisations). In 2016, Chile contributed USD 21.8 million to multilateral organisations.

In 2015, the Chilean Agency for International Co-operation was renamed the Chilean Agency for International Co-operation and Development (AGCID) to emphasise its developmental focus. The agency manages and co-ordinates incoming and outgoing bilateral, triangular and regional development co-operation.

Chile released a policy in 2015 that sets out its vision until 2030 based on the following principles: 1) promoting human dignity; 2) strengthening democracy; 3) promoting peace; 4) strengthening the role of Latin America and the Caribbean in global governance; and 5) supporting regional integration and convergence in Latin America and the Caribbean. This vision is being implemented through a strategy from 2015 to 2018 that emphasises promoting inclusive and sustainable development, the need for strong partnerships, and the importance of consolidating Chile's national system for international co-operation, including a stronger role for the AGCID.

Chile's priority partner countries are primarily in Latin America and the Caribbean, with differentiated strategies, through effective and flexible activities as well as replicable projects, aligned with national development strategies. Its co-operation programme is spread across a range of sectors, including governance and institutional strengthening; poverty reduction and social development; as well as inclusive and sustainable development. Chile's bilateral co-operation is mostly provided in the form of technical assistance and scholarships. The AGCID had a budget of USD 10 million in 2015 and USD 10.5 million in 2016.

Chile is also engaged in triangular co-operation, partnering with several international organisations (e.g. the Inter-American Development Bank and the World Food Programme), Mexico and DAC members (e.g. Australia, Canada, France, Germany, Korea, Japan, New Zealand, Spain, Switzerland and the United States) to support development in other developing countries (e.g. Bolivia, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala and Paraguay). For instance, Chile and Germany co-operate with Peru in the area of environmental governance within the scope of Peru's aim of joining the OECD.

Chile's development co-operation through multilateral organisations was primarily channelled through the United Nations (USD 10.4 million or 50%) and the Inter-American Development Bank (USD 10.8 million or 50%) in 2016.

Chile, which joined the OECD in 2010, is an observer to the Development Assistance Committee (DAC). In 2017, Chile participated in several meetings of the DAC, including its high-level and senior-level meetings, maintaining its observer status. During these DAC meetings, Chile often raised the issue of the appropriateness of the process of removing Chile from the DAC List of ODA Recipients, drawing on the findings from the report it commissioned on "First analysis of impact of graduation of Chile".

> Today, with its Co-operation Policy and Strategy for Development for 2015-2018, the AGCID upholds development co-operation as a pillar and an integral part of Chile's foreign policy. The guidelines provided by the policies of International Co-operation for Development provide, for the first time, in a precise and detailed manner, the vision and main objectives of co-operation for Chilean development, implemented via the following roadmap: "2015-2018 Chilean Cooperation Strategy for Development".
>
> The policy and strategy affirm that development co-operation is strongly linked to human rights and is aimed at inclusive and sustainable development, all of which are the greatest challenges and priorities given the inequality gaps between and within the countries of Latin America and the Caribbean.
>
> Chilean Agency for International Co-operation and Development (AGCID)

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CHINA (PEOPLE'S REPUBLIC OF)

The People's Republic of China's (hereafter "China") total concessional finance for development reached USD 3.6 billion in 2016, compared to USD 3.1 billion in 2015 (OECD estimates based on Government of China [2016] and websites of multilateral organisations). The increase is mainly due to a contribution of USD 1.1 billion to the newly created Asian Infrastructure Investment Bank, of which USD 1 billion is considered development oriented. In 2016, China channelled USD 1.3 billion through multilateral organisations (including the contribution to the infrastructure bank). The second White Paper on *China's Foreign Aid* includes information on the overall geographical and sectoral distribution of the Chinese programme between 2010 and 2012 (Government of China, 2014).

China's Eight Principles for Economic Aid and Technical Assistance to Other Countries, announced by Premier Zhou Enlai in 1964, set out the core principles of China's foreign development co-operation (Government of China, 1964).

The Ministry of Commerce's Department of Foreign Assistance is at the centre of the Chinese system and manages over 90% of its bilateral funding. It is responsible for drafting the development co-operation budget and regulations, managing foreign development co-operation joint ventures, programming zero-interest loans and grants, and co-ordinating concessional loans with the China Exim Bank (the latter are not included in OECD estimates because little information is available on their objectives or financial terms). In March 2018, China announced plans to set up an international development co-operation agency.

China does not have specific priority countries (aside from the Democratic People's Republic of Korea). Its grant aid is distributed more or less equally to some 120 partner countries. The main sectors are public facilities, industry and economic infrastructure. China offers eight different forms of co-operation with complete projects (turn-key projects) being the major modality. China also provides humanitarian assistance.

China engages in triangular co-operation, partnering with several international organisations (e.g. the United Nations Development Programme, the United Nations Industrial Development Organization and the World Bank) and DAC members (e.g. Australia, Denmark, Korea, Netherlands, New Zealand, Norway, the United Kingdom and the United States).

China is also a founding member of the Asian Infrastructure Investment Bank, a multilateral development bank with its headquarters in China. In 2016, China's development co-operation through multilateral organisations was primarily channelled through this institution (80%).

China is a Key Partner of the OECD. In 2017, China participated in the Development Assistance Committee senior-level meeting.

> "When providing foreign assistance, China adheres to the principles of not imposing any political conditions, not interfering in the internal affairs of the recipient countries and fully respecting their right to independently choosing their own paths and models of development. The basic principles China upholds in providing foreign assistance are mutual respect, equality, keeping promises, mutual benefit and win-win."
>
> Government White Paper on China's Foreign Aid, 2014

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COLOMBIA

Colombia's concessional finance for development channelled through multilateral organisations reached USD 44 million in 2016, compared to total concessional finance of USD 42 million in 2015 (OECD estimates based on Government of Colombia [2015] and websites of multilateral organisations). No publicly available information is available on Colombia's bilateral development finance in 2016.

The Colombian Presidential Agency of International Co-operation (APC-Colombia), created in 2011, sets priorities and ensures alignment of Colombia's development co-operation with its National Development Plan and foreign policy. The agency manages and co-ordinates Colombia's incoming and outgoing development co-operation and, through the Roadmap for International Co-operation, sets out Colombia's strengths and good practices that can be shared with other countries through South-South and triangular co-operation. The agency has also introduced a national co-ordination scheme as well as monitoring systems.

Through its South-South and triangular co-operation, Colombia shares its knowledge and experience in areas such as entrepreneurship, security, food security, culture, agricultural innovation, social development, climate change and disaster risk management, tourism, statistics, and employment policy. Seventy-four countries in Latin America and the Caribbean, Africa, Asia, and the Middle East benefited from Colombian programmes and policies in support of their own development efforts in 2015. In addition, Colombia is an active partner in developing projects in regional mechanisms such as the Pacific Alliance, the Ibero-American General Secretariat and the Forum for East Asia-Latin America Cooperation.

In its triangular co-operation activities, Colombia partners with several international organisations (e.g. the United Nations Population Fund and the Organization of American States) and Development Assistance Committee (DAC) members (e.g. Australia, Canada, Germany, Japan, Korea and the United States) to support other developing countries – mainly in Central America and the Caribbean – in a wide range of areas.

In 2016, Colombia's development-oriented contributions through multilateral organisations were channelled through the United Nations (59%), the Inter-American Development Bank (26%) and the Central American Bank for Economic Integration (13%).

In 2017, Colombia, an OECD accession country, participated in the DAC senior-level and high-level meetings.

> "… through technical co-operation, establish closer ties with regions of interest to the country, giving priority to its relation with countries of Latin America and the Caribbean. Consequently, the country will pursue regional strategies to reinforce South-South co-operation with the countries of the Caribbean basin and Central America, and design strategies for Africa and the Asia Pacific. Likewise, triangular co-operation will be used to increase the country's offer …"
>
> National Development Plan (2011-2014)

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COSTA RICA

Costa Rica's total concessional finance for development reached USD 8.5 million in 2016, compared to USD 10 million in 2015 (OECD estimates based on Government of Costa Rica [2016; 2015] and websites of multilateral organisations). In 2016, Costa Rica channelled USD 8.5 million through multilateral organisations.

The Directorate General for International Co-operation of the Ministry of Foreign Affairs manages Costa Rica's incoming and outgoing development co-operation. Fundecooperación para el Desarrollo Sostenible is a non-governmental organisation that is in charge of monitoring and administering the Programme of South-South Cooperation on Sustainable Development with Benin, Bhutan and Costa Rica as well as some triangular co-operation projects. It also acts as a platform for alliances among the government, civil society, academia and private stakeholders.

Costa Rica mainly provides development co-operation in the form of technical co-operation through bilateral and regional initiatives. 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 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.

In 2016, Costa Rica's multilateral development co-operation was primarily channelled through the United Nations (30%) and the Central American Bank for Economic Integration (29%).

In 2017, Costa Rica, an OECD accession country, participated in the Development Assistance Committee senior-level and high-level meetings.

> "Concerning the recent tendencies in international co-operation, Costa Rica has developed capacities in areas such as health, education, sustainable development and environmental protection. Among others, these constitute a co-operation offer with which Costa Rica aims at positioning itself in the international scene as a country that stands in solidarity with others and promotes new co-operation modalities …"
>
> Strategy of International Co-operation of Costa Rica (2014-2022)

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Government of Costa Rica (2015), Budget Law 2015 (in Spanish), Ministry of Finance, San José, *http://www.hacienda.go.cr/docs/55255f1966c39_LeyActMarzo_204.pdf*.

INDIA

India's total concessional development finance reached USD 1.7 billion in 2016, compared to USD 1.8 billion in 2015 (OECD estimates based on Government of India [2016]). India channelled USD 348 million through multilateral organisations in 2016, compared to USD 106 million in 2015. The increase is mainly due to a contribution of USD 335 million to the newly created Asian Infrastructure Investment Bank, of which USD 285 million is considered development oriented.

The Development Partnership Administration within the Ministry of External Affairs co-ordinates India's bilateral development co-operation. It manages grants and the Indian Technical & Economic Cooperation Programme. The Ministry of Finance manages multilateral assistance and exercises administrative oversight over the concessional loans and lines of credit provided by the Exim Bank.

India's priority partner countries are its neighbours in South Asia. Between 2009 and 2015, Bhutan received 61% of India's bilateral development co-operation, followed by Afghanistan (9%), Sri Lanka (7%), Nepal (5%), Bangladesh (3%), Myanmar (2%) and the Maldives (2%). Recently, co-operation with Africa has increased. The main sectors of India's development co-operation are health, education, energy (hydropower) and information technology.

India is also engaged in triangular co-operation, partnering with several international organisations and Development Assistance Committee (DAC) members such as Japan, Norway, the United Kingdom, the United States and others.

In 2016, India's multilateral flows were primarily channelled through the Asian Infrastructure Investment Bank (82%).

India is a Key Partner of the OECD. In 2017, India participated in the DAC high-level meeting.

> India's foreign policy is integrated with the national priority of sustained, rapid and inclusive socio-economic development. Our extensive engagement with the globalized world is guided by our desire for garnering an appropriate role for India in the changing international environment; by the imperative to maintain an atmosphere of peace, security and stability in the extended neighbourhood, that is conducive for national growth and development and by the need to enhance India's economic and technological development by leveraging external linkages.
>
> "Annual report 2011-2012" of the Ministry of External Affairs

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OECD (2017), "Development finance of countries beyond the DAC" (webpage), (accessed 10 May 2018), *http://www.oecd.org/dac/stats/non-dac-reporting.htm*.

INDONESIA

Indonesia's estimated development co-operation channelled through multilateral organisations reached USD 129 million in 2016, up from USD 14.2 million in 2015. This is due to a contribution to the newly created Asian Infrastructure Investment Bank of USD 134 million, of which USD 114 million is considered development-oriented. No publicly available information is available on Indonesia's bilateral development co-operation for 2016.

Several government regulations, national plans and presidential instructions guide Indonesia's development co-operation. The Ministry of National Development Planning (BAPPENAS) is responsible for developing and co-ordinating Indonesia's national strategy for development co-operation. Together with the Ministry of Foreign Affairs, the Ministry of Finance and the State Secretariat, BAPPENAS constitutes the National Coordination Team on South-South and Triangular Cooperation.

Indonesia co-operates bilaterally with around 40 partner countries, most of them in Asia, in a variety of sectors. Bilateral co-operation consists mainly of scholarships and technical co-operation projects.

Indonesia is also engaged in triangular co-operation, partnering with several international organisations and Development Assistance Committee (DAC) members such as Germany, Japan, Norway, the United States and others.

According to OECD estimates, in 2016 Indonesia channelled most of its multilateral development co-operation through the Asian Infrastructure Investment Bank (89%).

Indonesia is a Key Partner of the OECD. In 2017, Indonesia participated in the DAC high-level meeting.

> "As an emerging middle-income country with considerable development success, Indonesia has much to share with other countries in the region, and beyond, as well as opportunities to learn. Already involved in numerous elements of South-South cooperation for capacity development, the government of Indonesia and development partners commit to further strengthening regional processes and institutions facilitating South-South cooperation. Efforts at South-South cooperation will through time expand to include possibilities for financial assistance as well technical support from the government of Indonesia".
>
> Jakarta Commitment: Aid for Development Effectiveness, Indonesia's Road Map to 2014, January 2009

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MEXICO

In 2016, Mexico's international development co-operation reached USD 220 million, up from USD 207 million in 2015 (Government of Mexico, 2016). Mexico channelled 83% of the USD 220 million through multilateral organisations in 2016 (OECD estimates based on Government of Mexico, 2016; and websites of multilateral organisations).

The Law on International Co-operation for Development (2011) mandated the government to set up the International Development Co-operation Program and the Mexican Agency of International Development Cooperation (AMEXCID), as well as the tools necessary to programme, co-ordinate, implement, monitor, report and evaluate development co-operation. The Ministry of Foreign Affairs has overall responsibility for Mexico's development co-operation, which is co-ordinated by AMEXCID and implemented through public institutions.

Mexico's priority partner countries are those in Latin America and the Caribbean, with a special focus on Central America. The priority sectors for its bilateral development co-operation are public administration, agriculture, environmental protection, statistics, education, science and technology, and health. Mexico's bilateral development co-operation is provided mainly through technical and scientific co-operation provided by civil servants who are experts on the topic. The main mechanism for regional co-operation is the Mesoamerican Integration and Development Project that covers initiatives in public health, environmental sustainability, risk management, food security, trade facilitation, transport, energy and telecommunications. Based on the experience in Mesoamerica, Mexico has also launched other regional initiatives in the Caribbean and the Northern Triangle, for example in immigration. Mexico also financed infrastructure development in the region through the "Yucatán Fund".

Mexico is engaged in triangular co-operation, partnering with DAC members (e.g. Germany, Japan and Spain), Chile and several international organisations (e.g. the Inter-American Institute for Cooperation on Agriculture, the United Nations Children's Fund [UNICEF], the United Nations Development Programme and the World Trade Organization) to support other developing countries, mainly in Latin America and the Caribbean. Mexico is also developing co-operation mechanisms with other partners, such as civil society, the private sector and foundations.

Mexico's development co-operation through multilateral organisations in 2016 was primarily channelled through the World Bank (49%) and the Inter-American Development Bank (17%).

Mexico, which joined the OECD in 1994, is an observer to the DAC. In 2017, Mexico participated in several meetings of the DAC, including its high-level and senior-level meetings, as well as the meetings of DAC subsidiary bodies: the Network on Development Evaluation (EvalNet) and the Working Party on Development Finance Statistics (WP-STAT).

> Mexican strategy for international co-operation is a public policy instrument with dual scope and benefits. On one hand, it is a tool that supports national development, capitalising the support and experience of foreign co-operating parties, mainly from developed countries or countries with a development level similar to Mexico's. On the other, it is a foreign policy tool that allows the projection and articulation of Mexico's national interests with peer foreign interlocutors, to promote sustainable development in Mexico and the world.
>
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QATAR

The latest foreign aid report published by Qatar covers 2013 (Government of Qatar, 2014). Based on that report, the OECD estimates that Qatar's development co-operation amounted to USD 1.3 billion in 2013, up from USD 543 million in 2012. More recent estimates by the OECD show that Qatar channelled USD 41.4 million through multilateral organisations in 2016, mainly through the Islamic Development Bank (61%) and the United Nations (39%) (information gathered through the websites of multilateral organisations).

Qatar views development co-operation as an integral part of its foreign policy. The Office of the Minister's Assistant for International Cooperation Affairs in the Ministry of Foreign Affairs is responsible for development co-operation and humanitarian assistance, although most other ministries and governmental agencies can also work on development co-operation. The Qatar Development Fund is a public organisation established through Law 19 of 2002 mandated to co-ordinate and implement foreign development assistance on behalf of the state of Qatar.

In 2013, the main recipients of Qatari development co-operation were the Syrian Arab Republic, Morocco, the West Bank and Gaza Strip, Egypt, and Yemen. The main sectors were humanitarian aid, construction, and multi-sectoral and budget support.

Qatar is a Participant of the Development Assistance Committee (DAC).[9] In 2017, Qatar participated in several meetings of the DAC, including its high-level and senior-level meetings, and attended the Arab-DAC Dialogue on Development (Bern, March 2017), being represented there by the state and the Qatar Development Fund.

> "Helping countries achieve internationally agreed development goals is a major objective of several projects under Qatar's international cooperation framework. Poverty reduction, including through employment creation in infrastructure projects, improved health and education as well as better management of the environment, are the main focus areas of Qatar's international cooperation. The needs for humanitarian assistance have markedly increased with the rising number and severity of regional conflicts. […] Qatar is responding to these humanitarian emergencies through government assistance, as well as through support by its international NGOs and philanthropic foundations."
>
> Realising Qatar National Vision 2030 – The Right to Development, June 2015

References

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Government of Qatar (2014), Foreign Aid Report 2013, Ministry of Foreign Affairs, Doha.

9. As a Participant, Qatar can attend formal meetings of the DAC and its subsidiary bodies. A Participant may take part in discussions but does not take part in decision-making processes, nor is it bound by the DAC's conclusions, proposals or decisions.

SOUTH AFRICA

South Africa's total concessional finance for development reached USD 95 million in 2016, compared to USD 100 million in 2015 (OECD estimates based on Government of South Africa [2016] and websites of multilateral organisations). In 2016, South Africa channelled USD 64.5 million through multilateral organisations. Beyond development co-operation, South Africa uses several other development finance instruments, including loan and equity investments provided by the Development Bank of Southern Africa and the Industrial Development Corporation, as well as payments to the Southern African Customs Union and expenditure in the area of peace and security.

The Strategic Plan 2015-2020 (Government of South Africa, 2015) of South Africa's Department of International Relations and Cooperation (DIRCO) emphasises co-operation with "the African continent" and "strengthening South-South relations". 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 and funds for outgoing development co-operation. DIRCO and the National Treasury are on the advisory committee of the African Renaissance and International Cooperation Fund (ARF). All South African departments are eligible to apply for ARF funding for development co-operation projects. South Africa's development co-operation structures may change when the South African Development Partnership Agency becomes operational under the Department of International Relations and Cooperation.

South Africa prioritises co-operation with the African continent, with a strong focus on member countries of the Southern African Development Community. The priority sectors of its bilateral development co-operation 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 (DAC) members (e.g. Canada, Germany, Norway, Spain, Sweden and the United States) to support other African countries in areas such as governance, public security and post-conflict reconstruction.

In 2016, South Africa's development co-operation through multilateral organisations was primarily channelled through regional organisations such as the African Development Bank (33%) and the African Union (18%).

South Africa is a Key Partner of the OECD. In 2017, South Africa participated in the DAC high-level and senior-level meetings.

> "The premise of our foreign policy is that it is unsustainable in the long term, to have a South Africa that is thriving and experiencing abundant economic growth and development – within a southern African region or an African continent – that is experiencing poverty and underdevelopment. This is the basis of our argument that we need to ensure that we remain deeply involved in the political and economic revival (and development) of southern Africa and the continent as a whole."
>
> Maite Nkoana-Mashabane, Minister of International Relations and Cooperation (Strategic Plan 2010-2013)

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ESTIMATED GROSS CONCESSIONAL FLOWS FOR DEVELOPMENT CO-OPERATION OF COUNTRIES THAT DO NOT REPORT TO THE OECD

Table 1. **Estimates of gross concessional flows for development co-operation, 2012-16**

Million USD

Country	2012	2013	2014	2015	2016	Source
Brazil[10]	411	316	..	..	..	Institute of Applied Economic Research (IPEA) and Brazilian Cooperation Agency (ABC)
Chile	38	44	49	33	33	Ministry of Finance
China	3 123	2 997	3 401	3 113	3 615	*Fiscal Yearbook*, Ministry of Finance
Colombia	27	42	45	42	..	Strategic institutional plans, Presidential Agency of International Cooperation
Costa Rica	..	21	24	10	9	Annual budget laws, Ministry of Finance
India[11]	1 077	1 223	1 398	1 772	1695	Annual budget figures, Ministry of Finance
Indonesia	26	49	56	..	..	Ministry of National Development Planning
Mexico	203	526	169	207	220	Mexican Agency for International Development Cooperation (AMEXCID)
Qatar	543	1 344	..	..	..	Foreign aid reports, Ministry of Foreign Affairs
South Africa[11]	191	191	148	100	95	Estimates of public expenditures, National Treasury

Note: These data are OECD estimates of concessional flows for development from countries that do not report to DAC statistical systems. Unlike the figures of reporting countries, these estimates are on a gross basis because information on repayments is not available.

Estimates are based on publically available information and are therefore not necessarily complete or comparable. For some countries, estimates on funds channelled through multilateral organisations are based on data from the UN Department of Economic and Social Affairs, *www.aidflows.org*; and websites of other multilateral organisations.

Data include only development-related contributions. This means local resources – financing from a country through multilateral organisations earmarked to programmes within that same country – are excluded. Moreover, as for reporting countries, coefficients are applied to core contributions to multilateral organisations that do not exclusively work in countries eligible for receiving ODA. These coefficients reflect the developmental part of the multilateral organisations' activities.

.. Not available.

Table 2. **Estimated development-oriented contributions to and through multilateral organisations, 2016**

Current million USD

	Brazil	Chile	China	Colombia	Costa Rica	India	Indonesia	Mexico	Qatar	South Africa
Total United Nations	**84.5**	**10.4**	**229.0**	**25.9**	**2.6**	**47.4**	**14.7**	**16.4**	**16.0**	**10.6**
United Nations Organization (18%)	16.9	1.8	34.9	1.4	0.2	3.2	2.2	1.2	1.2	0.1
Food and Agriculture Organization (51%)	20.5	1.4	3.8	5.0	0.2	0.5	-	3.0	-	0.6
UN Educational, Scientific and Cultural Organization (60%)	14.2	2.2	14.1	0.7	0.1	2.9	0.9	0.0	3.0	0.9
World Health Organization (76%)	0.1	-	5.3	0.0	-	9.6	1.1	4.0	-	0.4
UN Department of Peacekeeping Operations (7%)	0.7	0.1	38.8	0.1	0.0	0.2	0.1	2.4	1.0	0.1
World Food Programme (100%)	0.6	0.0	18.6	0.8	-	2.0	0.5	0.0	0.5	-
International Fund for Agricultural Development (100%)	3.5	0.4	6.2	0.3	0.0	0.8	0.4	1.7	0.2	0.4
International Labour Organization (60%)	8.2	1.2	15.7	0.7	0.4	-	1.0	1.2	0.5	2.6
UN Industrial Development Organization (100%)	6.5	0.7	15.0	0.7	0.1	0.6	0.8	4.7	0.5	0.8
International Atomic Energy Agency (33%)	-	-	-	-	-	0.1	-	-	-	-
UN Development Programme (100%)	0.0	0.5	4.0	0.9	0.7	5.0	0.8	0.1	0.1	1.0
Other United Nations	13.4	2.3	72.7	15.4	0.7	22.6	7.0	12.4	8.9	3.7
Total regional development banks	**41.5**	**11.4**	**1 024.4**	**17.9**	**19.8**	**292.0**	**114.3**	**33.8**	**25.4**	**21.2**
Inter-American Development Bank (100%)	41.5	11.4	0.10	11.4	1.7	-	-	31.0	-	-
African Development Bank (100%)	-	-	-	-	-	-	-	-	-	21.2
Islamic Development Bank (100%)	-	-	-	-	-	-	-	-	25.4	-
Central American Bank for Economic Integration (100%)	-	-	-	5.7	2.5	-	-	1.7	-	-
Asian Development Bank (100%)	-	-	10.0	-	-	7.5	-	-	-	-
Asian Infrastructure Investment Bank (85%)	-		1 012.5			284.5	114.3	-	-	-

10. See note 11 at the end of this chapter.

11. Figures for India and South Africa are based on their fiscal years. For example, 2012 data correspond to fiscal year 2012/13.

Table 2. **Estimated development-oriented contributions to and through multilateral organisations, 2016** *(cont.)*

Current million USD

	Brazil	Chile	China	Colombia	Costa Rica	India	Indonesia	Mexico	Qatar	South Africa
Caribbean Development Bank (100%)	-	-	1.8	0.9	-	-	-	1.0	-	-
World Bank Group (total)	-	-	-	-	**1.7**	**65.5**		**88.8**	-	**10.8**
Other multilateral organisations		-	**5.0**	-	-	-	-	-	-	**21.9**
African Union (100%)	-	-	-	-	-	-	-	-	-	11.5
Global Environment Facility (100%)	-	-	-	-	-	-	-	-	-	-
The Global Fund (100%)	-	-	5.0	-	-	-	-	-	-	0.5
Southern African Development Community (100%)	-	-	-	-	-	-	-	-	-	0.3
Other organisations	-	-	-	-	-	-	-	42.5	-	9.6
Overall total	**126.04**	**21.8**	**1 258.4**	**43.8**	**8.5**	**347.9**	**129.0**	**181.5**	**41.4**	**64.5**

Note: 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.

Note: 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.

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ANNEX A

DAC list of ODA Recipients

Table A A.1. **DAC List of ODA Recipients**
Effective for reporting on 2014, 2015, 2016 and 2017 flows

Least developed countries	Other low-income countries (per capita GNI <= USD 1 045 in 2013)	Lower middle-income countries and territories (per capita GNI USD 1 046 – USD 4 125 in 2013)	Upper middle-income countries and territories (per capita GNI USD 4 126 –USD 12 745 in 2013)
Afghanistan	Democratic People's Republic of Korea	Armenia	Albania
Angola[1]	Kenya	Bolivia	Algeria
Bangladesh	Tajikistan	Cabo Verde	Antigua and Barbuda[3]
Benin	Zimbabwe	Cameroon	Argentina
Bhutan		Congo	Azerbaijan
Burkina Faso		Côte d'Ivoire	Belarus
Burundi		Egypt	Belize
Cambodia		El Salvador	Bosnia and Herzegovina
Central African Republic		Georgia	Botswana
Chad		Ghana	Brazil
Comoros		Guatemala	Chile[2]
Democratic Republic of the Congo		Guyana	China (People's Republic of)
Djibouti		Honduras	Colombia
Equatorial Guinea[1]		India	Cook Islands[4]
Eritrea		Indonesia	Costa Rica
Ethiopia		Kosovo	Cuba
Gambia		Kyrgyzstan	Dominica
Guinea		Micronesia	Dominican Republic
Guinea-Bissau		Moldova	Ecuador
Haiti		Mongolia	Fiji
Kiribati		Morocco	Former Yugoslav Republic of Macedonia
Lao People's Democratic Republic		Nicaragua	Gabon
Lesotho		Nigeria	Grenada
Liberia		Pakistan	Iran
Madagascar		Papua New Guinea	Iraq
Malawi		Paraguay	Jamaica
Mali		Philippines	Jordan
Mauritania		Samoa	Kazakhstan
Mozambique		Sri Lanka	Lebanon
Myanmar		Swaziland	Libya
Nepal		Syrian Arab Republic	Malaysia
Niger		Tokelau	Maldives
Rwanda		Ukraine	Marshall Islands
Sao Tome and Principe		Uzbekistan	Mauritius
Senegal		Viet Nam	Mexico
Sierra Leone		West Bank and Gaza Strip	Montenegro
Solomon Islands			Montserrat
Somalia			Namibia
South Sudan			Nauru
Sudan			Niue
Tanzania			Palau[3]
Timor-Leste			Panama

Table A A.1. **DAC List of ODA Recipients** *(cont.)*

Effective for reporting on 2014, 2015, 2016 and 2017 flows

Least developed countries	Other low-income countries (per capita GNI <= USD 1 045 in 2013)	Lower middle-income countries and territories (per capita GNI USD 1 046 – USD 4 125 in 2013)	Upper middle-income countries and territories (per capita GNI USD 4 126 –USD 12 745 in 2013)
Togo			Peru
Tuvalu			Saint Helena
Uganda			Saint Lucia
Vanuatu[1]			Saint Vincent and the Grenadines
Yemen			Serbia
Zambia			Seychelles[2]
			South Africa
			Suriname
			Thailand
			Tonga
			Tunisia
			Turkey
			Turkmenistan
			Uruguay[2]
			Venezuela
			Wallis and Futuna

Notes:

1. The United Nations General Assembly resolution A/RES/70/253 adopted on 12 February 2016 decided that Angola will graduate five years after the adoption of the resolution, i.e. on 12 February 2021. General Assembly resolution 68/L.20 adopted on 4 December 2013 decided that Equatorial Guinea will graduate from the least developed country category three and a half years after the adoption of the resolution. General Assembly resolution A/RES/68/18 adopted on 4 December 2013, decided that Vanuatu will graduate four years after the adoption of the resolution on 4 December 2017. General Assembly resolution A/RES/70/78 adopted on 9 December 2015, decided to extend the preparatory period before graduation for Vanuatu by three years, until 4 December 2020, due to the unique disruption caused to the economic and social progress of Vanuatu by Cyclone Pam.
2. At the time of the 2017 review of this List, the DAC agreed on the graduation of Chile, Seychelles and Uruguay as from 1 January 2018.
3. Antigua and Barbuda exceeded the high-income threshold in 2015 and 2016, and Palau exceeded the high-income threshold in 2016. In accordance with the DAC rules for revision of this List, if they remain high-income countries until 2019, they will be proposed for graduation from the List in the 2020 review.
4. The DAC agreed to defer decision on graduation of Cook Islands until more accurate GNI estimations are available. A review of Cook Islands will take place in the first quarter of 2019.

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ANNEX B

Methodological notes on the profiles of Development Assistance Committee members

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. The term DAC country average refers to weighted averages of Development Assistance Committee (DAC) countries for the specific allocation. Allocations by the European Union institutions are excluded from this calculation. All of the data presented in the profiles are publicly available at: *www.oecd.org/dac/stats* and *http://effectivecooperation.org*.

The remainder of this annex describes the methodology and sources for: countries' performance against commitments for effective development co-operation, in-donor refugee costs, country programmable aid, ODA to least developed countries, support to fragile contexts, ODA committed to domestic resource mobilisation and aid for trade, the Gender Equality Policy Marker, the Environment markers, and bilateral allocable aid.

Countries' performance against commitments for effective development co-operation (Table 1. Results of the 2016 Global Partnership monitoring round, updated)

In the table for each profile, the "baseline" row for the data on "Funding recorded in countries' national budgets", "Funding through countries' systems", and "Annual predictability" refers to the 2010 monitoring round. The baseline for data on medium-term predictability and OECD Forward Spending Survey refers to 2013. The baseline for data on OECD Creditor Reporting System and publishing to IATI Initiative refer to the 2016 round. The baseline for data on Untied ODA refers to 2015. The "2016" row refers to data from the latest monitoring round except for:

- Untied ODA, which refers to the latest available data (2016) released by OECD statistics after completion of the 2016 monitoring round;
- OECD Creditor Reporting System, which refers to the latest available assessment on reporting in 2017;
- Publishing to IATI which refers to the scores extracted from IATI database in early March 2018.

The source and methodology for data on funding recorded in countries' national budgets, funding channelled through partner countries' systems, annual predictability and medium-term predictability, and the three transparency assessments can be consulted at OECD/UNDP (2016), "Annex B: Monitoring data: Development partners" in: *Making Development Co-operation More Effective: 2016 Progress Report*. Data for these indicators were reported in 2016, reflecting the behaviour of development co-operation flows during the previous fiscal year. Note that for the transparency assessment labelled as publishing to IATI, the 2016 value represents the baseline for the indicator.

The source for data on untied ODA is OECD (2018), "Creditor Reporting System: Aid activities", *OECD International Development Statistics* (database), *http://dx.doi.org/10.1787/data-00061-en*.

The methodology for the indicator on the extent of use of country-led results frameworks can be found at *https://unstats.un.org/sdgs/metadata/files/Metadata-17-15-01.pdf* (c.f. metadata for SDG 17.15). The 2016 value represents the baseline for this indicator. The underlying data is sourced from OECD/UNDP (2016), "Annex B: Monitoring data: Development partners" in: *Making Development Co-operation More Effective: 2016 Progress Report*, OECD Publishing, Paris.

In-donor refugee costs

Specific instructions on the reporting of in-donor refugee costs were first introduced in the DAC Statistical Reporting Directives in 1988 and have changed little since then.

In-donor refugee costs: extract from DAC Statistical Reporting Directives (*www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DCDDAC(2016)3FINAL.pdf*): a refugee is a person who is outside his/her home country because of a well-founded fear of persecution on account of race, religion, nationality, social group or political opinion. Assistance to persons who have fled from their homes because of civil war or severe unrest may also be counted under this item. Official sector expenditures for the sustenance of refugees in donor countries can be counted as ODA during the first 12 months of their stay.[1] This includes payments for refugees' transport to the host country and temporary sustenance (food, shelter and training); these expenditures should not be allocated geographically. However, this item also includes expenditures for voluntary resettlement of refugees in a developing country; these are allocated geographically according to the country of resettlement. Expenditures on deportation or other forcible measures to repatriate refugees should not be counted as ODA. Amounts spent to promote the integration of refugees into the economy of the donor country, or resettle them elsewhere than in a developing country, are also excluded.

Clarifications to the Statistical Reporting Directives on in-donor refugee costs can be found at this link: *http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2017)35/FINAL&docLanguage=En*.

Because in-donor refugee costs are not allocated geographically, the reporting of these costs can increase the share of bilateral ODA that is not specified by country.

Country programmable aid

Country programmable aid (CPA) is a subset of gross bilateral ODA that tracks the proportion of ODA over which recipient countries have, or could have, a significant say. It reflects the amount of aid that involves a cross-border flow and is subject to multi-year planning at country/regional level.

CPA is defined through exclusions, by subtracting from total gross bilateral ODA activities that: 1) are inherently unpredictable (humanitarian aid and debt relief); 2) entail no cross-border flows (administrative costs, imputed student costs, promotion of development awareness, and costs related to research and refugees in donor countries); 3) do not form part of co-operation agreements between governments (food aid, aid from local governments, core funding to non-governmental organisations, ODA equity investments, aid through secondary agencies, and aid which is not allocable by country or region).

CPA is measured on a gross disbursement basis and does not net out loan repayments since these are not usually factored into country aid decisions. CPA is derived from the standard DAC and CRS databases.

1. Contributions by one donor to another donor to cover such expenditures should be recorded as ODA by the contributing country. The receiving country should reduce the expenditure reported under this item by the same amount.

Source: OECD (2018), "Country programmable aid (CPA)", *OECD International Development Statistics* (database), *http://stats.oecd.org/Index.aspx?DataSetCode=CPA*.

For further information, see: *www.oecd.org/development/effectiveness/countryprogrammableaidcpafrequently askedquestions.htm*.

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: *www.oecd.org/dac/stats/oecdmethodologyforcalculatingimputedmultilateraloda.htm*.

Support to fragile contexts

Support to fragile contexts corresponds to gross bilateral ODA to fragile contexts that will be identified using the multidimensional model in OECD *States of Fragility 2018* (to be released July 2018). For more information on the *States of Fragility* series see: *www.oecd.org/dac/conflict-fragility-resilience/listofstateoffragilityreports.htm*.

Domestic resource mobilisation

The figures on the amount of ODA that supports the mobilisation of domestic resources in developing countries come from the DAC's CRS database. This database contains detailed information on individual aid activities, including the purpose of aid. In order to identify domestic resource mobilisation-related activities, a purpose code (CRS code 15114) is used. This code had previously been voluntary but was established as an official purpose code in 2016, and as a result the previous approach of complementing reporting under the voluntary code with a key-word search for tax-related activities has been abandoned.

Source: OECD (2018), "Creditor Reporting System: Aid activities", *OECD International Development Statistics* (database), *http://dx.doi.org/10.1787/data-00061-en*.

Aid for trade

According to the World Trade Organization (WTO) Task Force on Aid for Trade, projects and programmes are part of aid for trade if these activities have been identified as trade-related development priorities in the partner country's national development strategies. Furthermore, the WTO Task Force concluded that to measure aid-for-trade flows, the following categories should be included: technical assistance for trade policy and regulations, trade-related infrastructure, productive capacity building (including trade development), trade-related adjustment, other trade-related needs.

The DAC's CRS database was recognised as the best available data source for tracking global aid-for-trade flows. It should be kept in mind that the CRS does not provide data that match exactly all of the above aid-for-trade categories. In fact, the CRS provides proxies under four headings: trade policy and regulations, economic infrastructure, building productive capacity, and trade-related adjustment. The CRS covers all ODA, but only those activities reported under the above four categories can be identified as aid for trade. It is not possible to distinguish activities in the context of "other trade-related needs".

To estimate the volume of such "other" activities, donors would need to examine aid projects in sectors other than those considered so far – for example in health and education – and indicate what share, if any, of these activities has an important trade component. A health programme, for instance, might permit increased trade from localities where the disease burden was previously a constraint on trade. Consequently, accurately monitoring aid for trade would require comparison of the CRS data with donor and partner countries' self-assessments of their aid for trade.

Source: OECD (2018), "Creditor Reporting System: Aid activities", *OECD International Development Statistics* (database), *http://dx.doi.org/10.1787/data-00061-en*.

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 (2018), "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 "Bilateral ODA in support of global and local environment objectives, 2010-16, commitments" presented in each DAC member 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 from 2010 onwards, but only mitigation aid pre-2010. Reported figures for 2006-09 may appear lower than in practice, and may reflect a break in the series, given that pre-2010 adaptation spend is not marked. In the profiles of DAC members, the basis of calculation is bilateral allocable ODA. More details are available at: *www.oecd.org/dac/stats/rioconventions.htm*.

Source: OECD (2018), "Aid activities targeting global environmental objectives", *OECD International Development Statistics* (database), *http://stats.oecd.org/Index.aspx?DataSetCode=RIOMARKERS*.

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).

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Development Co-operation Report 2018

JOINING FORCES TO LEAVE NO ONE BEHIND

When Member States of the United Nations approved the 2030 Agenda for Sustainable Development in 2015, they agreed that the Sustainable Development Goals and Targets should be met for all nations and peoples and for all segments of society. Governments and stakeholders negotiating the 2030 Agenda backed the ambition of leaving no one behind, an ambition increasingly referred to in development policies, international agendas and civil society advocacy.

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Consult this publication on line at ***https://doi.org/10.1787/dcr-2018-en***.

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