

Presentation

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Panel 11: International public finance, including ODA and innovative sources of finance

Introduction

Salutationsappreciative of the opportunity to speak and represent the voices of civil society in the Caribbean as part of the SIDS group of developing countries, in this very important discussion.

For civil society in the Caribbean discussions around international public finance must be undergirded by three key principles:

- (1) Recognition of climate change as a primary concern for SIDS which must be supported through ‘ financial additionality’
- (2) The need to ensure that ODA matches national priorities in order to imbue ownership, sustainable transformation and effectiveness
- (3) Rigour in approaches to Innovative financing mechanisms

- **Recognition of climate change as a primary concern for SIDS which must be supported through ‘ financial additionality’**

While there is considerable variability in the levels of ODA received by SIDS and states in the Caribbean specifically, there is no denying that ODA still remains a critical source of external financing for these states. Stable and predictable transfers of ODA can therefore play an important transformative role. While we welcome the acknowledgement that financial flows

should be aligned with the three pillars of sustainable development, for countries in the Caribbean, we believe that climate change is indeed the most pressing development challenge; noting of course that efforts to tackle climate change and eradicate poverty are extremely inter-related.

In this regard, discussions on international public finance should recognize that for SIDS tackling climate change will have important implications for financing development, given the level of resources that will be required to lead adaptation efforts. Moreover, it is clear that addressing this issue will require new and additional resources outside of those allocated under traditional ODA portfolios.

There needs to be stronger recognition and agreement that climate finance is not double counted as ODA and is considered both separate from and additional to traditional ODA. Moreover, there needs to be greater commitment to simplifying access to climate finance especially for SIDS countries with lower levels of institutional capacity.

- **The need to ensure that ODA matches national priorities in order to imbue ownership, sustainable transformation and effectiveness**

Development assistance must support the national development process for positive development outcomes to be realised. There must be recognition that current practices of ODA transfers must be realigned to in order to ensure that the best practices of development effectiveness are adhered to, that priorities for the allocation of ODA are aligned to national development strategies and importantly that they are without unnecessary conditionalities and

therefore will foster the necessary level of allocative efficiency. Moreover, while we align ourselves with the notion of smart ODA, we believe that leveraging should be measured not by the additional quantity of resources which can be mobilized but rather the extent to which it can be used to scale up transformative impacts for the vulnerable, poor and marginalized. Noting that we must develop indicators and methodologies to evaluate the modality of delivery, quality and effectiveness of these resource flows.

- **Rigour in approaches to Innovative Financing Mechanisms**

While we also believe that innovative financing mechanisms can be extremely beneficial, there are some concerns. There is need to consider the extent to which innovative financing for development initiatives actually work to strengthen beneficiary country ownership over the development process. We also emphasize that innovative sources of development finance should be additional and complementary to traditional forms of development assistance and not simply used to offset declines in traditional donor assistance. Innovative financing initiatives should therefore be assessed in terms of their ability to efficiently and effectively deliver development results both in the immediate and longer-term.