

Panel Discussion

The modernisation of ODA and measurement of broader development finance for an accountable post-2015 development framework

*Conference Room 7 (CB) – United Nations Headquarters, New York
Wednesday 12 November - 1:15-2:30 p.m.*

Moderated by H.E. Mr. Geir O. Pedersen, Co-facilitator of the preparatory process for the third International Conference on Financing for Development

The modernisation of ODA and measurement of broader development finance for an accountable post-2015 development framework - Presentation by:

- [Ms. Suzanne Steensen](#), Manager, Development Finance and Global Governance Unit, and
- [Ms. Julia Benn](#), Manager, Statistical Policy, Analysis & Engagement Unit, at the OECD Development Co-operation Directorate

Discussants:

- Mr. Joseph Enyimu, Commissioner, Ministry of Finance, Planning and Economic Development, Uganda
- Mr. Vitalice Meja, Executive Director, Reality of Aid Africa
- Mr. Maher Mamhikoff, Chair, DAC Working Party on Development Finance Statistics (WP-STAT)

Comment from the Financing for Development Office, UN-DESA (Ms. Shari Spiegel, Chief of Branch)

Light refreshments and snacks will be available after the event

Concept note

In September 2015, world leaders will gather at the United Nations to agree on the post-2015 development agenda. Two months earlier, the third International Conference on Financing for Development will provide an opportunity to review the financing framework for development. The context for development financing has changed significantly since the MDGs were agreed upon in 2000. ODA continues to be an essential resource for all developing countries. At the same time, many countries, especially in the middle-income group, have access to a more diverse range of financing sources. Global development challenges have become more pertinent.

In anticipation of this framework, the OECD-DAC High Level Meeting (HLM) of December 2012 provided a comprehensive mandate for exploring new ways to measure external development finance, acknowledging the need to modernise concepts in light of the profound changes of the development landscape. The OECD is currently consulting with a wide range of stakeholders on a new measure of official support for sustainable development that would capture, and therefore incentivise, wider resources for the post-2015 financing framework. Furthermore, it is working on a modernisation of the ODA measure to ensure the continued relevance and credibility of this key measure of donor accountability. In a post-2015 world ODA should reflect the true provider effort, should be directed where it is most needed and where it has the greatest development impact.

At the upcoming HLM on 15-16 December 2014, OECD-DAC Ministers and Heads of Agency are expected to provide guidance on a number of key elements that will help shape the framework for measuring and monitoring development finance post 2015. These include among others:

- **Creating a new, more comprehensive measure of Total Official support for Sustainable Development (TOSD):** Such a measure would cover the totality of resources beyond ODA in support of sustainable development and global public goods deemed relevant for development, regardless of the types of instruments used and associated terms. It will enable the global community to monitor more transparently the broad array of international financial resources responding to the needs and priorities embedded in the emerging post-2015 SDG agenda. The exact definition can only be agreed after approval of the SDGs in the 4th quarter of 2015.
- **Increasing transparency of resource inflows to developing countries:** The agenda for modernisation also includes enhancing the transparency of financial flows reaching developing countries. Improving access to information on cross-border financial flows and the different instruments and mechanisms employed is a priority issue for partner countries, allowing them to apprehend the totality of resources on offer and how different sources and instruments can be blended and leveraged.
- **Assessing concessionality and the reporting on concessional loans in ODA:** While most ODA continues to be provided as grants, concessional loans provided to developing countries by bilateral and multilateral donors are an important and enduring feature of the development finance landscape. They will continue to play a key role in mobilising resources for the post-2015 SDGs, both alone and combined with grants in “blended finance” packages. Over the past decade the “concessional in character” criterion – which determines the extent to which loans can be scored as ODA – has come under criticism as being vague and open to interpretation. All stakeholders agree that clarification in this regard is essential for the credibility of the ODA measure.
- **Ensuring a better balance of the distribution of ODA towards countries most in need.** This will also include reversing the downward trend of ODA to LDCs, fragile states and other countries. Discussions are ongoing on how to achieve this without creating disincentives to support middle-income countries through other instruments.

Objectives of the panel discussion

This event, co-hosted by the OECD and the UN-DESA, will provide an opportunity for Delegates at the United Nations and representatives from capitals, as well as other stakeholders to obtain **an update on the modernisation process currently taking place at the OECD-DAC.** The event will also be **a forum for participants to share their views and perspectives on the various elements of the work.**

Format of the meeting

After a presentation on the process, the event will gather High-Level panellists from the OECD-DAC, UN-DESA, Uganda and Reality of Aid to provide their views on the current reform process. The floor will then be open for a Q&A session to allow for discussion with the audience.

For information and registration

UN-DESA: Oliver Schwank schwank@un.org

OECD: Guillaume Delalande guillaume.delalande@oecd.org