

### **Financing Options for Development**

by

### Mrs. Yuefen Li

#### Special Advisor on Economics and Development Finance South Centre

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD

MFAS UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



## **ODA and the SDGs**

### Yuefen LI

Special Advisor on Economics and Development Finance South Centre

> 10<sup>th</sup> UNCTAD Debt Management Conference Geneva, 23 November 2015 (PANEL 2: Financing Options for Development)

## **Countdown to SDGs**

Meeting Post-2015 ambitions- the SDGs contain 17 goals with 169 targets covering a wide range of sustainable development issues from ending poverty and hunger by 2030, improving health and education, to combating climate change, and protecting oceans and forests



## **Means of Implementation (1)**

There are more sources of financing than before. However, ODA is still important, especially for poor countries and countries in conflict and facing disasters. The fragile crisis recovery, decline of commodity prices and the ending of the **HIPC** initiative are other factors leading to the need for ODA for some countries.



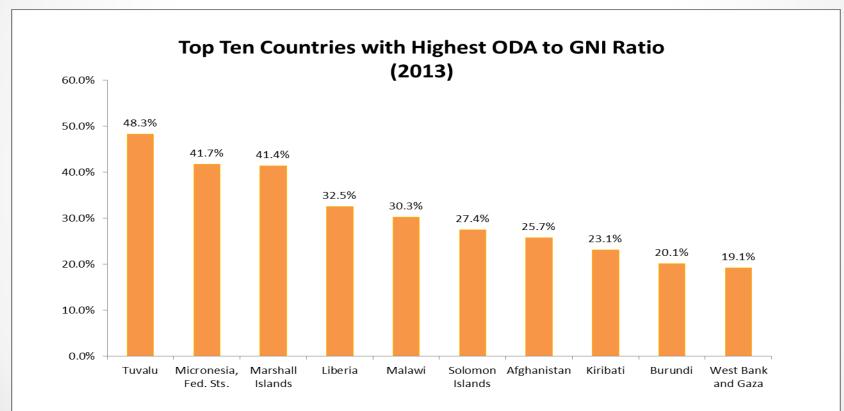
## **Means of Implementation (2)**

<u>SDG Goal 17</u>. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

<u>17.2.</u> Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7° per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 per cent of ODA/GNI to least developed countries. ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to LDCs.

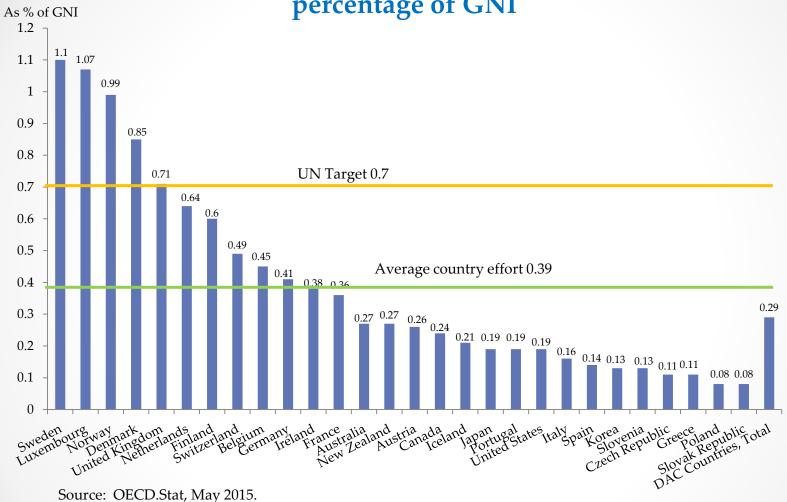


### 24 countries had ODA/GNI ratio above 10% in 2013



Source: World Bank Online database, November, 2015

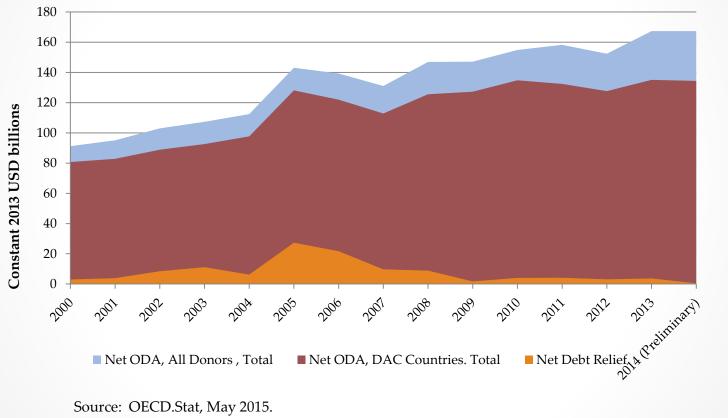




## MDG Goal 8 was half fulfilled. Net ODA in 2014 as a percentage of GNI



### Net Official Development Assistant & Net **Debt Relief Grants**





The relationship between ODA and S-S cooperation as well as Innovative Financing for Development

- South-South cooperation is a useful complement to North-South cooperation and not a substitute.
- Innovative Financing may not be counted as ODA



Inflated ODA reporting? Criteria for determining ODA eligibility

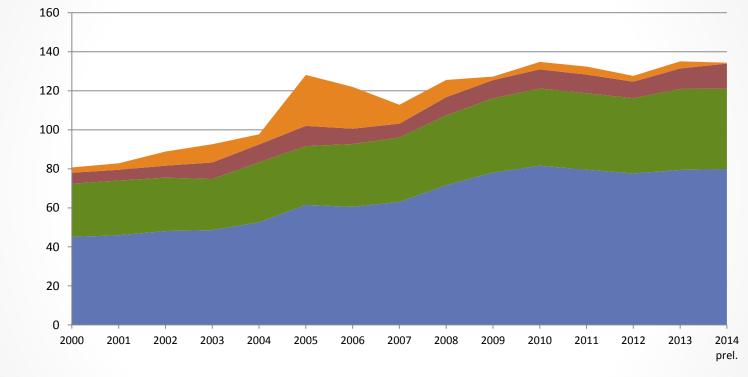
• Military aid?

• Debt Relief?

- Peacekeeping ?
- Nuclear energy?
- Cultural programmes?
- Greenhouse gas emissions?



### COMPONENTS OF DAC DONORS' NET OFFICIAL DEVELOPMENT ASSISTANCE



Net debt relief grants
Humanitarian aid
Multilateral ODA
Bilateral development projects, programmes and technical co-operation



**Constant 2013 USD billion** 

## Meeting the Aspirations

Additionality concessionality predictability Effectiveness Ownership



# Thank you.

### li@southcentre.int

