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ODA and innovative financing to meet the SDGs

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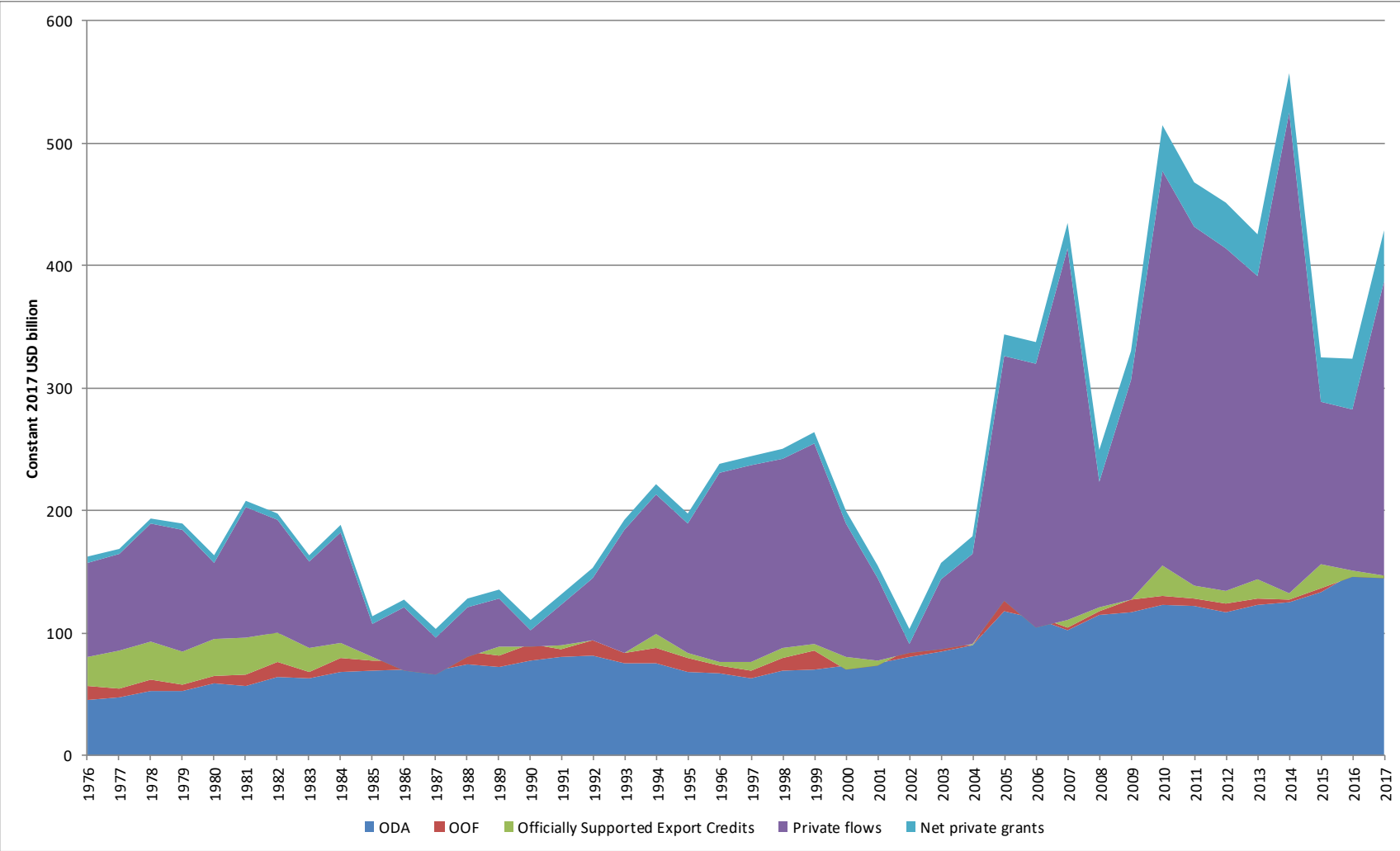
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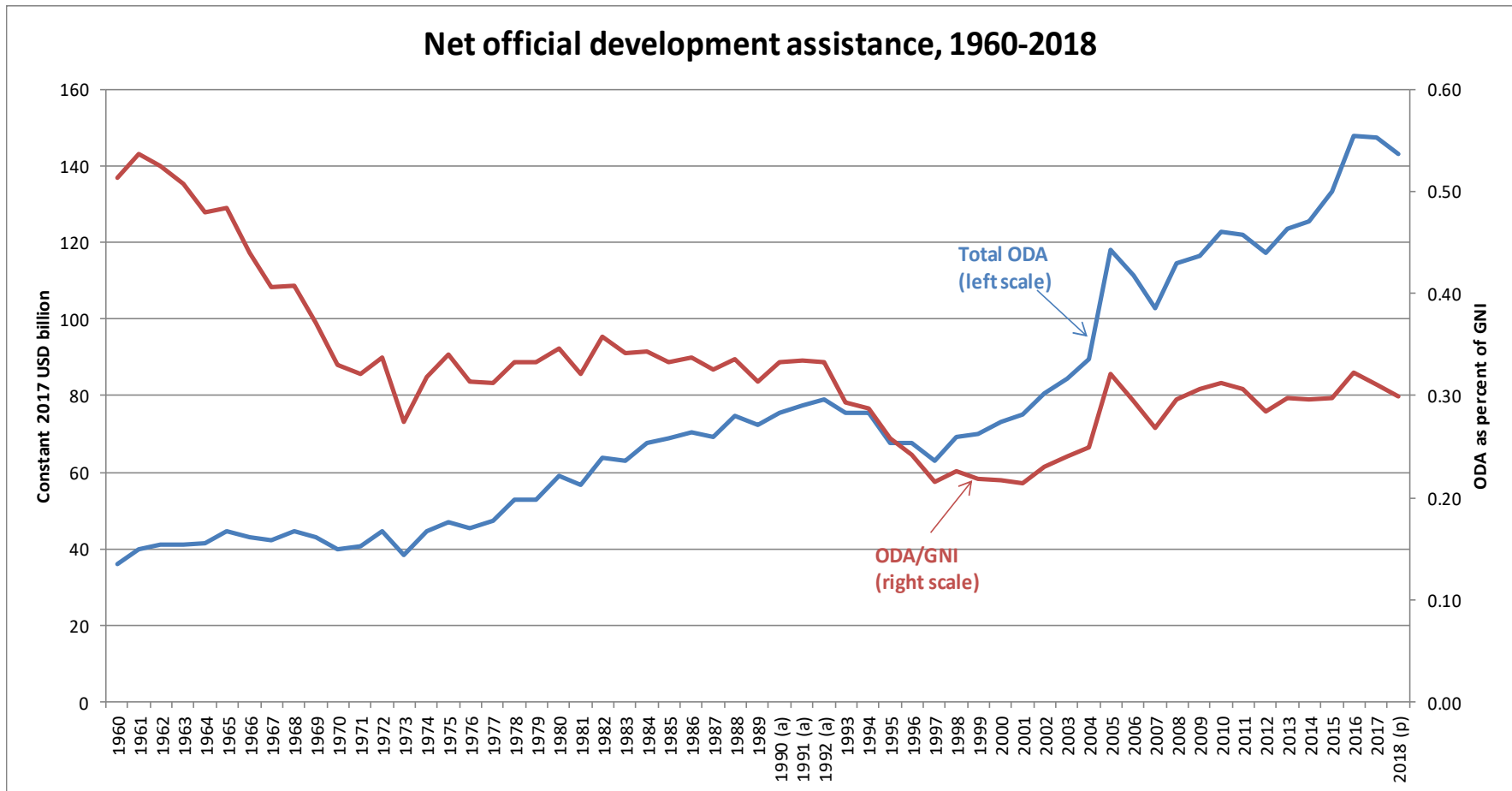
2 Innovative Financing to meet the SDGs

1. Overview of ODA trends

Total net flows from DAC countries to developing countries, 1976-2017

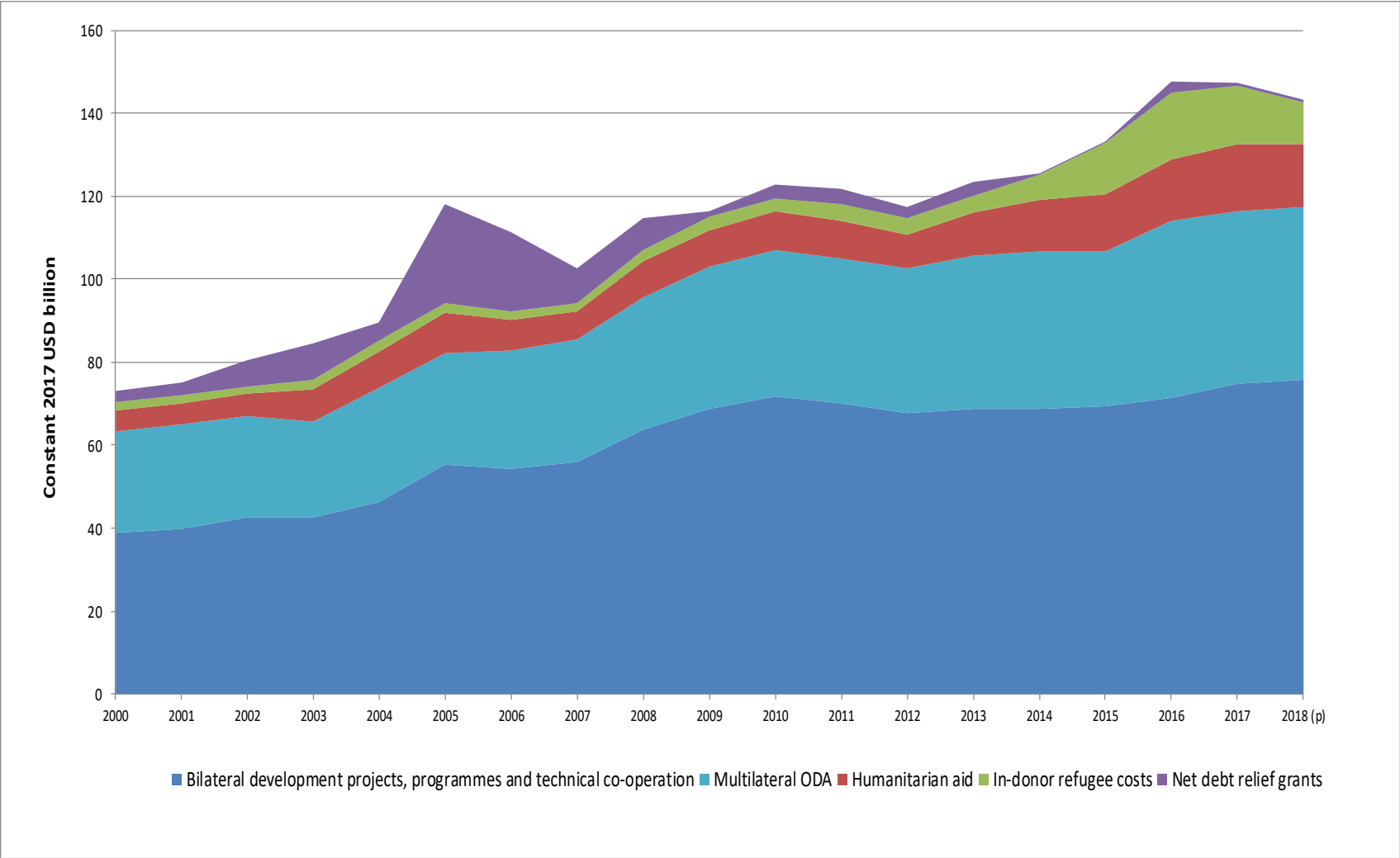


ODA Trends

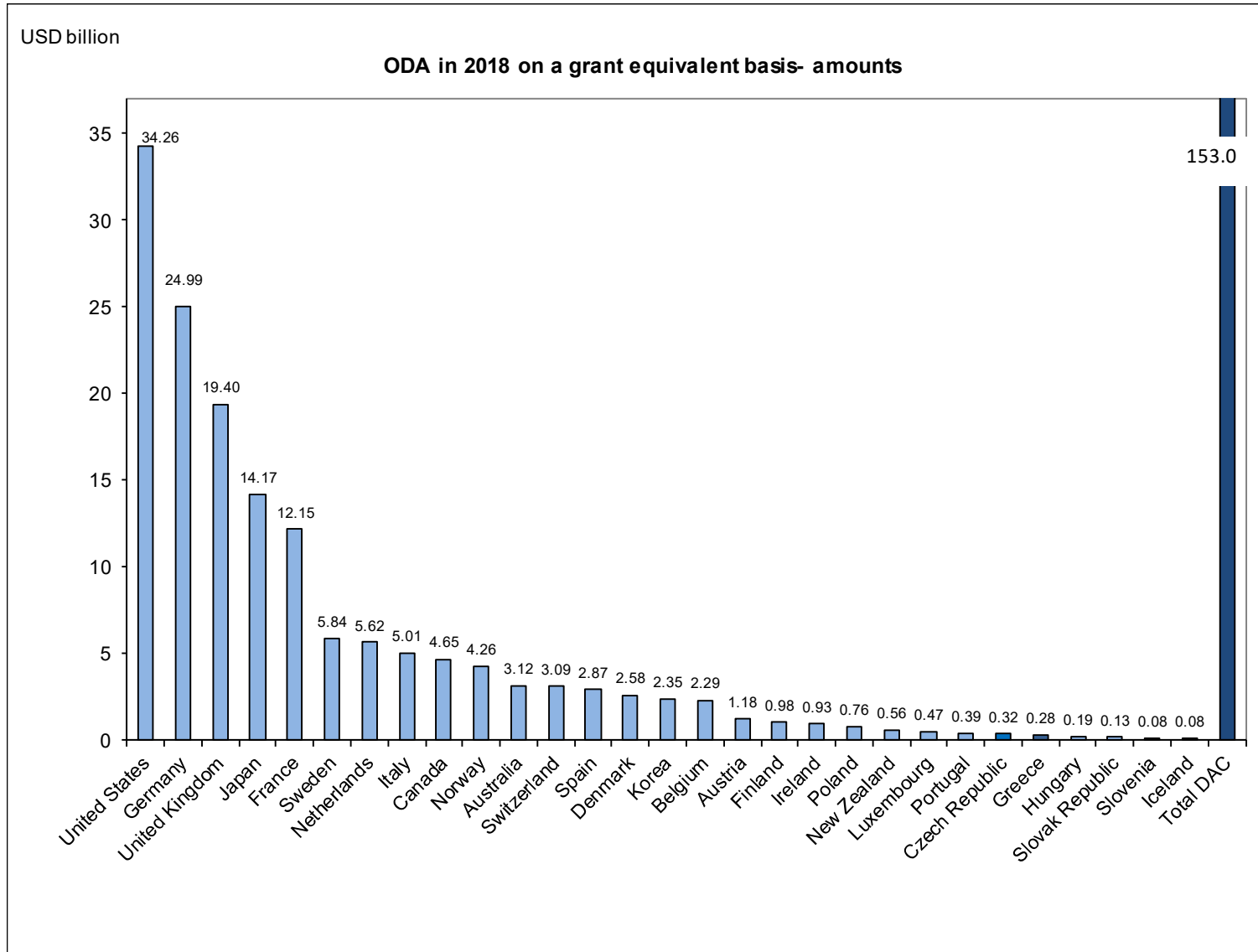


(a) Total DAC excludes debt forgiveness of non-ODA claims in 1990, 1991 and 1992.

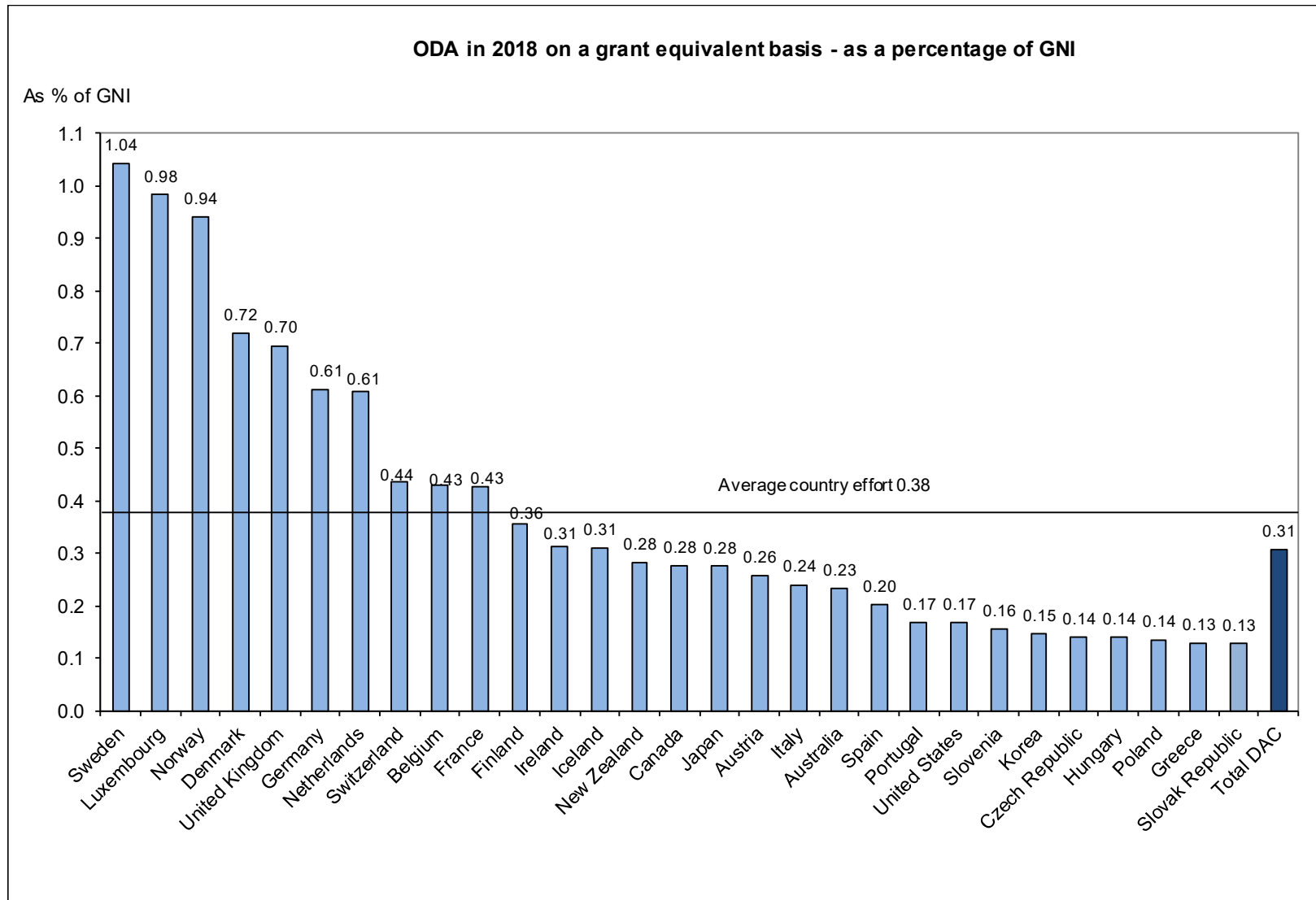
Components of net ODA from DAC countries



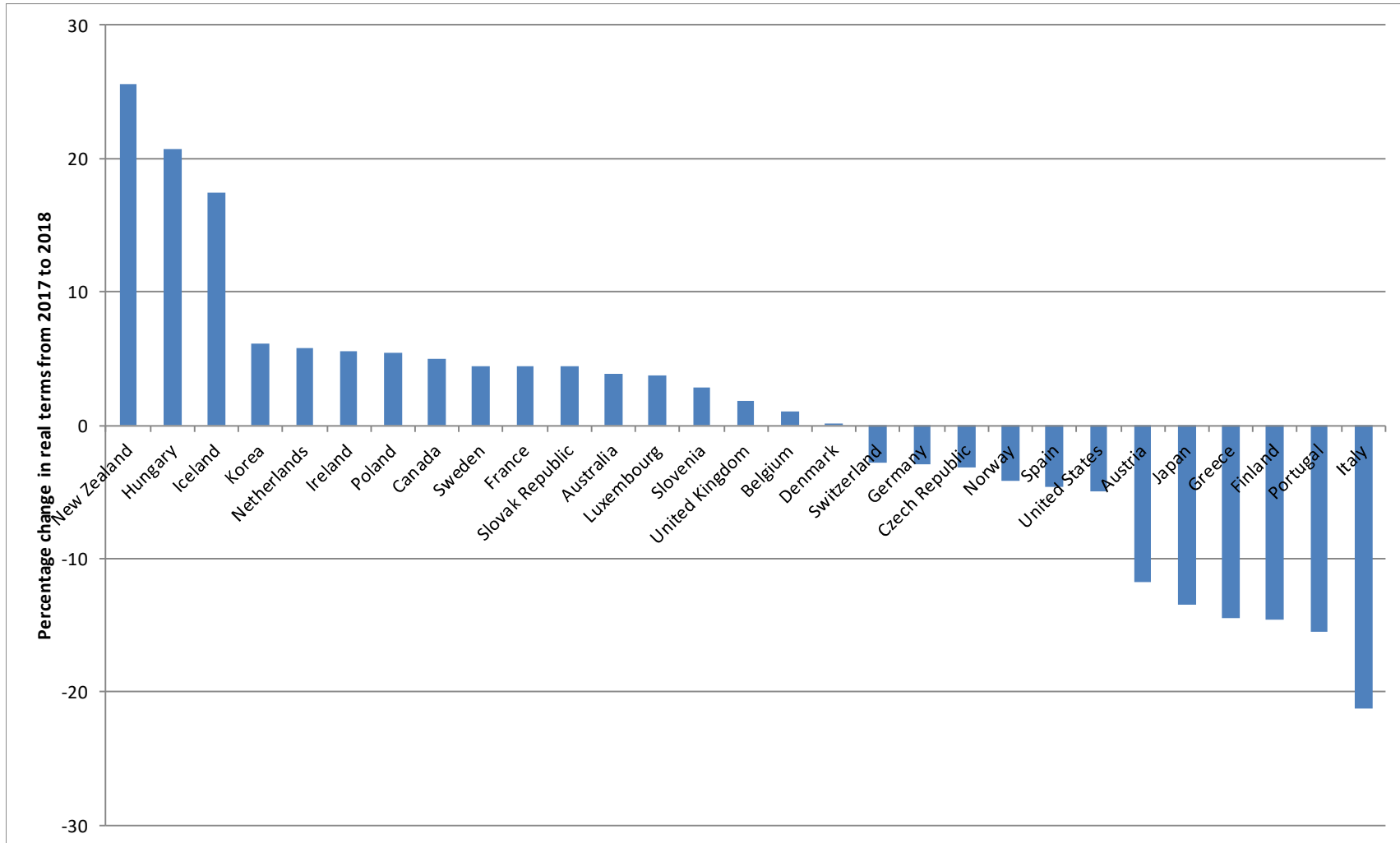
Donor Performance in 2018 - Volume



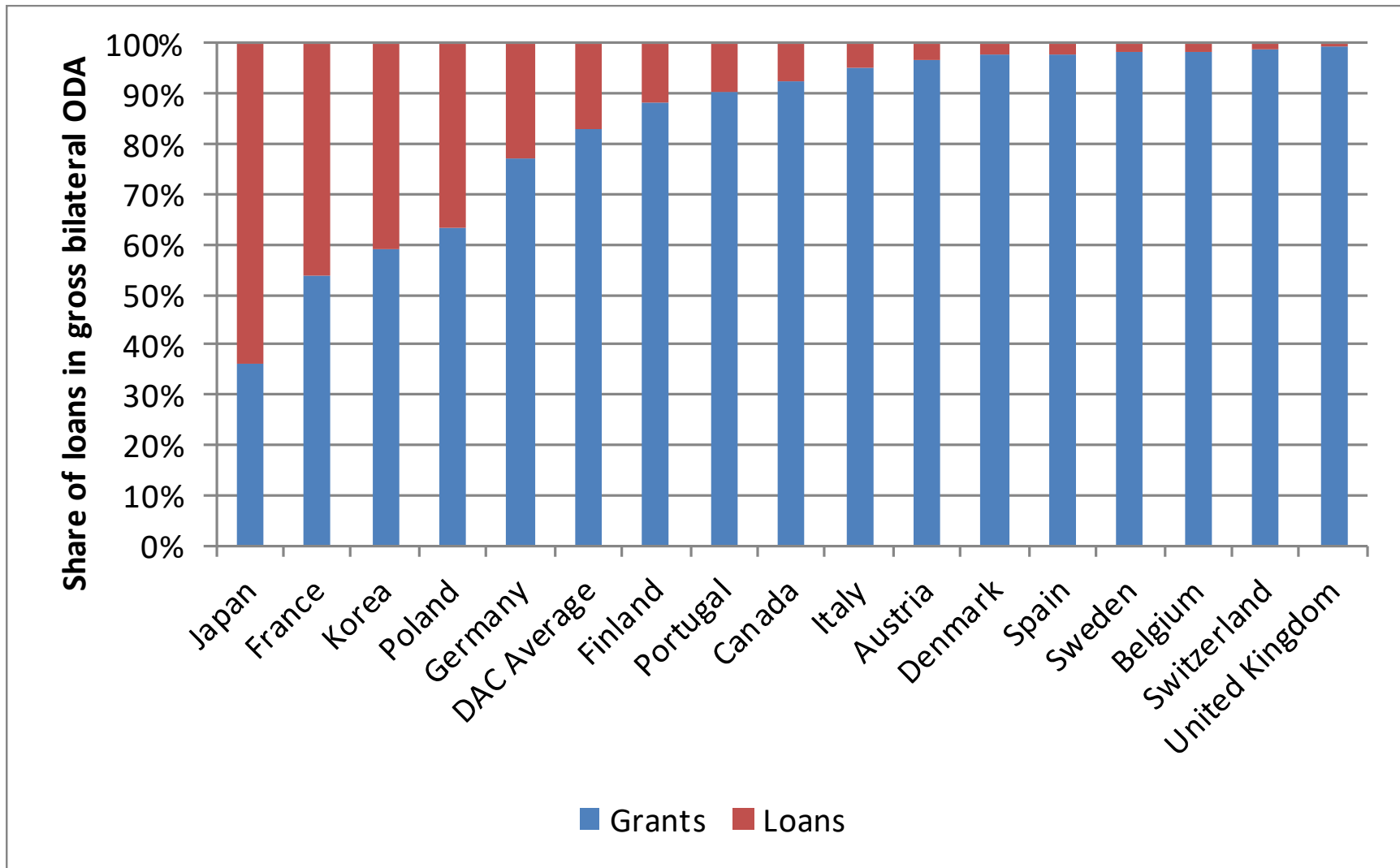
Donor Performance in 2018 – ODA/GNI ratio



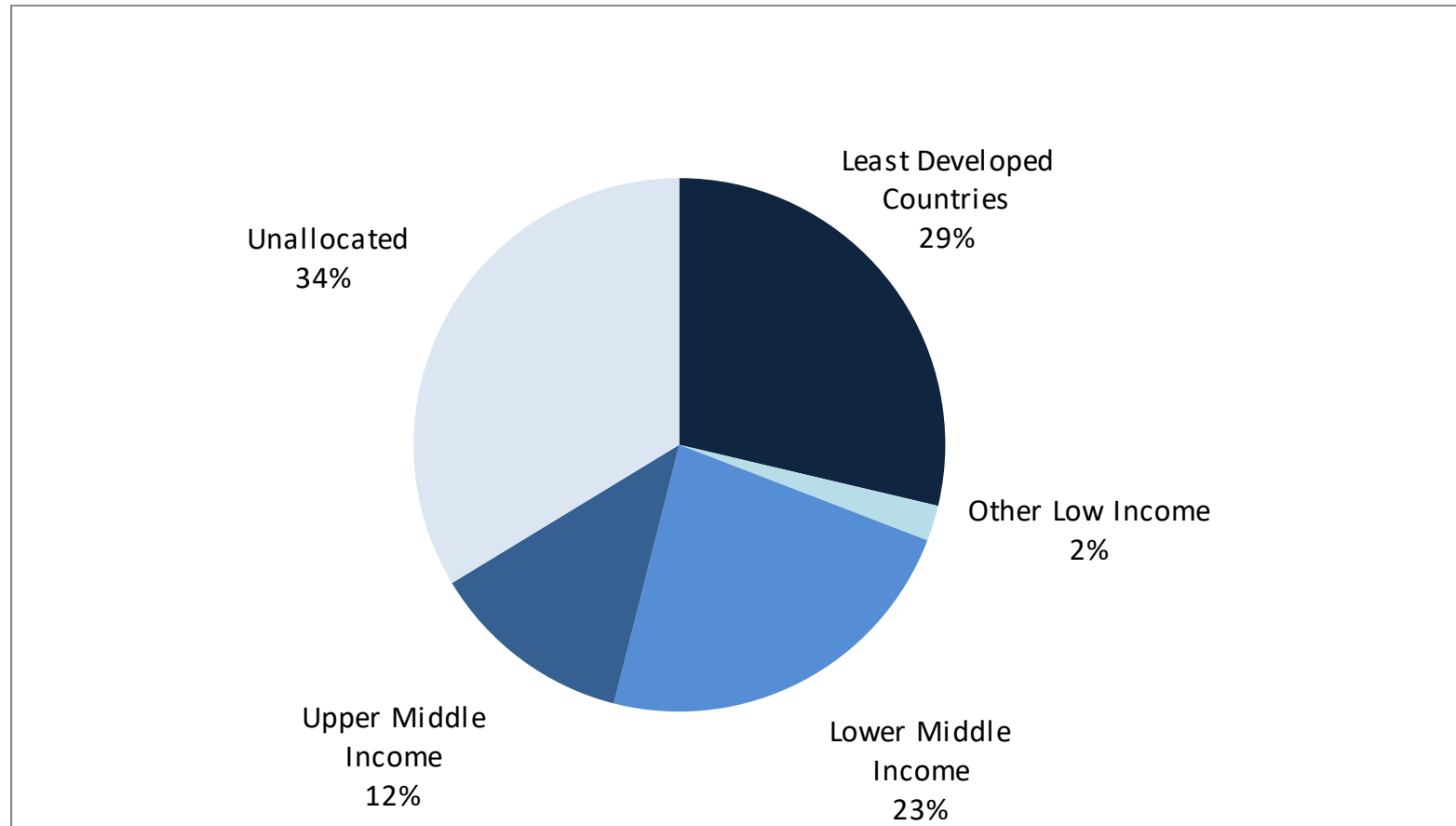
ODA percent change between 2017 and 2018



Share of loans for loan giving countries, 2018



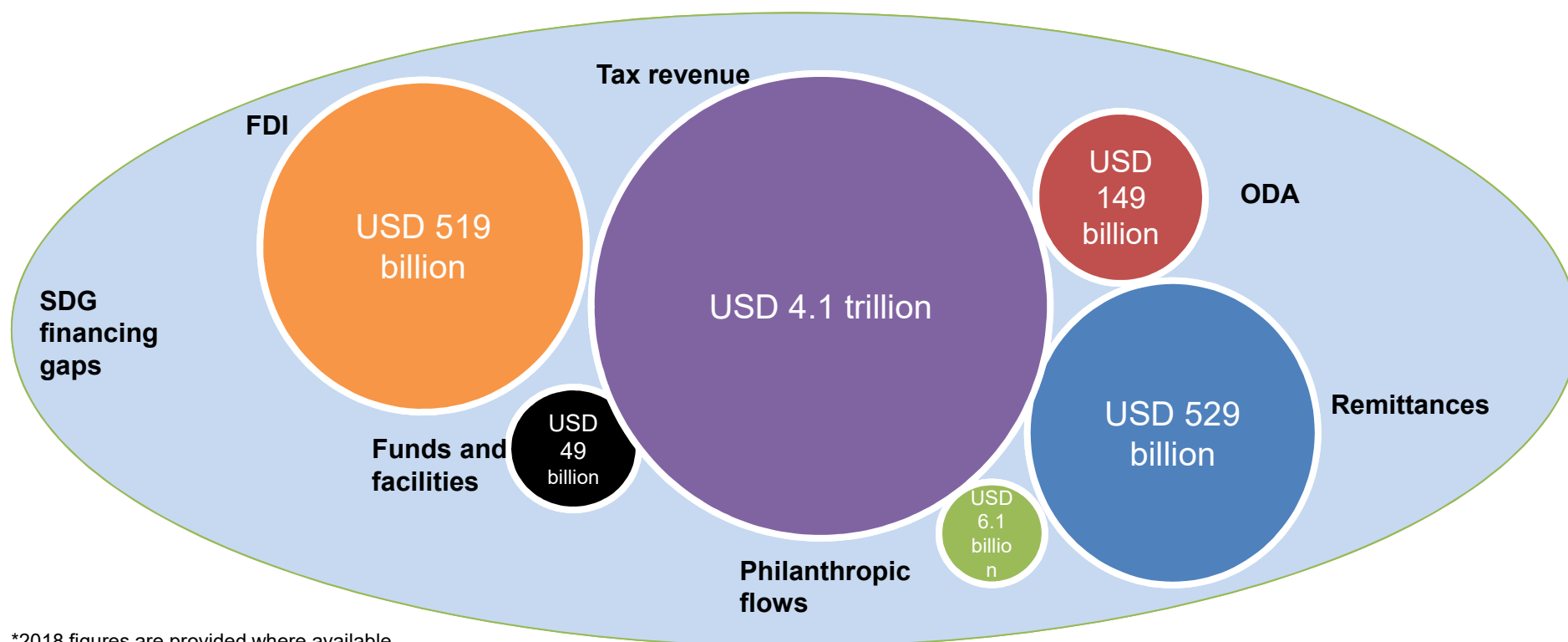
ODA Distribution by income group from all donors 2015-16



2. Innovative financing to meet the SDGs

The challenge: Shifting the Trillions

The trillions are in the system. However, the inconsistencies must be addressed.

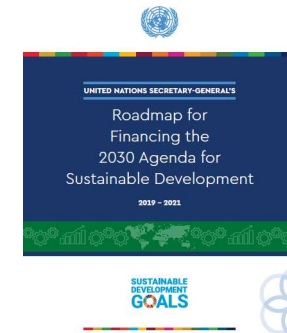


*2018 figures are provided where available.

A Call to Action for all Actors

The 2019 Global Outlook on Financing for Sustainable Development provides the full breadth of OECD work on **domestic resource mobilisation, private investment, ODA, remittances, philanthropic flows**, etc called upon by Addis to help the poorest achieve sustainable development.

It sounds the alarm that all actors must work together to successfully implement the call to action. OECD plays a role as “best supporting actor” to the UN system.

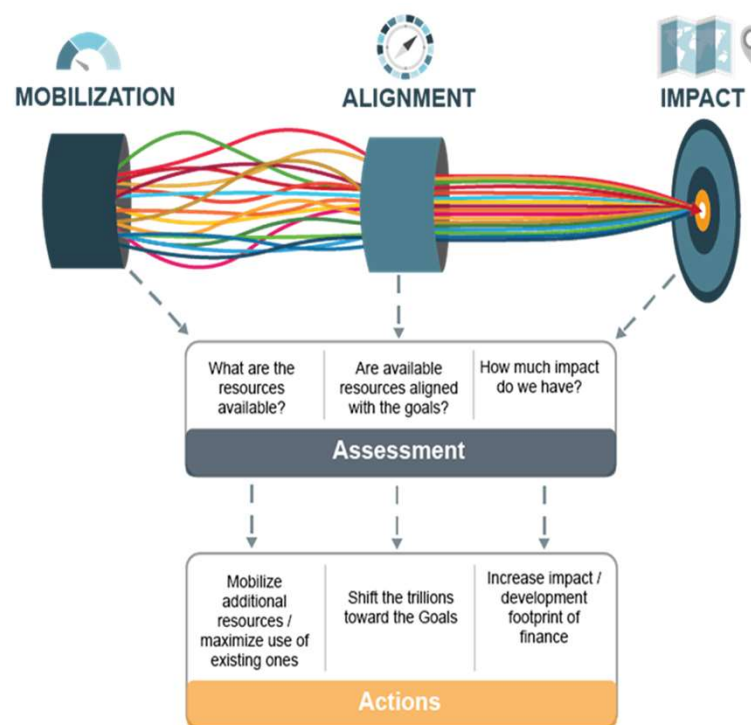


Innovative finance requires integrated finance

Policy makers should consider to adopt a more **innovative** and **integrated** approach by fixing inconsistencies across resources to finance sustainable development.

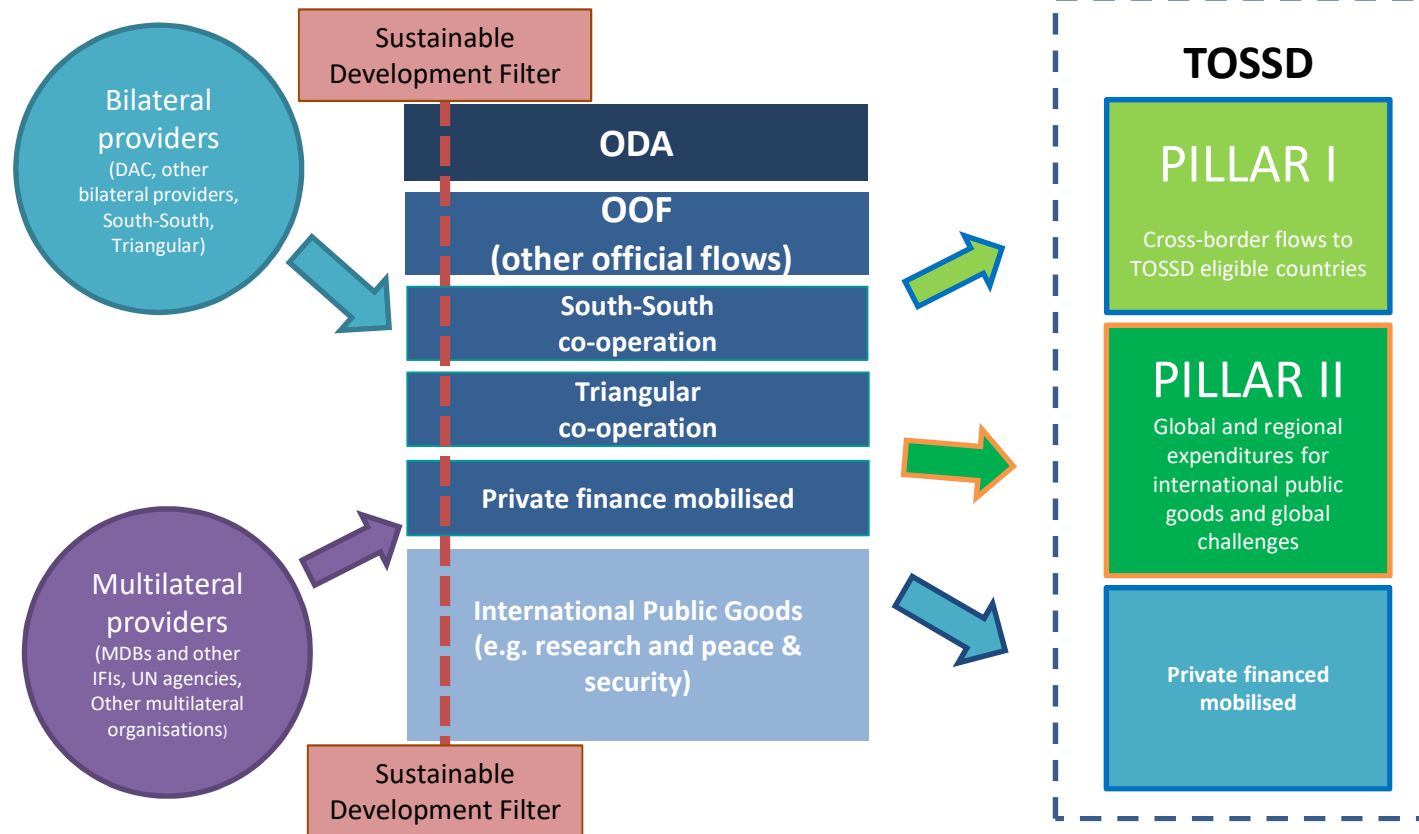
Innovation is needed to support all three pillars:

- **Mobilization** – unlocking additional resources and establishing a comprehensive picture of all financial flows available for the SDGs e.g. TOSSD and Blended Finance
- **Alignment** – improve understanding of how much is aligned with the SDGs and the Paris Agreement. e.g. Transition Finance, SDG labelling
- **Impact** – a common framework to evaluate and enhance impact, e.g. Social impact investment



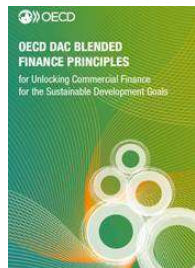
The TOSSD Framework

A framework to measure resources in support of Sustainable Development

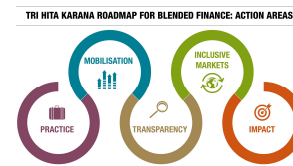


Pillar 1: Mobilisation and Blended Finance

Blended finance can play a critical role in mobilising commercial finance and strengthening financing systems for sustainable development.



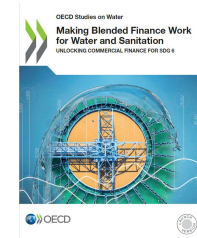
OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals to better design and implement policies and approaches



The **Tri Hita Karana Roadmap** for Blended Finance increases the effectiveness and efficiency of blended finance operations.

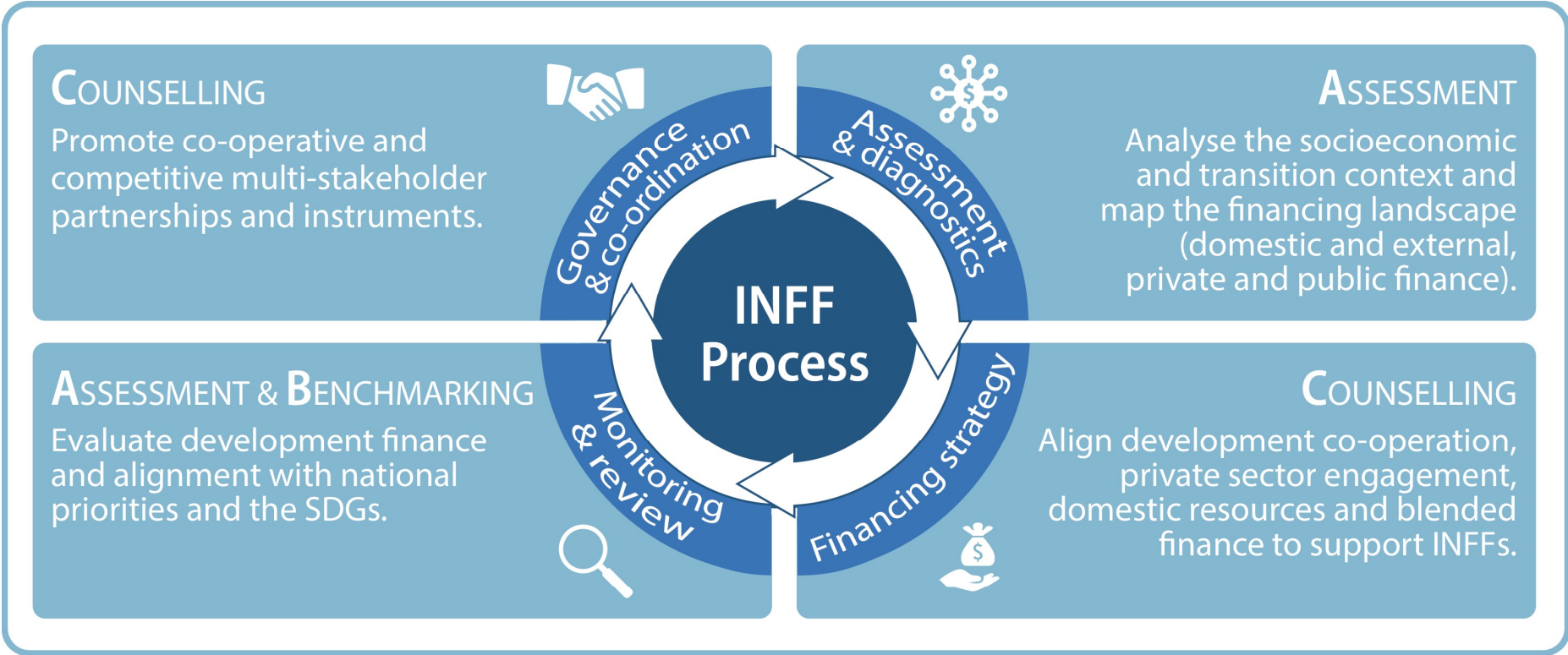
How can blended finance make a difference in **SDG sectors**?

- Blended Finance in the **Least Developed Countries** 2019
- Making Blended Finance Work for **Water and Sanitation** 2019
- Blended Finance for **agri-SMEs and Smallholder Farmers** 2020



Pillar 2: Alignment and Transition Finance

Aligning donor finance in support of country-owned INFF implementation



Transition Finance ABC Methodology

Pillar 3: Social Impact Investment

Four main action areas must be advanced:

1. Financing – ensure no one left behind
2. Innovation – promote experimentation, including in the public sector
3. Data – develop a common framework to assess
4. Policy – advance substantive commitments (voluntary and regulatory)



*The OECD is part of the **Impact Management Project** Structured Network, along with other key stakeholders including UNDP and IFC coordinating efforts to provide standards for impact measurement, management and reporting.*

The way forward

The Leading Group on Innovative Financing for Development can play a key role to advance proposals to deliver innovative and integrated financing approaches that are supportive of the UN SG Roadmap for the 2030 Agenda.

Together, we could campaign to shift the trillions, bringing finance in line with our shared agenda and future



“International public and private finance for development as well as other innovative financing mechanisms, including blended finance, can play an important role in upscaling our collective efforts”
- G20 Osaka Leaders’ Declaration

Thank you.

For more information visit:
<http://www.oecd.org/dac/financing-sustainable-development/>

