



ONE's Recommendations for the OECD DAC HLM, 18-19 February 2016

The OECD Development Assistance Committee (DAC) has undertaken a revision of the rules governing the reporting and measurement of Official Development Assistance (ODA). At the upcoming DAC High-Level Meeting (HLM) on 18-19 February, DAC Ministers are expected to discuss a number of issues, including the reporting of peace and security expenditures and the eligibility and streamlining of members' reporting on in-donor refugee costs.

ONE's recommendations for the DAC HLM:

1. **ODA should be focused on countries with the greatest need and with the least access to other sources of finance.** Despite the continued importance of ODA for the Least Developed Countries (LDCs), already low levels of development assistance to LDCs have declined for the second year in a row in 2014 and the proportion of aid allocated to these countries is at its lowest in ten years.ⁱ Donor countries should ensure aid is not diverted away from the poorest countries to cover the cost of the current crises, including the refugee and security crises, by firmly committing to increase ODA towards 0.7% of GNI and give 50% of it to LDCs.
2. **ODA should be focused on poverty eradication.** Attempts to broaden the current definition of ODA should be rejected. Diluting ODA so that less is used to fight extreme poverty would undermine the significant progress we've made in international development and threaten the newly adopted Global Goals. It would also pose a significant threat to the credibility of development assistance.
 - a. **In-donor refugee costs should not count as ODA.** The necessary funds to support refugees in donor countries must be found to ensure their needs are met and their rights respected under international law. However, financing for donor domestic refugee costs must be additional to existing and promised aid. In-donor refugee costs increased by USD 1.8 billion in 2014, a 37% increase compared to 2013ⁱⁱ, and as a result of the refugee crisis, ONE projects that in-donor refugee costs reported by European donors could rise to more than USD 10 billion in 2016.ⁱⁱⁱ Unless donors also increase overall aid levels, this would lead to a severe diversion of ODA away from the poorest countries or artificially boost ODA levels.
 - b. **Existing reporting rules shouldn't be broadened to include more peace and security expenditures, in particular activities combatting terrorism and violent extremism.** Linking aid to security related concerns such as countering terrorist activities is likely to lead to a re-direction of aid away from poverty reduction at the expense of the poorest and most marginalised, particularly in countries that are not affected by conflict. Limited ODA budgets remain a vital public resource for developing countries, in particular LDCs, and should not be used for activities that do not have an explicit and primary focus on poverty reduction.

Finally, the ODA reform process should be more transparent and inclusive – We welcome efforts to increase transparency and inclusion of the OECD DAC process to reform its measurement system. But partner countries' governments as well as civil society should be more actively involved and consulted in order to produce an outcome that is truly beneficial for all. Materials, meeting dates and information on the decision-making process should be publicly accessible, properly communicated and easily understandable to all interested parties.

ⁱ Excluding debt relief. OECD DAC statistics released in December 2015.

ⁱⁱ OECD DAC statistics released in December 2015.

ⁱⁱⁱ ONE's own projections based on the OECD DAC statistics on refugee costs in 2013-14 and Eurostat's asylum applicants statistics and projections for 2013, 2014, 2015 and 2016.