



### **Oxfam's submission to OECD-DAC High-Level Meeting, February 2016**

1. Discussions at the OECD-DAC's forthcoming High-Level Meeting will be critical in shaping the future of development cooperation, and in ensuring that the development community is on the right track to achieve the ambitious 2030 Agenda. Oxfam calls on DAC Members to seize the opportunity of Ministers gathering in Paris on 18-19 February 2016 to firmly recommit to targeting aid to those most in need in view of leaving no one behind, and to ensure that the credibility and integrity of the DAC's statistical system and measurement of development finance, particularly of the ODA metric, are further consolidated.
2. Oxfam joins its voice to those of other civil society organisations in asking for the DAC's work to be more transparent and inclusive, in order for CSOs to be able to further contribute to these highly important debates. With this letter, we would like to share our views and recommendations on what we believe the DAC should include in its work, and to express our concerns with regards to several points that will be discussed at the HLM. This submission is complementary to other submissions by CSO groups.

### **On the unique role of aid in delivering the 2030 Agenda and the defence of aid budgets**

3. The Addis Ababa Action Agenda, the 2030 Agenda and the Paris Climate Agreement have highlighted the need to mobilise a broad range of financing beyond ODA if we are to "shift from billions to trillions". While recognizing that aid alone will not suffice to achieve the Sustainable Development Goals and a low-carbon, resilient world, Oxfam calls on the HLM to reaffirm the unique role of aid in leaving no one behind, and to recommit to the UN target of 0.7% of GNI as ODA, backed with targets with tangible, verifiable timelines. As final aid figures for 2014 show that ODA to LDCs and Sub-Saharan Africa has fallen for the second year in a row, and that the share going to LDCs is at its lowest level in ten years despite the growing challenges they face in terms of economic stability, governance and climate impacts, we urge the DAC to translate into reality the commitment it made at its 2014 HLM to reverse the declining trend of ODA to LDCs. Furthermore, Oxfam calls for providing a rising increase of the share of total ODA/GNI reaching a 50 percent target for allocation to the Least Development Countries (LDCs) within the next five years.
4. We understand that governments are currently facing difficult funding decisions amidst a range of international pressures, from international climate action, to migration, security threats and violent extremism. While we fully recognize the necessity to fund such challenges, delving into aid budgets is not the answer, as this entails diverting aid money at the expense of the world's poorest. We call on the HLM to reaffirm that ODA must remain true to its primary purpose of promoting the economic development and welfare of developing countries. Oxfam believes that supporting refugees is vital - it forms part of our international responsibilities and human rights obligations - and urges governments to find the resources to meet the needs of refugees arriving at their borders. However, raiding aid budgets to do so should not be an option, instead governments should build whole-of-government approaches to meeting the needs of refugees they host or resettle, using their general budgets and/or other relevant line ministries' budget such as Home Affairs, Social Affairs, Education, Health, etc. In addition, DAC Members should provide more and better aid in developing countries to tackle the roots of displacement in a sustainable manner. Similarly, Oxfam believes that solely relying on limited aid budgets to deliver international climate support is not sustainable in the long run and certainly does not meet the challenge of growing public finance needs for adaptation.

## On the ODA modernisation process

5. Oxfam appreciates the DAC's efforts to undertake a reform of its statistical system and measurements of development finance in view of better reflecting changes in the development landscape. However, regarding efforts to modernise the ODA metric, Oxfam insists that any revision of existing reporting rules must respect the fundamental principles underpinning the concept of ODA, and must preserve or strengthen the integrity of this international yardstick. Changes in reporting guidelines do not solely consist in a technical exercise; they may have major political implications, and Oxfam is worried that some of the revisions discussed at the HLM table may lead to incentivizing a re-direction of aid away from poverty alleviation.

5.1 In particular, we acknowledge the DAC's work to better capture efforts of the official sector in catalyzing private sector investment for effective development, and the potential progress this might bring about in terms of increased transparency of public support to the private sector. However, Oxfam believes that blending public and private funds to provide increased resources for development must not reduce the overall amount of ODA and grants available to the poorest countries; nor create an unmanageable debt burden for receiving countries. In addition, it is crucial that ODA that has been leveraged for private investment, and private finance generally, comply with development effectiveness principles and be subject to robust environmental and social safeguards reflecting international best practice. It should also be fully transparent to allow accountability and citizens' participation; and must ensure that such resources prioritise the needs of the poorest and most vulnerable communities, driven by national development strategies, and equitable in risk and benefit sharing. In addition, when using ODA to leverage private finance, donors must demonstrate financial additionality, ensuring that they are crowding out what the private sector would have financed anyway, and therefore wasting scarce ODA. [\*Delivering Sustainable Development: A principled approach to public private finance\*](#), sets out CSOs recommendations on how public backed private finance can ensure social and environmental justice.

5.2. Regarding the DAC's work to update and clarify the eligibility rules for using ODA to cover peace and security costs, Oxfam urges the DAC not to expand what is considered eligible under the current reporting rules, in order to avoid further securitization of aid. We recognize that ODA has a role to play in achieving SDG 16, and that the military is taking an increasing role in responding to humanitarian crises, but we are deeply concerned that using aid to finance peace and security activities risks focusing on the short-term geopolitical interests of donors at the expense of development and poverty reduction.

- Any clarification of reporting directives should (re)affirm key safeguards, including the fact that development co-operation should not be used as a vehicle to promote the provider's security interests, that the primary purpose of activities reported as ODA should be the promotion of the economic development and welfare of the developing country only, and as regards the activities involving the military, that military must only be used as "last resort".
- Directives must remain consistent with existing UN rules in order to protect humanitarian space, including The Guidelines on the Use of Foreign Military and Civil Defence Assets In Disaster Relief ("Oslo Guidelines") and the Guidelines on the Use of Military and Civil Defence Assets to Support UN Humanitarian Activities in Complex Emergencies (MCDA Guidelines)
- It is crucial that the following costs remain excluded from ODA in the revised directives: costs related to anti-terrorism (any form of preventing and countering violent extremism, as defined by the OSCE), to training of military personnel (including when development-related), to engagement with the police beyond training in routine civil policing functions, and to engagement with defence institutions regarding security sector reform and management of security expenditures. Broadening current eligibility rules to such costs could lead to crossing the line into law enforcement and security in a way that is not consistent with effective development aid.

5.3 Oxfam reaffirms the principled position, broadly shared across civil society organisations, that in-donor country refugee costs should not be reportable as ODA. Indeed, these expenditures provide no resources to developing countries, nor are they linked to development objectives of improving the welfare of poor people

in those countries. In that sense, we consider that they correspond to “inflated aid”, which, as defined by Aidwatch, includes elements that “do not genuinely contribute to development.” Civil society will closely scrutinize any efforts by the DAC to revise the rules for reporting in-donor country refugee costs as ODA. Oxfam will watch that the rules are not broadened, in particular that the eligibility period (currently the first 12 months of domestic costs for refugee support) is not extended. In addition, and in the interest of transparency and data comparability, Oxfam calls on DAC members to harmonize their reporting practices, as these vary significantly across donors, in terms of categories of refugee included, types of expenditures covered and methodologies used to assess costs during the first year of stay of refugees.

#### **On Total Official Support for Sustainable Development**

6. Regarding the DAC’s work to develop the new metric for Total Official Support for Sustainable Development (TOSSD), Oxfam welcomes the Secretariat’s efforts to improve the openness, inclusiveness and transparency of discussions around clarifying the concept of TOSSD and its operational features. While TOSSD indeed holds the potential for increased transparency of a broad range of flows going to developing countries, Oxfam wishes to caution that the following points be thoroughly reflected upon in further defining the purposes and boundaries of this measure: it is of utmost importance that TOSSD only include developmental flows; allows for identification of climate specific and climate relevant flows within ODA with donors applying the same accounting rules, focus not only on volumes, but also on quality/effectiveness, in particular in the contribution to reaching the SDGs and Paris climate goals; and provide a metric that is useful to partner countries (i.e. increasing country ownership and enabling them to better manage all in-coming flows for development). Oxfam also highlights the need to ensure there is a clear distinction between ODA and TOSSD, as to preserve ODA’s integrity.

#### **On the Global Partnership for Effective Development Co-operation**

7. Finally, the aid and development effectiveness agenda is critical in achieving the SDGs and leaving no one behind, and Oxfam acknowledges the unique role of the Global Partnership for Effective Development Co-operation (GPEDC) as an inclusive multi-stakeholder fora which produces evidence to hold development actors accountable to internationally agreed effectiveness commitments. For the GPEDC to deliver on its ambitious mandate, it needs strong political vision and leadership, a sound monitoring mechanism and a recognized mandate to contribute to the follow-up and review mechanism of the 2030 Agenda. Oxfam calls on the DAC to ensure that the GPEDC benefits from sufficient means and political support for its second High-Level Meeting in Nairobi later this year. It will indeed be vital that this event mark a key milestone in moving the effectiveness agenda forward, in ensuring accountability for past actions, in agreeing on strong commitments for the future, and in reaffirming the critical role of effective aid in leaving no one behind.