The 10th session of the Expert Mechanism on the Right to Development

Item 5 of the Provisional Agenda
Implementation of the mandate and program of work –
Focused thematic discussion and interactive dialogue
Palais des Nations, Room XXI, Geneva

The Future of International Cooperation

Wednesday 30 October 2024, 15h to 16h30

Presentation by Ms. Ida McDonnell,
OECD

Slide 1

Thank you.

It is an honour to participate in this meeting and dialogue on the right to development.

Over the past few years, the OECD has been researching and consulting on the future of development co-operation. What it means to be fit for the future, to break from past narratives and dichotomies of us and them and build trust.

Today, I will share some of our findings and conclusions on how to build a better development co-operation system. Our research was done in consultation with stakeholders from government, academia and civil society in low- and middle-income countries for which we are immensely grateful.

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Translating values of global solidarity, partnerships and burden-sharing into ACTION has become one of the greatest challenges for development co-operation today.

Keeping promises and upholding principles are at the centre of recurring debates and critiques of international co-operation. Delivering on these is even more urgent and challenging in the face of multiple crises and complexity.

Development actors are navigating a context of rivalling development models and face a range of dilemmas on whether and how adapt. Some critics say that development co-operation is being instrumentalised as states compete for global influence and power diverting resources from upholding long standing/recognised values and development commitments, including to human rights.

ODA budget are being increasingly stretched in times of crisis. It also risks becoming the go-to budget to respond to new demands to contribute to global public goods.

The role of the Development Assistance Committee is to keep aid focused on the core missions of long-term investment in poverty reduction, greater equality, national development and ensuring no country or person is left behind and put safeguards in place.

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When preparing for today's session I reflected on whether the normative framework of the Right to Development can play a more central role in the future of development.

As Mr Kanade's research shows – this angle is not very present in narratives. There is a lack of clarity on what it means in practice. At the same time enabling human rights is a foundational and core value of development co-operation policy.

The objectives of many development projects and programmes is to serve vulnerable and socially excluded groups, end poverty and support more inclusive and fair development.

However, the biggest crisis for development right now is rising poverty and inequalities and the pessimistic outlook in the face of climate change. Development co-operation must step up to the plate, back well-known policy solutions and create fresh incentives to maximise the contribution of ODA and other policy instruments to these goals.

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I decided to add these charts because they clearly show that billions of people are not able or being enabled to realise their right to development.

The number of undernourished people will be higher in 2030 than before the COVID crisis. While rates of stunting and infant and maternal mortality have improved dramatically since 2000, it is also projected that in 2030 more than one in five children will be stunted.

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We identify four ways forward for the aid system, with many ideas for action to enhance relevance and impact.

I will take moment to give you some details for each.

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Finance: Name key actions for relevance and impact

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In aggregate terms ODA continues to be a reliable source of financing for developing countries. It did rise and has been responsive to crises (as you can see with the increase in response to covid) – BUT it remains small share of total external finance.

When it comes to regional allocations, in aggregate bilateral ODA prioritizes sub-saharan Africa, where poverty and inequalities are most heavily concentrated. But ODA to other regions does not necessarily align as well with vulnerabilities.

Of course, it is well known that ODA levels fall short of commitments, and some argue that they can build trust and credibility by delivering on promises.

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Yet it seems am impossible task – even if ODA is a small share of general government spending in OECD countries as you may see in the chart.

OECD DAC pee reviews recommend that development agencies have solid multi-year finance and budget plans which can foster greater understanding and realism of the effort being made.

When plans show the level budgetary effort of ODA it becomes clear that there is margin to mobilise more ODA and align its allocation with development commitments.

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The second area is ultimately about country leadership and ownership.

There is renewed momentum from partners to back national and locally led economic transformation and adhere to the effectiveness principle to country ownership and to redress North-South power imbalances in development co-operation.

Increased reliance on local partners for program delivery during the COVID-19 crisis shows that it can be done. There are also efficiency arguments! When international co-operation and humanitarian assistance is localised, it is 32% more cost-efficient and more accountable to communities it is meant to serve.

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Tailoring development co-operation to context is critical for success. Aid is most transformative when it meets country and regional advice on where and how it adds value.

Research shows that leaders in LMICs have a clear view of how ODA can add value – they stress it should support job creation, governance, anti-corruption and the rule of law. Budget support and capacity building support continue to be in high demand.

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Renewed focus on reducing poverty and inequalities must also align with country-driven policy priorities with development helping to expand the most effective policies – many of which have synergies with green transition. These include:

- Expanding social protection programmes, in particularly in the face of climate-related disasters.
- Fostering inclusive labour markets and decent work conditions by supporting labour rights and skill development for workers at risk of job loss
- Tackling global drivers of inequalities related to tax, debt, financial architecture or climate change.

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Development co-operation can be more effective, efficient and set up for development impact. This means upholding the principles for effective development co-operation and reenergising them.

When providers co-ordinate to maximise the collective impact of ODA, transaction costs for partners decrease; economies of scale are enhanced and budgets address needs better.

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Slide 14

Our last recommendation but critically important way forward is about systemic change.

The broader need and calls for system-wide reform of the international system plays out in the aid system too.

- climate justice
- a fairer international financing system that caters to LMIC needs
- voice and agency of all nations in global decision making.

Systemic barriers and legacies need to be tackled at all levels of international relations, including the aid system.

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Some OECD members are developing strategies to correct for top-down decision making, power imbalances but also systemic racism and colonial legacies.

Through the Global partnership for effective development co-operation and the G20 we have regular dialogue and lesson learning events with providers of South-South Co-operation and Trilateral cooperation finding a lot of common ground. There is a strong commitment to strengthen this collaboration.

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To conclude, the right to development and especially the right to live free from poverty and hunger is a fundamental and growing challenge for the world going forward. Billions of people cannot afford good nutrition, schooling, healthcare or shelter that is resilient to climate change.

That is why our recent report on poverty, inequality and the green transition stresses that the international community – all governments – need to raise their ambitions and efforts before the consequences of climate change make things worse. Development co-operation will need to champion more effective, targeted, inclusive, rights-based approaches and standards to ensure the green transition leaves no one behind.

Thank you.