Statement by

Mr. Angel Gurría
Secretary-General, OECD

and

Mr. Erik Solheim
Chair, OECD Development Assistance Committee (DAC)
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THE FUTURE BEGINS NOW: SUSTAINABILITY IS WITHIN OUR GRASP

We have laid down the foundations for a sustainable future.

Just two weeks ago, the international community agreed a new global framework for development that merges the economic, social, and environmental dimensions of sustainability. This landmark agreement at the UN Sustainable Development Summit 2015 in New York follows an equally momentous achievement two months prior in Addis Ababa on a post-2015 financing framework. We still have one major step to go – the 21st Session of the Conference of the Parties (COP) to the UN Framework Convention on Climate Change in Paris this December. With an agreement in Paris, we can consider the first stage complete and move to the crucial phase of implementation.

But it is useful to recognize some of the challenges as we move forward.

Development challenges are global challenges. Unemployment, inequality, gender-based discrimination, and poverty affect countries at all stages of development. The Sustainable Development Goals (SDGs) therefore represent a universal agenda, applying equally to all countries in the world. Developed countries must recognize that their role in this agenda is twofold: to achieve the goals at home and to support their achievement abroad. As such, they must develop plans to make progress domestically – for example on climate, taxation, responsible investment / business conduct, and illicit financial flows – which will have global impacts. They must be also held accountable for the aid commitments that they have made, including the target of allocating 0.7% of gross national income (GNI) to Official Development Assistance (ODA) and on better targeting aid to low income countries. As the ambitious SDGs will require scaling up development finance "from billions to trillions," ODA will not only need to increase but also better leverage and mobilize investments, both public and private.

The new goal framework is multidimensional and transformative. It will therefore require policy making that looks across multiple sectors, managing trade-offs and reconciling domestic policy objectives with international policy objectives. This will be true for all countries and at every level of society – subnational, national, regional, and international.

Monitoring progress toward the SDGs will also present challenges. Early next year, the UN Statistical Commission is expected to endorse some 300 indicators for the global monitoring of the SDGs' 169 targets. Baseline data for some of these indicators do not currently exist, and not all of the indicators will
be easily measurable. Furthermore, many low-income countries do not currently have the human, financial, and technical resources to measure progress against the goals.

**IMPLEMENTING THE POST-2015 AGENDA: OECD IS HERE TO HELP**

**There has been a transformation in the way the OECD works on development.** Our expertise, tools, knowledge and partnerships are creating synergies between private and public, domestic and international, and donor and partner country resources. Indeed, our platforms already help address many of the issues covered by the proposed SDGs. In June 2016, OECD ministers are expected to endorse a strategic response to the SDGs that will outline the breadth of the Organisation's support to its members and partners.

This contribution will include a number of adapted policy tools that can help developing countries achieve the SDGs.

Our Multi-Dimensional Country Reviews (MDCRs) tailor broad OECD expertise to the realities of developing economies, to help policy makers reconcile economic, social, and environmental objectives to ensure that their country’s development path is sustainable and that the lives of citizens improve. In close co-operation with the partner governments, the OECD is producing MDCRs for Myanmar, Peru, the Philippines, and Uruguay.

OECD countries are facing an unprecedented refugee crisis, which will have knock-on effects across sectors in many countries, and consequences for the development of both the countries from which migrants flee and in which they seek asylum. The situation requires a comprehensive and coordinated international response. Since 1972, the OECD has provided solid, evidence-based analyses of migration policy challenges. The OECD *2015 International Migration Outlook*¹ and the OECD *Settling In* report highlight how immigrants and their children are integrating into OECD societies. It is important to note that the integration of migrants can have positive consequences for development in the form of remittances, the largest source of external finance for many developing countries, exceeding ODA and foreign direct investment (according to 2012 data)².

Illicit financial flows – including tax evasion, money laundering, bribery and corruption – threaten the strategic, political, and economic interests of both developed and developing countries. The OECD's September 2015 report *Improving Co-operation between Tax and Anti-Money Laundering Authorities: Access by tax administrations to information held by financial intelligence units for criminal and civil purposes*³ highlights the need for governments to maximize their capacity to tackle financial crimes and to ensure tax compliance. The study found that only 20% of the surveyed countries' tax administrations have direct access to Suspicious Transaction Reports (STRs), which help governments identify serious tax crimes. Jurisdictions should provide the legislative framework to allow tax administrations access to STRs and ensure the operational structure and procedures to facilitate the maximum effectiveness in the use of STRs.

The OECD supports the global fight against tax evasion and illicit financial flows to mobilize domestic resources for development and to make tax system fairer and more effective in reducing the trend to higher-income inequality. We provide the evidence and tools needed to recuperate funds redirected

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¹ [http://www.oecd.org/migration/international-migration-outlook-1999124x.htm](http://www.oecd.org/migration/international-migration-outlook-1999124x.htm)
² OECD Development Co-operation Report 2014: Mobilising Resources for Sustainable Development. Figure 10.1.
illegally or unfairly. We do so through the OECD/G20 Base Erosion and Profit Shifting Project and our collaboration with the 126 members of the OECD-hosted Global Forum on Transparency and Exchange of Information for Tax Purposes. And together with UNDP, we are helping to build tax audit capacity in developing countries through our joint initiative, Tax Inspectors Without Borders.

The OECD is also helping emerging and developing countries improve their investment frameworks. The Policy Framework for Investment (PFI) has been used by over 25 developing and emerging economies to assess and reform their investment environment, and thereby enhance private finance for sustainable development.

The multidimensionality of the SDGs will compel nations to break down silos and collaborate across all parts of government. At the OECD we have been taking this multidimensional perspective very seriously, with our initiative to spell out the lessons that we have learned from the financial crisis (our Organisation-wide project on New Approaches to Economic Challenges) and to revisit metrics of success (our work on measuring well-being). **Restoring economic growth alone is not enough: we need growth to be inclusive and sustainable to lead to lasting improvements in the lives of all our fellow citizens.**

The OECD's tools and instruments for policy coherence for sustainable development can also be brought to bear in these efforts. The tools have evolved through close collaboration with governments, international organizations, the business community, and the private sector. They are founded on a unique understanding of the linkages between the dimensions of sustainable development and of the opportunities for creating synergies among them.

**MONITORING PROGRESS AND CORRECTING COURSE**

The SDG framework's follow up and review will require data not only on progress toward the goals but also on the resources allocated and the policies put in place to achieve them. The OECD can help at every level.

For example, the Organisation is actively involved in the Drafting Group for the Education 2030 Framework for Action which elaborates the global strategy for achieving SDG 4 (Education). The OECD's Programme for International Student Assessment (PISA) – the leading reference on the quality of education systems worldwide – can provide a unique input to the global and thematic indicators that will be used to monitor progress in improving educational outcomes, not just how many youth are in school but what they learn. PISA's scope extends well beyond OECD membership — for example, the PISA for Development Initiative includes participation from developing countries such as Cambodia, Ecuador, Guatemala, Paraguay, Senegal, and Zambia.

The OECD's Development Assistance Committee (DAC) is the one-stop shop for data on development finance. DAC data show that development aid flows totalled USD 135.2 billion in 2014, level with a record USD 135.1 billion in 2013, but also that aid to the poorest countries continued to fall.**ODA is and will remain a crucial source of finance, particularly for very poor, vulnerable and fragile countries.** Fortunately, DAC ministers have committed to reverse the declining trend of ODA to least developed countries. The OECD will continue to hold its members to account on this and other aid commitments.

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In response to a mandate from DAC ministers delivered in December 2014, which was reaffirmed at the Addis Ababa Conference on Financing for Development in July 2015, the OECD is holding open, inclusive, and transparent dialogues on the definition of a new Total Official Support for Sustainable Development (TOSSD) framework. TOSSD will complement, and not replace ODA, and will promote transparency and foster accountability by monitoring the broad array of resources above and beyond ODA.

"Smarter" aid must be deployed to leverage funds from other sources, including private investment. To support this, the OECD was instrumental in the creation of the Sustainable Development Investment Partnership (SDIP) and is helping forge a better understanding of the opportunities and challenges of blended finance through the Redesigning Development Finance Initiative, studying sustainable impact investment, and conducting a peer learning study on working with the private sector.

The DAC also tracks funding to the multilateral aid system. The report Multilateral Aid 2015: Better Partnerships for a Post-2015 World identifies how bilateral providers can support multilateral organizations in implementing necessary changes and fostering effective partnerships to deliver the post-2015 development agenda.

The SDGs highlight the need to support developing countries in their transition to a low-carbon, climate-resilient and sustainable development pathway. At the request of the current and incoming COP Presidencies, the OECD released, on October 7th, a joint report with the Climate Policy Initiative, assessing the status of climate finance in relation to the UNFCCC commitment by developed countries to mobilize USD 100 billion per year by 2020 to address the needs of developing countries.

SDG monitoring will not be possible without data from all countries. PARIS21, an OECD-hosted partnership, is helping developing countries to strengthen national statistical capacity in developing countries and harness the data revolution to produce and use statistics necessary for monitoring national, regional, and international goals.

**WE'RE ALL IN THIS TOGETHER – A UNIVERSAL FRAMEWORK REQUIRES A COLLECTIVE RESPONSE**

Implementation of the SDGs will require all hands on deck. And we must work in concert with one another.

**Partnerships are in the OECD's DNA. We will continue to provide platforms for dialogue and the exchange of good practices, extending far beyond the membership of the OECD.** We host and support a diversity of partnerships on a vast range of topics. Our joint work with UNDP to support the Global Partnership for Effective Development Co-operation and the Effective Institutions Platform has created dynamic communities of practice on development issues. Our Development Centre continues to grow, welcoming China as a member earlier this year, and collaborates with philanthropic foundations through its Global Network of Foundations Working for Development.

With our Development Co-operation Report 2015 – Making Partnerships Effective Coalitions for Action, released just last month, we explore the potential of networks and partnerships to create incentives for responsible action, as well as innovative, fit-for-purpose ways of coordinating the activities of diverse stakeholders.

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The OECD also convenes substantive Global Fora which provide platforms for peer learning and policy dialogue with experts on an equal footing basis. These fora – open, inclusive, informal, and substantive – promote multidisciplinary and horizontal approaches and foster partnerships with non-members and other intergovernmental organizations.

Our experiences confirm that the international system works best when it works together. It is for this reason that the OECD is committed to working with the international community, and for the international community.

CONCLUSION

The OECD is well placed to contribute to global follow-up on the SDGs with its range of measurement, country assessment, peer review and peer learning mechanisms. Indeed, its data, expertise, and convening power can serve as a GPS for SDG implementation. The growing number of stakeholders active in development increases the complexity of processes and therefore the need for a navigation system that highlights what works and what doesn't work in development.

The OECD exists to promote Better Policies for Better Lives. The SDGs and the 2030 Agenda offer an unparalleled opportunity to fulfil this purpose, lending support on every level to these ambitious but achievable goals.