

# DAC CHAIR'S PRIORITIES 2020-21



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*The COVID-19 crisis has hit old, infirm, poor, marginalised and vulnerable people hardest, no matter where they live. In the poorest countries, which are the least well equipped to respond to the crisis, millions risk falling back into poverty. The COVID-19 crisis is undermining gains made towards the SDGs, which were already off track in this “Decade for Action”.*

*The international community needs to raise its game to support poor countries. A global pandemic needs a global response. We in the DAC need to be energetic, focussed and effective in responding swiftly to urgent needs, while also addressing underlying vulnerabilities and building long-term resilience. We need to reinvigorate development effectiveness by putting impact and outcomes first, and to demonstrate that ODA works and delivers good value for money. The DAC needs to listen more and to more people – to partner countries, other donors, civil society and the private sector; and to work more effectively with other parts of the OECD and the multilateral system. Now is the time to double down on our commitment to the world’s poorest and ensure that our response to COVID-19 enables the most vulnerable countries to build back better from the crisis.*

**BUILDING BACK BETTER, FAIRER AND GREENER:** Building back better is a neat catchphrase, but the international community needs to make it a reality. It means extending extraordinary support to partner countries in ways that help their recovery from the crisis set them on the path to a sustainable, more equitable and peaceful future. It means not losing sight during the current crisis of our long-held ambition bring together the climate, resilience and development agendas. It means living up to our promises on development effectiveness and on tackling inequality.

**FINANCING FOR DEVELOPMENT THROUGH AND BEYOND ODA:** Financing will be a key component of the DAC’s contribution to the building back better agenda. Pre-crisis, ODA was a stable and declining proportion of total public and private finance for development. Now, recession in DAC countries is putting public budgets under unprecedented pressure. DAC members have committed to “strive to protect” ODA, but the spiralling additional needs created by COVID-19 and its economic fall-out mean that the finance required to deliver the SDGs is greater than ever. The DAC must focus on making the cake bigger and changing the recipe to stimulate more and more diverse finance for development. Every dollar of ODA needs to work harder.

This will mean working bilaterally and multilaterally to support frontloading finance through the international financial institutions, ensuring that countries are able to access emergency financing and providing longer term support. We need to reduce the barriers that the least developed countries face in accessing finance - including for climate adaptation and mitigation - already in the system. And we need to work with the private sector to help create the conditions for private investment to take more risk and rapidly return to developing and emerging markets.

This crisis gives us the opportunity to think about how we make the development finance architecture greater than the sum of its parts. Let’s reset the system, cut the competition and duplication and work more cohesively than ever before.

The DAC is custodian of the rules, data and monitoring of ODA and a leading voice on new financial instruments. This puts us in pole position to steer the conversation about how to maximise flows (including domestic resources), how to use them creatively and effectively, what role ODA should play in the mix and to make the case for ODA going to those most in need and the most vulnerable countries.

**DOING DEVELOPMENT BETTER:** In light of the pressure on budgets for development, we need to make ODA work harder than ever. We need to match our ambition to build back better with action to improve our effectiveness as development actors. And we need to be ever more ruthless about how we allocate our scarce ODA budgets to meet critical needs. To do this, we need to get the balance right in four key areas:

**A) BETWEEN PREVENTION AND EMERGENCY RESPONSE:** COVID-19 should stimulate us to redouble our focus on delivering the humanitarian, development, peace nexus recommendation agreed in 2019. Humanitarian needs, driven by COVID-19, conflict and climate change are on the rise. The pandemic is undermining weak social systems, exacerbating food insecurity and increasing the severity of state fragility, making the risk of conflict even more acute. Responses to COVID-19 must try and alleviate immediate human suffering while also investing in longer term resilience and conflict prevention. Now more than ever, we need to join up better the work of the humanitarian, development and peacebuilding communities.

**B) BETWEEN INVESTING IN SUCCESS AND INVESTING IN FRAGILITY AND FAILURE:** 80% of the poorest people in the world will live in fragile and conflict-affected states by 2030. We must work harder to prevent conflict and invest in stability. We must encourage those countries and governments that are poor, but trying to deliver the SDGs with effective pro-poor policies. Countries that make good policy decisions should be supported and incentivised until they are able to raise sufficient domestic resources. Investing in success also means having frank conversations with governments that do not prioritise development and the well-being of their citizens.

**C) BETWEEN SHORT AND LONG-TERM OUTCOMES:** Climate change and development are inextricably linked. For SDG success, these agendas need to merge. Unintended consequences of the focus on results have been to over-emphasise short-term wins and reduce risk appetite, often at the expense of harder, longer-term investments and policies. We need to ensure policy coherence in the use of ODA and other flows, and to blend resources in innovative ways, if we are to make progress towards sustainable development. The COVID-19 crisis gives us a unique opportunity to re-think our development strategies to build back better. We must ensure that policies responding to the COVID-19 crisis help us build a fairer, greener and safer future.

**D) BETWEEN GENERATIONS:** ODA rightly focusses on human development, particularly health and education. But the success in reducing infant and child mortality and improving access to primary education since the MDGs means that those children who are alive and educated are now 20 and need jobs. The economic shock of COVID-19 will have devastating consequences for young people, particularly in terms of lost job opportunities and the interruption of education. We know that the private sector, not ODA, will generate the desperately needed jobs in developing countries. The DAC needs to work creatively and constructively with the private sector and support a range of instruments to respond to the demands of young people for decent work.

**GENDER EQUALITY AND LEAVING NO ONE BEHIND:** Women and girls continue to be discriminated against across the SDGs, despite overwhelming evidence that progress on reducing gender inequality delivers better development outcomes, from conflict prevention through to more open societies and inclusive growth. The shadow pandemic of the COVID-19 is an increase in gender inequalities, as seen in the spike in domestic violence, the loss of employment for women and increases in unpaid care work. Societies that successfully tackle gender inequality are also ahead in battling other forms of exclusion. The SDGs commit us to leaving no one behind, but ODA falls woefully behind in delivering the single most transformative investment in over 50% of the population. Only 4% of ODA is directly targeted on gender equality. If we are going to attack inequality, the DAC needs to get serious about gender, and incorporate a gender lens when responding to the COVID-19 pandemic and recovery from it.



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