



OECD States of Fragility Report: Meeting Post-2015 Ambitions

Researched and authored by NYU CIC

The Post-2015 Financing Gap

World Bank Fragility, Conflict and Violence Forum 2015

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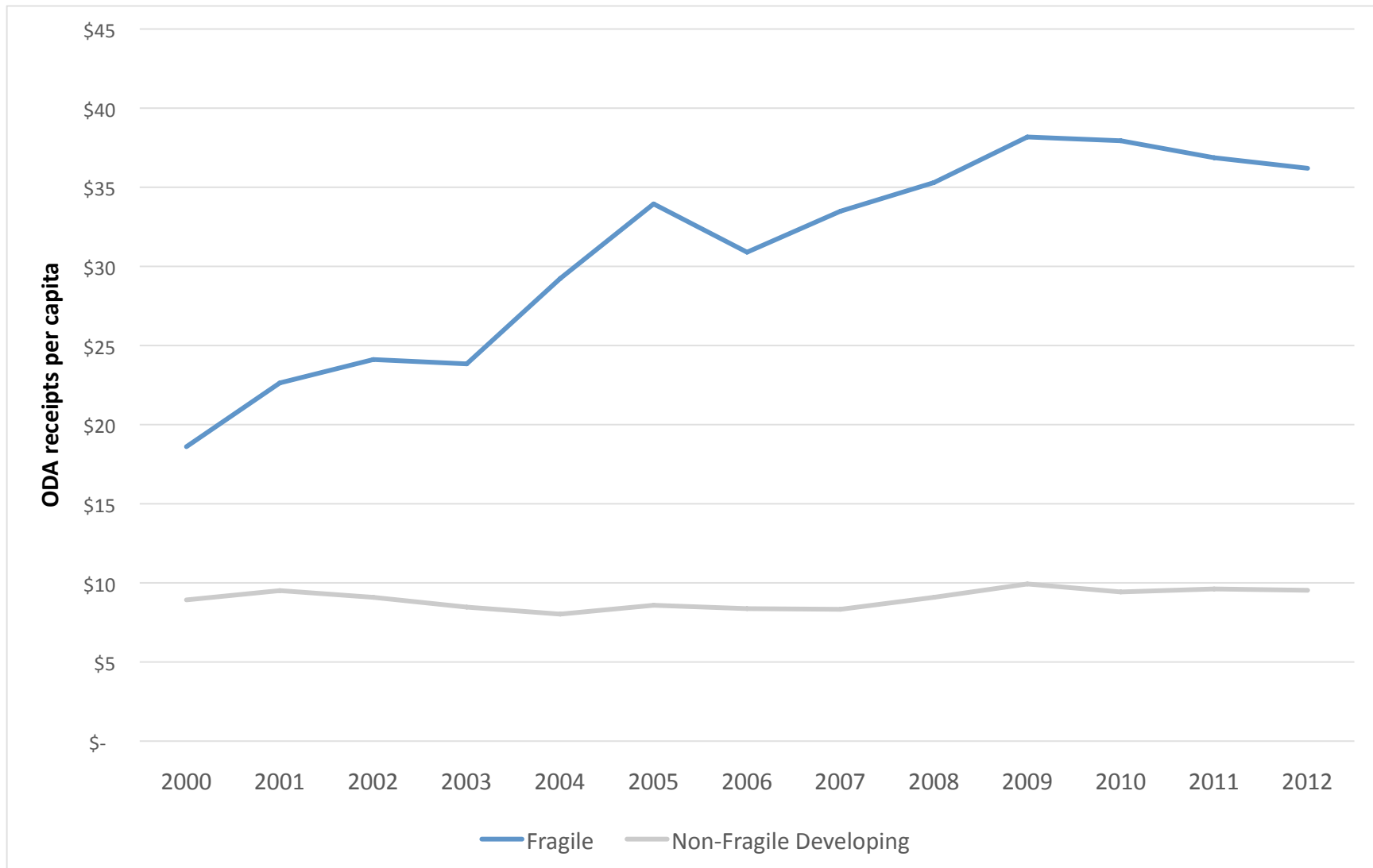
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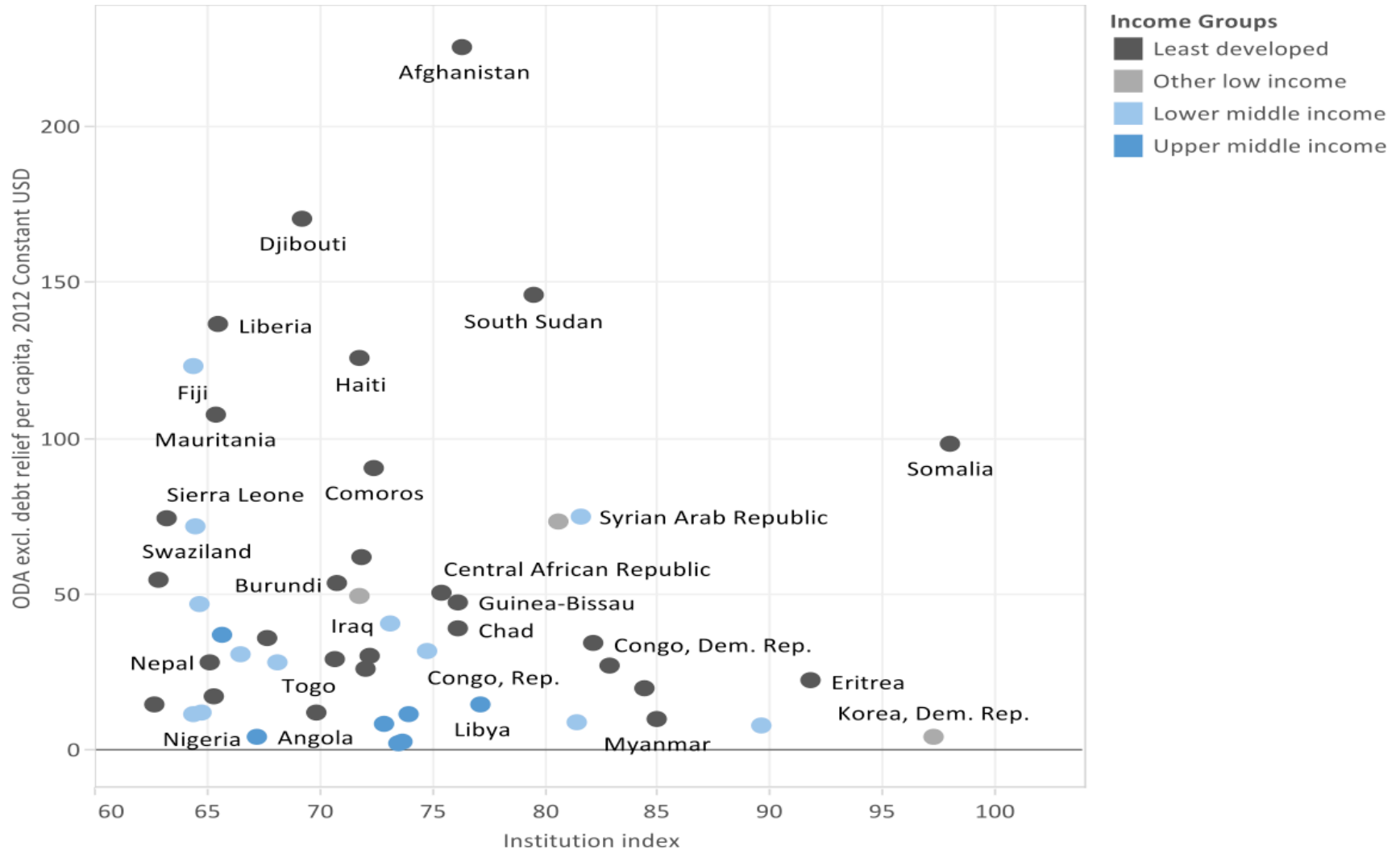
Some good news on total ODA

ODA per capita 2000-2012 (USD) to FCAS is growing



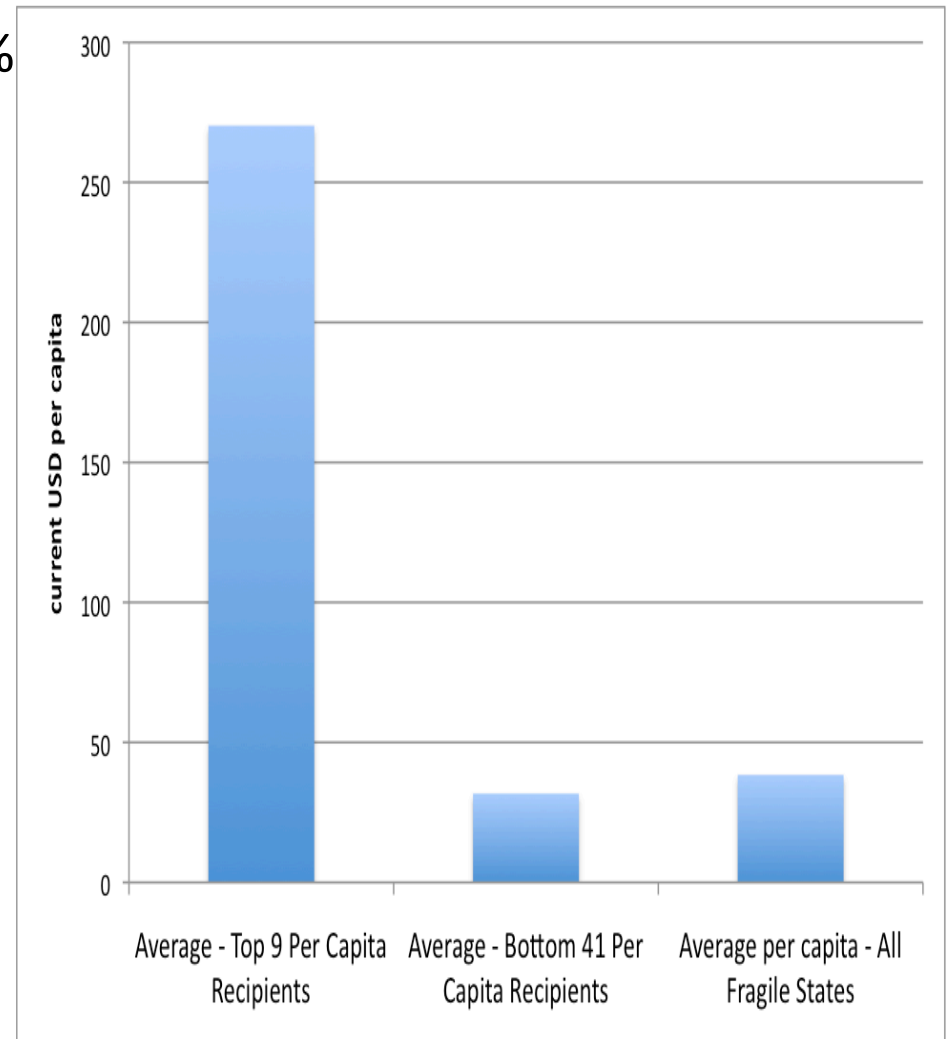
Some good news on ODA allocations

Some alignment of ODA to the countries with the weakest institutions *and* commitment to reform (ODA per capita 2012)



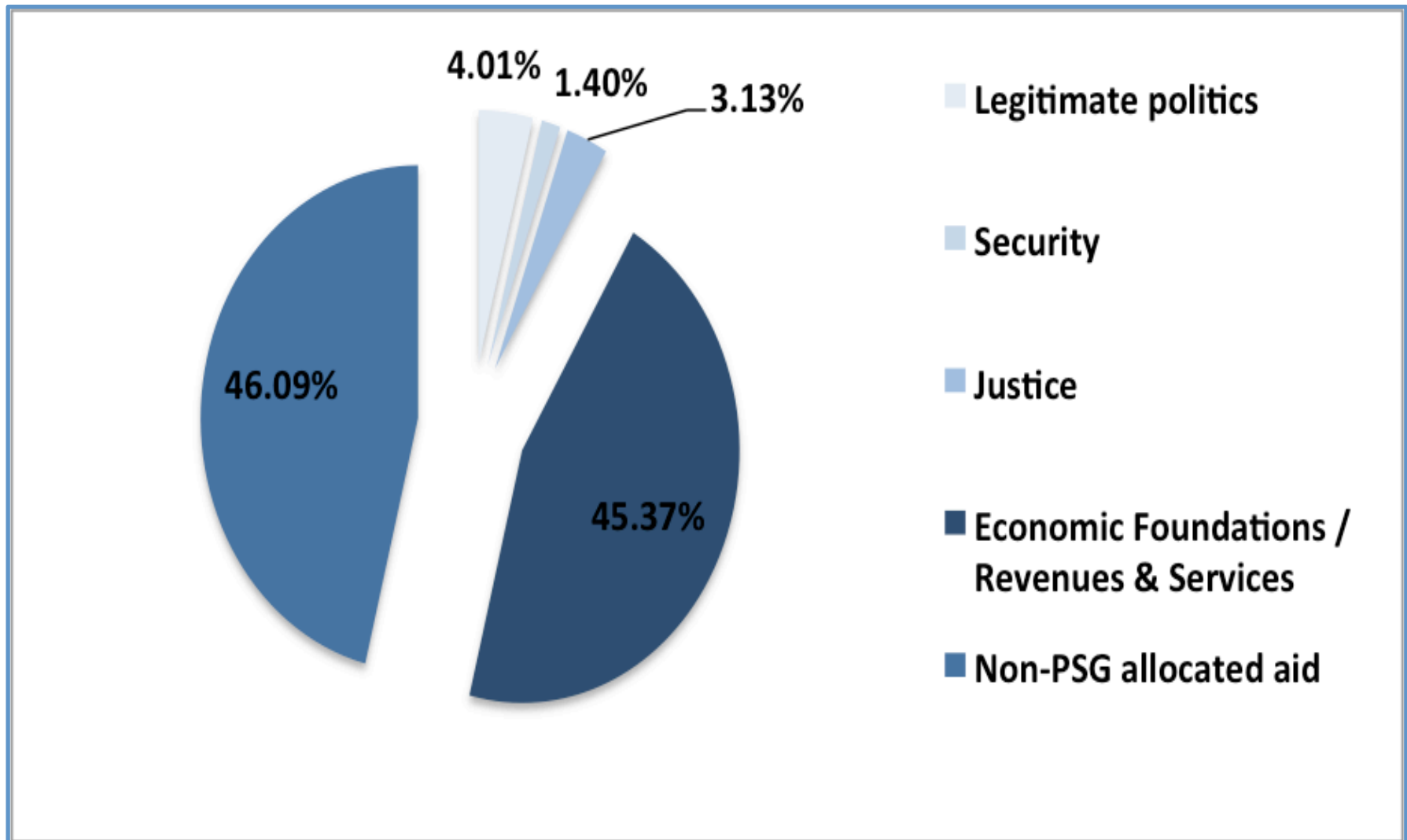
Serious ODA imbalances

- Geopolitics in the MDG era: 22% of ODA to FCAS allocated to Afghanistan and Iraq
- Aid orphans in the MDG era: 10/11 of the world's aid orphans have been FCAS
 - \$9m in Guinea, Liberia and Sierra Leone in infectious disease control in 2012
- ODA per capita range: \$1000 to \$29



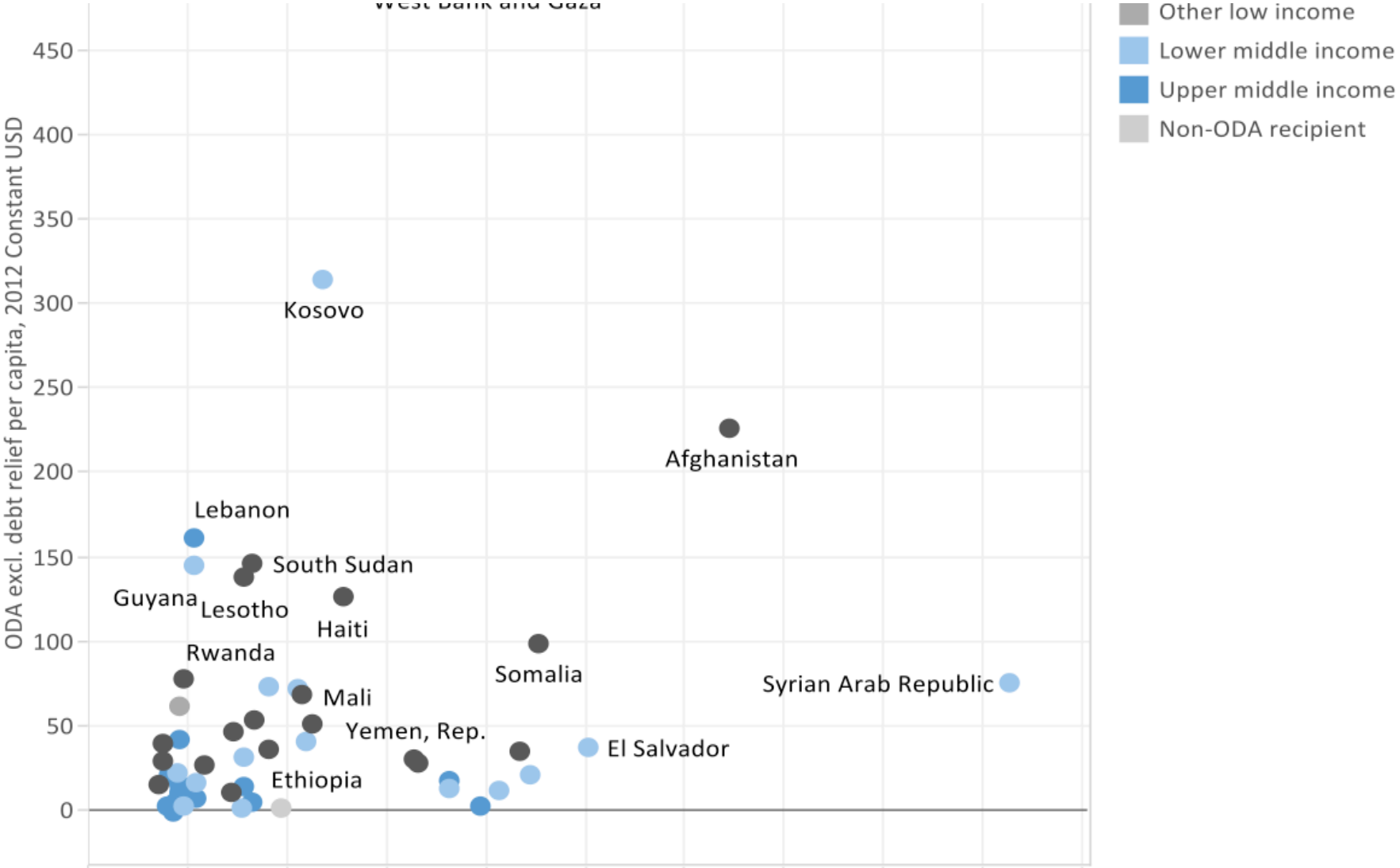
Sector financing gaps

Peacebuilding and Statebuilding Goals (2012):



Lower middle-income financing gap?

Violence Cluster Index vs. ODA (excl. debt relief) per capita (USD), 2012



Smart aid solutions

- Align public and private, national and international incentives.
- Build national ownership, institutions, PSGs
- Risk tolerance and flexibility to politics
- Focus on domestic revenues
- Instruments that lever in private finance
- Innovation – the BRICS, technology, matching funds, multi-stakeholder partnerships

Beyond ODA

- **Remittances** eclipse ODA, but concentrated in populous countries (over 50% to Nigeria, Egypt, Bangladesh).
- **FDI third after ODA but just 6% of FDI** to developing countries goes to FCAS, 50% of which concentrated in 6 resource-rich FCAS (Nigeria, Iraq, DRC, Egypt, Congo, Sudan).
- **Other int. official flows** are rising from outside the OECD (e.g. China). OECD could commit more.
- **Domestic revenue generation** growing at faster rates but from a lower base (av. 17% GDP)
- **Partial commitments** to curb illicit financial flows and tax evasion

Implementing the post-2015 agenda

- **Target for ODA** to the poorest and most fragile countries?
- **Address imbalances** in the distribution of ODA?
- A diversified package of **smart aid instruments**?
- Targets for **finances beyond ODA**?:
 - non-concessional finance to MICs?
 - domestic revenues?
 - global partnership for stemming illicit financial flows?
 - new norms for tracking spending on global public goods?
- Agree a global system of **development finance statistics**?
- **Bankable programs and multi-stakeholder partnerships**?