

# **The Changing Faces of Aid: Challenges in financing the SDGs**

**Detailed Notes for a Presentation to  
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## Key Message

The notion that development requires mobilization of a broad range of development resources has been long-standing part of development discourse over the past several decades – “trade not aid,” “development policy coherence,” or “engaging the private sector for pro-poor growth”, etc.

**Agenda 2030, with its 17 sustainable development goals and their large and different requirements for development finance, has focused attention on development finance, ‘Beyond Aid,’ as the dominant pre-occupation for donors.**

While there is no doubt an urgent need for development finance in a range of modalities to achieve the SDGs, **donor financing strategies elaborated since 2015, in the context of ‘Beyond Aid,’**

- Are **often ill-suited or in tension** with achieving Agenda 2030’s core commitment to “leave no one behind,”
- Are **modest** at best, and
- Are politically **marginalizing the essential roles of ODA** as a catalyst for sectors critical to reduce poverty and inequalities.

# Normative Framework for Shaping Development Cooperation to Achieve the SDGs

- 2015 adoption of **Agenda 2030 for Sustainable Development**
  - ❖ Centrality of the goals “to end poverty in all of its forms everywhere,” “achieve gender equality and empower all women and girls,” and to “reduce inequality within and among countries,” address climate change, and to “leave no one behind” in doing so.
- Agenda 2030 is guided by full **respect for international law and international human rights treaties** (§9, Transforming our World)
  - ❖ Implies a human rights approach to development cooperation, which understand the unique human rights challenges of poor and vulnerable populations
- A commitment to **“scaled-up and more effective international support**, including both concessional and non-concessional finance.” (Addis Ababa Agenda for Action)
  - ❖ Foundation for the ‘billions to trillion’s discourse.
- A commitment to **principles for effective development cooperation** (Busan High Level Forum – Global Partnership for Effective Development Cooperation [GPEDC])
  - ❖ Ownership of development priorities by developing countries
  - ❖ Focus on results, aligned with the priorities and policies set out by developing countries themselves;
  - ❖ Inclusive development partnerships; and
  - ❖ Transparency and accountability to each other.

# A deteriorating political context for development cooperation and the realization of Agenda 2030

**The politics of aid as foreign policy** have been accentuated since 2010

- ❖ marginalizing the ‘humane internationalism’ discourse, despite strong public support
- 1) Long-term **embedded neo-liberal domestic policies** in several major donor countries – overall stagnation and diversion of ODA as a public resource for international poverty reduction
- 2) Increased attention to **short term security and foreign policy pre-occupations** in major donor countries – migration, counter-terrorism, explicit priority given to national interests
- 3) Growth of **populist nationalist rhetoric in mainstream political discourse**, political polarization, very hostile to progressive norms at the domestic and international level.
- 4) Return of the **private sector and the market as the driver of development change** and bridge the so-called “from billions to trillions’ SDG finance gap
  - ❖ Non-concessional finance and the “modernization of aid” (expanding the statistical definition of ODA to include private sector instruments)

## Some assumptions in the “Beyond Aid” discourse

- 1) **A growing diversity of development actors**, largely outside the traditional aid system, including middle income aid providers (South South Cooperation)
- 2) **A diversity of financing modalities** available to developing countries, including various forms of private financial flows, which can be applied to SDGs.
- 3) **The broadening of the international agenda** including climate change, security, and migration require attention and public resources allocations, with a strong focus of international finance on economic development / infrastructure
- 4) **Public-private partnerships (PPPs)** have distinct advantages for financing infrastructure and government services in developing countries
- 5) **Aid is still a relevant public resource, but its effectiveness is limited:** meeting needs of the least developed low income countries and responding to humanitarian needs.
  - ❖ Increased ODA is no longer required as poverty has been substantially reduced
  - ❖ Retooled to address ‘global public goods’ [climate change, security etc.]
  - ❖ A catalyst to mobilizing private sector resources for financing the SDGs.
- 6) **Requires a fundamental reshaping of the development cooperation system**, its overall purposes, parameters and governance

# Why is aid still important for the SDGs?

**ODA is a unique resource**, whose importance is not driven by its scale (although volume is important), but by its critical roles in catalyzing national development progress through development cooperation:

- 1) **ODA purposes and activities are set by public policy** – government can choose to devote ODA fully to the central goals of poverty reduction and addressing inequalities
- 2) **Other potential development resources may be larger, but by their nature are driven by other purposes** (shareholder / commercial interests) -- require significant monitoring and strong safeguards to address SDG goals and targets
- 3) **ODA resources are concessional by definition** – essential for resource constrained developing countries, including middle income countries, some of whom are facing growing debt exposures
- 4) **ODA is a flexible resource**, with the potential for predictability, which can be adapted for effective and directed support to a range of different developing country-level poverty reduction strategies, coordinated humanitarian responses, as well as poverty-related global public goods.
- 5) **ODA is a key resource for sustaining multilateral institutions** and partnering with CSOs
- 6) **ODA is an accountable resource**, with the potential for full transparency, whereby citizens can hold governments accountable for its allocations and practices. It is governed by donor consensus rules through the OECD DAC.

## Testing the Assumptions:

### Trends in the incidence of poverty and aid for poverty reduction

**Approximately 800M people are estimated to live in extreme poverty** in conditions that do not provide the basis for sustaining life (\$1.90 a day).

#### World Bank adjusted poverty lines by country income groups:

- ❖ 46% of population in LICs live in extreme poverty
- ❖ 47% of population of LMICs live in poverty, and 16% live in extreme poverty
- ❖ 30% of UMICs population live in poverty
- ❖ **Overall at least 40% of population of developing countries live in poverty** (2.5 billion people)

#### Poverty mobility is the norm

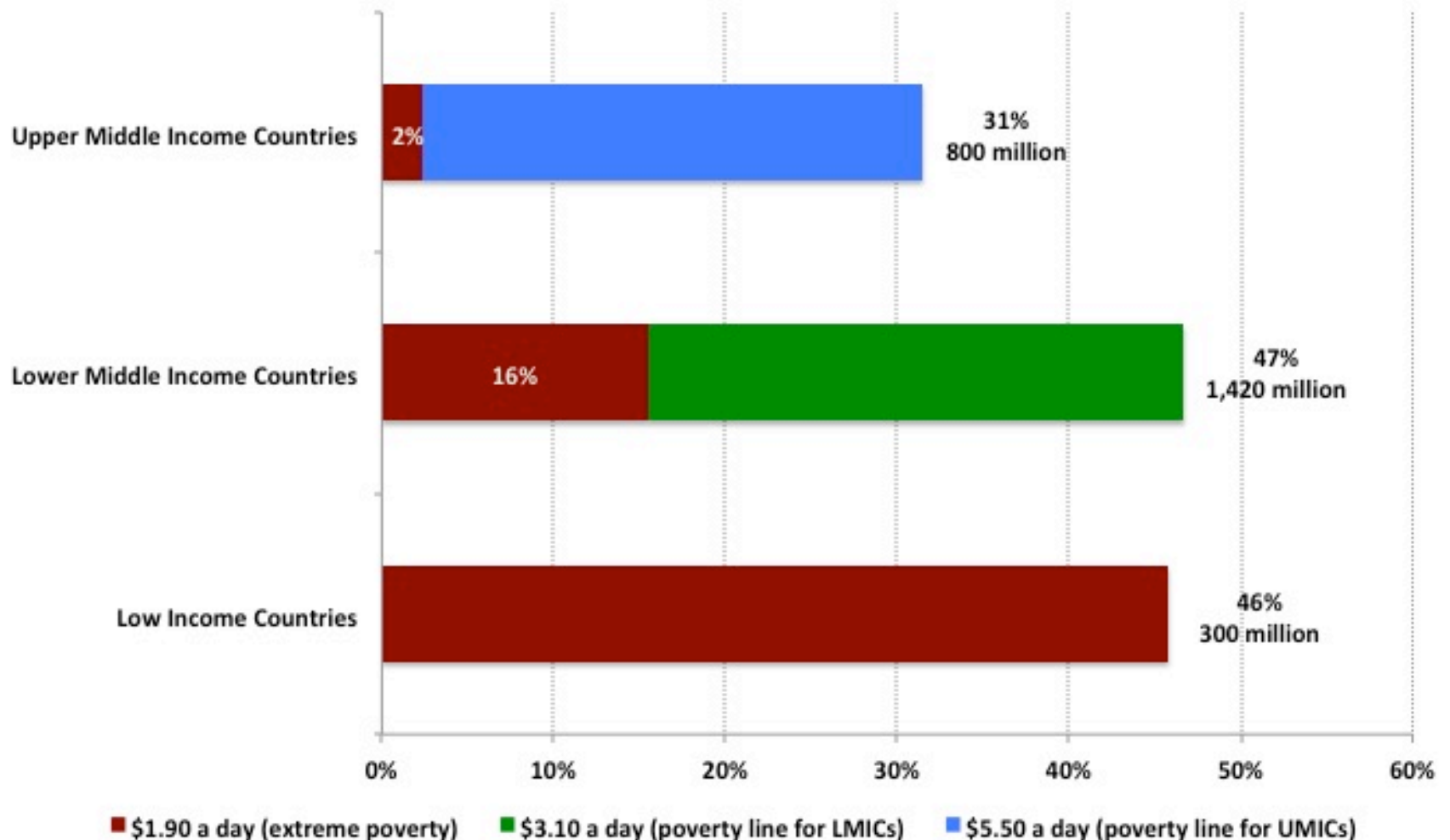
- ❖ **In SS Africa, transitory escapes from poverty exceed the rate of sustained escapes** and in all countries ill health, social and gender based discrimination, climate change risks, create highly volatile poverty trends (research by the Chronic Poverty Advisory Network)
- ❖ According to ILO statistics, **close to 70% of working people in developing countries live highly precarious lives**, existing on less than \$3.10 a day (approximately 2 billion mainly in the informal economy, lacking basic rights and social protection)

**Tackling issues of persistent poverty (and related inequalities) across all developing countries** (leaving people behind) is critical to achieving all of the SDGs and should shape financing strategies, in which ODA remains the key catalytic external resource

## World Bank Income Poverty Levels for Country Income Groups

Percentage of the Total Population for each Income Group

World Bank PovCalnet 2011 PPP; UNDP HDR 2016 (population); ©AidWatch Canada April 2018





# Poverty and the fiscal capacities of developing countries

A key issue is the revenue available to governments (net of ODA) for addressing the SDGs:

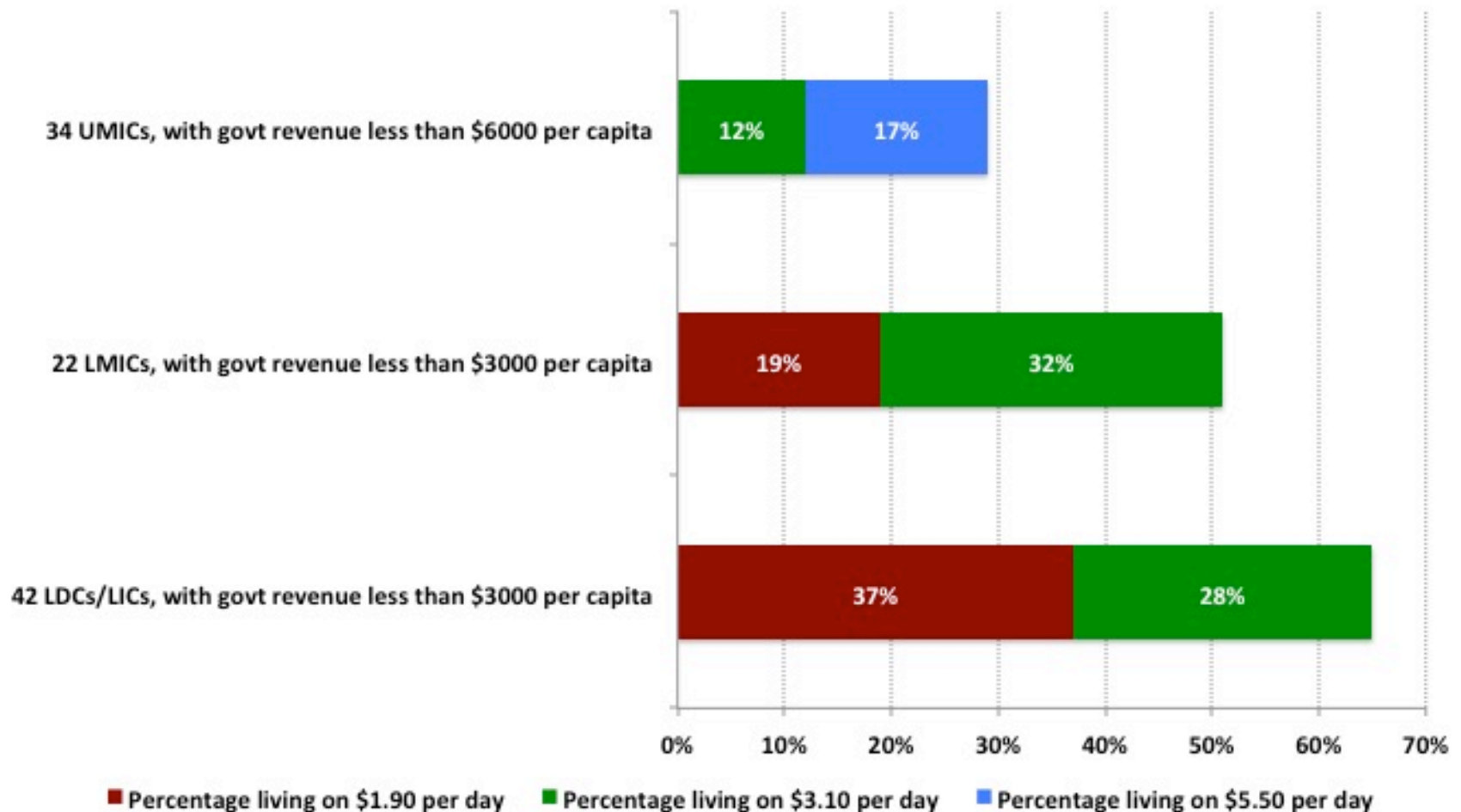
- In developed countries, governments have per capita revenue of \$15,000+
- Examining per capita government revenue in 100 developing countries:
  - ❖ **42 LDC/LIC had revenue less than \$3,000**, where 65% of population lived on less than \$3.10 a day, and 37% lives on less than \$1.90 a day.
  - ❖ **24 LMIC analyzed, of which 22 had revenue less than \$3,000 per capita**, where 51% were living on less than \$3.10 a day, and 19% on less than \$1.90 a day.
  - ❖ **34 UMICs had revenue less than \$6,000 per capita**, where 29% lives on less than \$5.50 a day, and 12% on less than \$3.10 a day.

There is **clear scope for increasing domestic revenue generation** in many developing countries, but most developing countries will require various levels of budgetary support and other forms of concessional finance if they are to meet the SDG targets

- ❖ **Most recent success in DMR has been in upper middle income countries.**
- ❖ **Increased levels of ODA will be essential for many years to come.**

## Incidence of Poverty in Countries by World Bank Income Status, and by Government Per Capita Revenue

World Bank PovcalNet; Development Initiatives; Author's Calculations; © AidWatch Canada, 2018



# A crucial resource for the SDGs?

## Recent trends in ODA flows

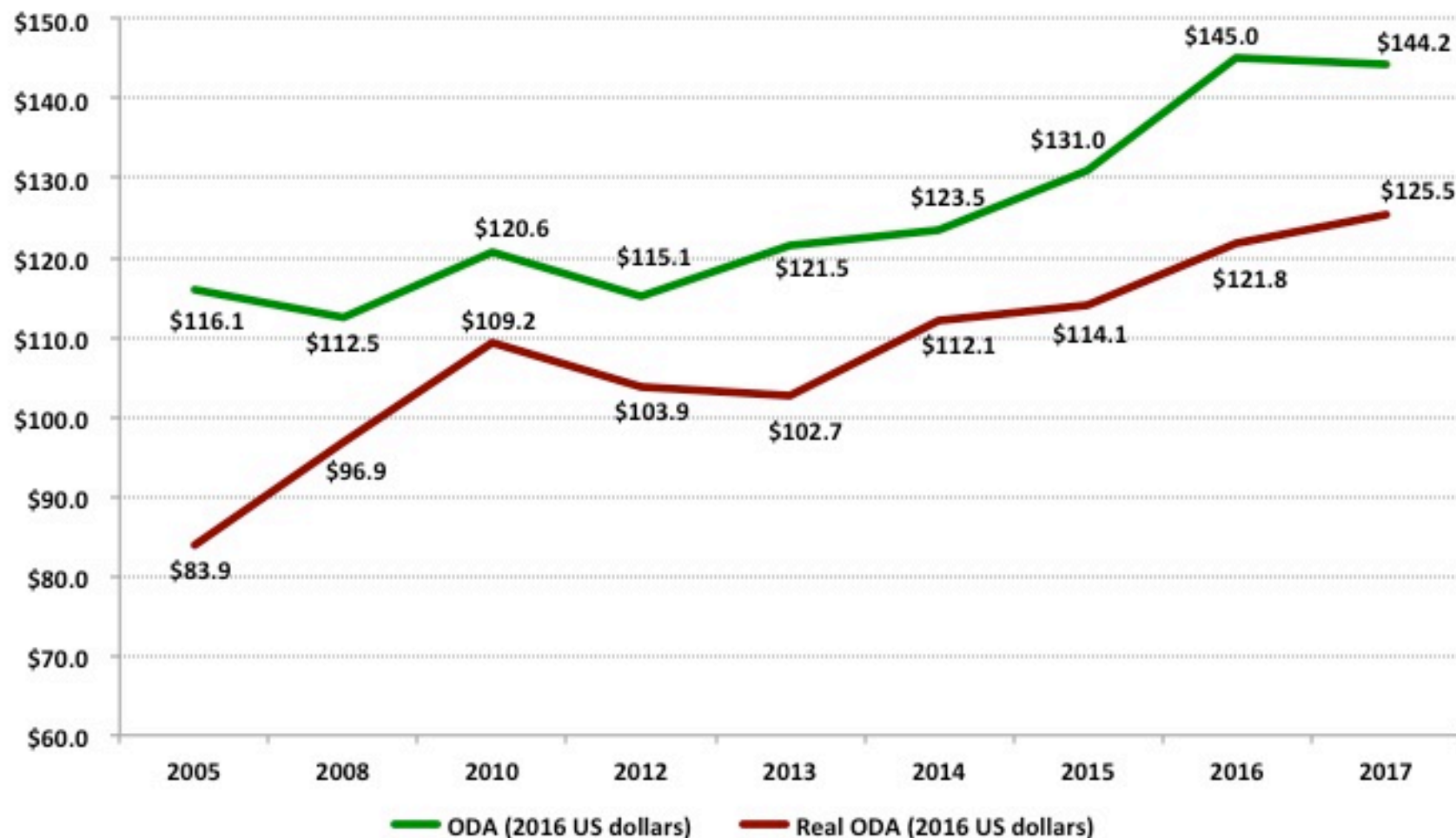
### Overview of DAC donors' ODA trends:

- Modest growth in the **value of actual ODA and Real ODA flows** (2016 dollars and exchange rates)
- But **Real ODA performance** (ODA/GNI ratio) largely unchanged (0.27%) and a long way from the UN 0.7% target
- ODA providers **highly concentrated in five top donors** (United States, the UK, Germany, Japan and France), which increased their ODA between 2016 and 2017
- **Humanitarian aid grows by 62% between 2010 and 2016**, with a growing impact on aid for long-term development goals declining in overall ODA
- **Donor inflation of their ODA** through inclusion of in-donor costs for refugees, students in donor countries, debt cancellation and the exclusion of interest payments on previous loans
- Inclusion of **climate finance** in ODA

## Trends in the Value of Real ODA, 2016 dollars, 2005 to 2017

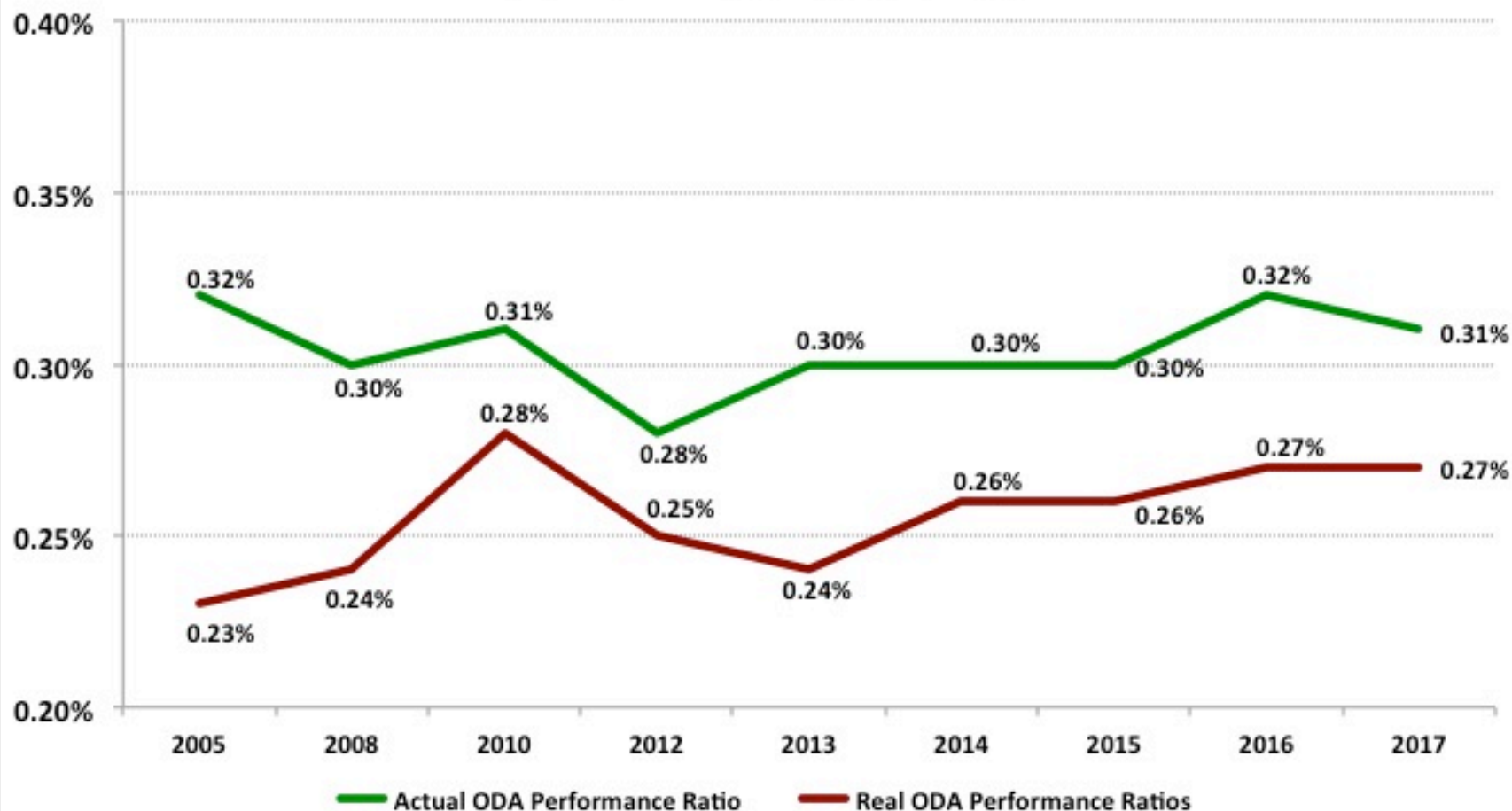
Real ODA is Total ODA less in-donor refugee and student costs, debt cancellation & loan interest payments

Billions of Constant 2016 US Dollars; OECD DAC1 and DAC2a; © AidWatch Canada April 2018



## DAC Donors' ODA Performance (UN Target of 0.7%): ODA and Real ODA as a share of Gross National Income

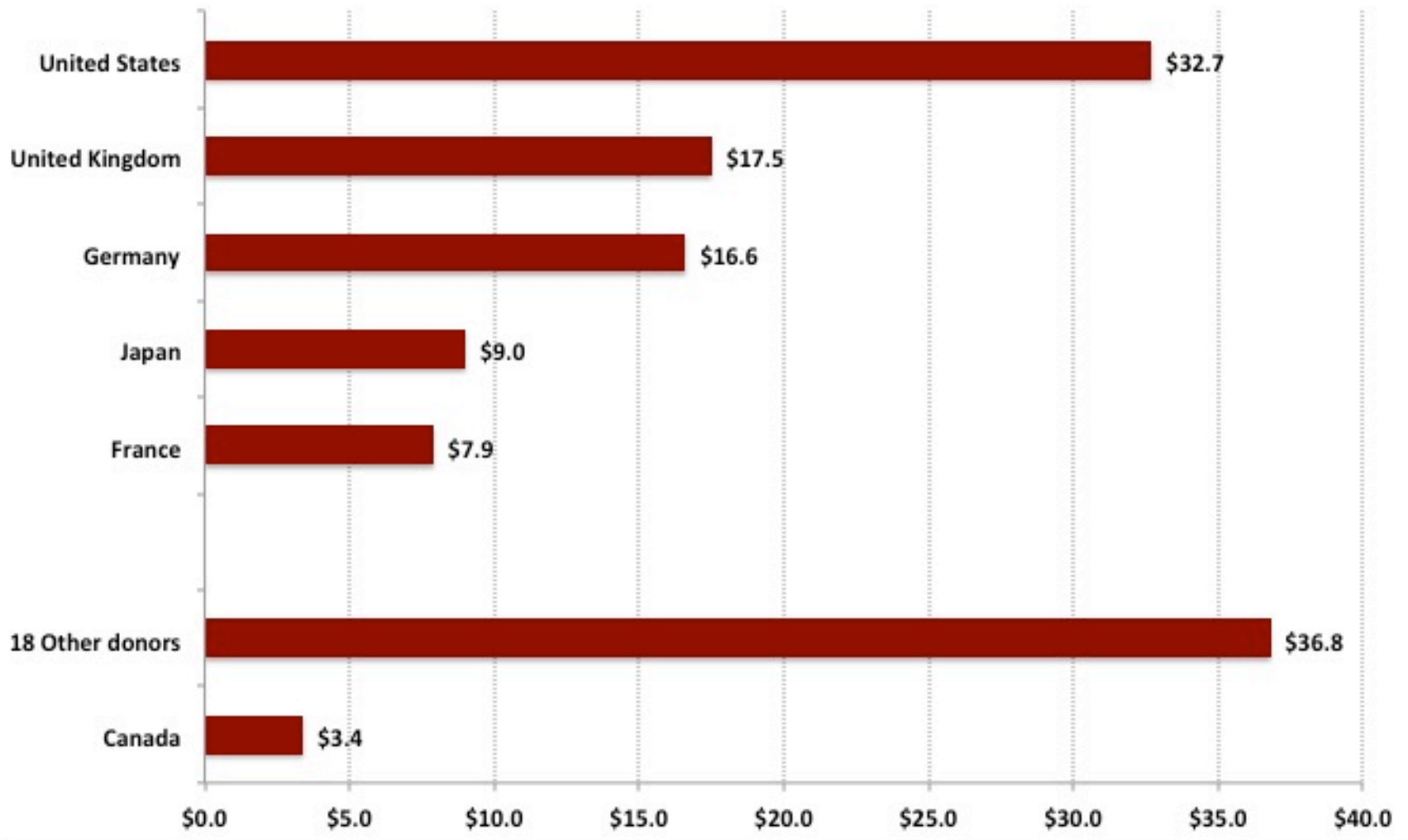
Real ODA is ODA less in-donor refugee and student costs, debt cancellation & loan interest repayments  
OECD DAC1 © AidWatch Canada April 2018



## Concentration of Real ODA among Top Five Donors in 2016

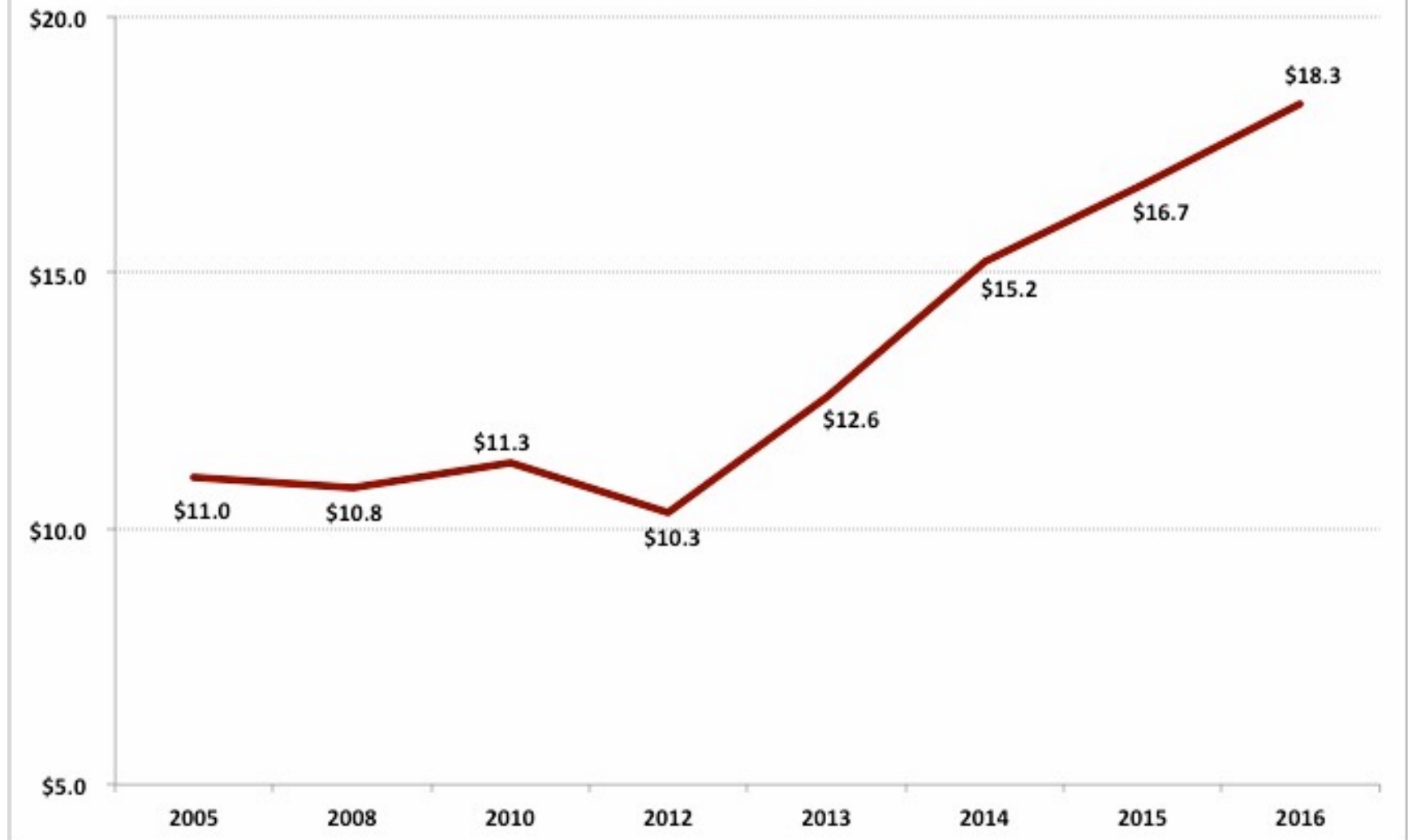
Real ODA is ODA less in-donor refugee and student costs, debt cancellation & loan interest repayments

Billions of 2016 US\$ OECD DAC1 © AidWatch Canada October 2018



## Trend in Total Official Humanitarian Assistance

Billions of Constant 2016 US Dollars; OECD DAC2a © AidWatch Canada April 2016

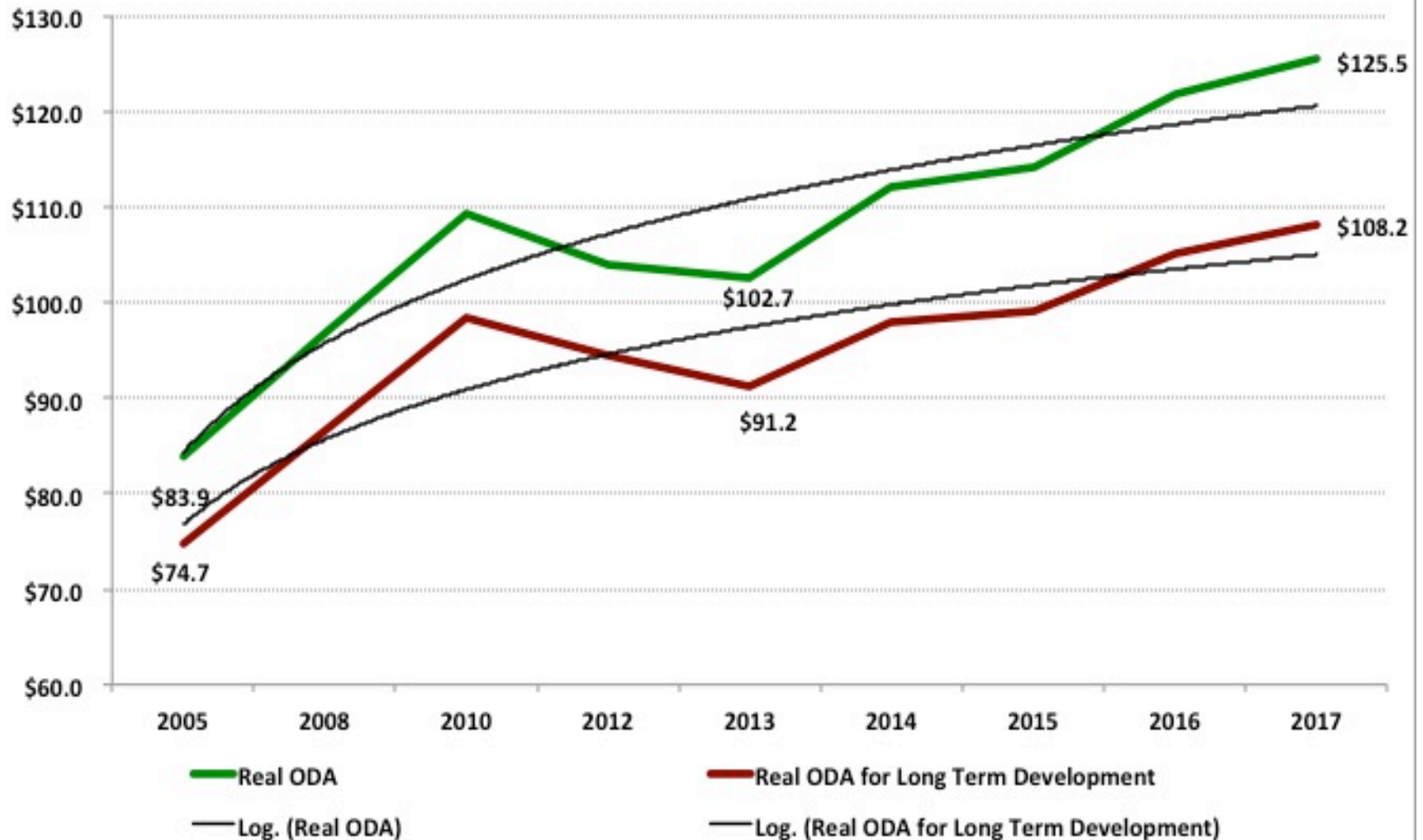




## Recent Trends in Real ODA for Long-Term Development Purposes

Real ODA less Humanitarian Assistance

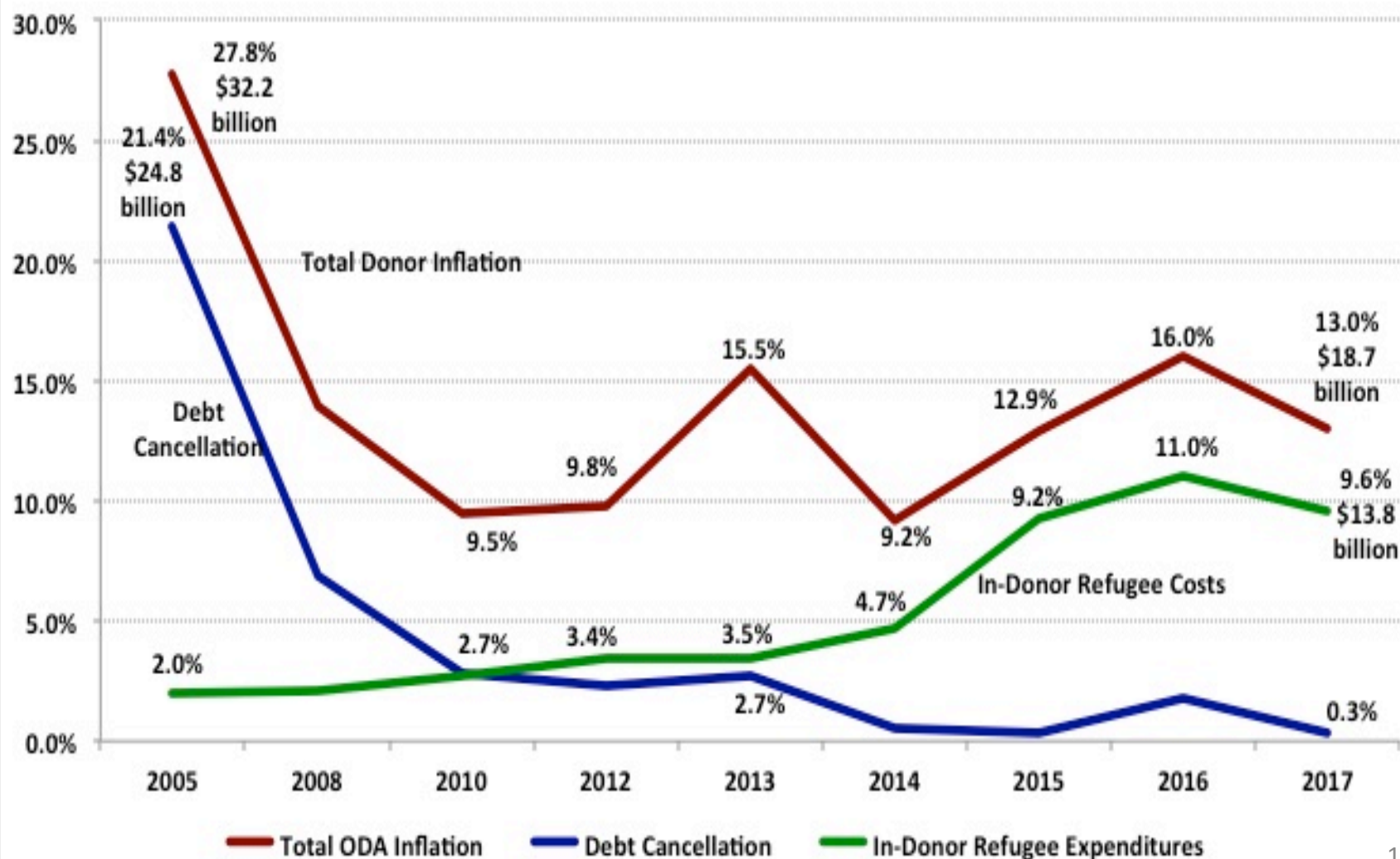
Billions of Constant 2016 Dollars OECD DAC1 and OECD DAC2a © AidWatch Canada April 2018



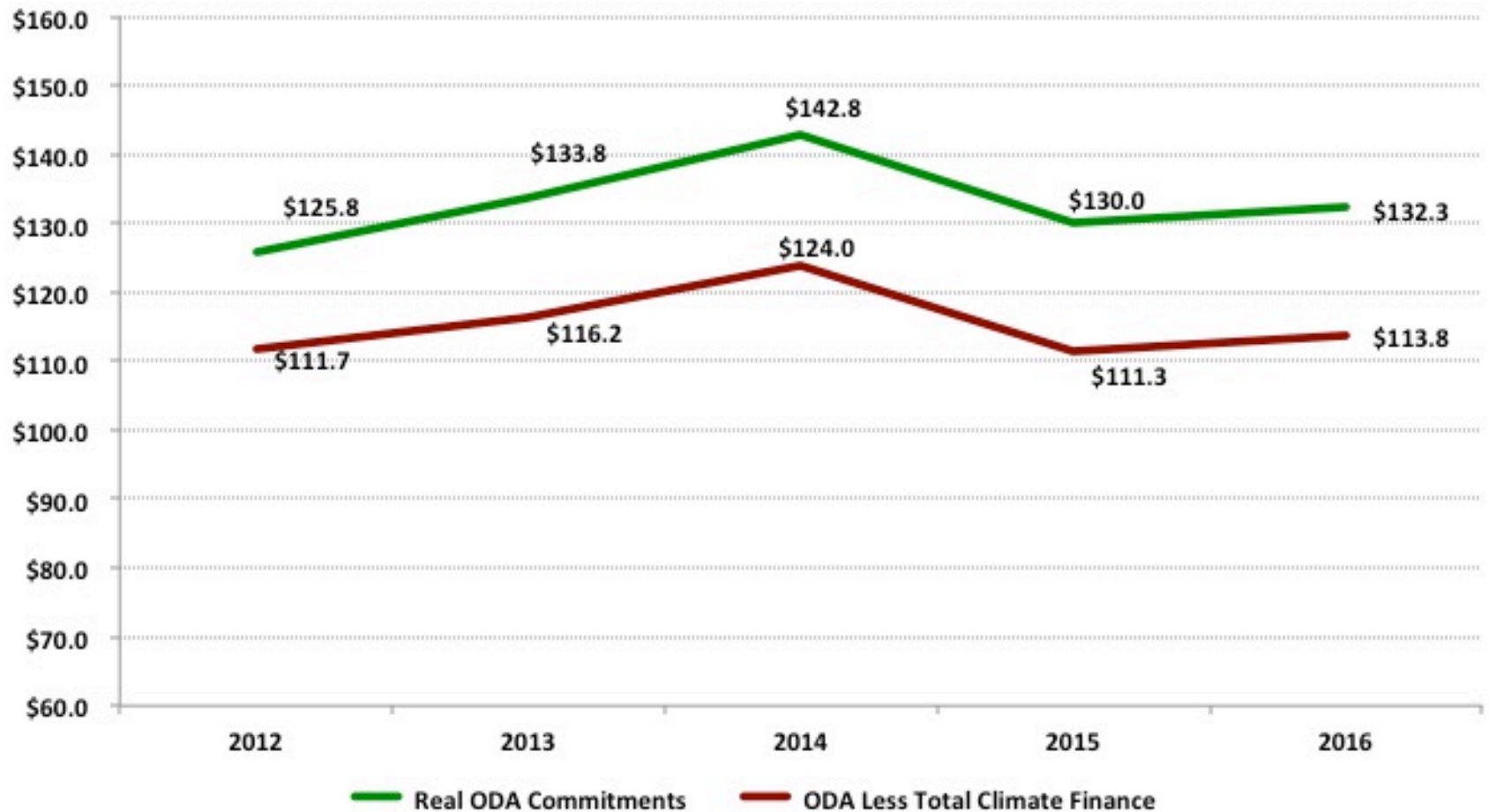


## Donor Inflation of ODA

Inflation includes in-donor student and refugee expenditures, Debt Cancellation and interest payments on previous loans, Percentage of Net ODA  
Billions of Constant 2016 US\$ OECD DAC1 and DAC2a; © AidWatch Canada, April 2018



**Trends in Real ODA Commitments, Less Concessional Climate Finance**  
Total climate finance provider perspective; Significant purpose @ 30%; Loans included at grant equivalency; Real ODA less in-donor refugees and students & debt cancellation  
Billions of current US\$; OECD DAC CRS & DAC1 © AidWatch Canada June 2018



# Is existing Real Aid committed to poverty reduction?

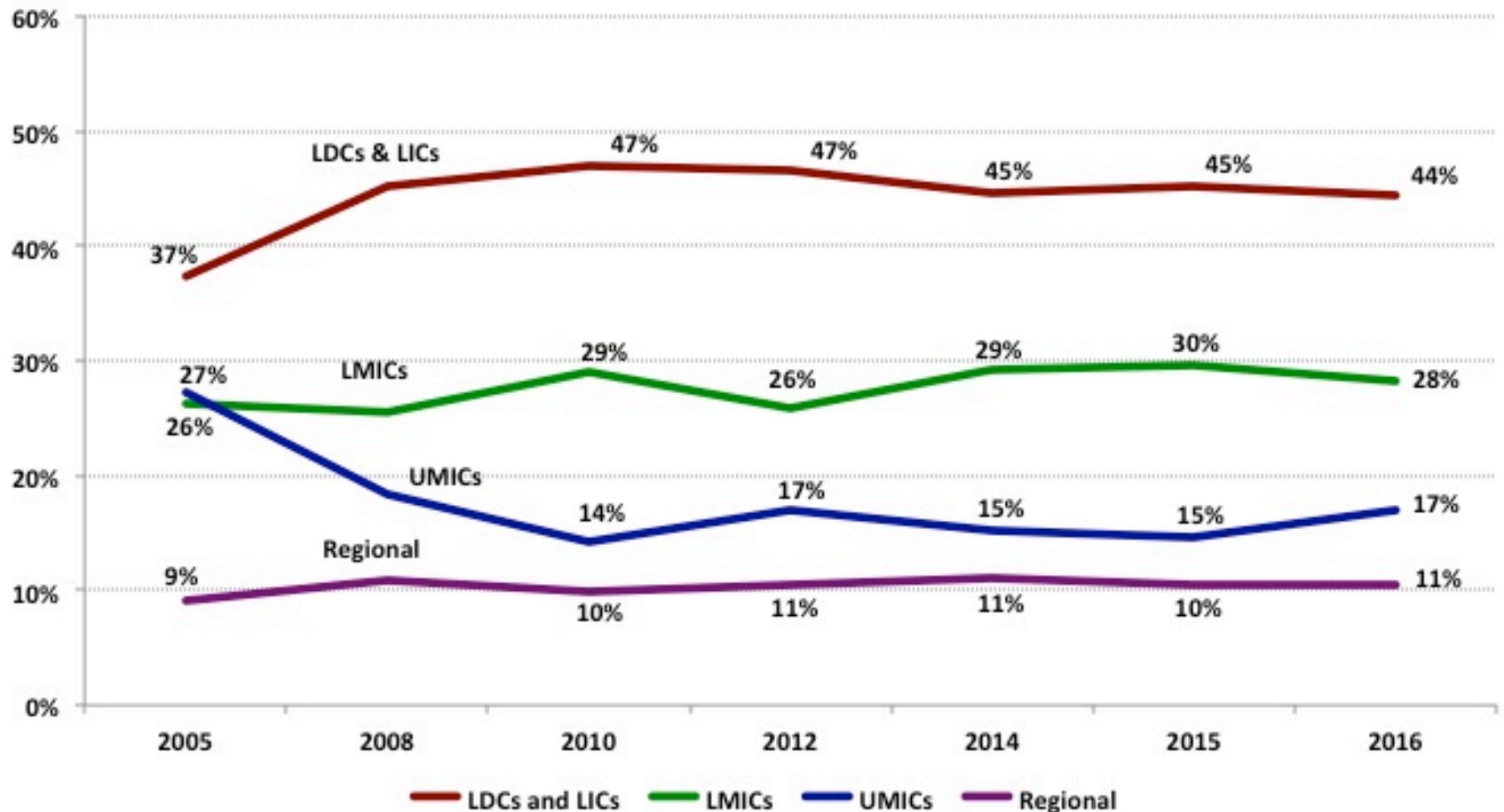
No easy measure, but can examine **several indicators for poverty-focused ODA**:

- 1) The allocation of **Real ODA to country income groups**, relatively positive for LDCs and LMICs, but less so when considering ODA for long term development purposes
- 2) The allocation of **Real ODA to Sub-Saharan Africa**
- 3) The allocation of **climate finance ODA to adaptation finance**
- 4) The allocation of ODA for **strengthening gender equality** and women's empowerment
- 5) The allocation of ODA to a set of **proxy poverty-oriented sectors** (basic education, basic health and reproductive services, basic sanitation, SMEs, agriculture, democratic participation and human rights, civilian peacebuilding, women's organizations, ending violence against women)

## Trends in the Allocation of ODA by Income Group

ODA is net of debt cancellation and unallocated by income group (an average of 23% of ODA), but includes regional allocations

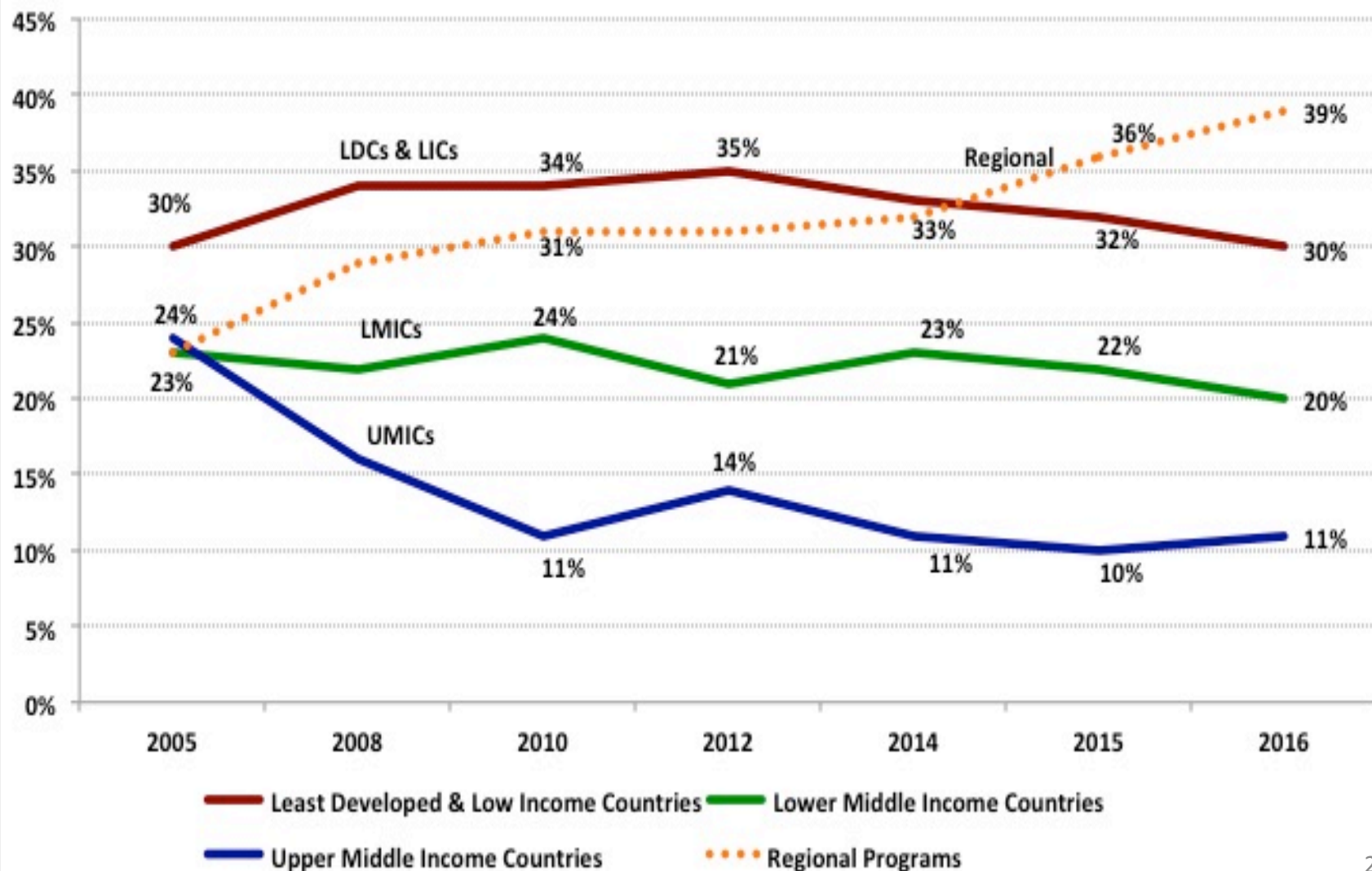
OECD DAC CRS+ © AidWatch Canada April 2018



## ODA Allocations to Country Income Groups for Long Term Development (No Humanitarian Assistance)

Percentage of Total Allocated, excluding Debt Cancellation

OECD DAC2a © AidWatch Canada April 2018

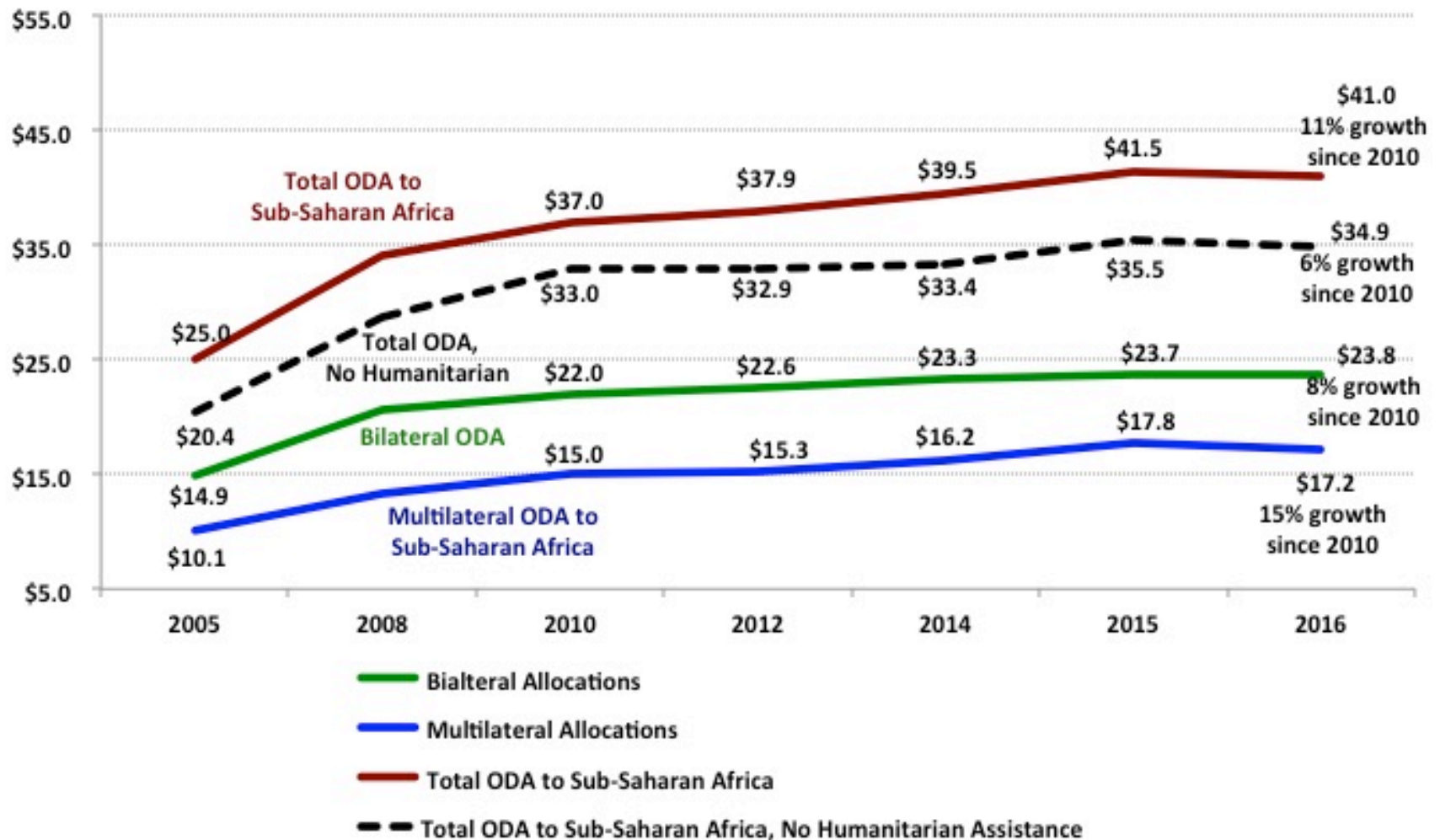




## Growth in Value of ODA to Sub-Saharan Africa

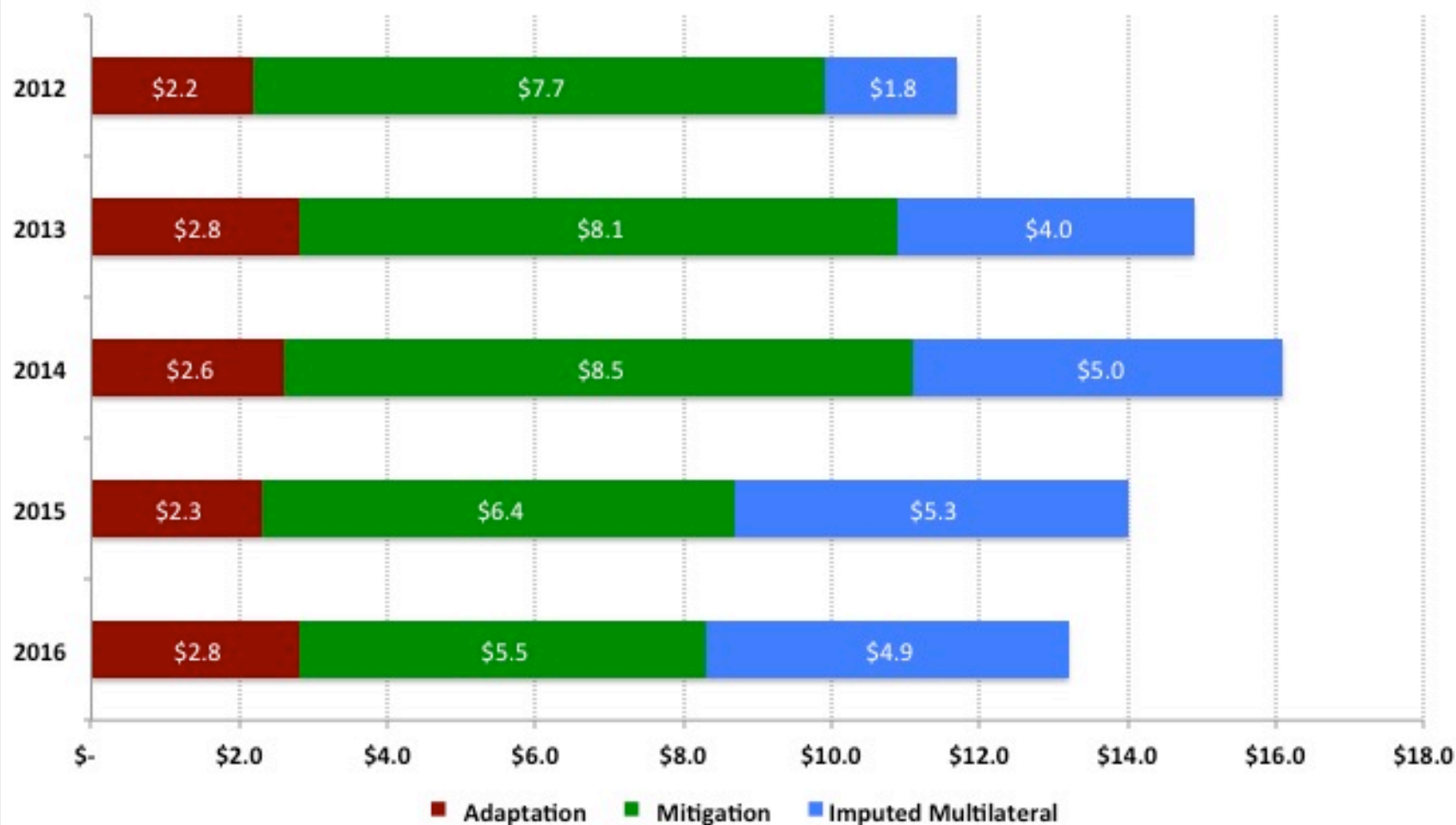
Billions constant 2016 US\$; Excludes debt cancellation

OECD DAC2a © AidWatch Canada April 2018



## Principal Purpose Climate Finance for Adaptation and Mitigation Provider perspective; Commitments; Loans included at grant equivalency

Billion of Current US\$; DAC CRS; © AidWatch Canada June 2018

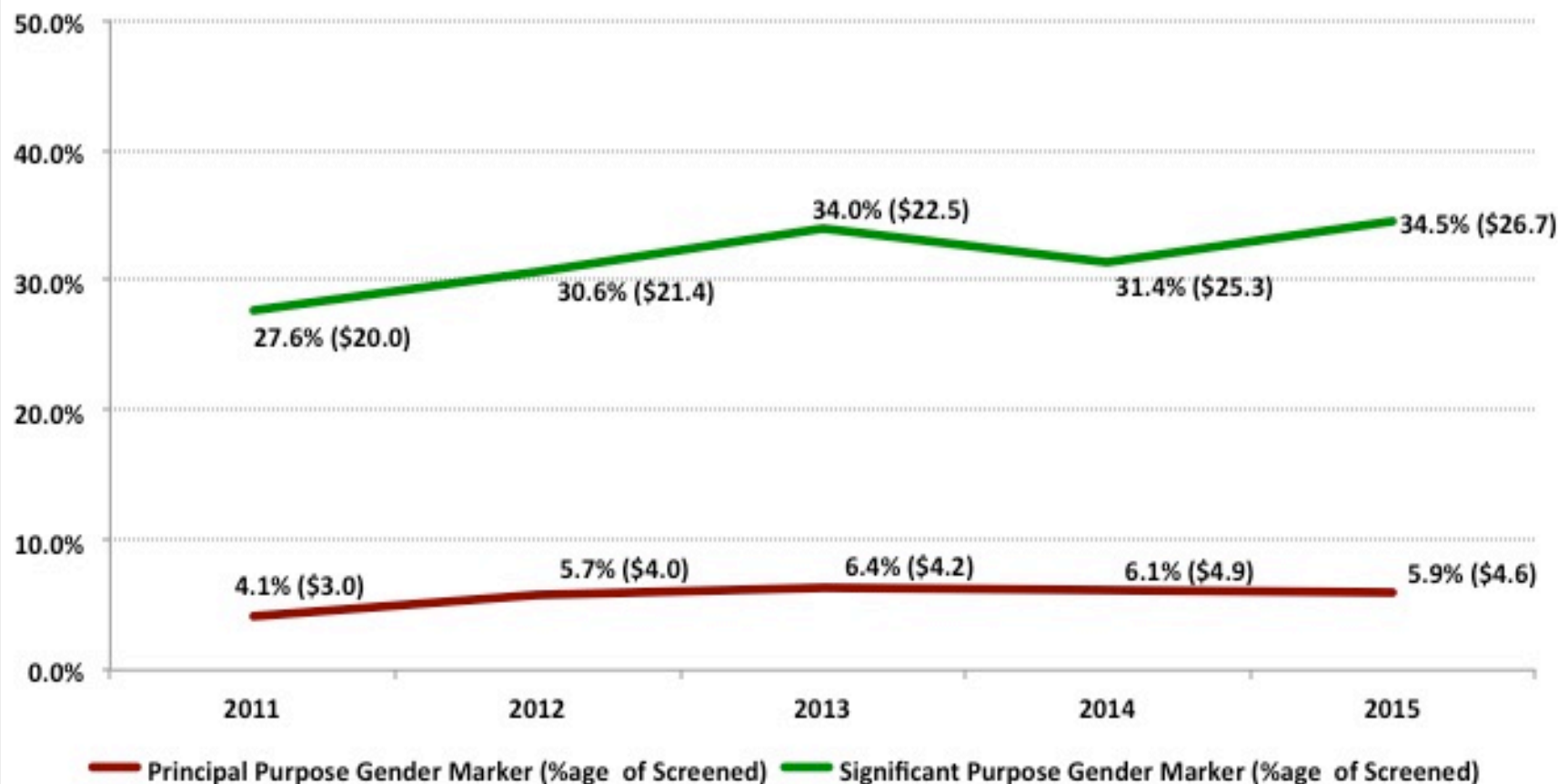


## Gender Equality and Women's Empowerment Marker: Share of Real Bilateral ODA

Principal marker: Gender equality is the main objective of an activity

Significant marker: Gender equality is one of several objectives of an activity

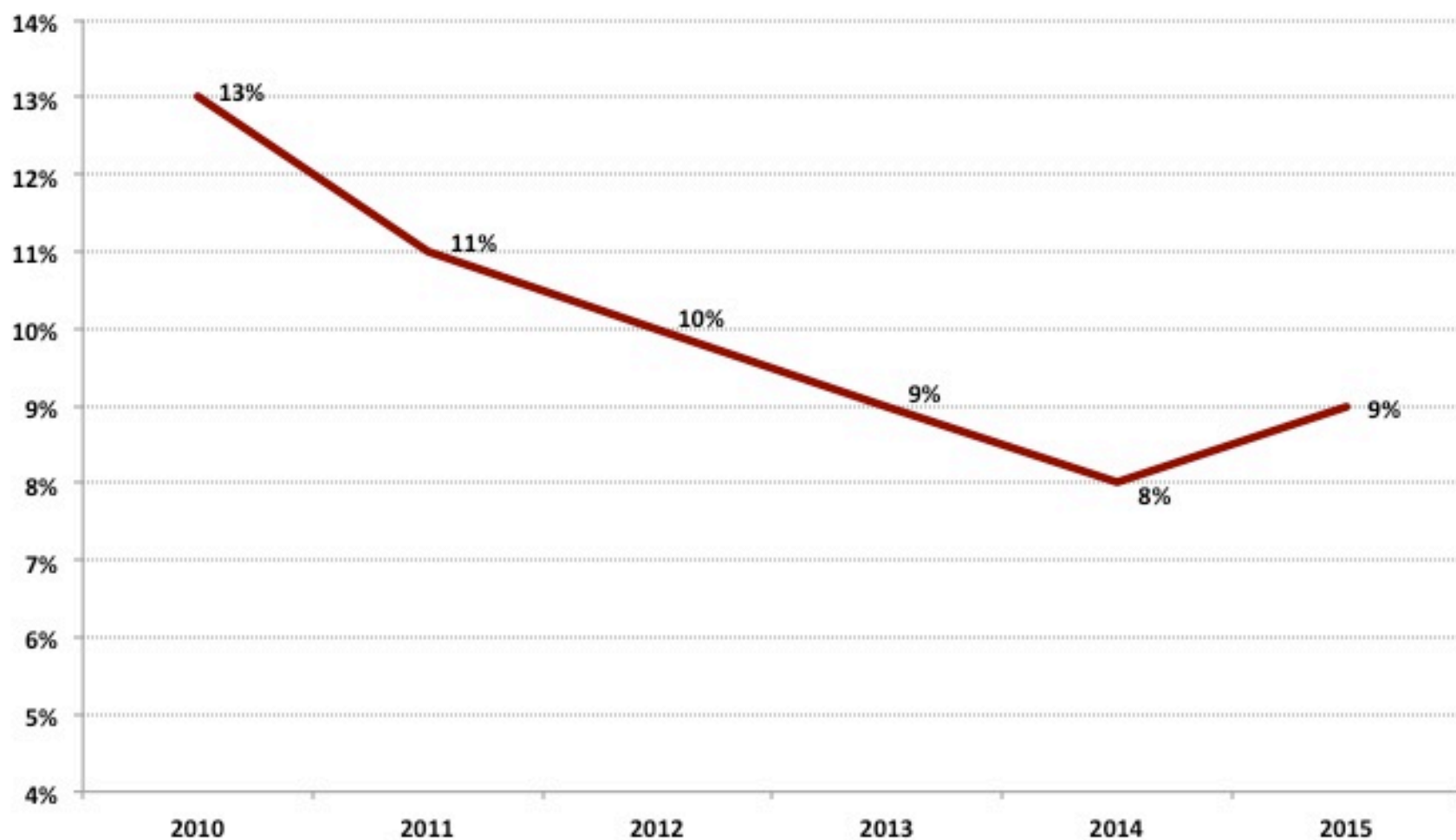
Real Bilateral ODA - Bilateral ODA less in-donor refugees & student costs, debt cancellation & interest on loans Billions of Constant 2015 US\$ OECD DAC 2a & DAC1 © AidWatch Canada April 2018





## Share of Women's Rights Organizations in Donor ODA Marked Principal Gender Purpose

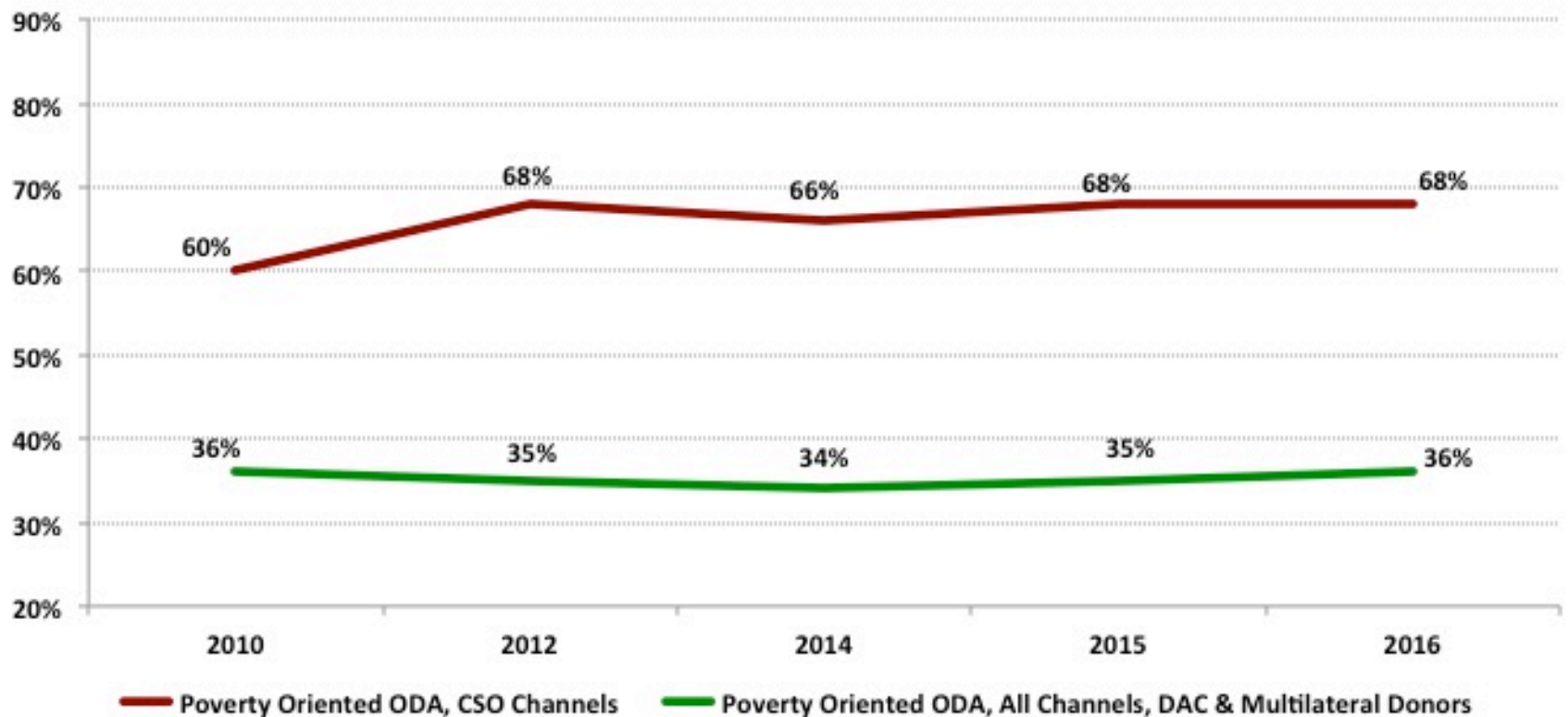
OECD DAC CRS; © AidWatch Canada June 2018



## Poverty Orientation Proxy for ODA: Channel share of sector allocable ODA for that channel

Poverty-oriented sectors include Basic Education, Basic Health, Population & Reproductive Health, Basic Sanitation, Democratic Participation, Women's Organizations, Human Rights, Ending Violence Against Women, Civilian Peacebuilding, Agriculture, Informal Finance, SMEs & Cottage Industries

Share of Channel Sector Allocated ODA OECD DAC CRS+ © AidWatch Canada April 2018



# ODA as a catalyst for the private sector and the SDGs

**Donor priority for private sector modalities:** “Smart and strategic use of development finance to catalyse private capital is an emerging frontier and a growing priority for most of the international development community.” OECD, DAC, January 2018

- World Bank’s “**Maximizing Finance for Development**” private sector approach: Cascade approach in project finance – Is there a suitable private sector solution, and if yes use this modality, if no, check the policy and regulatory weakness and promote reform, if risks, assess risks and use WB instruments to mitigate risks, and only then if no other option, pursue a public funding option.
- Overwhelming donor / DAC **focus on instrumentalizing ODA** to leverage private sector finance (blended finance), without testing cost-effective and more inclusive public solutions or alternative finance (e.g. taxes on the private use of the global commons to be deployed for SDGs)
- But **little evidence generated** to demonstrate comparative advantage of private sector solutions for SDGs or even how much is actually being mobilized

## Share of Private Sector Proxy in Donor Sector-Allocated ODA

(Sectors: Large scale water & sanitation, Transport, Energy, Formal Finance Intermediaries, Business Services, Industrial, Minerals, Construction, Trade Policies)

Donor	2010	2013	2016
DAC Donors	20%	23%	22%
Multilateral Donors	24%	33%	32%
Canada	4%	15%	11%
France	11%	30%	35%
Germany	31%	30%	35%
Japan	45%	56%	55%
United Kingdom	15%	12%	10%
United States	13%	12%	7%

# ODA and Infrastructure: Public Private Partnerships

In 2016, 25% of sector-allocated ODA went to sectors likely to involve infrastructure projects (large scale water and sanitation, transportation, energy, and communications sectors): Large potential for PPPs

## What due diligence?

**European Court of Auditors:** “the PPP option was chosen without any prior comparative analysis of alternative options (...) thus failing to demonstrate that it was the one maximizing value-for-money and protecting the public interest.” (March 2018)

**UK National Audit Office:** “investments through PFI (Private Finance Initiative] schemes more than doubles the project’s cost to the public sector.” (March 2015)

**International Monetary Fund:** “PPPs can help improve public services. Yet, strong governance institutions are needed to manage risks ... While in the short term, PPPs may appear cheaper than traditional public investment, over time they can turn out to be more expensive and undermine fiscal sustainability, particularly when governments ignore or are unaware of their deferred costs and associated fiscal risks.” (October 2018)

# Growing Importance of Blended Finance

**What is included:** loans, credit lines, direct share investment, investment guarantees, shares in investment vehicles.

17 DAC donors have created **167 blended mechanisms** since 2000 (DevFin Canada)

**False panacea:** OECD Study – mobilized \$81.1 billion in private capital between 2012 and 2015 (average of \$20 billion a year), but no estimate of public finance to raise these funds: Marginal supplement to ODA (even CSOs responsible for \$70 billion annually)

**A vacuum of policy guidance for most mechanisms:** DAC principles for blended finance, but no agreement on what can be included as ODA - institutional approach (inflates aid) or transactional approach; Door open as of 2018 for donors to report loan and investment guarantees, where no money leaves the donor country .

**OECD own study of blending** strikes many cautionary observations without drawing conclusions:

- Strong tendency to go to countries where business case is strong & low risk (MICs)

- Most concentrated in formal finance and energy sectors

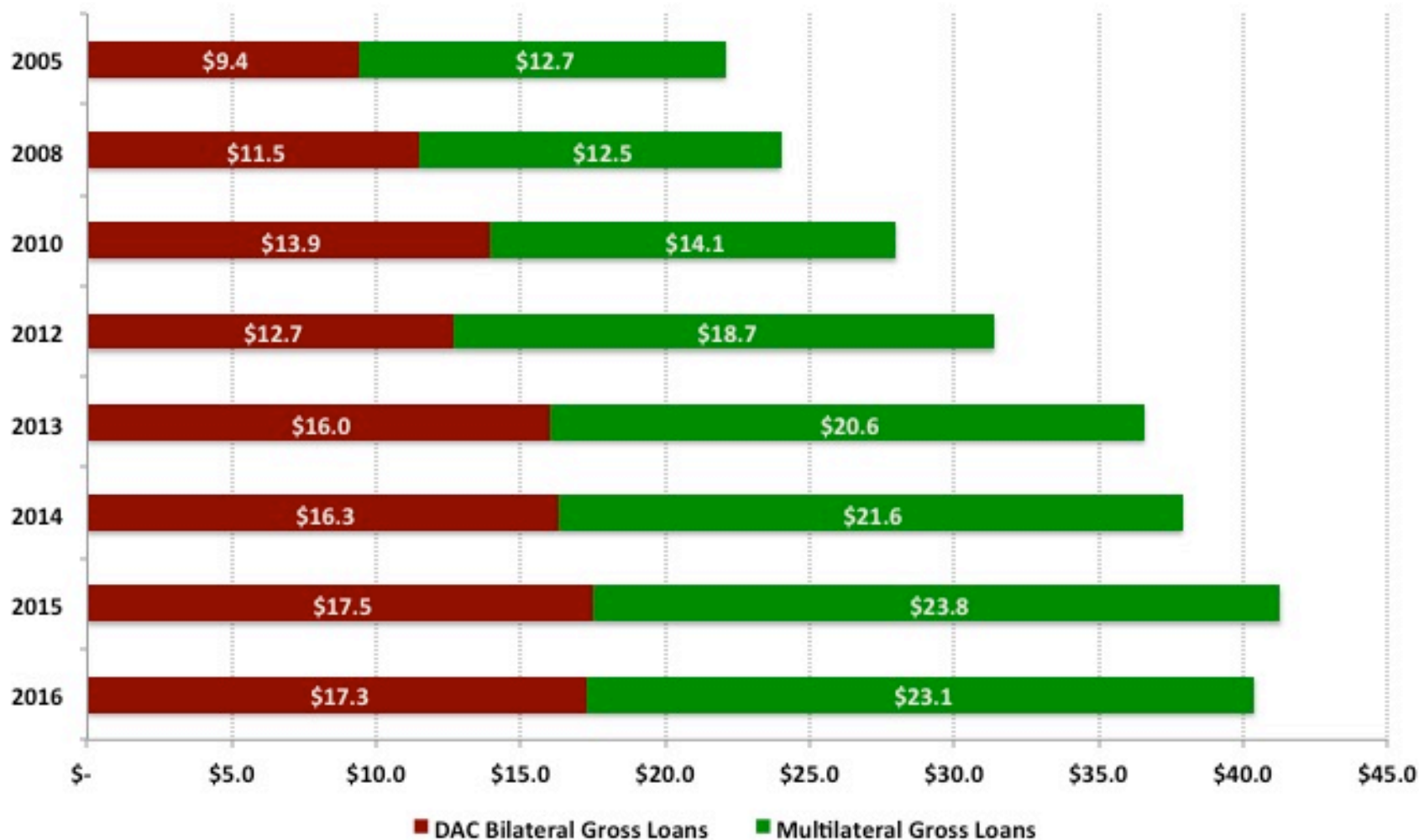
- Monitoring and evaluation systems are very weak

- 62% of private finance originated in donor country (concern for increased tied aid)

- 40% investment guarantees, 27% syndicated loans, 16% lines of credit, 10% collective investment vehicles (guarantees are not expenditures – inflates ODA)

## Value of Bilateral and Multilateral Gross ODA Loans

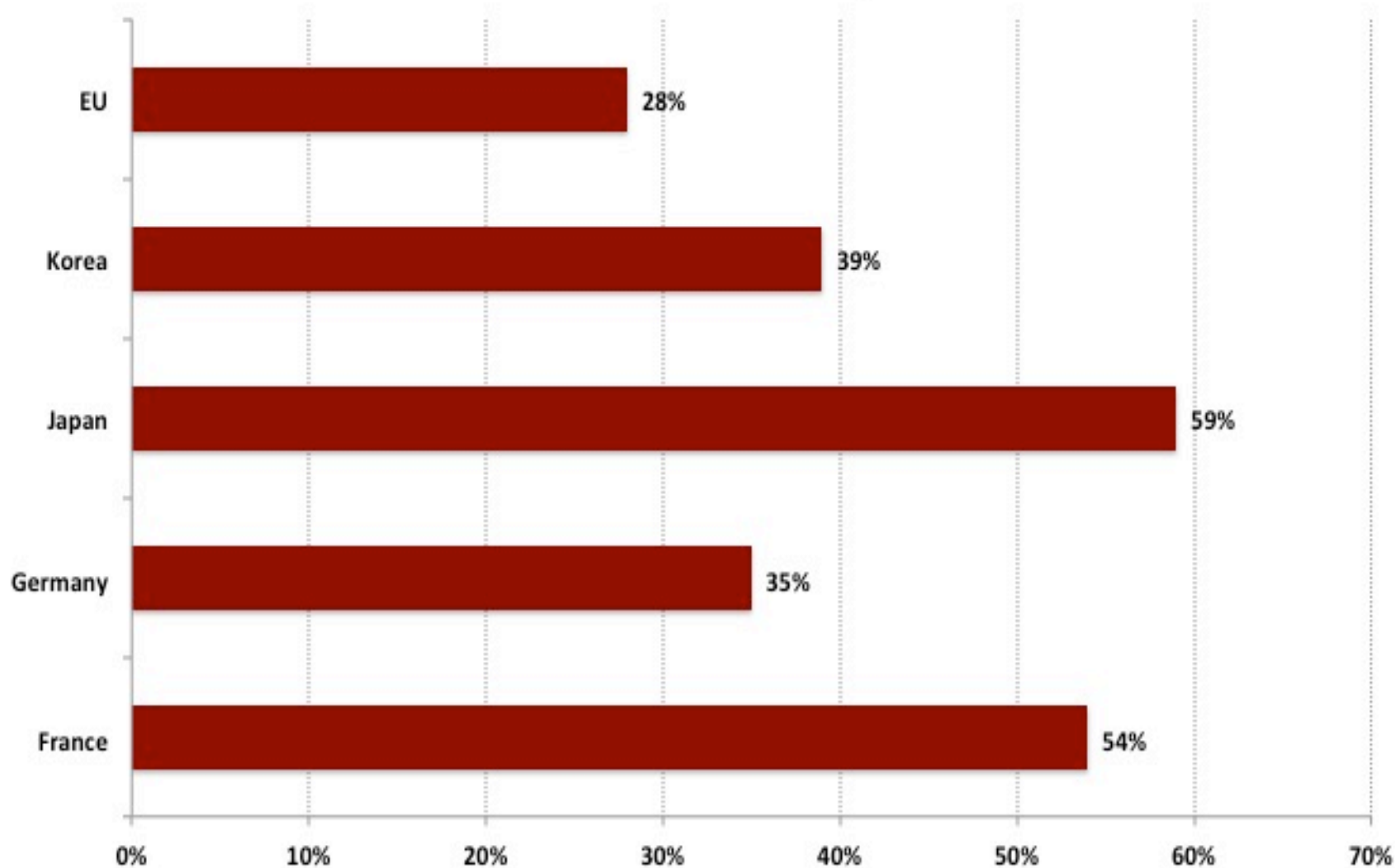
Billions of Constant 2016 US\$; OECD DAC2a; © AidWatch Canada April 2018



## Share of Loans in Real Gross Bilateral ODA in 2016: Select Donors

Real Gross Bilateral ODA is total ODA less in-donor refugee and student costs  
and debt cancellation

OECD DAC2a © AidWatch Canada April 2018

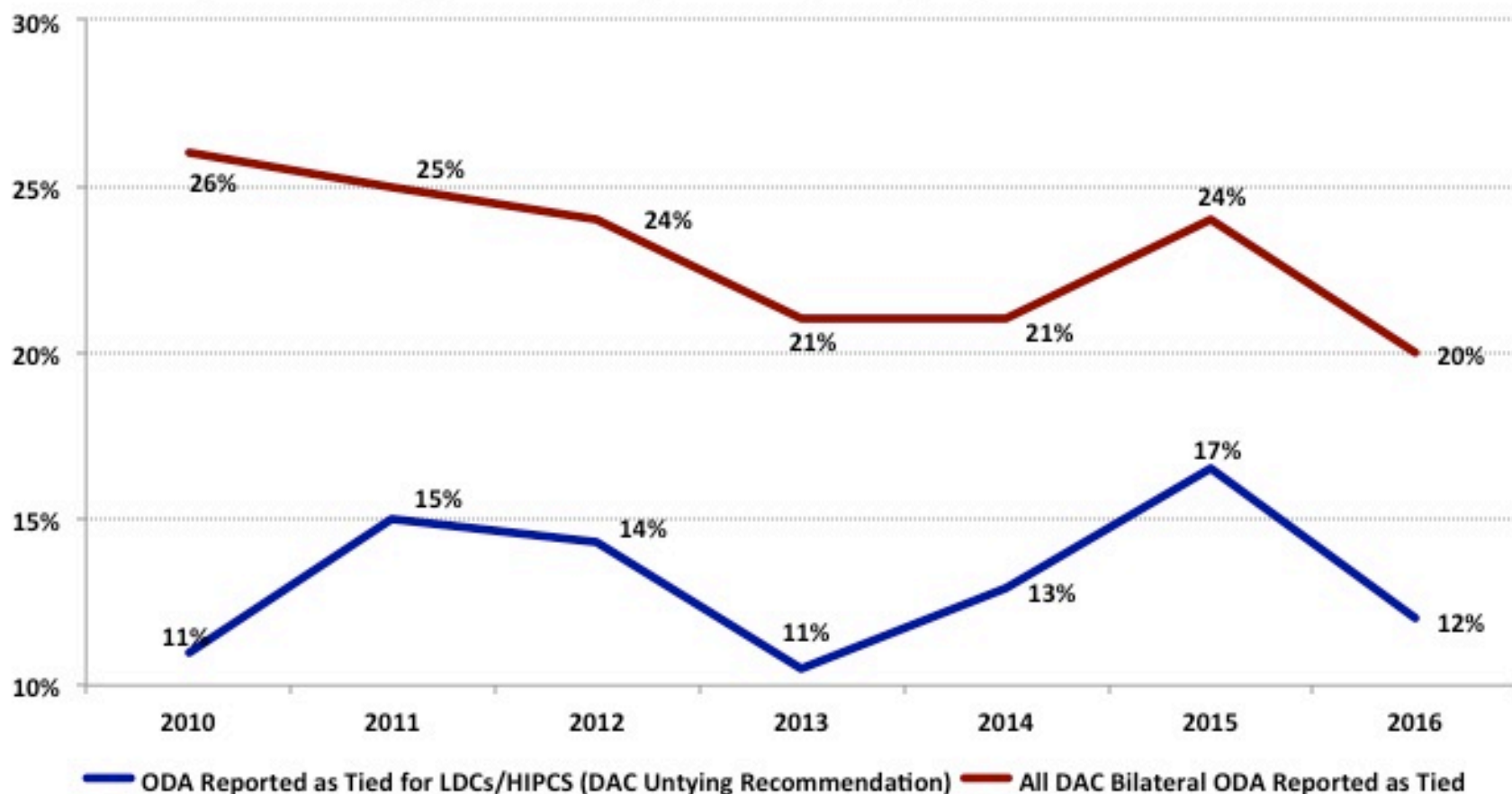




## Trends in Share of Bilateral ODA that is Tied: DAC Untying Recommendation and Total Bilateral Tied Aid

The DAC Recommendation for Untying aid to LDCs/HIPCs does not include  
free standing technical assistance and food aid

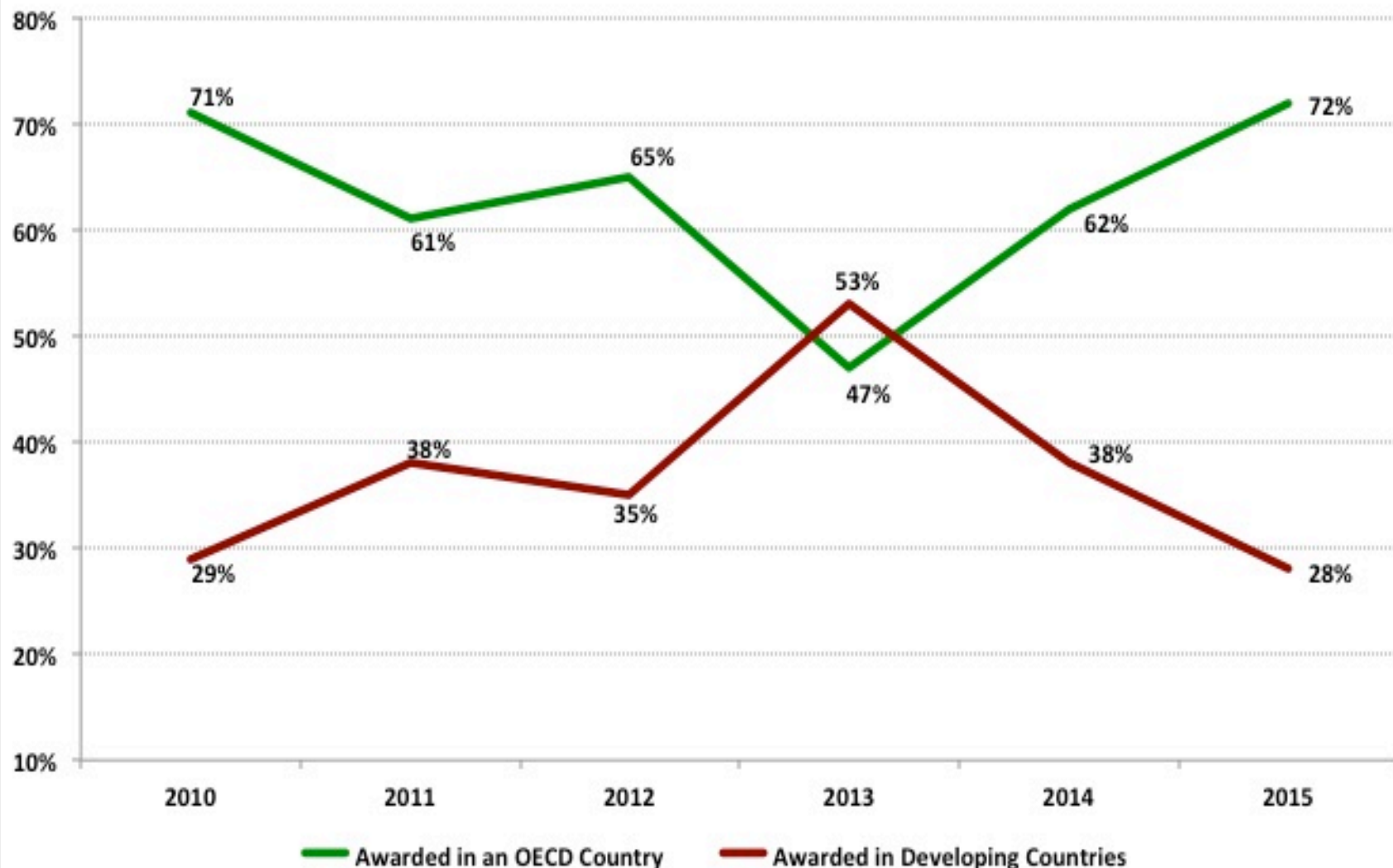
Report on DAC Untying Recommendation, Tables 1 & 6, various years; © AidWatch Canada June 2018



## Aid Contract Procurement: Location of primary contracted organization

Percentage of Total Contracts Awarded by the Value of Contracts

Report on the DAC Untying Recommendation, Table 5/6; © AidWatch Canada 2018



# Measuring Beyond Aid:

## Total Official Support for Sustainable Development (TOSSD)

**A new international statistical standard** within the context of Agenda 2030 & SDGs, creating a statistical foundation for “beyond aid”:

“The Total Official Support for Sustainable Development (TOSSD) statistical measure includes all officially-supported resource flows to promote sustainable development in developing countries and to support development enablers and/or address global challenges at regional or global levels.”

**Pillar I:** Focus is on all cross border flows for sustainable development, including non-concessional flows:

- SSDC, Triangular Cooperation, humanitarian assistance, all ODA cross-border flows (DAC CPA)
- Private flows mobilized by official interventions where direct causal link between official intervention and private resource can be determined (accounted in a separate stream)
- Flows by state-owned companies, and enterprises under government control.
- Concessional and non-concessional debt instruments, mezzanine finance instruments, guarantees, and equities and shares in collective investment vehicles.

# Total Official Support for Sustainable Development (TOSSD)

**Pillar II:** International Public Goods and global development enablers (including flows relating to security, anti-terrorism, peacekeeping), rules only now being defined

## Current Definition:

**International Public Goods** are de facto public if they are non-exclusive [no one can be excluded from their benefit] and available for all to consume [are not diminished by being consumed].

Public goods are IPGs if they benefit at least two countries (debate whether these must be only developing countries)

## Examples:

- ❖ Preventing the emergence of infectious disease
- ❖ Tackling climate change
- ❖ Enhancing international financial stability
- ❖ Strengthening the international trading system
- ❖ Achieving peace and security
- ❖ Migration flows
- ❖ Knowledge

Finalize in 2019 and implement in 2020 through regular meetings of the TOSSD International Task Force (supported by the DAC Secretariat, but also reporting to UN SDG process)

# Potential Questions / Issues with TOSSD

Stated intention is to complement ODA to demonstrate full donor efforts in support of the SDGs, **but may create strong political incentives to replace ODA**

## Will TOSSD,

- Reporting instructions include clear **development criteria** for inclusion of a flow in TOSSD, including crucial SDG norm of leaving no one behind?
- Be governed by **development effectiveness principles** (country ownership, results based on country development plans, inclusive partnerships, transparency and accountability)?
- Include non concessional flows such as **loan guarantees and other forms of blended finance that do not leave donor countries**, although a private investment may be a cross border flow?
- Accentuate **formal and informal tying** in international assistance for Agenda 2030?
- Support **global development enablers** that will inflate reporting of flows relevant to development progress for SDGs and consistent with human rights etc?
- Give a **role for developing countries** to determine what is reported to TOSSD?
- Create systematic **checks on the quality** of the metric?
- Be **housed in DAC or the UN**? What level of inclusion in its governance?

# Measuring South-South Cooperation: Is SSC a resource for SDGs?

**Amount of South South Cooperation** (SSC) estimated at \$28 billion in 2015/16, down from an estimate of \$32 billion in 2013/14 (measured with criteria similar to ODA)

Most SSC **directed towards immediate foreign and economic interest** of provider countries:

- ❖ Almost 75% of SSC flows (\$20 billion) from Middle East providers and is directed to the humanitarian crisis in that region.
- ❖ China as a donor at \$2.3 billion; India at \$1.6 billion next largest donor
- ❖ China has launched a State International Development Cooperation Agency
- ❖ Chinese sponsored Asia Infrastructure Bank (lent about \$4 billion, compared ADB of \$18 billion a year); Many projects co-financed with ADB and World Bank.
- ❖ Closely related to China's Belt and Road Initiative -- projected infrastructure in 65 countries and \$1.8 trillion

## **Largely uninvestigated questions:**

- ❖ To what degree are SSC principles of solidarity, non-interference, respect for sovereignty reflected in SSC aid allocations? What are the impacts of Chinese aid on local economies in Africa? Should SSC be held accountable to development effectiveness principles?

SSC technical assistance often in-kind and not captured by headline amount of SSC finance.

# CSOs as Development Actors: Contributions and Challenges (1)

**Estimated contributions:** \$52 billion in 2014 (including both government and private)

- ❖ Ten largest International CSO families raise \$10.5 billion in 2016

**Donor funds channeled through CSOs** increased from \$18.3 billion to \$20.6 billion from 2012 to 2016 (included in the \$52 billion above), but share of annual Real ODA relatively constant at 17%

- ❖ 79% concentrated in 8 out of 28 donors (the US, the UK, the EU, Germany, Sweden, Canada, the Netherlands and Norway);
- ❖ A few other countries deliver significant share of their ODA through CSOs (Ireland, Switzerland, Spain)
- ❖ Mainly through donor country-based CSOs (69% in 2016), with 25% through INGOs, and only 6% through developing country based CSOs (directly funded by donor)

Strong and growing **emphasis on humanitarian assistance**

- ❖ An average of 30% of humanitarian assistance since 2010
- ❖ Grown as a share of CSO of CSO development cooperation, from 15% (2010) to 21% (2016) of donor funds channeled from CSOs (not including private funding raised by CSOs)

# CSOs as Development Actors: Contributions and Challenges (2)

## Strong orientation towards poverty-focused development cooperation

- ❖ 52% to LDCs/LICs in 2016, compared to 43% for bilateral aid
- ❖ 68% devoted to poverty-oriented sectors compared to 36% for bilateral donors

But less involved in climate finance (only 5% of total climate finance from 2010 to 2016, and within climate finance, 15% of adaptation finance)

**Confronting ethics issues and challenges in CSO development effectiveness**, including relations with CSOs in the Global South

## Deteriorating enabling environment for CSOs affecting capacities to address SDGs

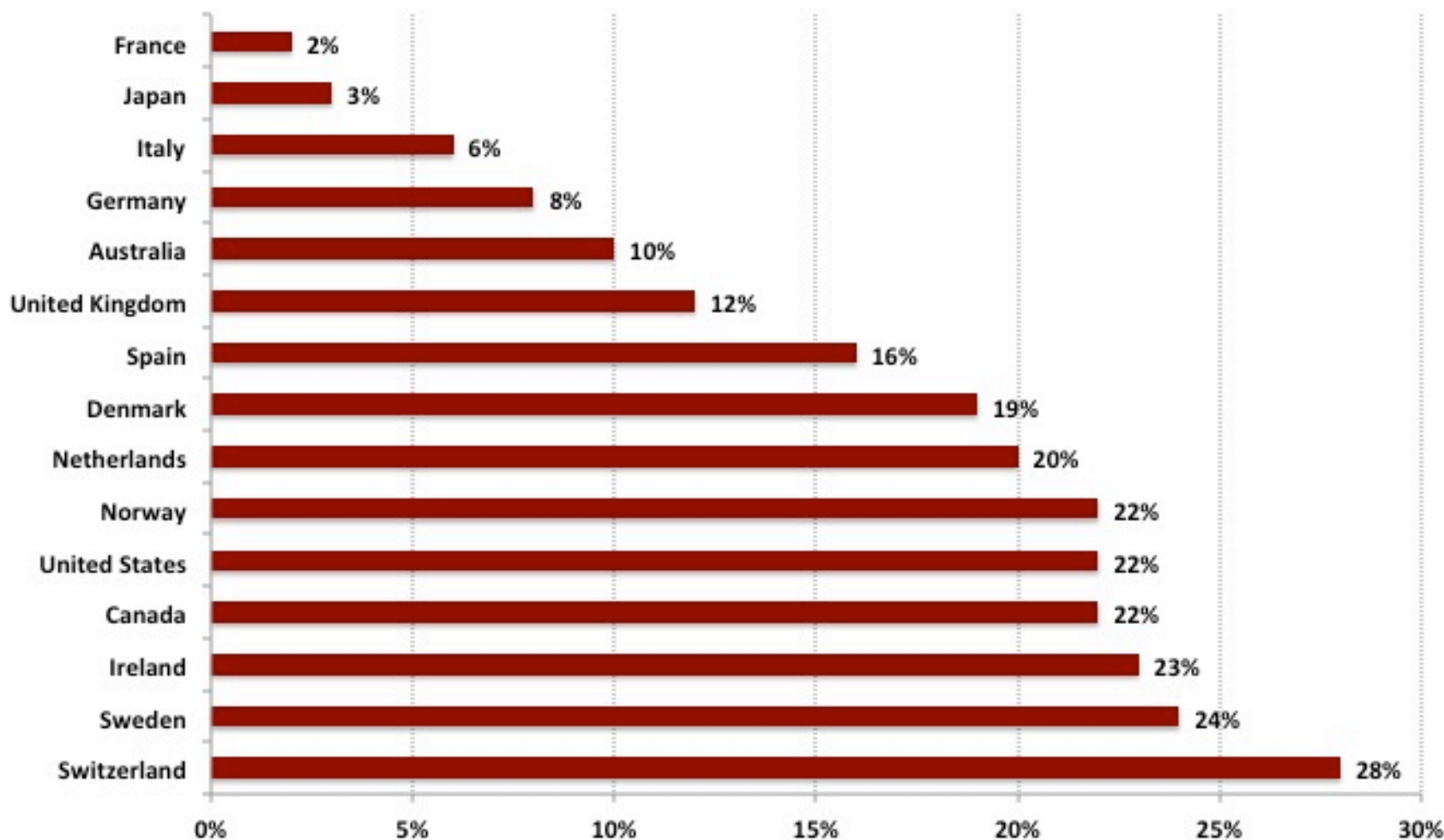
- ❖ Civicus monitor: 109 countries currently have closed, repressed or restricted civic space
- ❖ Particularly affecting human rights activists, women's rights promoters, environmentalists, indigenous rights organizations, trade unions, CSOs working with vulnerable and poor populations
- ❖ Disabling Measures: Use of regulatory laws, audits, restricted space for consultation and dialogue, difficult donor policies for accessing CSO finance and dialogue (North and Global South)
- ❖ Impact: Unable to maximize key role in holding governments to account for SDG plans and commitments, particularly in challenging areas for poverty, inequalities discrimination and women's rights



## CSOs as a Delivery Channel: Selection Donors, Share of Donor Real ODA

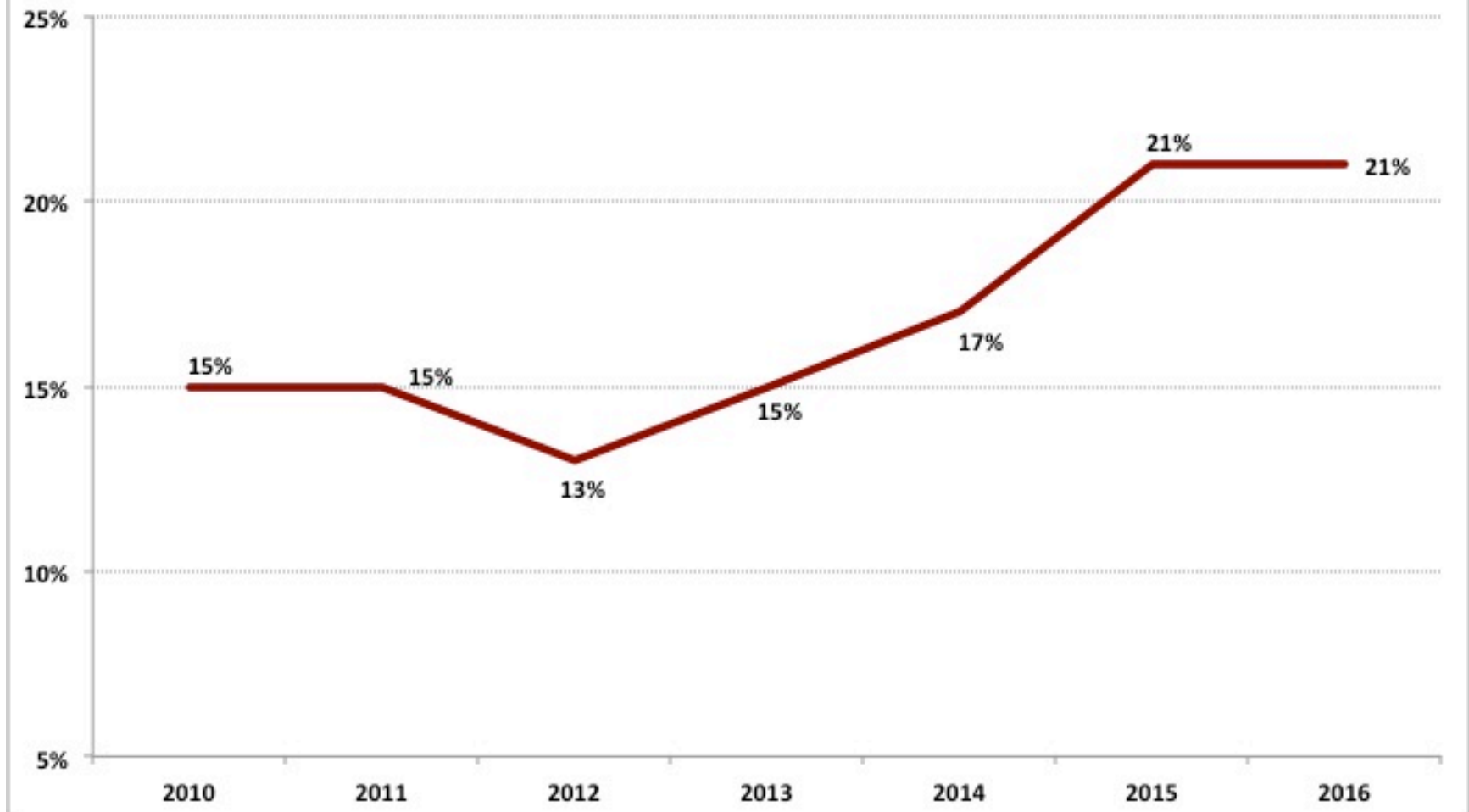
Real ODA is ODA less In-Donor Refugee and Student Costs, Debt Cancellation and Loan Interest Repayment

OECD DAC CRS+ © AidWatch Canada April 2018



## Humanitarian Assistance as a Share of Total ODA Delivered with CSOs/NGOs

OECD DAC CRS+ © AidWatch Canada, April 2018



# Summing Up

1. **Significant roles for diverse and innovative forms of finance** (“beyond aid”) in relation to Agenda 2030 and SDGs (e.g. climate mitigation finance, infrastructure, some areas of health and vaccines)
  - ❖ But requires much more attention to safeguards for affected populations, transparency and accountability, to development effectiveness principles, and objective assessment of impacts on SDGs
2. “Beyond aid” approaches **should strengthen aid as a crucial public resource for Agenda 2030**
  - ❖ Renewed aid policies and strategies that create southern ownership in partnerships (ethic of global solidarity), human rights based approaches, with positive demonstration of positive impacts for people living in poverty or otherwise vulnerable, addressing all forms of inequalities.
  - ❖ Specific plan for reaching 0.7% for Real Aid volumes
  - ❖ Ramp up resources for climate adaptation and mitigation, with clear distinction in aid reporting for climate finance, and new post-2020 resources for climate finance in addition to plans to achieve 0.7%.
  - ❖ Address quality issues for ODA (country ownership issues, country led mechanisms for policy dialogue and mutual accountability, reduce use of loans as aid modality, blended finance driven by and monitored for development effectiveness principles, demand-driven technical assistance, address informal tied aid)
3. Address **the shrinking and closing space for CSOs** as development actors