International Partnerships on STI for SDGs
the OECD’s approach
The trillions are in the system...

1. The current landscape of financing for sustainable development:

- **Official development assistance** is steady at USD 146.6 billion in 2017;
- **Remittances** by migrants reached a record high of USD 466 billion in 2017;
- **FDI** dropped by 30% over 2016-17 to USD 750 billion;
- **Philanthropy** contributes an average of USD 7.9 billion a year over 2013-2015;
- **Government revenues** remain below the 15% of GDP threshold necessary for effective state functioning.

*Source: 2019 Global Outlook on Financing for Sustainable Development*
Are we reaching those most in need?

Destinations of external financing in 2016

Needs at different levels of development

Transition finance pilot studies

2018: Cabo Verde (LDC graduation), Zambia (LIC to LMIC), Uganda (migration financing)
2019: Lebanon, Vietnam, Chile, Uruguay (tbc), Ghana (tbc), Ethiopia (tbc), pacific SIDS (tbc)

Toolkit and Policy Recommendations

Secure long-term financing, identify transition finance gaps, strengthen aid (debt sustainability, private finance, domestic resources)

What can donor agencies to support the ability of developing countries to engage in and benefit from the digital economy

Members of the OECD’s Development Assistance Committee (DAC) report ODA flows to the DAC List of ODA recipients countries and multilateral development institutions.

- Identifying ICT in ODA data
- Identifying STI in ODA data
The OECD’s Creditors reporting System (CRS) does not have a unique flag for STI activities.

However these can be identified, with various degrees of precision through several of the existing fields.
The 2017 OECD-WTO aid for trade monitoring exercise found that

- ICT is prioritised in the development strategies of two-thirds of donors.
- Nearly all developing countries (90%) anticipate the need for future assistance in this area. Donors also report that this area is attracting growing demand.
- Aid commitments to ICT projects stood at USD 1 billion in 2017, and they are mostly in the form of technical assistance for regulatory reform.
STI in ODA data

1) identifying core activities that support research and STI development (through purpose codes)

- 11182 Educational research
- 12182 Medical research
- 23182 Energy research
- 31182 Agricultural research

2) Identifying activities implemented by multilateral, non-governmental organisations (NGOs), whose primary objective are research or support to STI or technology-transfers to developing countries (through channel codes)

- 47070 International Rice Research Institute
- 41320 Technology Bank for Least Developed Countries
- 21025 International Seismological Centre
- 47099 University of the South Pacific

3) Identifying the activities by the title and description (through text mining)

- “research”, “university” and others STI related keywords
Official development finance to STI

Disbursements in 2016 prices

Note: 2010-2012 only includes Bill and Melinda Gates Foundation. 2013-2015 data come from the OECD Philanthropy Survey covering 143 foundations (OECD, 2018[9]). The philanthropy data for 2016 only include Bill and Melinda Gates Foundation, Dutch Postcode Lottery and MetLife Foundation.

Source: CRS and the OECD Philanthropy Survey
Concessional finance towards STI

Disbursements in 2016 prices

Note: The sum of the three categories in this chart will exceed total support to STI because of activities contributing to several categories.
STI/ODA spending towards LLDCs

Disbursements in 2016 prices

Note: based on OECD CRS data.
Top development providers supporting Science and Innovation (left) and Technology (right) (2016)

Disbursement in 2016 prices
Breaking down barriers to collaboration between STI and ODA

- Need for common measurement standard
  Both STI and ODA communities need to develop common language and a common statistical measure of STI activities in ODA

- Different starting points, but common objectives

- Need both supply and demand-led approaches in STI co-operation with developing countries

- Expand supply of researchers and technologists in developing countries, notably in Africa
THE CHALLENGE: GLOBAL RESEARCHER SUPPLY IS CONCENTRATED IN THE OECD AND BRICs countries

Global efforts to promote STI in ODA: some examples

Many donor countries are making efforts to promote STI in ODA

Setting targets to raise share of R&D in ODA investment (Canada, France and UK),
Promoting Global Challenge Funds for development
Examples: GCC (Canada), SATREPS (Japan), Technology Innovation Centre for Developing countries (Korea), Research Council of Norway, Swedish Research Council, Global Challenge Research Fund (UK)
Supporting dedicated centres and institutions
Examples: IRD/CIRAD (France), IFS (Sweden), UN Technology Innovation Lab (Finland)
Strengthening multi-stakeholder partnership with recipient countries (Netherland, Finland)

Philanthropies are also active in the development aid and a considerable share of their funding targets STI activities.

Business, NGOs, and CSO as important partner in STI-ODA collaboration
3. Better regulation for a more efficient and transparent market.

Improving the E-Trade Environment

Figure 1.9. A stylised model of e-trade benefits at different levels of development

- **LEVERAGING E-COMMERCE FOR COMPETITIVENESS**
  - Establish e-trade regulatory framework
    - data flows, payments
  - Develop B2B skills
  - Ensure digital connectivity
  - Promote essential services
    - logistics, financial

- **FINDING NICHES FOR E-COMMERCE EXPORTS**
  - Identify high value-added, B2C opportunities in goods
    - pashminas, handicrafts
  - Provide cross-border services
    - IT, translation
  - Develop entrepreneurship

- **DEVELOPING HIGH VALUE ADDED SERVICES EXPORTS + JOINING GVCs**
  - Enhance B2B regulations
  - Establish linkages with GVCs
  - Ensure affordable high bandwidth
  - Guarantee efficient logistics

Source: World Bank
3. Better regulation for a more efficient and transparent market.

Generations of regulation

Figure 1.15. Generations of regulation

G5
- Collaborative regulation
- Inclusive dialogue and harmonized approach across sectors

G4
- Integrated regulation
- Led by economic and social policy goals

G3
- Enabling investment, innovation and access
- Dual focus on stimulating competition in service and content delivery, and consumer protection

G2
- Opening markets
- Partial liberalization and privatization across the layers

G1
- Regulated public monopolies
- Command and control approach

Better coordination for holistic approaches

- Commitment to the 2030 Agenda, Paris Agreement, AAAA
- National development strategies and STI policies (STI for SDG roadmaps)
- Development partners and international organisations can facilitate peer learning, exchange of information, align donor contributions
- The OECD SDG tracker
A new holistic approach to “shift the trillions” is required to align broader actors and resources for sustainable development.

3 major paradigm shifts are needed:

1. **DATA** – better measurement for greater impact

2. **REGULATION** – better policies for a more transparent and efficient market

3. **CO-ORDINATION** – better solutions for the implementation of holistic approaches
Thank you

For more information visit:
http://www.oecd.org/dac/financing-sustainable-development/
http://www.oecd.org/aidfortrade