

WORKSHOP on DEVELOPMENT FINANCE STATISTICS

12-13 July 2017 Ankara, Turkey

Welcoming Remarks by HE Ambassador Musa KULAKLIKAYA, Director General of SESRIC

Distinguished Participants, Ladies and Gentlemen,

Assalamu Alaikum wa Rahmatullahi wa Barakatuhu,

It is a great pleasure for me to welcome you all to the Workshop on Development Finance Statistics. I want to thank you for accepting our invitation and participating in the Workshop. I also want to extend my sincere thanks and appreciation to the Organisation for Economic Co-operation and Development (OECD) for providing their support and valuable knowledge through their distinguished experts.

I am full of hope that your deliberations would strengthen the long term and mutually beneficial cooperation in development assistance, particularly in view of the multiple issues faced by OIC member countries in development finance statistics concepts and measurement methodologies.

Distinguished Participants,

The concept of **Official Development Assistance (ODA)**, or aid, was defined over 50 years ago. It refers to financial support – either grants or “concessional” loans – from OECD’s Development Assistance Committee (DAC) member countries to developing countries. Since its establishment, the DAC has been the primary forum in forging consensus among development agencies about basic definitions and statistical norms.

The ODA is indeed the basic financial support used to develop the building blocks of nations, from healthcare and education services, to building infrastructure. Once these are firmly in place, nations can typically start to attract or develop other sources of development finance, as they move up the income scale.

The **Addis Ababa Action Agenda** in 2015 called for the international community to work in an open, inclusive and transparent way to devise a statistical measurement framework for the maximisation of the financing potential of the international system.

The General Assembly of the United Nations adopted in September 2015 the 2030 Agenda for Sustainable Development with 17 **Sustainable Development Goals (SDGs)** and 169 targets. I also would like to note that the **SDG indicator resolution** adopted during the UN Statistical Commission session in March 2017 has

recently adopted by UN General Assembly at the 90th Plenary Meeting of its 71st Session held on 6 July 2017. (Please refer to Annex for full Resolution adopted)

As the successor of the Millennium Development Goals, SDGs will guide the actions of governments, international agencies, civil society and other institutions over the next 15 years. Unlike MDGs, SDGs challenge not only the developing countries but also the developed ones, and this shakes the long-used measures like GDP which we use to define what is “developing” and what is “developed”.

Against this background, our Workshop during these two days will be concentrating mainly on the methods how to measure the progress concerning the achievement of the **SDG 17 Target 2** “*Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries*”.

However, when we looked at the the current data, the countries are well beyond this target. Achieving this end **requires more decisive action, blended development finance modalities including Islamic finance instruments** and also more cooperation need to be followed by multiple stakeholders both at the national and international levels.

Acknowledging the unique role of South-South cooperation modality among the global South, we however are very well aware that the global North has an undeniable involvement in **financing the development in the developing South**.

Ladies and Gentlemen,

ODA with the grant element of at least 25% is the source of aid with the main goal of promoting wellbeing of the people and economic development of the recipient countries. **OIC countries benefited from around 50 billion USD of ODA inflows in 2015. Between 1990 and 2015, OIC countries received approximately 50% of the total bilateral ODA.**

In per capita terms, **ODA disbursement to OIC countries increased from 27.3 USD in 1990 to 29.6 USD in 2015, which was higher compared to the non-OIC developing countries (7.3 USD in 1990 and 11.5 USD in 2015), and the World (12.4 USD in 1990 and 16.3 USD in 2015).**

Hence, from the **recipient side**, there is an increasing trend in terms of development aid received by OIC countries Looking from the **donor or provider side**, it can also be observed that there is an increasing trend. To exemplify UAE, Saudi Arabia, and Turkey have been listed as among the most active donors in the world,

with Official Development Assistance (ODA) to be 1.2%, 1% and 0.4% of their respective Gross National Incomes (GNI).

However, overall, the donor side of OIC countries in terms of development finance is not very visible. **The main reason behind this lesser visibility may be that the focus on development cooperation and also assistance at the OIC level started particularly during the last decade.**

As SESRIC, we strongly support the idea of contribution and shaping the global agenda of development cooperation and assistance; and therefore we have previously hosted the Meeting of Development Cooperation Institutions (DCIs) as a high level platform where the relevant institutions and funds operating in OIC Member Countries gathered to discuss the development agenda, coordinate activities and synergise in their developmental efforts.

The First Meeting of Development Cooperation Institutions (DCIs) of OIC Member Countries was held in 2009 in Istanbul, Turkey with an aim to establish the OIC Development Assistance Committee (OIC-DAC) whose goal is to promote development cooperation and assistance among the OIC Member Countries.

The Experts Group Meeting on the Establishment of the OIC Development Assistance Committee (OIC-DAC) was organised by SESRIC and held in Ankara, Republic of Turkey, on 22-23 December 2009.

The Second Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries was organised jointly by SESRIC, the Abu Dhabi Fund for Development (ADFD) and the OIC General Secretariat and held in Abu Dhabi, United Arab Emirates, in 2010. During the second meeting the delegations formally established the “OIC Development Cooperation Forum (OIC-DCF)”. Yet, due to some reasons this Forum has not been active since then.

In 2017, our colleagues at Islamic Development Bank put their efforts into the initiation of “**Three Two C**” roadmap for enhancing technical cooperation for Sustainable Development among the member countries especially considering that the OIC 2025 Programme of Action item number 9 and SDG number 17 that emphasize the importance of technical and south-south and triangular cooperation,

The Sixth Session of the OIC Statistical Commission, a platform for the National Statistical Systems (NSSs) of the OIC Member States for sharing knowledge and exchanging experiences and best practices, on 5-6 November 2016 in Konya-Turkey, also covered the topic of “**Towards More Inclusive Measurement and Monitoring of Broader Development Finance for an Accountable Post-2015 Development Framework**”. During this session, OECD DAC introduced the “Total Official Support for Sustainable Development (TOSSD)” which aims to complement ODA by increasing transparency and monitoring

important new trends that are shaping the international development finance landscape. **The participants of the Sixth Session of OIC-StatCom proactively approached the measurement of the ODA in the OIC member countries and recommended for closer cooperation links between SESRIC and OECD to ensure that both recipient and donor perspectives of OIC countries in terms of development finance are reflected to the global statistical arena.**

As a result, this workshop is currently being organized as the first outcome of our collaboration with OECD to improve the statistical capacities of our member countries concerning the measurement of ODA statistics and reporting in line with the established international standards

Additionally, SESRIC has become member of the Global Task Force of TOSSD which will be introduced in detail by our colleagues from OECD today.

Distinguished Participants,

Taking this opportunity, I would like to mention briefly some of the ongoing and conducted activities of SESRIC in the area of **development assistance**, within the scope of three mandated areas of statistics, research, and training.

In the area of statistics, SESRIC collates, processes and disseminates socio-economic statistics and information on and for the utilisation of the member countries under its OIC Statistics Database (OICStat). The content of OICStat is regularly updated and enriched based on information collected from international statistical sources to enable access to the comparable data. Hosting 310 socio-economic variables under 19 categories for OIC Member Countries, the **OIC Statistics Database (OICStat)** currently disseminates the ODA data of OIC member countries between 1985 and 2015.

Additionally, organized with a South-South cooperation approach, the **OIC Statistical Capacity Building (StatCaB) Programme** contributes to the capacities of the National Statistical Offices (NSOs) of OIC member countries. In the field of financial statistics, SESRIC has facilitated the organisation of 7 **statistical outreach activities** including **short-term statistical courses and expert group meetings for the benefit of OIC Member Countries mainly on Government Finance, Fiscal and Public Sector Statistics; Banking, Insurance, and Financial Statistics and Islamic Banking and Finance Statistics** since 2007 with the support of **our Member Countries and leading international organizations** by providing their experts and facilities.

In the area of research, SESRIC regularly publishes the annual **OIC Economic Outlook** since 1979 and presents to the annual sessions of the Standing Committees of OIC. It examines the recent major economic

developments in the OIC member countries and investigates the inter-linkages of these developments with those in both developing and developed countries as well as the world economy as a whole. As ODA continues to be an important source of financing for many developing countries, including OIC countries, it is analysed within the finance section of the report.

In the area of training, SESRIC has developed more than 20 capacity building programmes that aim at facilitating the exchange of knowledge and the best practices among OIC Member Countries through various projects.

Ladies and Gentlemen,

ODA is a significant source of finance and instrument for development in OIC member countries. Many studies proved that ODA is an effective tool in poverty alleviation as well as for assisting developing countries to achieve higher results in public education and health sectors.

In this regard, I am sure that this Workshop will foster exchanges of knowledge, and help to create an environment for collaboration and innovation concerning the **development finance statistics concepts and measurement methodologies** and also will provide us the opportunity to listen the country experiences.

I wish you very productive deliberations, and pray to Allah Almighty to help us all and guide our steps to improve prosperity and welfare in our societies. Thank you for your attention.

Wassalamu Alaykum we Rahmatullahi we Barakatuhu