

Use of ODA to Leverage other financial resources

- ODA remains the main source of international financing for development for many developing countries.
- ODA including policies should be based on quantified and time-bound targets that are consistent with, and build upon, the principles of aid effectiveness
- Development financing landscape has changed in the last decade – offers opportunities and challenges hence importance of assessing development financing

Why assess a Changing DF landscape

- to assess the extent to which we can access development finance flows beyond ODA at country level,
- to understand our governments' priorities and preferences regarding the type of development finance flows they would like to receive
- to identify whether our government will welcome greater choice on balance and whether management of the new landscape is challenging
- to investigate how government seeks to engage with less traditional providers of development finance,
- Provides useful information to determine how we can translate SDGs at country level

ODA leveraging

Samoa's achievements in the last decade include:

- graduation out of LDC status 2014
- High performing group in terms of human development index
- Poverty reduction has improved
- Sustained growth post financial crisis
- Modernised its public financial management system, and taxation system, in order to optimise its revenue and expenditure framework.

ODA leveraging

- Aid can be catalytic by promoting growth enhancing change in domestic policies and institutions.
- Aid can be invested directly in structural transformation, such as investments in infrastructure, aid to productive sectors, and aid for trade.
- Catalytic aid can refer to specific market-like instruments that leverage private financing and other financing flows.

ODA leveraging

- Market like instruments include, guarantees, equity investment and blending
- ODA in particular concessional financing can leverage other resources to build capacity and know how as well as promote policies for inclusive and sustainable growth.

Challenges of development financing

- Development financing will remain constrained over the next few years yet utilisation rate is low – question of how effective we are
- Improving the quality of public spending and investment,
- Maintaining equity in social service delivery
- Attracting private sector investment into areas such as infrastructure
- Mobilising financing for private sector development

Solutions to the challenges

- Promoting evidence-based policy making and managing for results; by among a number of measures; strengthening statistical systems
- Improving the quality of public expenditure and investment by supporting budget and public financial management reforms,
- Support for public-private partnerships, including helping to develop the legal framework and the necessary technical capacities and providing financial support
- Develop sector financing plans
- Develop knowledge partnerships in markets and industries

Climate finance

- Apply the principles of aid effectiveness to climate financing and enhanced coordination
- Litara to continue