

Unclassified**English - Or. English****15 May 2024****DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 1140th DAC meeting held on 17 April 2024**

The Draft Summary Record [DCD/DAC/M(2024)4] was approved under Item 1 of the Draft Annotated Agenda [DCD/DAC/A(2024)6], without modification at the DAC meeting of 14 May 2024 and is now issued as FINAL.

The Committee also agreed to declassify this final version.

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Summary Record of the 1140th DAC meeting held on 17 April 2024

Item 1. Adoption of the Agenda and Approval of Draft Summary Records

1. The DAC adopted the draft agenda as proposed. The Committee then approved the revised draft summary record from the February 2024 DAC meeting as well as the draft summary record from the March 2024 DAC meeting. Members then agreed to the declassification of the final versions of both records.

Item 2. Briefing by the DCD Director and DAC Chair

2. The DAC Chair shared his views on the 2 April 2024 working lunch with Committee Chairs ahead of the OECD Meeting of the Council at Ministerial (MCM) Level. He then previewed his upcoming trips to Washington for the World Bank / IMF Spring Meetings and New York for the ECOSOC Financing for Development (FFD) Forum. He mentioned that while in New York he would convene a breakfast meeting for DAC missions and would participate in a 24 April 2024 event related to Integrated National Financing Frameworks (INFFs) entitled “Responding to country demand for technical assistance, capacity building and institutional development to scale up financing for sustainable development”. He commented that at the recent Friends of Monterrey meeting discussions noted renewed interest on the part of developing countries for development effectiveness within the FFD process. The Chair suggested that in the second half of the year, once many of the major international events of the year will have taken place, the DAC could consider whether it wishes to convene a High-Level Meeting in early 2025, in advance of the Fourth International Forum on Financing for Development.

3. The Chair and Director both commented on the 11 April 2024 launch of 2023 preliminary Official Development Assistance (ODA) data¹. They welcomed the impressive results of another all-time high level and made a push for more (and more effective) ODA, while hoping that in-donor refugee costs will not be at the cost of aid to Least Developed and African countries.

4. The Director updated the Committee on progress with the Review of the ODA Untying Recommendation. At the March meeting of the DAC Working Party on Development Finance Statistics (WP-STAT), several members requested more time to discuss the Review. The WP-STAT Chair and the DAC Bureau expressed their support for an extension to this work. Given that the next WP-STAT meeting will take place in mid-September, the Secretariat proposes that the conclusion of the Review be scheduled for the November 2024 DAC meeting. This will give members more time to discuss and find consensus. It will also allow to align the timeline of the Untying Review with that of the DAC peer learning on locally led development, since there are very close links between the two work streams. Unless any member expresses an objection, the Secretariat will therefore plan to conclude the Review in November.

5. The Director also presented activities of the Anti-Corruption Task Team (ACTT) who recently led a panel at the OECD Global Anti-Corruption and Integrity Forum (GACIF) on mitigating corruption risks in post-conflict recovery, featuring high-level contributions from IMF and the World Bank. The panel produced great insights that can, for example, inform DAC discussions on Ukraine recovery support. ACTT’s plenary will be held in June in Lithuania; during that same week in Vilnius, the ACTT will also lead a panel in Transparency International’s International Anti-Corruption Conference.

6. The Director then reminded members of the upcoming Arab–DAC Dialogue to take place in Kuwait on 6–7 May and encouraged members to attend at a high level and participate actively.

7. The delegate from Germany previewed the upcoming Tidewater meeting to be held in Bonn in June and encouraged delegations to book their ministers as soon as possible.

¹ See <https://www.oecd.org/newsroom/international-aid-rises-in-2023-with-increased-support-to-ukraine-and-humanitarian-needs.htm>

Item 3. DAC Programme of Work and Budget 2023–24

8. The Director shared highlights from the Committee Progress Report (CPR) covering the period January to December 2023, the first year of the Programme of Work and Budget (PWB)’s biennium.

9. The CPR reveals that the implementation of the DAC PWB is on track with all Intermediate Output Results (IORs) except one being classified as “Partially completed – On track for completion as planned” and one IOR marked as “Completed to planned scope”. Expenditure for January to December 2023 sits at 98% of the revised Total Estimated Cost (TEC) for 2023².

10. The Director also presented an update on the projected financial outturn and funding situation for the 2023–24 PWB. According to the Secretariat’s assessment, the projected outturn stands at 44.6 MEUR with a projected maximum overrun of 3.8 MEUR in 2024. The primary factors contributing to an increase in the planned level of spending in 2024 include:

- The Aid for Trade report added under Intermediate Output 1.2 DAC Offer on Financing for Sustainable Development
- Additional work on green, social, and sustainability bonds and the cost of a secondee under Intermediate Output 1.3 Private Finance
- Work on locally led development added under Intermediate Output 2.1 Peer Reviews, Accountability and Learning
- Work of the Covid-19 Global Evaluation Coalition added under Intermediate Output 2.2 Evaluation
- Triangular Co-operation and Development Innovation/Foresight continuing in 2024
- Work on biodiversity added under Intermediate Output 5.1 Climate, Environment, Biodiversity and Sustainable Oceans
- Costs of the DAC Chair’s office that are channelled through the DAC PWB but were not part of the TEC approved by the DAC

11. The Director assured members that the Secretariat does indeed have the funding to accommodate this increased level of expenditure. She specified that unspent funds by the end of 2024 will be carried forward to the 2025–26 PWB, in accordance with the grant contractual conditions. The Secretariat has projected that it will need a voluntary contribution (VC) roll-over of 7.1 MEUR to maintain business continuity into the next PWB. The Director then informed delegates that the formal budget revision request (ROP) for 2024 would be circulated to the DAC, following the meeting, for approval via the written procedure for onward submission to the Budget Committee in June.

12. Members thanked the Secretariat for the transparency of this projected outturn. Some delegates intervened to encourage unearmarked, multiyear voluntary contributions as early in the biennium as possible and to inquire about the use of carryover funds from one year into the next.

13. The Chair encouraged the Committee to use the projected outturn of the present biennium as a starting point for the future budget envelope to ensure that the Secretariat does not lose its valuable manpower, necessary to deliver on DAC priorities.

² The DAC approved a revised TEC through a Revised Output Proposal [DCD/DAC(2023)44] that was later approved by the Budget Committee [BC(2023)36].

Item 4. DAC Programme of Work and Budget 2025–26

14. The DAC Vice Chairs provided an informational update on discussions within the Committee on the development of the 2025–26 Programme of Work and Budget (PWB). They mentioned that comments on the PWB from DAC Networks and Communities of Practice have been received and posted to the DAC Community Space. They reminded members that on 18 April they will convene an informal discussion to review the draft PWB skeleton, deliverables, and budget. A potential informal meeting on 25 April remains an option. The May DAC meeting will now feature a discussion, rather than information, item on the PWB, with the approval scheduled for the June meeting.

15. The Director informed delegates that they have circulated a document with guidance on preparing the next PWB, including the Secretary-General's views, the Ambassadors' Informal Convergence Paper, a PWB process overview that outlines the steps and key documents, and a link to a vodcast. She encouraged members to read this guidance closely as it is important that the Organisation-wide priorities be integrated in the DAC PWB.

16. The Chair concluded by echoing the suggestion of a future reflection on how to incentivise and facilitate unearmarking of voluntary contributions.

Item 5. Monitoring Report for Recommendation on Policy Coherence for Sustainable Development

17. As follow-up to the October 2023 discussion in the DAC and the 1 March 2024 discussion within the Network of National Focal Points for Policy Coherence, the Secretariat presented key findings from the draft monitoring report on the implementation of the Recommendation of the Council on Policy Coherence for Sustainable Development (PCSD), which is due to Council in 2024. The findings of the report confirm that OECD and DAC members struggle to consider the effects of their policies on developing countries. When it comes to the transboundary impacts of policies, only 41% of adherents have reported progress. Almost three quarters of adherents identify a lack of analysis and evidence on transboundary impacts as a challenge, making it by far the most common problem in implementing the PCSD Recommendation.

18. The Committee was then invited to consider next steps to enhance implementation of the Recommendation. Members welcomed the draft report and that PCSD will be discussed at this year's Meeting of the Council at Ministerial level. They expressed that an OECD-wide approach (including through the new Strategy on Development, as well as impact assessments of OECD legal instruments) would be helpful to mainstream policy coherence more systematically and across the Organisation. Several delegates recommended a topical approach to unpack specific policy areas as a useful way forward. The Chair noted that great progress still needs to be made in relation to the transboundary impacts of policies on developing countries and that the DAC needs to take a leading role among different policy communities in bringing a development perspective and driving positive results.

19. In terms of next steps for the monitoring report to Council, the Secretariat specified that, to ensure timely submission, it would incorporate any comments from members received by 17 April. It would then recirculate the next iteration of the report for parallel approval (via written procedure) to both the DAC and the Public Governance Committee, following which it would subsequently be communicated to the Executive Committee and Council to be noted and declassified.

Item 6. Responsible Business Conduct and Development Co-operation

20. Drawing on the discussions held at the 8 March 2024 Policymakers Roundtable on Responsible Business Conduct (RBC) and development co-operation, the Secretariat outlined key takeaways that inform pathways for implementing the DAC High-Level Meeting (HLM) commitment on RBC and development co-operation. The Secretariat presented a menu of options ranging from developing a legal instrument, producing policy guidance (e.g., guide, toolkit), or conducting more analytical work to compile good practices and impact/needs assessments. The Secretariat noted that these different options are not mutually exclusive and could also be sequenced and feed into one another.

21. In response to the options put forward, the Committee reiterated its determination to continue furthering the links between RBC and development co-operation. Delegates underlined that different means of engagement at DAC level could complement one another. As a first step, delegates endorsed the option to develop practical guidance clarifying how members can use their development policy tools to further promote and enable RBC in developing countries and enable greater synergies between RBC and development co-operation policies. In the longer-term and without pre-empting ongoing deliberations on the 2025–26 PWB, several members recognised the potential of developing a normative instrument laying out the vision of the DAC on RBC and development co-operation, with others expressing caution.

22. Building on the outcomes of the discussions, the Secretariat will prepare a concept note including an indicative roadmap to define the expected scope of the Guidance on RBC and Development Co-operation, including milestones leading to its potential adoption at the DAC.

Item 7. Approaches to support reforms for better sustainable development results and impact

23. The Secretariat presented an overview of the achievements of the DAC Results Community of Practice (CoP) since its inception in 2015, including its inclusiveness; its contributions to modernising DAC norms and standards for results-based management, better fit for current global challenges; and the unique, continuous peer learning space it created. But the CoP faced limitations to further support effective institutional change among members.

24. The Secretariat sought feedback from members on a proposal to transition the CoP towards a demand-driven workstream that can support members as they carry out system-wide institutional change for better development outcomes. The workstream would combine on-demand reform support and targeted peer learning on frontier issues.

25. A majority of members agreed with the suggested transition proposal. Members expressed their appreciation of the CoP's achievements and generally felt that the proposal for tailor-made, demand-driven reform services was timely and well-suited to focus on cross-cutting issues. Most delegates argued that the peer learning dimension of the CoP should be maintained to ensure that relevant reform outcomes feed back into the Committee and benefit the rest of members. Some members requested further details on the specifics of the proposed transition – for instance, regarding the financing model and operational arrangements.

26. The Secretariat agreed to follow-up with delegates and provide more details about the proposal. The DAC Chair thanked members for their inputs, noted their general support and welcoming approach for the transformation. He concluded that the transformation of the DAC Results Community would move forward accordingly.

Item 8. DAC retreat outcomes

27. The Vice Chairs reported on the outcomes from the DAC retreat in late March. They expressed their gratitude to France for hosting the retreat and to the programme group for preparing the various sessions. They highlighted some of the main takeaways from each session, including:

- Strategy: position the DAC urgently in the production of the OECD Development Strategy with a few core messages.
- Outreach and engagement: give non-DAC partners a greater voice in the committee, include more strategic discussions on outreach in the DAC, convene a reflection on which external partners to prioritise in outreach efforts, scale-up collaboration with other OECD committees.
- Working methods: increase clarity on what is expected of the Committee in agenda and documents, more strategically co-ordinate informal and formal meetings to better incorporate the expertise of external persons, improve long-term planning of DAC participation in international meetings.

28. The Vice Chairs promised to issue later in the day a one-pager containing the main messages from each session and a short list of achievable next steps.

Item 9. Partnership for Action on SIDS

29. Following technical- and political-level dialogues in 2022 between the DAC and members of the Alliance of Small Island States (AOSIS), the two constituencies formed a joint Task Force to develop a new “Partnership for Action” to be launched at the 4th International Conference on Small Island Developing States (SIDS4) in May 2024. In the January 2024 DAC meeting, the Committee heard an informational update on the work of the AOSIS–DAC Task Force and its progress in defining the new Partnership³.

30. In today’s session, the United Kingdom co-chair of the Task Force presented the Partnership Document proposed to be launched at SIDS4, specifying that the actions contained therein are not binding on any member, nor does it pre-empt discussions on the upcoming DAC Programme of Work and Budget. She commented that the OECD Directorate for Legal Affairs had advised against seeking approval of this document within the Committee but rather at the SIDS4 launch event, as DAC members cannot mandate work to AOSIS members, nor vice versa. The Partnership is intended to serve as a framework for enhanced and scaled-up collaboration among interested parties. This approach mirrors that of the Busan Partnership for Effective Development Co-operation, where countries attending the event signed up to the Partnership and committed to work together on certain areas.

31. Many members expressed support for this Partnership and underscored how the process of developing it – and later its implementation – will provide useful lessons on operationalising the DAC’s commitments to scale up engagement with developing countries. Following this meeting and before SIDS4, the UK co-chair will write to DAC members to invite them to the SIDS4 side event and to encourage them to join the Partnership voluntarily.

Item 10. Any Other Business

32. The delegate from Norway announced that her country had become a member of the International Forum on Total Official Support for Sustainable Development (TOSSD) and will host the first TOSSD General Assembly in Oslo from 21 to 24 May 2024.

33. The delegate from New Zealand presented a new website with activity-level information on Aotearoa New Zealand’s International Development Cooperation programme, available at: <https://devdata.mfat.govt.nz>.

34. The delegate from Romania announced that her government has recently approved its 2024–27 multiannual strategic programme of international development co-operation and humanitarian assistance.

³ See paragraphs 9 through 12 of DCD/DAC/M(2024)1/FINAL