

**Unclassified****English - Or. English****18 May 2021****DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 1089th DAC meeting held on 13 April 2021 (Session 1) and  
14 April (Session 2)**

The Draft Summary Record [DCD/DAC/M(2021)4] was approved under Item 1 of the Draft Annotated Agenda [DCD/DAC/A(2021)5], at the 11 May meeting, with a minor modification to paragraph 4 and is now issued as FINAL.  
The Committee also agreed to declassify this final version.

Contact: Kerri Elgar – E-mail : [kerri.elgar@oecd.org](mailto:kerri.elgar@oecd.org)

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## Summary Record of the 1089th DAC meeting held on 13 April 2021 (Session 1) and 14 April (Session 2)

### SESSION 1: Tuesday, 13 April 2021

#### Item 1. Adoption of the Agenda and Approval of Draft Summary Record

1. The DAC adopted the revised double-session agenda without modification. The Committee then considered the draft summary record from the March DAC meeting. Spain proposed a minor amendment, which the Chair asked the Secretariat to incorporate into the final version. The Chair and the United States also proposed additional revisions in writing. It was agreed that a new version of the summary record would be circulated for approval ahead of the May DAC meeting.

#### Item 2. Thematic discussion on financing for development

2. Following the first DAC thematic discussion held on climate and environment, delegates participated in a second thematic discussion on Financing for Sustainable Development (FSD). The Secretariat presented the background note that highlighted the magnitude of the growing financing gap to achieve the SDGs in developing countries as well as the risk of divergence in terms of recovery efforts and growing inequalities. Key sources of public, private, domestic and international resources have not risen at a level commensurate with increasing SDG financing needs in developing countries due to the COVID-19 pandemic. As a result, the financing gap in 2020 is estimated to have increased by 50% to USD 3.7 trillion (based on 2020 estimates of the funding gap to the 2030 deadline). The background note and scene setting email were welcomed by DAC members who actively engaged into the discussion, addressing both substantive and procedural issues.

3. There was a consensus on the main issues, including recognition of the central role of DAC ODA statistics in these broader financing discussions. However, delegates raised the need to clarify and agree a position on the DAC's overall offer in support of the FSD agenda. They further agreed on the need for better prioritisation of items in response to the key question of the DAC's role in narrowing the SDG financing gap in the COVID-19 era and in relation to the Programme of Work and Budget (PWB) 2021-22 (noting that most of the current PWB reflects priority items). Members emphasised that the offer should add unique value to the international efforts to implement the 2030 Agenda and Addis Ababa Action Agenda (AAAA), including by avoiding duplication of work by other multilateral organisations, think tanks and academia.

4. There was also broad consensus that a comprehensive offer on FSD should include both qualitative and quantitative dimensions. On quantities of finance, members highlighted the need to attach greater importance to mobilisation of domestic public and private resources, including work with CTP and DAF. They further called to explore whether risk appetites – in bilaterals, multilaterals and the private sector – can be increased during the COVID-19 recovery. Members expressed continued support for resource mobilisation via blended finance, building on the DAC Blended Finance Principles and work on instruments e.g. guarantees. Regarding alignment between development cooperation and climate finance, members recalled the importance of this issue as discussed in the thematic session at the March DAC meeting. Finally, delegates recognised the need for policy coherence of FSD by making the case for financing for sustainable development beyond foreign and development ministries, especially to Finance Ministers and Heads of Government. Regarding the latter, delegates requested the Secretariat to produce a list of actions for FSD for the rest of government, based on the 2015 AAAA and the policy actions discussed in the UN high-level initiative on Financing Sustainable Development in the Era of COVID-19 and beyond convened by the Canada, Jamaica and the UN Secretary-General.

5. To improve the quality of finance, members agreed on the need to ensure that all DAC recommendations on FSD are implemented to reinforce the integrity of ODA. Members stressed the importance of maximising the impact of development finance through more evidence-based analysis. This includes anticipating the effects of the crisis on DAC members' development finance (e.g. "front loading" of contributions; trade-offs between channelling financing through the multilateral versus bilateral systems), and providing recommendations how development finance might adjust (e.g. to increasing demand on health/vaccination needs, social protection, inequalities, and jobs creation). In this regard, members highlighted the importance of analysis and recommendations to better target engagement strategies and instruments to the most vulnerable people and countries, while recognising the severe impact of the crisis on Middle Income Countries and their specific recovery needs. To strengthen co-operation with private sector actors, delegates called for work to encourage better quality investment directed towards achieving the SDGs in partner countries and to support better investment climates, including through sharing of best practices and peer learning. A number of delegations stressed the need for dialogue with other communities, including with the private sector on enabling environment or better SDG alignment, as well as for the provision of technical assistance in the use of new instruments. Members discussed the DAC's role on promoting transparency and alleviating the debt crisis in developing countries. Some members also advocated for more inclusive debt management mechanisms, including through participation by the private sector, and by ensuring better incentives for more resilient Development Finance Institution (DFI) contracts (e.g. sovereign state contingent clauses). Members called to prioritise development effectiveness and to integrate it better with FSD work, such as by developing principles for (i) sustainable finance building on SDG alignment, (ii) debt, and (iii) transition finance analysis/recommendations and called on the Secretariat to maximise synergies between work on FSD and the Global Partnership for Effective Development Co-operation (GPEDC). All delegates agreed on the need to take greater account of the governance dimensions of FSD, including anti-corruption efforts and the fight against illicit financial flows. Finally, members called to maximise peer learning in the DAC, through peer reviews and other means.

6. On ways of working, delegates stressed the need to reinforce horizontal work on FSD across DCD (including networks and communities of practice), across the OECD (building on the Global Outlook on FSD), across international institutions (such as the UN-led Financing for Development process), and across broader communities (such as Finance Ministries, Central Government, private sector actors, subnational actors, etc.). On DCD collaboration, members emphasised the critical importance of the DAC Private Finance for Sustainable Development Community of Practice to share best practice. Members further stressed that many DAC networks are directly relevant to the FFD agenda and should actively engage them as appropriate (e.g. with the effectiveness, governance, green and gender agendas). Where no DAC networks exist, several members called for follow-up via MPIs on specific FSD issues, including on FDI qualities/PFI, and on the divergence of views on multilateral financing (i.e. collective action dilemma of earmarking à la carte vs core contributions). On OECD collaboration, members asked to review current efforts with a view to potentially building on existing work e.g. with CTP on tax and DRM, with Investment Committee on FDI qualities and PFI, with Trade Committee on aid for trade, with ENV/DAF/WISE on SDG alignment, and with DEV as appropriate. Several members called for the Secretariat to provide a comprehensive list/mapping of the OECD's work and existing agreements on FSD based on topics, channels for cooperation, and potential deliverables. Regarding collaboration with international institutions, members request more regular communication from the Secretariat about FSD activity elsewhere in the international system and updates on collaborative work to help members fully understand the policy opportunities, key risks and mitigation strategies e.g. UN FSD process, work on debt and transparency, SDG alignment and multilateral development finance. Finally, with regard to collaboration with broader communities, delegates stressed the importance of building bridges with finance ministries, ensuring coherence with domestic policies, engaging with the private sector (e.g. BIAC) and other AAAA actors, including at local/subnational level, to "co-create" solutions for financing the SDGs.

7. The Secretariat thanked members for their inputs, noting that the discussion provided valuable direction for future work on financing for sustainable development. Follow-up on the committee's requests of the Secretariat will be carried out as relevant at future DAC and MPI meetings as proposed by members.

### **Item 3. Summary of Conclusions**

8. The Secretariat provided an overview of the decisions, action points, and next steps emerging from the day's proceedings. The Secretariat will circulate this overview to the Committee in electronic form.

### **Item 4. Any Other Business**

9. No delegation raised any item under Any Other Business.

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## **SESSION 2: Wednesday, 14 April 2021**

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### **Item 5. Food Crisis in the Sahel and West Africa**

10. The Sahel and West Africa Club (SWAC) was invited to discuss with DAC members the recurring food and nutrition crises affecting the Sahel and West Africa. In 2020, nearly 16.9 million people were affected and in 2021, the Food Crisis Prevention Network (RPCA) estimates that 27.1 people may be affected during the next lean season (June – August) if appropriate measures are not taken.

11. SWAC Honorary President, Dr Ibrahim Mayaki, outlined the root causes of the current food crisis. He highlighted the on-going security crisis as a major aggravating factor, spilling over borders and affecting the region as a whole. He underscored other inter-related factors, including the climate and health crises, which negatively affect the productivity and livelihoods of the most vulnerable communities, pointing out that inflation and the depreciation of local currencies were further eroding purchasing powers and limiting access to food. Dr Mayaki called for a change of paradigm and longer-term sustainable solutions in partnership with local and regional actors and underscored key avenues for action:

- applying a systemic, territorial and forward-looking approach to food and nutrition security;
- making the Humanitarian-Development-Peace (HDP) nexus a reality on the ground;
- implementing a social contract and empowering local actors; and
- building better governance and sound institutions.

12. Mr Alain Sy Traoré, Director of Agriculture and Rural Development, ECOWAS, on behalf the Commissioner Sékou Sangaré, represented the three regional organisations (ECOWAS, UEMOA and CILSS). He emphasised the need to keep the focus on building resilience rather than favouring emergency action at the expense of long-term development. This included strengthening resilience in a number of essential areas, including: i) local, national and regional food security reserves; ii) food and nutrition systems; iii) youth employability; iv) water and irrigation; v) fighting against animal diseases and plant pests; and vi) food crisis prevention and management and regional governance of food and nutrition security, more broadly. Mr Traoré also called for renewed co-operation between the region and its partners in the international community, but also the inclusion of interventions supporting local, national and regional initiatives, as a guarantee of better ownership among local populations. He underscored the need for better synergies for effective partnerships and recalled that agricultural and food systems are the cornerstones of food security in the region.

13. DAC members highlighted the multi-faceted nature of the current crisis and the need for a long-term vision to address systemic risks. They also pointed to the value of a social contract lens to provide a deeper understanding of development challenges as well as to the importance of co-operation and coherence across humanitarian, peace and development actors and activities. Some members called for a greater distinction between the types of needs (acute or chronic) in order to inform responses and

sustainable programmes. Members expressed their continued interest in the region and reiterated their joint commitment to the implementation of the HDP nexus and willingness to engage more closely with SWAC in the future.

#### **Item 6. Briefing by the DCD Director and DAC Chair**

14. The Chair and Director reported to the Committee on a number of developments, including through communications issued in the previous days. The Chair encouraged capitals to reply to invitations for the Dublin Tidewater event, scheduled to be held in a virtual format on 16-17 June, and encouraged delegates to provide innovative ideas for the upcoming 60th Anniversary of the DAC. In commenting on the revised roadmap, she noted the upcoming G7 Development Ministers' Meeting in May and the decision to reschedule the Biodiversity COP to October 2021.

15. The Director noted the extended deadline for comments on the 1978 DAC Recommendation on Terms and Conditions of Aid to tomorrow (15 April 2021), with concrete steps to follow this consultation. He thanked members for collaboration on the DCR on Digitalisation, updated the Committee on the latest collaboration with ELS and international partners on global health and equitable access to vaccines, and highlighted collaboration with DEV on Africa and Green Transition, and with ENV on Oceans and Plastics.

16. On other briefings, EvalNET facilitators reported on recent discussions on responses to the pandemic, blended finance and other work. The United Kingdom and the United States also provided an update on recent discussions in the Small Group on Climate and Environment and efforts to agree an ambitious package of actions in advance of COP 26.

#### **Item 7. Policy Instrument on Enabling Civil Society**

17. Co-chairs of the DAC Community of Practice on Civil Society (the Netherlands and Australia) introduced the third draft of the instrument, summarising discussions to date with both members and CSOs to move the policy instrument forward. Following a presentation by the Secretariat on key changes in the third draft, members were encouraged to highlight any red lines on the current language. Members welcomed the draft and no hard red lines were indicated. At the same time, a number of members encouraged more streamlined language for ease of reading and a focus on core elements to facilitate implementation, while also maintaining flexibility for members to retain context-driven approaches. Monitoring support from the Secretariat was clarified as being covered under the 2021-22 PWB.

18. Most members expressed explicit support for a Recommendation, while a few indicated preference for guidance and/or the need for more time for reflection. Most members were in a position to agree to declassification of the draft document immediately, with the remainder agreeing to check this with capitals. The declassification of the official summary record awaits confirmation from one member currently conducting internal consultations. Following the finalisation of the consultation process on the third draft, a pre-final draft will be circulated, followed by a final version for discussion and approval scheduled for the July DAC meeting.

#### **Item 8. Summary of Conclusions**

19. The Secretariat provided an overview of the decisions, action points, and next steps emerging from the day's proceedings. The Secretariat will circulate this overview to the Committee in electronic form.

#### **Item 9. Any Other Business**

20. The representative from the World Bank provided the DAC with an update on key developments at the Spring Meetings, including latest developments on debt suspension and IDA20.