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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Summary Record of the 1131st DAC meeting held on 17 October 2023

The Draft Summary Record [DCD/DAC/M(2023)10] was approved under Item 1 of the Draft Annotated Agenda [DCD/DAC/A(2023)19], without modification, at the 11 December 2023 DAC meeting and is now issued as FINAL.

The Committee also agreed to declassify this final version.

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Summary Record of the 1131st DAC meeting held on 17 October 2023

Tuesday, 17 October 2023

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

1. The DAC adopted the draft agenda [DCD/DAC/A(2023)15] without modification. The Committee considered the draft summary record from the 12 September 2023 meeting, approved it, and agreed to its declassification. The Chair announced that the summary record from the 3 October exceptional meeting on private sector instruments (PSI) will be up for approval at the next exceptional PSI meeting in late October.

Item 2. Briefing by the DCD Director and DAC Chair

2. The DAC Chair and DCD Director thanked Portugal for having co-organised the Seventh International Meeting on Triangular Co-operation held the previous week in Lisbon and shared details on the meeting outcomes, including an announcement from Portugal that it would host the Eighth International Meeting in 2024.

3. The DAC Chair highlighted that, following his consultations with several interested delegates, the Secretariat has issued a revised proposal for the update to the DAC List of ODA Recipients, with a written procedure approval to 31 October [see DCD/DAC(2023)38/REV1].

4. The DAC Chair then informed delegates that the exceptional DAC meeting on PSI, originally scheduled for 23 October, would be postponed to 31 October to allow for the extension of the written procedure on batch 3. The morning of 23 October will now be devoted to a consultation on the High Level Meeting (HLM) Communiqué.

5. The Chair also mentioned the 3 December high level meeting on fragility and climate to be organised in the margins of COP28. More details will follow soon. In parallel, the UAE hosts of COP28 have circulated a draft communication on which DAC members have been invited to comment.

6. The Chair announced that his office and the Secretariat hope to issue, in the course of November, dates for DAC meetings in 2024.

7. The DCD Director updated the Committee on her participation at UNGA on behalf of the OECD Secretary-General, where members spoke about debt, digitalisation, vulnerability, and the Addis framework on financing. She then shared progress towards the transition to an International Forum on TOSSD and invited all DAC members, associates, and participants to join that Forum.

8. The Director then flagged the ongoing monitoring process of implementation of the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment and called on all members to respond to the survey. She then previewed the 21st annual meeting of the DAC Network on Gender Equality which will be held 13–14 November 2023.

Item 3. Draft HLM agenda

9. The DAC Chair presented a revised proposal for the HLM agenda, based on comments received from members at the September DAC meeting. He reminded the Committee of the pre-HLM discussion, in the afternoon of 14 November, on locally led development to be co-led by Norway and the United States. The Chair also reminded members that a pre-HLM meeting with CSOs would take place in the afternoon of 23 October. He informed delegates that the EU ministerial meeting planned to be held in Brussels on 16 November has shifted to the following week and that we may decide in response to adjust the timing of the HLM.

10. On the Communiqué, the Chair thanked all members for their written comments; a further revised version will be circulated in the coming days, to inform a discussion on Monday morning.

11. In discussion, members approved the proposed structure and substance for the HLM agenda, while providing comments to finetune the meeting focus. They suggested expanding the discussion on Ukraine to cover broader, forward-looking geopolitical issues; more explicitly integrating biodiversity, inequality, the humanitarian–development–peace nexus, and relations with the private sector into the discussions; and slightly reformulating some of the guiding questions to be more outcome-focused. The Chair and members highlighted the need to ensure a good level of participation.

12. The Chair concluded that a final draft of the agenda, accommodating members' views, will be circulated by tomorrow for a quick consultation. He specified that the session papers will be quite short and issued by Friday, 27 October.

Item 4. Forced Displacement

13. In advance of the 2023 Global Refugee Forum (GRF) to be held in Geneva in December 2023, the Secretariat presented the preliminary results of the survey on development finance for refugee situations. The total finance of refugee situations represented 10% of ODA over the period 2020-21, a slight decrease from the 11.1% in 2018-19. The share of in-donor refugee costs has started to increase, even in 2021 before the Russian aggression against Ukraine, while ODA to LIC and MIC hosting refugees is slightly declining, whereas these countries host 74% of refugees worldwide. Building on the joint DCD–DEV partnership on that topic, the Secretariat also provided policy insights on its work on the inclusion of the forcibly displaced, including those displaced due to the impact of climate change. The Development Centre intervened to outline, and express their appreciation for, this collaboration. The Committee considered if it wishes to develop common messages as a contribution to the GRF proceedings, drawing for example on the draft Common Position currently being discussed in INCAF.

14. In discussion, members appreciated the data and analysis shared by the Secretariat, with many delegates welcoming the draft Common Position as well. They underscored the centrality of the HDP nexus in all such work, commenting that a climate angle could be usefully included therein. The Chair concluded that there was strong support for the DAC and INCAF to engage on forced displacement and for bringing the Common Position (for which a written procedure will be conducted within INCAF) to the GRF.

Item 5. Aid for Trade

15. The Head of the Aid for Trade Unit in the World Trade Organization (WTO) addressed the DAC to present progress in the joint OECD–WTO work focused on the theme “Partnership for Food Security, Digital Connectivity and Mainstreaming Trade”. He specified that the next *Aid for Trade At a Glance* publication will be launched at the 9th Global Review in June 2024 and called on all DAC members to complete the global monitoring questionnaire whose results will inform the production of that report. He commented that the WTO very much appreciates and counts on collaboration with DCD going forward.

16. He highlighted that the Global Review and associated reports provide an opportunity to bring the work of the OECD DAC and the WTO to a broader audience on trade and development, and he noted that the links between the two topics have been made more obvious by recent crises (e.g., supply chain disruptions caused by COVID-19, impact of the war in Ukraine on agricultural markets). Using the example of an Aid for Trade project supporting the sustainable production of soap by women-owned businesses in rural areas of Samoa, he outlined how Aid for Trade can bring together and promote trade, development, and sustainability objectives. He updated the DAC on discussions taking place at the WTO related to development in the lead up to 13th Ministerial Conference, highlighting ongoing discussions on LDC graduation, industrial policies, as well as trade and environmental sustainability.

17. Members welcomed this update and offered a series of comments including on the links between trade, finance, and investment and on the measurement of aid for trade within DAC statistics.

Item 6. Network Update: GOVNET

18. The DAC Chair opened the session by underlining the linkages between work in the DAC Network on Governance (GovNet) and the Anti-Corruption Task Team (ACTT) with many of the issues tabled for discussion at the forthcoming DAC High Level Meeting (HLM), not least in relation to politically constrained environments. The GovNet Co-Chair, Thomas Millar (EU), and the Anti-Corruption Task Team (ACTT) Co-Chair, Jennifer Lewis (US), then addressed the Committee to update delegates on the state of play of the work under their respective bodies.

19. GovNet priorities for the biennium include work on democracy and autocratisation as well as on the impact of regime types on how to conduct development co-operation. Support to information integrity is a major focus area given that the evolving information landscape presents challenges as public interest media increasingly confronts political repression and constrained budgets. GovNet is also looking into climate change adaptation as a critical area to understand the impact of governance systems and promote locally led development. To note, GovNet priorities reach beyond their governance dimension – topics are relevant across the broader development spectrum. In that regard, GovNet has a close collaboration with other policy networks in particular with INCAF and ENVIRONET and more recently also with GENDERNET.

20. Complementary to the GovNet, the ACTT addresses issues of integrity and corruption vulnerabilities. The ACTT has adopted a holistic system's approach to fighting corruption and illicit financial flows (IFFs) in development, including to identify drivers of corruption. Recent efforts have focused on unpacking and assessing corruption risks in the context of the large-scale invasion of Ukraine by Russia and of the net-zero transition. Current priorities include support to the implementation of the Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption [[OECD/LEGAL/0431](#)], through the identification of good and innovative practices, as well as thematic and policy deep-dives into some of the more complex issues members are currently grappling with. The programme of work on IFFs and development seeks to address IFFs that are macro-critical to countries' stability and development and currently focuses on de-risking (banks pulling out of high-risk jurisdictions) and financial exclusion. In doing so, the ACTT aims to enhance the evidence-base and promote peer learning across members and policy communities through active collaboration within and outside OECD.

21. Members commended the work presented and emphasised the relevance of GovNet and ACTT workstreams to DAC discussions and the upcoming HLM. DAC delegates appreciated the work on ODA and regime types and highlighted the need for country-specific contextual approaches and more granular data on ODA allocations. Efforts to support corruption risk-based management and a better understanding of the linkages between IFFs and development – with the adoption in April 2023 of a Policy Guidance on Mitigating the Risks of Illicit Financial Flows in Oil Commodity Trading: Enabling Integrity in the Energy Transition – was also commended by members.

22. Members pointed to the convergence of governance and anti-corruption issues with the work of other DAC and OECD bodies, praising – and encouraging further – collaboration with other networks and communities (GOV, V-dem, Team Europe Democracy, US Democracy Summit cohorts, etc.) as well as on anti-corruption and integrity standards (Working Group on Bribery, FATF, etc.). Collaboration is needed to promote synergies and avoid potential duplications.

23. Looking forward, members suggested it would be useful to further explore the intersection between digitalisation and governance and the links between GovNet/ACTT workstreams and locally led development. With reference to the programme of work on IFFs, de-risking and financial exclusion, the DAC Chair enquired about the unintended consequences of donor regulations and the inclusion of a sanctions dimension in the analysis. The Secretariat noted that a major objective of the programme of work is indeed to analyse – with a view to mitigate – unintended consequences of de-risking practices on partner countries and that sanctions are considered in their broader context, including the impact on de-risking in relation to FATF standards and financial practices in developed countries.

Item 7. Policy Coherence for Sustainable Development

24. The DCD and Public Governance Directorate presented an update on the development of the report to monitor implementation of the 2019 Recommendation on Policy Coherence for Sustainable Development (PCSD), a joint instrument of the DAC and Public Governance Committee [[OECD/LEGAL/0381](#)]. DAC members were encouraged to engage in the monitoring process, to reach out to their colleagues in the National Focal Points network, and to view the exercise as an opportunity to work better across the Organisation. The Secretariat is striving to submit the report to the Council in July 2024.

25. Members looked forward to the report, commented that its content will be a useful contribution to the Summit of the Future in September 2024, suggested the development of an inventory of topics to which it could be useful to apply a policy coherence lens, and encouraged a discussion on PCSD at next year's SDG Council Dialogue including to more systematically incorporate a development angle to the OECD's sectoral committees. Members reflected in particular on the role of the OECD as an "expertise hub" and noted that there is space to better mainstream development across its work and to more effectively reflect on the impact of OECD standards on developing countries.

26. The Chair invited members to identify a specific topic for its next annual discussion on PCSD in 2024, following this year's deliberations on responsible business conduct.

Item 8. Development Financing for Resilient Health Systems

27. The DCD and the Directorate for Employment, Labour and Social Affairs (ELS) updated the DAC on joint work (including with the Directorate for Public Governance) on resilient health systems with a focus on incentivising health finance investments globally and preventing future health shocks. As part of the 2023-24 PWB, the Central Priorities Fund (CPF) is providing core support of 600 KEUR for this work, of which 143 KEUR are allocated to DCD, along with planned windows for voluntary contributions in each of the three directorates concerned. Key deliverables include cross-directorate analysis and a flagship report, as well as an international high-level conference bringing together policymakers from OECD and non-OECD countries, including developing countries.

28. Introducing this item, the DCD Director highlighted growing cross-directorate collaboration on health to inform OECD Council discussions on pandemic preparedness and response, as well as to improve the evidence base for decision-making within the G7, G20 and other international fora. She also drew members' attention to the supporting documents which highlight increases in development finance for health and development-related global public goods over time.

29. The ELS Deputy Director informed members of current reform efforts across the global health system, highlighting key areas where the OECD could continue to add value in driving long-term sustainability of health systems in both OECD and non-OECD countries. To date, the OECD's data and analysis had proven critical in identifying key financing gaps and promoting more joined up decision-making across governments and with partners. Furthermore, the Covid-19 Global Evaluation Coalition (a collaborative project based at the OECD) was providing important lessons to inform policy design in the future. Yet key challenges remain. For example, while the recent pandemic had highlighted the importance of funding surveillance and other early warning systems, it would be important to ensure that these new priorities did not come at the expense of core spending on strengthening national health systems as the first line of defence in responding to health shocks. Meanwhile, the new Pandemic Fund (launched at the G20 in 2022) has raised just one fifth of its estimated funding need to date (US\$10 billion a year over five years) with much of this finance expected to be reported as Official Development Assistance (ODA).

30. In discussion, members welcomed the CPF work, flagging relevant inputs from capitals to help inform deliverables. Many members commended the focus on financing for health systems in developing countries as both a priority and a prerequisite to a functional Pandemic Preparedness and Response system. In this regard, they highlighted the need to mobilise other channels for finance beyond ODA, starting with domestic resource mobilisation and increased reporting through Total Official Support for Sustainable

Development (TOSSD). A number of members also signalled support for improved co-ordination around financing of global public goods in an era of increasing pressure on aid budgets.

31. In closing, the Chair underscored the importance of the CPF's objectives on improving resilience ahead of the next global health shock and welcomed the suggestion of an upcoming Major Policy Issues (MPI) discussion on development finance and global public goods.

Item 9. Designation of new DAC Vice Chairs

32. In accordance with established practice, the DCD Director chaired this item to designate new DAC Vice Chairs. She reminded the Committee that she had issued a communication on 21 September to call for nominations to fill two vacant Vice Chair seats for the remainder of 2023. By the 6 October deadline, the Secretariat had received five nominations for those two seats. In the evening of 6 October, the Director had then issued a new communication, sharing the nominations with the entire Committee and inviting expressions of preference for two candidates, with a deadline of 13 October. With the passage of that second deadline, the Secretariat tallied the preferences of members and then issued an email on 15 October to announce that two candidates held a clear advantage.

33. In this session, the Director asked the Committee if it had any objections to the two nominations: Ms. Leveke Neumann (Germany) and Mr. Lorenz Kammermann (Switzerland). The DAC approved these nominations by acclamation.

34. The Director congratulated the two new Vice Chairs, expressed appreciation for the nominations from the other candidates, and thanked the departing Vice Chairs for their service to the Committee over the years. She announced that the DAC will be invited in the December meeting to designate its Bureau for 2024, for which the Secretariat will issue a communication in November. The Director then handed the floor back to the Chair.

Item 10. Summary of Conclusions

35. The Secretariat provided an informal overview of the decisions, action points, and next steps emerging from the meeting proceedings. The Secretariat will circulate this overview to the Committee in electronic form.

Item 11. Any Other Business

36. The delegate from Germany asked the Secretariat to take up the issue of ODA eligibility of hybrid capital in light of World Bank reform. The Secretariat responded that it will conduct a thorough assessment of the instrument, inviting members and the World Bank to share written inputs to inform the assessment. The Chair suggested that this could perhaps be channelled through a written procedure in WP-STAT rather than waiting for the next formal WP-STAT meeting.

37. In her capacity as co-facilitator of the DAC Working Party on Development Finance Statistics (WP-STAT), the delegate from Germany reported to the Committee on recent discussions within WP-STAT on matters relating, *inter alia*, to vaccine donations and ODA reporting, private sector instruments, ODA eligibility of the Ukraine Country Programme, aid to Afghanistan, and artificial intelligence and machine learning in statistical reporting. WP-STAT has elected a new Bureau for 2024. The delegate from Germany also said that, in light of her designation as DAC Vice Chair, she would step down as co-facilitator of WP-STAT and asked the co-facilitators of Subsidiary Body Oversight to identify her successor in this latter role.

38. In his capacity as co-facilitator of the DAC Network on Environment and Development (ENVIRONET), the delegate from Switzerland reported to the Committee on recent discussions within ENVIRONET on matters relating, *inter alia*, to messaging for COP28, climate adaptation, and the ocean economy. ENVIRONET has also elected a new Bureau for 2024.

39. The delegate from Norway reminded delegates about the 18 October policy discussion with Mr. Ole Jacob Sending, Chair of the Norwegian Group of Experts, on the topic “How to invest in development in a fractured world?” She also drew delegates’ attention to the Development Leaders Conference to take place in Oslo on 24–25 October 2023 on the topic of “Building a more collaborative and innovative development cooperation system globally”.