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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 53rd High Level Meeting (HLM) – 1134th DAC Meeting
– held on 15 November 2023**

The Revised Draft Summary Record [DCD/DAC/M(2023)12/REV3] was sent to the DAC for APPROVAL via the written procedure.

No objections were expressed by the 17 May's deadline; all track changes have been accepted.

The record is therefore considered approved, issued as FINAL and declassified.

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Summary Record of the 53rd High Level Meeting (HLM) – 1134th DAC Meeting – held on 15 November 2023

Item 1. Welcome by the DAC Chair and Adoption of the Agenda

1. The DAC Chair welcomed ministers, delegates, observers, participants, and partners to the 53rd DAC High Level Meeting (HLM), the first DAC ministerial since 2020. He then invited the Committee to adopt the draft agenda [DCD/DAC/A(2023)18], which they did without modification.

Item 2. DAC's evolving partnerships and political outreach

2. In opening the HLM, OECD Secretary-General Cormann noted via a pre-recorded video message that a sound approach to development that accelerates progress towards the Sustainable Development Goals (SDGs) is a key priority of the OECD. He recalled that recent shocks have put developing countries under pressure; aggravated poverty, hunger, and global instability; and increased the risk of debt distress. DAC members have responded, with Official Development Assistance (ODA) reaching USD 204 billion in 2022. The DAC's work is essential to making the best use of these resources, by identifying synergies, balancing short- and long-term spending, and ensuring a common approach across actors. The Secretary-General also recalled a range of work across the OECD that aims to support more effective and sustainable development, including efforts to bolster the domestic resource mobilisation capacity of developing countries through the landmark Two-Pillar international tax reform agreement, analysis and evidence on innovative mechanisms to scale up and optimise the impact of sustainable finance, and by providing platforms for peer learning, with the Inclusive Forum on Carbon Mitigation Approaches (IFCMA) a key example of how the OECD is working to support inclusive and effective global collaboration and action. In closing, the Secretary-General emphasised that DAC member engagement with non-members is critical to increasing the reach, influence, and quality of OECD standards and instruments, to strengthen global collaboration, and to support developing countries.

3. During the first session of the meeting, participants considered the impact of the rapidly evolving global context on dialogue, engagement, outreach, and co-operation with DAC members' external partners. Participants highlighted the clear need for more equal, genuine, and ambitious partnerships for sustainable development, based on trust, the exchange of knowledge and mutual learning. Advancing transparency and accountability in development co-operation, basing policies on evidence and data, and ultimately working together more between the DAC and partners were key themes. The session itself benefitted from a diversity of views, with the Chair noting that of the over 40 speakers, a third were non-DAC members.

4. Participants recognised the DAC as a key forum with a crucial role in the global development architecture. Nevertheless, several speakers noted that many countries have lost trust in the current international system to respond to the compounding crises of our day and underlined the need to find more collective solutions, including by considering the role of development finance in the provision of global and regional public goods. In reflecting on the DAC's role and offer in a shifting geopolitical environment, speakers emphasised the need for the DAC and its members to step up outreach with external partners and collaboration with diverse actors, re-think power dynamics, and evolve towards new partnerships, and called for being bolder in the application of the DAC's mandate. Triangular co-operation was highlighted as one modality which DAC members can use to expand their partnerships, co-create solutions, and promote equal-footing partnerships for sustainable development. Speakers expressed support for a second global meeting of development co-operation providers, following the inaugural meeting in early 2023, and called for the implementation of the DAC's Global Relations Strategic Directions. They also encouraged other providers beyond the DAC to continue engaging with the DAC and the OECD on development co-operation. Speakers also pointed to the trust built through DCD's hosted entities, including the Global Partnership for Effective Development Co-operation, the Multilateral Organisation Performance Assessment Network, and the future International Forum on Total Official Support for Sustainable Development. In their interventions, non-DAC members highlighted the value they place on existing collaboration and dialogue between the OECD and Arab countries for example, noting that this

collaboration helps to both disseminate and strengthen OECD standards. Speakers also pointed to structured and strategic dialogue with civil society organisations to help monitor and ground-truth OECD standards on an ongoing basis.

5. One of the DAC’s key roles is ensuring effectiveness through openness, transparency, and accountability of ODA and other resources for sustainable development. This was a central theme of the morning, with speakers emphasising that they need to be equipped with data and evidence on what works and what does not, including when working with emerging donors especially as they establish and reform their institutions of development co-operation and with other partners on what being effective means. Peer learning and exchange of knowledge were identified as key avenues for engagement. OECD DAC peer reviews were highlighted as a key DAC mechanism to support effectiveness and encourage a race to the top. Non-DAC countries were encouraged to join the DAC networks and participate in the technical discussions there. Leaving no one behind and development with people front and centre are central to the DAC offer, with development effectiveness at its foundation. Speakers highlighted that being “locally led” is not just about finance but also about identifying and practicing new ways of partnering and welcomed DCD’s analytical work on this issue. Pushing for whole-of-society approaches even in complex settings requires enhanced levels of co-ordination and would benefit from increased local presence by donors.

6. The need to break down silos across different policy areas, to take a more systems-based approach, and to push harder for a cross-sectoral approach to sustainable development was another key theme in the discussion. Several members expressed their commitment to strengthen whole-of-OECD work on development, e.g., strengthen co-operation on the OECD work done on tax and within the DAC, improving linkages between finance and development ministries, and closer co-operation on digital technologies and other critical sectors were also highlighted as critical opportunities to deliver more effective policies within OECD member countries.

7. Outreach to the multilateral system, including better linking the DAC with ongoing discussions on reform of global financing architecture, was another area where speakers saw room to strengthen political engagement. Speakers noted that the DAC and OECD have an important role in helping members to mobilise finance and navigate discussions on the global development finance architecture and several speakers underlined the need to continue linking discussions on access to finance to poverty reduction. As key donors to these multilateral organisations, DAC members have a critical role to play in ensuring that reform is delivered and that the right systems and mechanisms to facilitate global collaboration and the necessary instruments to deal with new challenges are in place.

8. In his closing remarks, the DAC chair recalled the significant changes in geopolitics, the evolving development landscape, and that the current context of poly-crisis is likely to carry into the future. The Chair called on members to optimise the DAC’s relevance and influence in this context. This will require equal, genuine, but also ambitious partnerships that respond to need and are based on the values that the DAC has to offer. Doing so will require finding common ground, being humble, contextual, country-specific, and listening more to co-create solutions and renew trust, building on the DAC’s commitment to “influence and be influenced.” The DAC Chair noted that the DAC’s openness to enlargement and accession is important, as is the Committee’s interest in inviting greater external participation in our networks such as the DAC Network on Development Evaluation and the DAC Network on Gender Equality, which were meeting alongside the HLM.

Item 3. Mobilising and aligning financing with the SDGs, Paris Agreement, and Global Biodiversity Framework

9. In opening this session, the DAC Chair asserted that the volume of development finance must increase to meet international commitments and prevent worsening or irremediable effects of climate change and biodiversity loss. Since ODA will never, by itself, be sufficient to resolve all development, environment, and biodiversity issues, DAC members must make ODA work harder and deploy it strategically, including through enhanced co-operation with the private sector. A number of recent global processes have charted a way forward: the Bridgetown Initiative, the UN SDG Stimulus Plan, the Summit

for a New Global Financing Pact, and others. The DAC must consider where it fits into this evolving architecture as the global community looks toward the UN's Fourth International Conference on Financing for Development in 2025.

10. The DCD Director then highlighted a number of tools very useful to support this agenda that the Directorate and Committee have produced in recent years, including the Blended Finance Principles; the Kampala Principles on Effective Private Sector Engagement in Development Co-operation; Green, Social, Sustainability, and Sustainability-linked bonds; financial instruments and products in support of a sustainable ocean economy; the OECD–UNDP Framework for SDG–aligned finance, the Total Official Support for Sustainable Development statistical measurement framework; and private sector instruments (which allow for more comprehensive reporting of development finance that captures private resources mobilised through official means). The Director assured delegates that the Secretariat will be happy to continue to finetune these instruments and develop new ones, with the Committee's collaboration and guidance.

11. The Director also stated that the Secretariat's research indicates that, not only does the global community need greater volumes of finance but also more targeted allocation. Most of the private finance mobilised has gone to middle-income countries (87%) and for economic infrastructure and services (82%). Only 12% benefitted projects in low-income countries, 7% went to social infrastructure and services, and just 4% for climate adaptation. She asserted that a recalibration of finance and its allocation is in order.

12. In discussion, delegates emphasised the need to take an integrated approach to mobilising and aligning financing with the 2030 Agenda for Sustainable Development, the Paris Agreement, and the Global Biodiversity Framework. Participants noted that there are many initiatives underway to address this, not least in the World Bank as well as in other multilateral development banks.

13. ODA is a scarce resource and has always been meant for countries most in need. Navigating the integrated approach will require rethinking the traditional role of ODA and responding to the mounting pressure to show progress also on climate and biodiversity objectives. In fact, with the polycrisis, pressures on ODA are increasing on many fronts at once. DAC members must therefore reflect on how to best allocate ODA (e.g., in what sectors, to what country groupings, and through which modalities) to maximise impact and deliver results in developing countries.

14. In addition, delegates emphasised the leveraging role that ODA can play in mobilising private finance, which is a central tenet of the Addis Ababa Action Agenda. ODA can be usefully invested in the enabling environment for the private sector in developing countries, for example through legal infrastructure, the creation of capital markets, trade facilitation, responsible business conduct, and domestic resource mobilisation. The Committee acknowledged as very useful the analysis and guidance that the Secretariat has developed in recent years on these, and other relevant, topics. The Committee also referenced the recent agreement on private sector instruments and ongoing collaboration with development finance institutions as opportunities to generate more private finance for development. Many interventions highlighted not only that the DAC might engage helpfully with credit rating agencies to improve the assessment of, and mitigate, project risk in developing countries but also that the perception of risk does not always mirror the real risk.

15. In closing the session, the Chair reminded members of the DAC High-Level Roundtable at COP28 on Climate Action and Finance in Fragile and Conflict-affected Contexts, to be held on 3 December 2023 in Dubai. The event will highlight the main challenges and priority actions for development co-operation providers to drive more effective approaches on the ground in advancing climate action in fragile and conflict-affected contexts and to build momentum for support that reaches those left furthest behind.

Item 4. The effects on development assistance of Russia's war of aggression against Ukraine and other major geopolitical challenges

16. In his introductory remarks, the DAC Chair highlighted the compounding global trends exerting additional pressure on humanitarian and development budgets. Notably, he pointed out that in 2022, Ukraine saw a substantial increase in ODA, becoming the largest recipient (rising from USD 1 billion in 2021 to USD 16 billion in 2022) and noted the large increase in aggregate in-donor refugee costs (a rise of USD 13 billion from 2021 to 2022). The DAC Chair urged members to consider the long-term impacts on ODA composition and allocations, emphasising the need to reflect on the valuable experiences and lessons shared in the background paper on reconstruction efforts after past conflicts.

17. The DCD Director further framed the discussion acknowledging that while Ukraine, as a middle-income country, is different from most conflict contexts, lessons from previous conflicts on co-ordination, prioritisation, sequencing and speed of efforts, and building capacity remain applicable. In addition, she noted that the broader impacts of conflicts, for example on gender relations, human rights, and displacement, are also evident in this context and that past lessons could guide responses. She further stressed the importance of safeguarding the long-term trajectory of Ukraine's development through both humanitarian and development co-operation interventions and ensuring that reconstruction efforts are sound. In this regard, she observed that striking the right balance between public and private support for reconstruction would be paramount to making the most effective use of ODA and to maintaining its integrity by ensuring it is used for the promotion of economic development and welfare as its main objective. The Director further highlighted that the OECD Fragility Framework is an important tool to help identify needs, support co-ordination, and deal with both immediate and long-term challenges. Finally, she highlighted the OECD Ukraine Country Programme (which encompasses a wide range of policy areas) and DCD's participation with a work programme focused on supporting the development of systems in Ukraine to track and manage aid. She invited members to share reflections on DCD's role in supporting the reconstruction process.

18. In their interventions, participants broadly acknowledged that while support to Ukraine and its people had had a significant impact on ODA composition and allocation, and that for some countries the level of support mobilised was unprecedented, commitment to continue to support Ukraine remained a key political priority. Some members highlighted the important role of development finance in strengthening regional and global security, while also recognising potential challenges in sustaining this support over time. Other interventions stressed the importance of addressing immediate humanitarian needs, public finance shortfalls, and laying the groundwork for sustainable recovery and reconstruction. In this regard, the DAC Recommendation on the Humanitarian–Development–Peace nexus was cited as a helpful guiding framework. Humanitarian priorities were noted as including winterisation, supporting internally displaced populations, demining, and medical and psychological aid with some countries offering specific expertise on one or more of these items. With respect to recovery and reconstruction efforts, many interventions pointed to supporting reform efforts that are key for EU accession; empowering civil society organisations (CSOs) and acknowledging their role at the forefront of response, protection of vulnerable groups (for example, all members were encouraged to rigorously apply the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance); and strengthening financial and management capacity as specific areas where DAC members can add value. Wider OECD principles regarding sustainable infrastructure, tax, and public governance review were also highlighted as potentially critical contributions through the Ukraine Country Programme. Some interventions also highlighted the importance of diplomatic efforts as a complement to aid. Trade Union representatives emphasised the role of social rights at the heart of reconstruction in Ukraine and warned that current reforms are impacting issues including bargaining, the right to organise, and unemployment benefits.

19. Numerous interventions underscored the centrality of principles laid out in the Lugano Declaration of ownership, co-ordination, transparency, and accountability. The Donor Co-ordination Platform for Ukraine, co-chaired by the government of Ukraine, the EU, and the USA, was recognised as the primary mechanism for co-ordination of donor efforts in the country, and all were encouraged to engage with it to avoid duplication and fragmentation. Multilateral mechanisms, in particular the EU's multi-annual framework for Ukraine and the World Bank, were also highlighted as important vehicles to pool resources and co-ordinate efforts, particularly for smaller donors and/or those less familiar with the Ukrainian context. Some interventions stressed the need for more recent data to allow for analysis of gaps and increase efficiency of support. They underlined a key role for the DAC to facilitate sharing of monitoring and evaluation evidence. Additional guidance on locally led development in conflict or post-conflict settings was requested from DCD, and updating other DAC frameworks for conflict and post-conflict settings was also suggested. Civil society called on the donor community to pursue additional transparency by reporting current and future humanitarian, development, and fiscal support to Ukraine and other Eastern European countries impacted by the war in a more timely manner.

20. Interventions acknowledged the key role of private sector finance in Ukraine's recovery and reconstruction, advocating for support to the local private sector and innovative financing approaches to encourage external private sector investment. Examples included the Ukraine Recovery Guarantee Facility aiming to provide private sector insurance against war-related risks, blended finance, export guarantees, and redirecting seized Russian assets. Participants stressed the importance of anti-corruption measures and increased transparency to facilitate private investment. Analytical work on options to accelerate private investment in reconstruction projects was deemed crucial and an input that DAC/DCD would be well-placed to provide, drawing for example from the OECD Recommendation for Development Co-operation Actors on Managing the Risk of Corruption and the Blended Finance Guidance and Principles.

21. While support to Ukraine remained paramount, relatively less attention going to other conflicts and humanitarian crises, perceptions regarding the dissemination of COVID-19 vaccines, and the downward trend in bilateral ODA to Least Developed Countries and Sub-Saharan Africa were viewed as contributing to an erosion of trust between the DAC and partner countries. They stressed the need to convey the DAC's value proposition, with a particular role for the Secretariat in supporting public communication as well as helping to counter false narratives more effectively. Interventions also pointed to the need for critical conversations about how to increase levels of financing for development, with some calling for a broader reflection on the role of development assistance within support for global and regional public goods, as compared to its key role with respect to Least Developed Countries, and the need for new and additional resources to respond to mounting development finance demands. In responding to these challenges, the importance of improved policy coherence was also highlighted, including by strengthening horizontal collaboration across the OECD, for example on digitalisation.

22. Continuing conversations from earlier in the day, triangular co-operation was considered helpful as a means of expanding and deepening partnerships. A few members made reference to the issue of in-donor refugee costs (IDRCs), including the possibility of excluding these costs from ODA budgeting and accounting, applying a potentially more conservative approach.

23. The DAC Chair concluded by commending the donor community for the unprecedented levels of humanitarian and development support to Ukraine, much of it additional, of the generosity that countries have shown to Ukrainian refugees, and of the significant flexibility shown in programming and spending. He echoed many interventions noting that it is critical that support for Ukraine is not provided at the expense of support for other developing countries, and especially Least Developed Countries. He reiterated that there are lessons from other contexts that can inform the development co-operation response on Ukraine including on optimisation of timing, sequencing, co-ordination, and focus on areas including rule of law, anti-corruption, and country ownership. He emphasised the potential for development co-operation providers to play a role in de-risking and leveraging the private sector. Finally, while no member had requested at this stage a reconsideration of the IDRC reporting rules that had been consolidated in 2017,

he made some personal reflections on this topic. From his point of view, it had never been the intention that these costs should account for significant parts of ODA. Depending on what the preliminary 2023 data would indicate, there might, in his view, be a basis for an exchange on this item.

Item 5. Adoption of the HLM Communiqué and Closing of HLM

24. The DAC Chair invited participants to adopt the draft HLM Communiqué, which they did without modification¹. The DAC also agreed to the Communiqué's declassification². In concluding the HLM, the DAC Chair thanked delegates for their active participation, the Secretariat for having prepared the documentation and organised the meeting, and the OECD interpreters for their tireless support. He assured delegates that the Committee will take forward the decisions agreed today in collaboration with the Secretariat.

¹ Poland presented an interpretative statement to the HLM Communiqué, reproduced in the annex to this summary record.

² Available under cote DCD/DAC(2023)56/FINAL and on the external web at:
https://www.oecd.org/dac/development-assistance-committee/DAC-HLM-Communique-2023_EN.pdf

Annex: Polish National Statement on the HLM Communiqué

Equality between women and men is enshrined in the Treaties of the European Union as a fundamental right. Poland ensures equality between women and men within the Polish national legal system in accordance with international human rights treaties and within the framework of the fundamental values and principles of the European Union. In connection with the above, the remaining expressions containing the term "gender" will be interpreted by Poland as "sex" and "gender equality" as "equality between women and men", in accordance with Article 10, Article 19 para 1 and Article 157 para 2 and 4 of the Treaty on the Functioning of the European Union.