

Unclassified**English - Or. English****15 June 2023****DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 1123rd DAC meeting held on 5 April 2023**

The Revised Draft Summary Record [DCD/DAC/M(2023)4/REV1] was approved under item 1 of the Draft Annotated Agenda [DCD/DAC/A(2023)8] without modification at the 15 June 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 1123rd DAC meeting held on 5 April 2023

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

1. The DAC adopted the draft agenda as proposed. The Committee considered the revised draft summary record from the 7–8 February 2023 meeting. Three members proposed comments on the vaccine pricing discussion in this summary, which the Secretariat will integrate into a revised version for the Committee’s approval either via the written procedure or at the next DAC meeting. The Committee then considered the draft summary record from the 7–8 March 2023 DAC meeting, which the DAC approved without modification and agreed to its declassification once issued as final.

Item 2. Briefing by the DCD Director and DAC Chair

2. The DCD Director provided details on the 12 April 2023 launch of the preliminary 2022 ODA figures, the transition of the Secretariat for the Effective Institutions Platform, and the ongoing accession process for Estonia. She also shared the outcomes from a meeting last Friday with WTO on the future of the aid for trade initiative, which will be taken up in one of the existing workstreams of the 2023–24 DAC Programme of Work and Budget (PWB), and updated the Committee on the current status of funding for the current PWB. She then informed delegates of preparatory work on the DAC commitment to develop a common approach to supporting developing country net-zero transitions. The Director also confirmed for delegates a presentation by the former Prime Minister of Norway on the UN-led Multidimensional Vulnerability Index on 12 May. In her written information note issued the previous day, she had relayed the outcomes from the United Nations Conference on Least Developed Countries, LDC 5 (5-9 March 2023 in Doha), at which the Director from the Development Centre represented the OECD. The DCD Director had also delivered a recorded speech for the event, in which she touched on the major challenges LDCs face to mobilise sustainable finance and presented DCD work on the Integrated National Financing Framework Facility to support LDCs to bridge the financial divide. The Secretariat will share with delegates that recorded intervention for their information.

3. The DAC Chair presented his newly staffed office and then related outcomes from the 3 April 2023 peer review of Iceland and the 4 April 2023 DAC Bureau meeting. The Bureau supported the organisation of a DAC High Level Meeting on 16–17 November 2023, for which the Chair invited delegates’ views on the topics to be addressed. With the dates of the HLM now set, we will communicate the dates for the other meetings to be held in the second half of the year. He also provided details on the 28-29 June 2023 Tidewater to be hosted by the Slovak Republic, for which the main topics of discussion will be Ukraine, reform of the global financial architecture, SDGs at mid-term, and China. He invited delegations to share directly with his office the name of their representative. The DAC Chair closed by spelling out his engagements over the next two weeks in DC during the Spring Meetings and in New York during the Financing for Development Forum.

Item 3. Guidance on Gender Equality and Empowerment of Women and Girls

4. Members considered the state of play in arriving at a consensus on Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners [DCD/DAC(2021)50]. The DAC Chair described the current context around possible Committee consensus for approval of the Guidance.

5. One member, Hungary, had been unable to approve the Guidance. However, following consultations in recent months, it was confirmed that while Hungary is not in a position to accept the document, *Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners*, in its current form, it can abstain from approving the guidance conditional to the inclusion of a statement to the summary record of the DAC meeting, as well as the integration of a sentence to the document about its abstention with a hyperlink to the final and declassified summary record. See Hungary’s statement in the Annex.

6. The DAC Chair asked the Secretariat to follow the established procedures in such matters to issue the document as DAC guidance with the additions specified by the one member. This revised version, as

DAC Guidance, will be submitted to the Committee for formal approval via the written procedure. The Chair proposed to reach out to Gendernet to determine how to take forward a potential legal instrument on the topic, after which this will be brought back to the Committee.

Item 4. Policy Coherence for Sustainable Development

7. Following a May 2022 discussion on policy coherence for sustainable development, at which the DAC agreed to an annual discussion on the topic, the Secretariat presented work on a specific issue within PCSD: responsible business conduct (RBC). The presentation highlighted the longstanding collaboration between the DAC and the Working Party on RBC, including in DAC peer reviews, the due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas, illicit financial flows, and the Global Outlook on Financing for Sustainable Development. There is renewed impetus within the OECD on this agenda, with the December 2022 adoption of a Council Recommendation on the Role of Government in Promoting RBC and the February 2023 Ministerial Meeting.

8. Delegates expressed their appreciation that this discussion on PCSD was made concrete with a focus on RBC. They welcomed the insights shared by the Secretariat and the whole-of-OECD approach to the topic. They underlined the importance of integrating RBC standards in development co-operation efforts and shared examples of how donors promote RBC in their engagement with the private sector. They reflected on the main obstacles to greater policy coherence between RBC and development co-operation and the opportunities for addressing these challenges and ensuring positive impacts in developing countries.

9. The Director assured that, while not budgeted in the 2023–24 PWB, the organisation of a Policy Makers Roundtable on RBC can be cost-neutral if kept light in collaboration with the Directorate for Financial and Enterprise Affairs, drawing on existing collaborations, including on the peer reviews. With regard to the proposed Roundtable and, to a lesser extent, the joint meeting of the DAC and Working Party on RBC, several members considered these could be useful if linked to a clear outcome and value-add, not duplicating work of other fora.

10. Many members promised to share their comments in writing, which the Secretariat will integrate into a revised version of the note and at the same time provide more details on the proposed Roundtable. The Chair promised that the Committee will come back to the issue of the Roundtable. In conclusion, the Chair identified a number of opportunities in the future to continue this conversation, including at the HLM in November.

Item 5. Private Sector Instruments (PSI)

11. In its late March 2023 session, the DAC Working Party on Development Finance Statistics (WP-STAT) agreed to present the methodological proposals on topics discussed under the first batch of the review to the DAC for its approval at its meeting in April 2023. The first batch issues cover the ODA–eligibility assessment of PSI vehicles, the treatment of credit guarantees, and the treatment of loans to the private sector. Accordingly, in this April session of the DAC, the WP-STAT Chair presented the first batch proposals to the Committee for its approval.

12. In discussion, members thanked the Secretariat for all its work, welcomed the progress achieved thus far, and approved all three proposals under the first batch. Many delegates emphasised that close consultation with key stakeholders, such as civil society organisations and the Export Credit Group, on this work remains crucial going forward. The Chair clarified that members' approval of the first batch is hereby secured, although some fine-tuning adjustments, if necessary, may need to be integrated in the approved methodologies for consistency purposes as the review goes on, particularly in the context of the third batch.

13. In the May 2023 DAC meeting, the Committee will hear of the progress of members' deliberations and emerging agreement on batch 2 (scheduled for approval in June) and possibly an update on batch 3.

Item 6. International Forum on TOSSD

14. Following questions received at the February 2023 session of the DAC, the Secretariat provided clarifications to members on the establishment of the International Forum on TOSSD (Total Official Support for Sustainable Development). The Secretariat updated members on funding for the Forum and its legal status. A special meeting on 14 April will be held to present to potential funders a draft Memorandum of Understanding with the OECD. Members welcomed these details and posed a number of follow-up questions to which the Secretariat and Legal Directorate responded.

15. Members were encouraged to work with their delegations to prepare for the discussions at the OECD Executive Committee (currently scheduled for 26 June) and the OECD Council, which are necessary steps for the OECD to host the Forum Secretariat.

16. The Chair recommended that, if approved as a hosted partnership within the OECD, the Forum could usefully report back to the DAC on a regular basis to inform our ongoing discussions on financing for sustainable development.

Item 7. Triangular Co-operation

17. Following a call at the February 2023 global meeting of development co-operation providers to continue engaging on triangular co-operation, the Secretariat presented a paper that outlines what the Secretariat, the Committee, and its members are doing in this area. In addition, Portugal briefed the Committee on the focus for the 12-13 October 2023 Seventh International Meeting on Triangular Co-operation to be held in Lisbon.

18. The Chair and members highlighted that the proposals presented by the Secretariat in the paper DCD/DAC(2023)21/REV1 are in line with expectations for triangular co-operation as an outreach tool. Furthermore, they emphasised that the global community needs more and better data and definitions on, and an increased visibility of, triangular co-operation. The DAC recognised the OECD's unique role as a knowledge and data hub on triangular co-operation and this modality's value as a tool for inclusive partnerships and political engagement within the DAC global relations strategic directions but also its role in improving the effectiveness of development co-operation.

19. Members expressed support to continue this work into 2024 and may follow-up on the topic following the Lisbon meeting.

Item 8. Summary of Conclusions

20. 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 9. Any Other Business

21. The representative from Denmark referenced a recent letter from the OECD Secretary-General to ask if the USD 100 Billion report on climate finance¹ will be annual or biennial. The Director responded that the Office of the Secretary-General (OSG) has decided to commit the OECD to produce the report, which is the fruit of a collaboration between DCD and the Environment Directorate, also in 2023. The representative from Australia then requested a clarification on what data, in addition to those collected through the Creditor Reporting System (CRS), are required to produce the report. The Secretariat clarified that the data for DAC members used for this report are derived from the data they prepare for the UNFCCC processes, which is different from and broader than what is captured in the CRS as climate-related development finance. As for multilateral and private finance mobilised flows, these data are collected through the CRS, and for export credits from the Export Credit Group Secretariat. There are therefore multiple sources of data for the report as well as a mis-synchronisation between UNFCCC and DAC

¹ See <https://www.oecd.org/climate-change/finance-usd-100-billion-goal/>

reporting. In order to produce the report this year, DAC members may need to agree that, for the off years of the UNFCCC report, their climate finance data are estimated through CRS data. The Chair recommended that the Secretariat produce an explanatory note on the data collection to be shared with OSG.

Annex I: Statement of Hungary on “Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners”, DAC meeting of 5 April 2023

Hungary recognizes and promotes equality between men and women in accordance with the Fundamental Law of Hungary, the primary law as well as commitments and principles stemming from the international law, in particular the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the UN Convention on the Elimination of all forms of Discrimination against Women, the Agenda 2030, the ICPD Programme of Action and the Beijing Declaration and Platform for Action. In line with these and its national legislation, Hungary interprets the concept of “gender” as reference to “sex” and the concept of “gender equality” as reference to “equality between women and men”. In accordance with relevant international standards Hungary considers gender equality and the non-discrimination of LGBTI persons as different objectives. While fully supporting non-discrimination of LGBTI persons, Hungary does not consider this as an element of, or a prerequisite for gender equality.

The concepts applied in the document “Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners” lack consensual definition and therefore are not in line with the position of Hungary. In light of this, the decision of abstention does not in any way imply approval of the document or the acceptance of its content. Abstention can only be applied to and interpreted in the context of this document, it does not pre-empt future discussions and decisions of Hungary in the Development Assistance Committee, the OECD or other international fora.