

**Unclassified****English - Or. English**

20 September 2023

**DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 1127th DAC meeting held on 4 July (Session 1) and 5  
July 2023 (Session 2)**

The Draft Summary Record [DCD/DAC/M(2023)7] was approved under Item 1 of the Draft Annotated Agenda [DCD/DAC/A(2023)12], without modification, at the DAC 12 September meeting and is now issued as FINAL.  
The Committee also agreed to declassify this final version.

Contact: Eric Bensel - E-mail: [eric.bensel@oecd.org](mailto:eric.bensel@oecd.org)**JT03526702**

## Summary Record of the 1127th DAC meeting held on 4 July (Session 1) and 5 July 2023 (Session 2)

### Session 1: Tuesday, 4 July 2023

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

1. The DAC adopted the two-day draft agenda [DCD/DAC/A(2023)11/REV1] without modification. The Committee considered the draft summary record from the 15–16 June 2023 meeting, for which a few members requested some revisions. The Secretariat will integrate these revisions into a new version for the Committee’s approval at the September meeting.

#### Item 2. Briefing by the DCD Director and DAC Chair

2. The Secretariat and DAC Chair provided delegates with an update on recent and upcoming activities within the Directorate and the Committee.

3. The Director updated the Committee on the funding situation of the DAC’s 2023–24 Programme of Work and Budget (PWB) including the status of aid for trade. She highlighted in particular the funding gap for intermediate output (IO) 1.2 on the DAC Offer on Financing for Sustainable Development and encouraged delegates to consult the detailed information posted to the DAC Community Space<sup>1</sup>. A Committee Progress Report for the first half of 2023 will be issued for the September 2023 DAC meeting. Several members intervened to express concern over the risk of deprioritising other workstreams to accommodate aid for trade, recognising that the IO tasked with delivering this work is currently underfunded. Members requested that future PWB funding updates include a chart illustrating the voluntary contributions per capita in member states.

4. The Director also referenced the Secretariat’s update earlier this week to the External Relations Group on work being conducted within the AOSIS–DAC Task Force. That Task Force has met twice so far in 2023 and is currently identifying its priority activities in support of small island developing states, from an initial long list. The group will set up a call in the coming days to go through the results of a poll. The Task Force will oversee work to address agreed areas and launch a new Partnership for Action at the Fourth International Conference on SIDS to be convened in 2024.

5. The Director also outlined plans for the 7th International Meeting on Triangular Co-operation to take place on 12–13 October 2023 in Lisbon and Evalnet’s 40th anniversary celebrations in November. The Director then announced that the Secretary-General requested that she represent the OECD at a meeting in China later this month to speak in a session on “Global Public Goods at a Critical Juncture: Refocusing on Poverty Reduction and Food Security”.

6. The DAC Chair highlighted the great value of the DAC–CSO Dialogue held on 19 June and welcomed the good track on which the Committee finds itself in its engagement with CSOs. He called on the Committee to keep up this momentum going forward.

7. The DAC Chair also reported to the Committee on the results of the Tidewater discussions held the previous week in Bratislava, thanking the Slovak Republic for having hosted the event. A Chair’s summary will soon be issued. He also spoke of the Macron Summit and the DAC event held in its margins. He thanked France for sharing relevant documentation.

---

<sup>1</sup> See <https://one-communities.oecd.org/community/dacpwbffunding/SitePages/Home.aspx>

8. The Chair announced that the document on DAC Enlargement and Accession [DCD/DAC(2023)24/REV1] has been approved, having passed through the written procedure on 3 July. The Secretariat specified that, as agreed, it will incorporate the Associate conditions in the DAC's Global Relations Strategic Directions, pending approval by the OECD External Relations Committee.

9. The Chair informed the Committee that the delegates from New Zealand and Poland have announced that they will step down from their roles as Vice Chairs over the summer. He explained that the Secretariat has not yet issued the call for nominations to replace them, since the designation procedures have not yet been approved by the Committee. The Development Co-operation Directorate and the Directorate for Legal Affairs are working with members to come to an agreement on the procedures, after which the call for nominations can be issued. It is most likely that the DAC will formalise the designation of these two new Vice Chairs at the October 2023 meeting.

10. The Committee considered the issue of the Official Development Assistance (ODA) eligibility of contributions to the Ukraine Country Programme. The DCD recommended applying a 92% ODA coefficient in recognition of the need for a conservative approach to account for co-ordination activities that may explicitly target a political or diplomatic objective, especially as the programme originates from the OECD and confers a mutual benefit to the Organisation. The Global Relations and Co-operation Directorate intervened to spell out the activities and specific focus of the Ukraine Country Programme and asserted that the work of co-ordination and bringing countries closer to OECD committees and standards has a development angle.

11. In discussion, several members argued for a 100% coefficient, citing their concerns over earmarking of contributions and highlighting the developmental benefit to Ukraine of this country programme, including through its co-ordination component. In concluding the session, the Chair invited comments from members on the original WP-STAT paper [DCD/DAC/STAT/RD(2023)4] by 13 July 2023, which will inform a new Secretariat paper. The Chair will ask WP-STAT to programme a discussion on the matter and to render their decision.

### **Item 3. Private Finance for Sustainable Development**

12. In accordance with the terms of reference [see paragraph 25 of DCD/DAC(2019)61/FINAL] for the Community of Practice on Private Finance for Sustainable Development (CoP-PFSD), the CoP-PFSD co-Chair and the Secretariat presented the CoP's history, the rationale for its establishment, the findings from the review which the DAC approved in May 2022, and finally its work programme for the Committee's approval. The work programme is proposed to cover a review of the OECD DAC Blended Finance Guidance as well as new blended finance guidance for adaptation and biodiversity. The updated OECD DAC Blended Finance Guidance will be presented to the DAC in due course. In addition to this core work, the Secretariat will continue to work on green, social, sustainability and sustainability-linked (GSSS) bonds and new tools that are showing promise such as Sustainability-Linked Bonds.

13. In discussion, members welcomed this update, encouraged the CoP to be inclusive and collaborate beyond the DCD and with development finance institutions (DFIs) in undertaking its work, and expressed support for bringing the topic of private finance mobilisation to the DAC High Level Meeting. In closing the session, the Chair concluded that the Committee had approved the CoP's work programme.

### **Item 4. Draft HLM Programme**

14. The Chair presented a proposal for the DAC High Level Meeting (HLM) programme, informed by the discussions at last week's Tidewater. The proposal contains the following main political deliverables: core values and standards, the need for increased finance for sustainable development, mobilisation of private finance, and climate change. Members welcomed the direction of the proposed programme and requested that the HLM deliver concrete, political deliverables, addressing autocratisation, fragility, biodiversity, mobilisation of finance, and outreach among others.

15. The Chair confirmed that the HLM would issue a communiqué, for which a separate process would be launched to negotiate the text prior to the event. Members looked to the communiqué to help frame the priorities for the next PWB.

16. The Chair also informed delegates that, due to a clash of dates with an EU ministerial meeting being held in Brussels on 16 November, the DAC will likely shift its HLM to 15 November, with a dinner the prior evening. The Chair will communicate clarification on these dates by next week.

17. The Committee will consider a new HLM programme, revised to integrate members' comments, at the September DAC meeting.

#### **Item 5. Accession of Estonia to the DAC**

18. To inform the Committee's decision on Estonia's request for accession to the DAC, the Secretariat presented its assessment of the current state and direction of Estonia's development co-operation and the country's capacity to fulfil the obligations of DAC Membership, as determined by the current criteria [DCD/DAC(2022)55/FINAL].

19. The Undersecretary for Economic and Development Affairs Mariin Ratnik presented Estonia's development co-operation ambitions, strategy, and priorities for implementation, reiterating Estonia's keen interest in joining the Committee and highlighting the ways that Estonia could contribute as a member. She also noted Estonia's interest in undertaking a mid-term peer review of its development co-operation.

20. DAC members, in a closed session for members only, agreed to welcome Estonia as the DAC's 32nd member. Upon returning to the room, the Estonian delegation was informed of the positive decision. The delegation warmly thanked the Committee and promised to be a trusted partner.

21. An exchange of letters took place immediately after the meeting to formalise the decision: the DAC Chair handed a letter of invitation to Estonia and Undersecretary Ratnik signed a letter to the OECD Secretary-General (represented by OECD Director of Development Co-operation María del Pilar Garrido Gonzalo). Estonia formally accepted the invitation to join the Committee, pledging to fulfil membership obligations and confirming its willingness to adhere to the *OECD/DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change* [OECD/LEGAL/0466]. The signing ceremony was followed by a reception hosted by Estonia's Ambassador to the OECD Priit Pallum.

#### **Item 6. Summary of Conclusions**

22. 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.

### **Session 2: Wednesday, 5 July 2023**

#### **Item 7. DAC Messaging Ahead of COP28**

23. Following the June 2023 discussion on DAC deliverables under its climate declaration, the Committee considered potential political messages and deliverables of the DAC for the 2023 Conference of the Parties of the UNFCCC (COP28). Representatives from the UAE COP28 presidency and the Brookings Institution/LSE Grantham Research Institute on Climate Change and the Environment addressed the DAC to encourage, inter alia, the mobilisation of concessional and private finance and delivery on the US\$100 billion commitment.

24. The Secretariat presented an initial outline for a DAC contribution, taking account of the outcomes of the June 2023 Summit for a new Global Financing Pact. The elements proposed for the DAC messaging include: the indivisibility of sustainable development and climate action as well as references to the DAC

declaration commitments to transparency of development and climate finance, to enhanced adaptation action, and to supporting energy transition through a common DAC approach.

25. In discussion, members welcomed the initial elements, and some offered ideas to finetune the messaging, including: alignment with the Task Force on Access to Climate Finance; linkages between biodiversity and climate; climate-proofing of ODA; integrating the poverty, inequality, fragility, and just transition dimensions; referencing the reform of the international financial architecture; and highlighting the role of multilateral development banks. They requested a short, concise statement, requested more details on the possible common approach on the energy transition, and recommended that Environet be consulted.

26. The Chair requested that members submit any written comments to the Secretariat by 13 July 2023.

#### **Item 8. Private Sector Instruments (PSI)**

27. Following the WP-STAT's 16 June 2023 written procedure approval of batch 2 PSI topics (treatment of equities, mezzanine finance instruments and reimbursable grants), the WP-STAT leadership and the Secretariat presented the proposals for the DAC's approval. The Secretariat also spelled out recent discussions with the Export Credits Group (ECG) and its Secretariat on future work in the context of monitoring of PSI. Moreover, the Secretariat also presented a timeline for the finalisation of the PSI review, putting forward a special session of the WP-STAT in late August to discuss and possibly approve the batch 3 topics, followed by an approval by the DAC in September.

28. In discussion, members did not arrive at a consensus decision. One member could not approve the batch 2 proposal [DCD/DAC(2023)33] for formal and substantive reasons. Still, the member argued that the previous version of the document [DCD/DAC/STAT(2023)3/REV2] was acceptable. The member also suggested to focus DAC efforts on batch 3 topics and the treatment of mezzanine finance and reimbursable grants.

29. The Chair will work with interested delegations and the Secretariat to find a solution for Committee approval of batch 2 via the written procedure over the summer.

#### **Item 9. Summary of Conclusions**

30. 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 10. Any Other Business**

31. The delegate from the United States intervened in her capacity as co-facilitator for the DAC Network on Governance (GOVNET) to update the Committee on the deliberations within the 33<sup>rd</sup> Plenary Meeting of GOVNET the previous week [see agenda under cote DCD/DAC/GOVNET/A(2023)2].

32. The delegate from Hungary intervened in her capacity as co-facilitator of the DAC group on subsidiary body oversight to announce that the list of subsidiary body facilitators will soon be updated and a call for nominations to fill vacancies will soon be issued.

33. The DAC bade farewell to departing delegates from Canada, the Czech Republic, Japan, Korea, the Netherlands, and Poland. The Chair also recognised the head of the DCD's Foresight, Outreach and Policy Reform Unit, who is leaving the OECD to take up a new posting as President of Camões, the Portuguese development co-operation agency.