

Unclassified**English - Or. English**

27 October 2023

**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE****Summary Record of the 1128th DAC meeting held on 12 September 2023**

The Draft Summary Record [DCD/DAC/M(2023)8] was approved under Item 1 of the Draft Annotated Agenda [DCD/DAC/A(2023)15], without modification, at the DAC 17 October 2023 meeting and is now issued as FINAL.

The Committee also agreed to declassify this final version.

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Summary Record of the 1128th DAC meeting held on 12 September 2023

Tuesday, 12 September 2023

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

1. The DAC welcomed new delegates who arrived over the summer break and then adopted the draft agenda [DCD/DAC/A(2023)12] without modification. The Committee considered the revised draft summary record from the 15–16 June 2023 DAC meeting and the draft summary record from the 4–5 July 2023 DAC meeting. They approved both records and agreed to their declassification.

Item 2. Briefing by the DCD Director and DAC Chair

2. The DCD Director and DAC Chair provided delegates with an update on recent and upcoming activities within the Directorate and the Committee. The Chair directed the Committee's attention to the outcomes of the recent G20 Leaders Summit and previewed a number of upcoming events, including:

- The Czech Republic peer review on 13 September
- Several UN General Assembly engagements in New York the following week
- The annual DAC–TUAC Forum on 25 September
- A pre-HLM consultation with CSOs in mid or late October
- A DAC event on 3 December in the margins of the UAE COP28.
- The June 2024 Tidewater to be hosted in Germany

3. The DAC Chair reported to the Committee on discussions held the previous day on the designation procedures for the DAC Bureau. With comments from interested delegates and advice from the Directorate for Legal Affairs (LEG), the Secretariat will issue a new version of the procedures for approval via the written procedure, with an accelerated deadline of one week¹. If the procedures are agreed, the Secretariat will issue a call for nominations to fill the two vacant seats on the Bureau, with a view of formally designating them in the 17 October 2023 DAC meeting.

4. The Chair also announced that the UK had put forth its nomination to represent the donor community on the SDG4 High-Level Steering Committee over the 2024–25 term. If no member expresses any objection by 14 September, the Chair will communicate this nomination to UNESCO on 15 September.

5. The Director announced that the Executive Committee has agreed to convey to the 13 September Council the proposal to host the International TOSSD Forum. She also updated the Committee on ongoing consultations with LEG and the Global Relations and Cooperation Directorate (GRC) on the ODA eligibility of voluntary contributions to the Ukraine Country Programme. In July, the Director represented the Secretary-General at a series of meetings in China which have strengthened OECD relations with the country. She previewed the 7th International Meeting on Triangular Co-operation to take place on 12–13 October in Lisbon.

6. The Director then offered budgetary details from the Committee Progress Report for the period January to June 2023 [DCD/DAC(2023)43] and announced that the Secretariat would issue a document for the Committee's approval, via the written procedure, to validate an adjustment to the 2023 budget².

¹ Later issued under the cote DCD/DAC(2023)23/REV3 and then approved via the written procedure and issued as final under the cote DCD/DAC(2023)23/FINAL.

² Later issued under the cote DCD/DAC(2023)44.

7. The Secretariat circulated an updated proposal [DCD/DAC/RD(2023)8/REV1] of messaging for a DAC contribution to the 2023 Conference of the Parties of the UNFCCC (COP28). Members were invited to share written comments on this messaging, by 20 September 2023.

Item 3. Triennial Review of the DAC List of ODA Recipients

8. To inform the DAC's triennial review of the DAC List of ODA Recipients, the Secretariat presented the latest World Bank income classifications and updated data on Gross National Income for the countries on course for graduation from the List. The latest data confirmed that Montserrat and Nauru have exceeded the high-income threshold for the required period to qualify for ODA graduation.

9. Following Australian and UK proposals³ to defer graduation in the two countries, many members expressed their sympathies for the vulnerabilities of small island developing states, with some arguing to defer the graduation and others to confirm it, the latter group referencing the reinstatement arrangements.

10. In closing the session, the Chair concluded that there was no consensus on the decision. He announced that he would consult with members to bridge the gaps and return to the Committee soon with a proposal for their approval. He stated that the process to notify countries of upcoming graduation could be usefully advanced to improve preparations.

Item 4. Draft HLM Agenda

11. Following an initial proposal at the July 2023 session, the DAC Chair presented updated elements for the High Level Meeting (HLM) programme. The HLM will be held in a hybrid format, although members are strongly encouraged to attend in person and at a ministerial level. Invitations will be issued within one week or so. For DAC members, he proposed a head of delegation plus two. For all other delegations, a head plus one.

12. The Chair also informed members that an informal session would be convened on 26 September to review a first draft of the HLM Communiqué (to be issued in about one week's time). A revised version will be produced for a second drafting session in late October.

13. The Chair proposed the following structure for the meeting itself, subject to further discussion:

- Evening of 14 November: a DAC-only heads of delegation dinner discussion on Ukraine
- 15 November: Morning discussion on aid strategies in politically constrained contexts
- 15 November: Lunch discussion on mobilising finance for sustainable development
- 15 November: Afternoon session on climate change

14. Session notes will help inform the discussions. Members welcomed the general lines of the proposal and offered comments, including on: outreach and partnerships, domestic resource mobilisation, leaving no one behind, the broader impact of Russia's aggression against Ukraine, building on and not merely duplicating deliberations in other fora, and the need for a concise and forward-looking Communiqué with both political messages and concrete instructions for the Committee.

15. The DAC Chair's Office will integrate member comments into a further revised proposal to be presented for approval at the 17 October session.

Item 5. Development Co-operation Effectiveness

16. In this session, DAC members discussed how to consider the development co-operation effectiveness principles more centrally in their work and thereby how to best seize the political opportunities offered by the Global Partnership for Effective Development Co-operation (GPEDC), in particular through the new GPEDC monitoring and country-level dialogues.

³ See DCD/DAC/RD(2023)6 and DCD/DAC/RD(2023)4

17. The DAC Chair emphasised that effectiveness is a cornerstone of all DAC work. He pointed out that GPEDC helps strengthen the quality of development co-operation and indicated that the effectiveness of our co-operation warrants as much attention as our discussions regarding the quantity of development finance. He highlighted how the new monitoring exercise offers a timely opportunity for evidence-based learning at both headquarters and country level in dialogue with our partners. The strong buy-in by partner countries to the new monitoring puts the onus on the DAC to respond credibly and commensurately at the country level and send a strong signal of its commitment to development effectiveness.

18. Ms. Marie Ottosson, Swedish GPEDC Co-Chair representing development co-operation providers, explained that the 2023-26 GPEDC Work Programme underpins a more action-oriented partnership with a strong country focus to deliver the commitments made at the Effective Development Co-operation Summit in December 2022 in Geneva. The new monitoring is a political exercise that creates opportunities for substantive dialogue with partner countries to strengthen trust and uphold accountability. Members were strongly encouraged to proactively engage with their partner countries to participate in the monitoring exercise and use its data and evidence to underpin an inclusive and action-oriented country dialogue on joint action for more sustainable results. Ms. Ottosson highlighted the new features of the monitoring framework including a stronger focus on fragile contexts, reaching the furthest behind, and engaging effectively with the private sector. She urged DAC members to make use of the monitoring results across policy discussions at the DAC and to provide resources to secure the effectiveness work throughout the 2023-26 work programme. The value of the GPEDC resides in its inclusive and multi-stakeholder nature, offering a platform for DAC members to also reach out to many other partners including non-OECD members, civil society, private sector, and others at country, regional, and international level. Indonesia, the GPEDC co-chair of the dual countries, places great emphasis on outreach to the G20 and non-DAC donors.

19. The Secretariat explained how it supports members driving the effectiveness agenda at country level and aims to make best use of the monitoring results to inform DAC policy discussions, peer reviews, and networks. There is a dedicated effectiveness community space with user-friendly guidance for members to share their own efforts and guidance to support peer learning. A state-of-the-art online reporting tool has been developed to simplify the data reporting process for all actors involved and minimise the burden on the national co-ordinator, all the while strengthening the quality and integrity of the monitoring results.

20. In discussion, members thanked Switzerland for its leadership to the GPEDC over the years and warmly welcomed Sweden in taking on this new role. They welcomed the reformed monitoring exercise and the focus on an inclusive process at country level and efforts to avoid overburdening the limited capacity of some of the partner country governments. They valued the prospects of country dialogues on the monitoring results and the opportunities to enrich policy discussions at the DAC and committed to supporting the roll out and engagement of country missions in the process. The informal effectiveness sounding board should continue to bring together effectiveness focal points in capitals and heads of co-operation in embassies for peer learning and exchange on both the successes and failures to overcome challenges at country level and develop good practices and guidance. They highlighted opportunities for continued substantive discussions around how to reinforce ownership by partner countries, how the monitoring can support locally led development and the peer review process, private sector engagement, delivering on global public goods including adapting to climate change, linking up with the results community, engaging MOPAN for stronger engagement by multilaterals in the monitoring and addressing effectiveness at the next global meeting of development co-operation providers.

21. The DAC Chair concluded by reiterating the need for sustaining support to the monitoring and political momentum including through further mainstreaming of development effectiveness across all the DAC's work and through an annual dedicated discussion on effectiveness in the DAC based on available intermediate results building towards the next global monitoring report to be issued in 2026.

Item 6. Private Sector Instruments

22. The DAC Chair, WP-STAT Chair, and Secretariat updated the Committee on the progress made regarding members' deliberations on the PSI batch 2 (*treatment of equities, mezzanine finance instruments, reimbursable grants and associated clarifications*) and batch 3 topics (*additionality, reporting requirements and data disclosure, and monitoring, safeguards and disciplines*). The Secretariat also outlined the final steps to conclude the review of the provisional reporting methods during the weeks to come.

23. On batch 2, the timeline is as follows:

- On Friday 15 September or early next week, the Secretariat will issue a written procedure proposal to WP-STAT with a likely deadline of 22 September.
- On 25 September, the Secretariat will issue the proposal to the DAC for approval in a special session on 3 October.

24. On batch 3, the timeline is as follows:

- On 15 September, members will continue their technical discussions with a particular focus on additionality in the context of the PSI Project Team (WP-STAT).
- On 25 September, the Secretariat anticipates issuing a written procedure proposal to WP-STAT with a likely deadline of 6 October.
- On 9 October, the Secretariat expects to issue the proposal to the DAC for approval in an extraordinary session on 23 October.

25. In discussion, some members recommended to continue the involvement with CSOs in the upcoming discussions and were hopeful to arrive at a consensus decision before the HLM. In closing the session, the DAC Chair stressed the need for open dialogue and a willingness among members to compromise.

Item 7. Summary of Conclusions

26. 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 8. Any Other Business

27. The delegate from Norway announced an informal policy discussion with Mr. Ole Jacob Sending, Chair of the Norway Group of Experts on financing for the Sustainable Development Goals. This dialogue – jointly organised by the Development Centre and its Governing Board, the Development Co-operation Directorate and the DAC, and the Permanent Delegation of Norway to the OECD – will take place on Wednesday, 18 October 2023 from 11:00 to 12:30 in the Auditorium of the OECD Conference Centre. The Norwegian delegate also referenced the Center for Global Development's annual Development Leaders Conference to be co-hosted with the Indonesian Ministry of Foreign Affairs and the Norwegian Agency for Development Cooperation on 24–25 October 2023 in Oslo.

28. The delegate from Chile reminded the Committee that the previous day marked the fiftieth anniversary of the coup d'état in his country. He recognised and thanked those countries who received refugees during the ensuing period and those who supported reconstruction after the later fall of the dictatorship.