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## REPORT ON RECENT MEETINGS

### Room Document 1

DAC Meeting, 14 December 2011

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## REPORT ON RECENT MEETINGS

### DAC ENVIRONET Task Team on Green Growth and Poverty Reduction - 16 November 2011

1. This Task Team has been established under the ENVIRONET, but will also operate under the guidance of the DAC. Hannah Ryder (United Kingdom) was elected as the Chair, with Matti Nummelin and Timo Voipio (Finland) as the Vice-Chairs.

2. At the Task Team meeting, participants welcomed the recent scoping study commissioned by the DCD Secretariat, entitled '*Moving Towards Green Growth: Implications for the Least Developed Countries*'. Based on the recommendations and key messages from the report, the Task Team agreed to address four topics in its Good Practice Series on Green Growth and Development Co-operation: (i) How can donors support green technology adoption and innovation?; (ii) What specific governance mechanisms and instruments are required for pro-poor green growth?; (iii) What are the issues concerning green growth policy coherence for development and how can negative effects be minimised and positive impacts be promoted?; and (iv) how can developing countries generate greater value and welfare from natural capital? Some participants demonstrated their interest in being involved in the preparation of this guidance, subject to confirmation following consultation with their ministries / organisations.

3. The DCD Secretariat provided an overview of a new report on Green Growth and Developing Countries, produced as an interim product for the Rio+20 Conference in 2012. Members advised some caution in undertaking this work, i.e. the added value to other existing and future contributions of this kind and the sensitivity among developing countries about this topic. Members encouraged co-operation and collaboration with other organisations undertaking green growth projects and research, and welcomed the approach of bringing in developing-country reviewers for feedback and comments.

4. Regarding the Task Team arrangement, participants agreed that the Task Team would benefit from a broadened membership, in particular by inviting representatives from developing countries. Terms of Reference indicating criteria for the selection of developing-country representatives have been circulated, and the deadline for nominations is 6 January 2012. The second Task Team meeting will take place back-to-back with the ENVIRONET meeting on 2 March 2012.

### Working lunch on Aid for Investment in Africa's Infrastructure, Global Forum on International Investment - 6 December 2011

5. DAC members were invited to this informal side event to the Global Forum on International Investment to discuss the document *Mapping Support for Africa's Infrastructure Investment* [[COM/DAF/INV/DCD/DAC\(2011\)4](#)], a joint project by the DAC and the Investment Committee (PWB Output 5.1.3.3 and 4.1.1.7). Other participants included Investment Committee members, Ambassadors from African embassies, and representatives from public and private financial institutions. After introductions by the Chair of the Investment Committee's Advisory Group on Investment for Development and the Co-Chairs of the NEPAD-OECD Africa Investment Initiative, staff from the DAC and IC Secretariats presented the paper's main findings.

6. This was followed by responses from discussants representing a public-private development finance institution and a private bank that provide financing for Africa's infrastructure. Both discussants stated the need for creative long-term financing and risk mitigation mechanisms to invest in Africa's infrastructure projects, thereby endorsing the blending of public and private resources. Many African Ambassadors also emphasised the importance of taking a regional approach to infrastructure development. The Chair concluded that the OECD was well placed to contribute to the establishment of long-term policy frameworks for Africa's infrastructure development through: support for regional approaches, improvement of the enabling environment, and engagement of the emerging economies into the dialogue.

**DAC Briefing on the “Implementation of the Due Diligence Guidance for Responsible Supply Chain of Minerals” and on “Stolen Asset Recovery Progress Report” – 12 December 2011**

7. A DAC briefing was organised to update DAC Delegates on the Policy Coherence for Development agenda, and particularly on the OECD Diligence Guidance on Responsible Supply Chains of Minerals and the Stolen Assets Recovery (StAR) initiative, and to allow for experience-sharing among DAC Delegates.

8. After the DAC Chair recalled that the OECD was uniquely placed to improve the coherence of policies for development, and the DCD Director presented the DAC’s main levers to improve coherence, DSG Boucher presented the CleanGovBiz initiative and its contribution to the PCD agenda. In addition to being a web-based platform that provides various stakeholders with access to all relevant OECD tools and instruments related to the fight against corruption, the initiative also aims to set up multidisciplinary OECD teams to help countries address corruption and integrity challenges in an integrated manner.

9. The OECD and the StAR initiative have carried out a joint survey and progress report on OECD country compliance on anti-bribery and asset recovery between 2006 and 2009. The presentation of Stolen Asset Recovery progress report and the following discussion focused on the asset recovery part of the progress report and its PCD implications. The report shows that only four countries have returned a total of 277 USD million over the period, with another 1,225 USD million having been frozen. Key recommendations include the need for improved data collection on asset recovery cases; the need for OECD countries to put in place the necessary laws for effective tracing, freezing and recovery; and the need for effective and resourced institutions to handle such cases. Phil Mason (DFID) presented the UK experience of using DFID funding for targeted domestic law enforcement agencies in an effort to fill gaps and overcome the incentive problems which lead to asset recovery cases involving developing country jurisdictions not being prioritized in OECD countries. Philippe Besson (Swiss DAC Delegate) spoke briefly about the Swiss experience in handling two high-profile asset recovery cases, highlighting the need for political leadership in driving legislative change on this issue.

10. Implementation of the OECD Due Diligence Guidance on Responsible Supply Chains of Minerals began soon after its endorsement by the OECD Council in May 2011, with a pilot involving over 85 companies in DR Congo. The Secretariat, first, presented the case for support to more active donor involvement in the issue, given that conflict minerals lead to violence, poverty and weaker governance—and conversely, responsible minerals can bring jobs, growth and improved state capacity. For example, the ongoing discussions at the EU on raw materials and payment disclosure in extractive industries require a developmental perspective and are an opportunity for harmonisation of policies among EU members. Second, DAC delegates were invited to raise awareness of the Due Diligence Guidance in their capitals, both in development agencies and beyond: along with support to certification, traceability and auditing, action in security sector reform, customs, and public financial management are critical to ensure the enabling conditions for “responsible minerals”. The Netherlands, Canada and Belgium shared good practice in supporting “responsible minerals”, including the development of a natural resource policy, the appointment of a Special Envoy and “whole-of-country engagement” thanks to dialogue across ministries and with the industry and CSOs.

11. Mr. Lomoy summed up the discussion, reminding participants that PCD is hard work in practice, that it takes time and that it is a costly endeavour. Nevertheless it is a potentially powerful way to leverage scarce ODA resources for significant development impact. He reminded Delegates that the Secretariat remains at their disposal for further clarifications and follow-up discussion with countries that may be interested, and that expertise can be mobilized for more technical work in their capitals on applying some of the PCD work discussed. Delegates expressed satisfaction with the detailed discussion and expressed a wish to continue such informal substantive discussions, looking for ways to keep them interactive.