

Co-Chairs' Summary

The first LAC-DAC Dialogue on Development Co-operation was held on 29 June 2016 in Santiago de Chile. It was co-chaired by Mr Ricardo Herrera, Executive Director of the Chilean International Development Co-operation Agency (AGCID), Mr Bruno Figueroa, Director General for the Mesoamerican Project, Mexican International Development Co-operation Agency (AMEXCID), and Mr Mario Pezzini, Acting Director of the OECD Development Co-operation Directorate and Director of the OECD Development Centre. The LAC-DAC Dialogue brought together representatives from countries in Latin America and the Caribbean (LAC) and members of the OECD Development Assistance Committee (DAC) for a frank and interactive exchange. Representatives of several multilateral institutions operating in the region also attended and contributed to the discussions.

Translating the Sustainable Development Goals into Institutional Strategies

As more countries succeed economically, there is a need to reflect on the consequences of this “shifting wealth” for development co-operation and the achievement of the Sustainable Development Goals (SDGs). More will need to be done to tackle inequalities and structural imbalances and to ensure the production/protection of global public goods. To do so, policy and programming cycles, including planning, implementation and results reporting, that are based on progress in achieving the SDGs should now be part of the institutional strategies of development administrations in both Latin America and the Caribbean and DAC members. Participants discussed their experiences to date of operationalising the 17 SDGs and 169 targets. Some countries already have good experiences to share of aligning their national development plans with the SDGs, including by prioritising those SDGs that are most relevant, and with co-ordinating the different political actors involved (such as regions, municipalities and cities).

Going forward, participants agreed on the importance for LAC countries, DAC members and other partners of:

- Exchanging ideas on policies and tools to translate the SDGs into institutional strategies for development co-operation.
- Continuing to pilot different ways of identifying the structural gaps that hold back SDG achievement.
- Exchanging experiences of mobilising additional resources for SDG implementation, e.g. from the private sector, civil society and private foundations.

Implementing development co-operation with middle-income countries (MICs)

Latin America and the Caribbean is a region composed mainly of middle-income countries (MICs) that have implemented a series of measures and policies to improve the well-being of their citizens, often with positive results. Some LAC countries have become high-income countries in recent years, or are on the path towards becoming high-income countries. However, challenges remain, with uneven progress within and among countries and persistent structural gaps and vulnerabilities. To address their remaining development challenges, most LAC countries believe that support from DAC members, particularly technical co-operation, will continue to be an important complement to their national efforts.

Participants discussed the implications for countries in Latin America and the Caribbean of graduating and consequently being removed from the DAC List of countries eligible to receive official development assistance (ODA). Many participants argued that basing decisions on the sole criterion of per capita gross national income (GNI) - using World Bank data - does not capture the spirit of the 2030 Agenda nor the multi-dimensional nature of development challenges. According to research by the Economic Commission for Latin America and the Caribbean (ECLAC), none of the countries in the region would be classified “high-income” if the wealthiest 1% of the population were removed from calculations.

Participants also discussed the financial instruments and mechanisms that can be used (e.g. support to the private sector, or direct investments) to support middle-income countries' efforts to address their remaining development challenges, including through piloting the new concept of Total Official Support for Sustainable Development Co-operation (TOSSD). However, given the current international context, with the economic slow-down in China and persistent challenges related to climate change and migration, some participants stressed that immediate removal, without a transition period, from the DAC List of ODA Recipients runs the risk of setting back the development gains already achieved.

Going forward, participants agreed on the importance for LAC countries, DAC members and other partners of:

- Clarifying what the specific consequences are for countries graduating from the DAC List of ODA Recipients, including expected unmet financing needs, reduced access to regional programmes and the impact on triangular co-operation.
- Encouraging further analytical work including on indicators for measuring the multi-dimensional nature of development, on assessing countries' needs for support and the instruments available to tackle these challenges and on possible measures for supporting a phasing-out of ODA to high-income countries. Establishing an informal reflection group of interested countries and multilateral organisations to continue the discussion on the consequences of graduating from the DAC List of ODA Recipients and other issues related to development co-operation in the era of "shifting wealth".

Promoting Triangular Co-operation and other innovative mechanisms

Countries in Latin America and the Caribbean and the DAC look back on many years of working together in triangular co-operation, in the LAC region as well as in other parts of the world. A recent international meeting on triangular co-operation in Lisbon highlighted that triangular co-operation is one of the core instruments of Latin American providers, whereas for many DAC members triangular co-operation has still not been incorporated fully into their main toolkit of modalities. There is now a great variety of triangular co-operation in terms of scale, scope, regions, sectors, types of project and actors involved. Participants agreed that triangular co-operation complements, but does not substitute for, South-South and North-South co-operation. Multi-stakeholder partnerships that include the private sector, civil society and academia can possibly follow from a scaling-up of triangular co-operation and all partners can learn and improve their management capacities through triangular co-operation. Participants also discussed some innovative development solutions, such as private-public partnerships and joint funds established by two or more countries.

Going forward, participants discussed the importance for LAC countries, DAC members and other partners of:

- Outlining what they require to make more strategic use of triangular co-operation as a tool for development co-operation, including in least-developed and low-income countries.
- Doing more to explore possible synergies based on non-traditional approaches to development co-operation, such as inclusion of the private sector and civil society as well as working through joint funds.
- Documenting triangular co-operation projects and actions better and making this information available.
- Improving the measurement of flows and results of triangular co-operation.

Further strengthening collaboration

Participants welcomed the dynamic, open, constructive and forward-looking discussions and expressed their desire to intensify such collaboration. They welcomed the opportunity to raise and discuss issues of concern. This provides a basis for promoting greater understanding that can support closer collaboration in the future.

Participants stressed the importance of an informal reflection group that could consider different aspects of development co-operation in the era of "shifting wealth". The group could usefully:

- Build a consensus around a narrative for today's changing environment of development co-operation, in line with the universal character of the 2030 Development Agenda.
- Consider the impact to countries shifting from one development category to another, as well as how to minimise the potential negative impact, of graduation on countries' development.
- Propose alternative criteria for deciding on a country's graduation from the DAC List of ODA Recipients.
- Assess different alternatives and other financing tools for promoting development in recently graduated high-income countries and explore possible synergies with other on-going exercises of reflection, such as Total Official Support for Sustainable Development (TOSSD).
- Meet regularly, e.g. in the margins of major international events.

The Co-Chairs undertook to transmit their summary of the meeting to the DAC and all countries in Latin America and the Caribbean and offered to track progress with implementing the agreed actions and follow-up activities.