Summary Record of the DAC High Level Meeting - 30-31 October 2017

The Draft Summary Record [DCD/DAC/M(2017)8/REV1] was approved under Item 2 of the Draft Annotated Agenda [DCD/DAC/A(2018)2] without modification at the 1st February 2018 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 DAC HIGH LEVEL MEETING - 30-31 OCTOBER 2017

Item 1. Welcome by DAC Chair and Adoption of the Agenda

1. The DAC Chair (Charlotte Petri Gornitzka) welcomed participants to the DAC's 51st High Level Meeting (HLM) and acknowledged the participation of non-DAC countries and delegations (civil society, philanthropy, private sector, key partners, accession countries, etc.). She then handed the floor to OECD Deputy Secretary-General Douglas Frantz to deliver an opening address. The Deputy Secretary-General expressed his pleasure over the choice of slogan for today's meeting (“A New DAC: Innovations for the 2030 Agenda”), as the proceeding's agenda covers new DAC reform initiatives, new ODA modernisation efforts, and new innovations to get real, on-the-ground results in line with the Sustainable Development Goals (SDGs). He emphasised that at this moment in the DAC's history it is imperative that it change. The world has changed. The DAC needs to change with it. He reminded the DAC that the high-level panel led by Mary Robinson emphasised this very point.

2. He highlighted that one of the most striking transformations in the 2030 Agenda for Sustainable Development is the universality of the SDGs. This requires the involvement of a much wider range of actors. The DAC has been wise therefore to make outreach a central part of its reform process. He commended the inclusion of private sector representatives at today's meeting. The financing needs for the 2030 Agenda are estimated to be in the trillions, which means the global community is staring down a massive shortfall. The development co-operation community needs the private sector to join this collective responsibility. The DAC itself has an important responsibility to ensure that private investments in development – and the role of Official Development Assistance (ODA) in catalysing them – are backed by the sound policies reflected in the Blended Finance principles. The DAC can use its data and evidence to help providers incentivise those private flows that deliver on development objectives and achieve development impact. Furthermore, data and strengthened data systems in developing countries are a make-it-or-break-it element for SDG success as well as DAC relevance. The international community requires data and evidence to strengthen policy responses to eradicate poverty.

3. Considering other essential pieces of the universal development agenda, recent climate-related disasters and conflict have created unparalleled linkages and complexities across the development landscape. The Deputy Secretary-General asserted that the ODA measurement systems and the DAC must respond to the complex development needs of these contexts.

4. To achieve a universal agenda, the DAC and ODA have a tremendous opportunity to demonstrate what universal development co-operation looks like. He concluded his intervention by stating that this agenda requires new actors, new partners, new approaches, new systems, and new policies.

5. The DAC Chair pointed out that around 45 countries have left low-income status over last 30 years, child and maternal mortality has dropped, and more than 90% of people globally achieve primary education. Development co-operation has been a major contributor to these impressive results. But the global community has pledged to leave no
one behind, so a more comprehensive response is required, including through increased partnerships and financial flows. New development challenges will require new ways of working. The development co-operation community must not shy away from its role in leading the change but it must inspire leadership elsewhere as well. The DAC must remain open, transparent, and hold itself to account.

6. The Chair then informed HLM participants of a breakfast meeting held that morning to discuss some of the issues on the agenda for decision. She recommended that participants discuss the UK proposal for a waiver allowing exceptional ODA after the recent hurricanes, focusing the discussion around the Secretariat’s background paper. She proposed that a special session on this topic be scheduled immediately after the session ending at 18:00. She then invited the HLM to adopt the agenda with the one modification of this additional session on the waiver issue. Participants approved this proposal.

**Item 2. Changing the Development Narrative in the era of the 2030 Agenda**

7. The Chair framed the context for discussion under this item with the statement ‘business as usual is not an option’ and that the universality of the 2030 Agenda implies the engagement of a multiplicity of relevant actors, both state and non-state.

8. The Chair then handed the floor to moderator Stephen Carroll who introduced a multi-stakeholder panel comprised of representatives from the private sector (Jean-Christophe Laugée, Vice President for Sustainability, General Manager of the Ecosystem Fund Danone); civil society (Winnie Byanyima, Executive Director, Oxfam); philanthropy (Joe Cerrell, Managing Director, Donor Government Relations, Bill & Melinda Gates Foundation); and the UN (Michael O’Neill, Assistant Secretary-General and Director of External Relations, UNDP). The panel focused on the need to overcome the competing narratives on globalisation and to construct a new narrative that addresses the misconceptions about progress and builds on the understanding of a global community of shared responsibility and inter-dependency.

9. Michael O’Neill from UNDP spoke of the role of multilateral institutions while noting that they are not sufficient to achieving the SDGs and the importance of private sector and CSO engagement. Jean-Christophe Laugée from Danone noted the need to change the system framework and that the SDGs serve as an opportunity to co-develop models and co-create ecosystem change. Joe Cerrell from the Bill and Melinda Gates Foundation noted that the current development narrative is comprised of misrepresentations of aid effectiveness therefore showing the need to communicate on the successes of development. Winnie Byanyima from Oxfam noted that the development narrative starts with building trust and effective states that support basic rights as well as supporting citizens in holding their governments accountable.

10. Interventions from the floor emphasized the need for a whole-of-society approach and engagement from all stakeholders to achieve the SDGs and the urgency to address emergency challenges head on. Members noted the importance of maintaining transparency, being coherent, effective and measuring results as well as working increasingly with partners from private sector and civil society. It was highlighted that development should be mainstreamed to address misconceptions about poverty and development co-operation. This could be achieved through changing our ‘stories’ about development co-operation – focusing on what works, showing innovations and positive impact. Members also noted that changing the development narrative could serve as a narrative for business and growth and thus represents new solutions for development.
Several countries referred to the specific challenges faced by small island developing states (SIDS), middle-income countries (MICs), low-income countries (LICs), and countries in transition, which were discussed more in depth in a specific informal session that evening.

**Item 3. Responding to Refugee Crises in Developing Countries: What Can We Learn From Evaluations?**

11. The DAC Chair opened the session and presented the publication *Responding to Refugee Crises in Developing Countries: What Can We Learn From Evaluations?* The Chair related to the audience how the work was undertaken to support the DAC Temporary Working Group on Refugees and Migration and to provide input for the forthcoming DAC Guidance on Forced Displacement. Tone Skogen, State Secretary in Norway’s Ministry of Foreign Affairs, emphasised the importance of a cross-sectoral approach in refugee responses and highlighted Norway’s support for education in emergencies, in particular through UNICEF, which streamlines interventions on WASH, child protection and education for children in refugee contexts. Volker Türk, UNHCR Assistant High Commissioner for Protection, presented UNHCR’s work on the Comprehensive Refugee Response Framework, following the signature of the New York Declaration for Refugees and Migrants in 2016. He also highlighted the OECD’s strong collaboration with UNHCR and the joint work between the two organisations, including in advancing refugee inclusion through access to employment, labour and social opportunities in OECD countries.

12. Jorge Moreira da Silva, Director of the Development Co-operation Directorate (DCD), presented the research work of the Secretariat and described how the research has helped the DAC Temporary Working Group advance its objectives. Susanna Morrison-Métois from the OECD then presented some key messages from the working papers, including the importance of learning from history, and ensuring that refugees and internally displaced people are included in national development plans and national education plans. She highlighted the plight of refugees from South Sudan and the generous support that South Sudanese refugees have been provided in Uganda. H.E. Mr Richard Nduhuura, Ambassador Extraordinary and Plenipotentiary for the Republic of Uganda, spoke about how Uganda is currently hosting over 1.2 million refugees, the highest number in its history. The ambassador described how Uganda has codified its principle of solidarity into national policy and into Uganda’s National Development Plan, implementing the Comprehensive Refugee Response Framework under the leadership of the Ugandan Government and UNHCR.

**Item 4. Incentivising Development Finance through ODA and Beyond**

13. The DCD Director highlighted that, to close the investment gap in financing the Sustainable Development Goals (SDGs) in developing countries, the DAC must help scale up the mobilisation of resources. Knowing more about the scope and nature of the broader set of financial flows that can impact development is therefore increasingly important to incentivise and maximise resource mobilisation, leveraging their smart allocation and catalytic use.

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1 Available at http://www.oecd.org/dac/evaluation/evaluating-refugee-migration.htm
14. In this session, speakers prioritised the implementation of the full Addis Ababa Action Agenda (AAAA), highlighting the importance of holistic, wrap-around approaches, supporting resource mobilisation efforts with deeper investment climate, governance and policy reform, and better leveraging the interlinkages between development resources and actors. The ultimate goal is countries’ financial independence; DAC members have an important role in achieving this. Members noted that supporting domestic resource mobilisation is a key focus, including through the interlinkages with domestic expenditure on sustainable poverty reduction. Mobilising private finance towards development needs should include fully commercial finance, philanthropic, and remittance flows, and emphasise long-term sustainability.

15. Individual members highlighted their priorities and innovations, including doubling public infrastructure finance; rolling out guarantee programmes; programmes to eliminate tax exemptions on ODA; efforts to improve investment climates; and gender-aware development policy. Policy coherence of OECD members is critical, and domestic efforts can have a big impact on developing countries. Examples emphasised responsible business conduct, financial sector efforts to invest in SDGs, and the development of green bonds. Members emphasised the quality as well as quantity of official assistance and mobilised finance as well as tailoring approaches and instruments to country contexts, including in the management of risks. This highlights the importance of OECD standards and analytical work in supporting DAC members as they implement AAAA.

16. Strong support was expressed for the work of the international Total Official Support for Sustainable Development (TOSSD) Task Force in advancing the development of the measure and for positioning TOSSD as an international statistical framework for the SDG era through the UN system. The HLM encouraged the Secretariat to continue testing TOSSD through pilot studies in partner countries. Members also emphasised the importance of a continued inclusive process going forward.

**Item 5. New Approaches in Development Finance**

17. The blended finance principles were approved through a written procedure on a no objection basis. HLM delegates agreed that blended finance has become an important tool to mobilise private finance for development, and that the principles would provide a framework for ensuring that effective approaches are undertaken when practicing blended finance. Delegates also welcomed the forthcoming report “Making Blended Finance work for SDGs,” which will address a necessary and different scale of crowding-in finance. Delegates recognised the importance of engaging with the private sector and sharing best practices. A number of members also highlighted that they are increasingly focusing on social impact investing and green investment. The volume of funds that is emerging through initiatives and platforms to scale up blended finance has become more apparent; as such, members underscored that the blended finance principles will help deliver effective co-ordination and alignment of best practices across DAC members.

**Item 6. Innovations in Development Effectiveness**

18. This session aimed to position development effectiveness and innovation for development at the centre of the DAC’s renewed commitment to development impact and meeting the demands of the 2030 Agenda. Participants reiterated their strong commitment to the principles of effective development co-operation, and their monitoring, and implementation of the Nairobi outcome document. Effectiveness should remain a core
focus of the DAC. The principles require new energy, especially as members seek to
crowd in more partners, and renewed application in partner countries.

19. Participants emphasised the continued importance of the Global Partnership for
Effective Development Co-operation (GPEDC) as a platform and vehicle for the DAC’s
work. Development effectiveness needs to be strengthened as the third pillar of the global
development agenda and a key enabler to accelerate progress on the other two pillars: the
SDGs and financing for development commitments made in 2015. Supported by several
members, the German GPEDC co-chair asserted that, to reinforce the Global Partnership,
it would be necessary to: i) increase the level of, especially political, engagement at the
highest levels; ii) bolster the multi-stakeholder and inclusive nature of the GPEDC with
strengthened participation of the private sector (beyond business associations) and
emerging economies; iii) ensure strong engagement in the 2018 monitoring round; and iv)
provide sufficient resources for adapting the Global Monitoring to the SDG agenda and
ensuring the next round gathers robust and useful data that will feed into the HLPF 2019
on progress towards the SDGs. The co-chairs of the GPEDC have confirmed that
measures have been agreed in the October Steering Committee to address these issues, in
particular developing an advocacy and outreach strategy, creating a business caucus to
engage the private sector, and organising a series of specialised policy dialogues to
engage emerging economies.

20. Innovation will become increasingly important in development and in support of
development, in embracing complexity and responding to new challenges in an SDG era.
Participants expressed a demand for the OECD/DAC to
work more on innovation for
development, defining it broadly, building on work on innovative finance and going
beyond in relation to new policies, practices, approaches, partnerships and ways of
delivering official development assistance, including through new technologies. Canada
and the Chair pointed out that, as many DAC members have deployed targeted innovative
initiatives in recent years, the DAC can capitalise on this expertise by consolidating
learning and offering a space for good practice exchange and norm setting. Innovation
offers a promising space for galvanising collaboration beyond traditional partnerships,
including through use of GPEDC and the Global Partnership Initiatives (GPIs). Recognised challenges with the innovation agenda – for which further support is needed –
include reaching scale, demonstrating impact particularly for the poorest segments of
society, and ensuring innovations are demand driven and locally relevant.

Item 6bis. Special Session on Exceptional ODA

21. In this special session, the Director presented a Secretariat background paper to
inform the discussion on allowing for exceptional ODA use in circumstances such as
natural disasters in countries not eligible for ODA. He highlighted that, given the recent
hurricanes in the Caribbean, it seems timely to consider whether rules and guidelines
should be established for reinstating countries or territories on the DAC List. The
Secretariat note provides some background on the question by looking at the relevant
ODA rules as well as other broader principles of international and humanitarian law. It
distinguishes two pillars which could be addressed jointly or separately:

- The economic setback pillar: Reinstating on the DAC List of ODA Recipients
countries and territories that have dropped below the high-income threshold.
- The crisis pillar: Exploring the possible exceptional and temporary ODA
eligibility in favour of countries and territories, beyond the DAC List of ODA
Recipients and beyond the DAC membership, hit by severe disasters or crises.
22. The Chair summarised the discussion from the floor by pointing out that the DAC was generally comfortable with the proposals under the first pillar but that there was a divergence of opinions on the second pillar. Rather than arriving at a formal decision in this session, she concluded that the approach to future work would be agreed in the communiqué.

Item 7. Improving Development Effectiveness to Ensure Humanitarian–Development–Peace Coherence

23. This session was framed by the DAC Chair, Ursula Mueller (Assistant Secretary-General for Humanitarian Affairs) and Kristalina Georgieva (Chief Executive Officer of the World Bank, by video message), around the following issues:

- Fragility and crises affect us all: the interconnectedness of our global environment means that no one is immune to the effects of fragility - what happens in contexts of fragility can, and increasingly does, have ripple effects elsewhere, including migration flows and violent extremism. Working in fragile contexts is becoming the new normal.
- ODA remains a critical source of finance to drive change in fragile and conflict/crisis-affected contexts, by incentivising real change and reaching those left most behind.
- People - those furthest behind - need to be the focus of our attention in fragile contexts, building resilience and better lives.
- Humanitarian aid is being stretched in both scope and time well beyond its traditional mandate of saving lives - there needs to be more development focus on preventing crises, and alleviating the root causes of fragility.
- Greater coherence between humanitarian, development and peace efforts is the only way forward if we are to attain the SDGs in the most difficult contexts, and fulfil our joint promise to leave no one behind.

24. During the session, HLM participants adopted the clarifications to the statistical reporting directives on in-donor refugee costs\(^2\), ensuring a consistent application of methodologies between members and thus improving the credibility and integrity of ODA as a measure. Participants thanked the EU and Japan, co-chairs of the Temporary Working Group on Refugees and Migration, and the Secretariat, for their work on this difficult issue.

25. The session also included a discussion on the eligibility of peacekeeping expenditure under the ODA rules. The HLM agreed that the technical review of the ODA coefficient applied to UN peacekeeping operations was completed.

26. Participants agreed to prioritise the finalisation of the current work on ODA modernisation and consider further appropriate work to contribute to the realisation of the 2030 Agenda. The need to safeguard the integrity of ODA was also highlighted by some members.

27. On the humanitarian–development–peace nexus, participants recognised the need to move beyond business as usual, promoting more effective and sustainable results in fragile and crisis contexts, and recognising that it is cheaper – in terms of lives and money – to prevent crises rather than rebuild. The DAC confirmed that it intends to build on its

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\(^2\) These clarifications were adopted ad referendum for one member until 27 November 2017.
strong evidence base and use its convening power to find coherent ways of collaborating, bringing together diplomatic, humanitarian, development, and peacebuilding actors. A greater focus on conflict prevention and building resilience must be effectively implemented where it matters most – on the ground – and should support and complement the multilateral system's New Way of Working and monitoring delivery of the Grand Bargain initiative.

Item 8. Ensuring the DAC is Fit for Purpose

28. The DAC Chair introduced this item by stating that the DAC was set up at a time when the world was “dualistic” noting that the current development landscape has brought about new challenges and a multiplicity of actors. The global development framework based on the 2030 Agenda and the AAAA is a “game changer” and therefore requires that the DAC adapt to remain relevant and unleash its potential. The Chair noted that the mandate and vision, which have outlined the reform process of the DAC, had been approved through the written procedure.

29. Discussions from Members highlighted the need for the DAC to focus on its comparative advantage and complement and feed into the work of other actors toward achievement of the SDGs, to co-ordinate and not duplicate efforts. The reform was seen as a “look in the mirror” and engagement beyond its membership essential to exploring new approaches for sustainable development. It was noted that the presence of CSOs, the private sector, as well as philanthropy and countries beyond the membership during the HLM has shown the progress of the DAC. Members as well as the representative from the DAC-CSO reference group also noted the need for all development actors to work to rebuild the development co-operation architecture and the importance of transparency and engagement in building credibility and living up to commitments.

30. The DAC Chair then opened the floor to comments on the communiqué [DCD/DAC(2017)37] which was approved by the HLM.

Item 9. Data for Development

31. The Chair and Secretariat presented the 2017 Development Co-operation Report (DCR) on Data for Development. The Director of the Statistics Directorate and Deputy-Director of the Directorate for Science, Technology and Innovation also intervened and flagged that developing countries need to have the right policies, infrastructure, investments and capacity to be able to harness the data revolution and new technology for development. In line with its leadership on data for development and as co-host of the DCR launch in London on 17 October, the UK intervened to focus on next steps that the DAC can take to bridge the data divide. The UK invited the OECD to organise a workshop for DAC members to tackle several challenges, including:

- To help developing countries have and use solid and timely data and evidence to ensure that development policies and ODA reach the people who are most vulnerable, who are furthest behind and to deliver the SDGs;
- To break down silos and waste in producing data by joining up efforts to produce data to meet common needs for evidence; and
- To invest better in building statistical systems and capacity in developing countries. Partner countries must be in the lead in producing data in a sustainable way.
32. Participants welcomed the report and its conclusions, suggesting that its six actions provide a platform to discuss good practices and co-ordinate efforts in closing data gaps, especially related to gender and the multidimensional aspects of poverty, and for triangular co-operation. The head of Oxfam stressed the great potential of data to empower citizens to demand and protect their rights and called on donors to invest in citizen-generated data, data literacy and use to fight poverty.

Item 10. Conclusions

33. In concluding the proceedings, the chair commented that the agenda was highly relevant for the DAC and greatly benefitted from highly relevant interventions from partners. She then underlined the main achievements in this HLM:

- Adoption of the blended finance principles for unlocking commercial finance for the SDGs
- Adoption of the reporting directives on in-donor refugee costs
- Adoption of a revised DAC mandate
- Adoption of a strategic vision for the DAC
- Agreement to work on rules for reinstatement on the DAC List of ODA Recipients

34. On the issue of private sector instruments, the chair quoted the following text from the communiqué: "We note that at this stage we were not able to conclude in the spirit of consensus our negotiation. We reiterate our commitment to reach a conclusion by consensus on PSI, which fully reflects its increasingly important role in development assistance. We reaffirm all the principles of the 2014 and 2016 HLM agreements." She then thanked all delegations for their active participation and acknowledged with thanks the work of the Secretariat and the interpreters.