Summary Record of the 1052nd DAC meeting held on 25 October 2018

The Draft Summary Record [DCD/DAC/M(2018)10/REV1] was approved at the DAC meeting on 5 December 2018 and is now issued as FINAL. The Committee also agreed to declassify this final version.

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Item 1. Welcome and Adoption of the Agenda

1. The Vice-Chair from the European Union served as Chair for today’s meeting in the absence of the DAC Chair. He welcomed participants, including the new delegates from Japan and the IMF, and invited the Committee to adopt the day’s agenda. The delegate from the United States pointed out a number of minor inconsistencies in the agenda annotations, which the Secretariat agreed to correct in a new version of the agenda. The changes had no impact on the content of the agenda, so the DAC approved the draft version without modification.

Item 2. Approval of Draft Summary Record

2. The Chair invited the Committee to approve the draft summary record from the 1049th DAC meeting held on 27 September 2018. The DAC approved the draft without modification and agreed to declassify the final version.

Item 3. Briefing by the Director and Chair

3. The Director reported to the Committee on recent developments from the Secretariat. He announced that the proposal to extend the country coverage of the DAC Recommendation on Untying Aid beyond LDCs passed without objection on 22 October. In addition to LDCs and HIPCs, the Recommendation will also cover countries that are only eligible to financing from the International Development Association. This will increase the amount of ODA covered by the Recommendation by an annual average of USD 3.5 billion. The Recommendation will be revised to reflect the decision of the Committee and will integrate comments sent by Members.

4. The DAC Survey on Preventing Sexual Exploitation and Abuse was issued to members on 28 September. The deadline for submission of responses was set at 28 October; however, to allow members more time to respond, the Secretariat will issue an extension to 9 November. The Secretariat looks forward to receiving member inputs to help shape the text of the legal instrument. The Secretariat attended last week’s International Safeguarding Summit in London, where 22 countries signed up to a set of donor commitments, which includes support for the OECD and the DAC to formulate a new DAC instrument that in 2019 will set standards on preventing and managing the risks of sexual exploitation and abuse in development co-operation and drive donor accountability in meeting them. The Secretariat stands ready to support the DAC in these efforts and to think collectively about how to keep the momentum strong on this topic, by facilitating knowledge exchange and peer learning among members.

5. The Director then expressed the Secretariat’s appreciation to members who submitted written comments on the proposed amendments to the DAC Peer Review Reference Guide and comments on other proposed changes to the peer review instrument. The Secretariat will present a revised text of the DAC Peer Review Reference Guide for agreement at the DAC Meeting on 16 November and will also provide further clarifications regarding proposed process changes for DAC peer reviews.

6. The Director asserted that the OECD DAC Blended Finance Principles are considered as the policy benchmark for best practices and the Secretariat has used them together with other actors that have developed blended finance thinking to bring this together under one approach. The proposed approach was officially endorsed prior to the IMF/World Bank Meetings under the heading of the Tri Hita Karana Roadmap for Blended Finance in Bali on 11 October by the President of Indonesia, Paul Polman CEO of Unilever, and the OECD’s Secretary-General. The Government of Indonesia has been a key partner and would like to see the good practices contained in the roadmap adopted by other stakeholders active in this field. The Roadmap is therefore a starting point, and the Secretariat is currently in the process of inviting partnership from all who operate in the blended finance market. The action will be centred around five areas: (1) Practice: translate the common narrative into good practice; (2) Mobilisation: Accelerate
mobilisation of private commercial finance; (3) Transparency: Build on efforts to facilitate transparency in the use of blended finance; (4) Build inclusive markets: Addressing specificities in the local and international investment climate; and (5) Impact: Promote measurement and monitoring of the impact of blended investments towards the SDGs. Members are invited to support the Roadmap and become part of the efforts to turn it into action. The Secretariat aims to announce the expanded international partnership during the Private Finance for Sustainable Development Conference week from 14–18 January 2019.

7. The Chair then intervened to remind the Committee that two members broke the silent procedure on the decision regarding the financing of the functions of the DAC Chair. He acknowledged the massive support for the compromise proposal but appreciated that the two members were not yet ready to join the consensus. The Bureau asks the two members to consult with their capitals once again and proposes to have the DAC reconsider this issue at latest by the February 2019 Senior Level Meeting for decision.

8. The Chair then presented to the DAC the way forward on private sector instruments (PSI). The Bureau had shared a note from the PSI facilitator Eric Postel and invited member comments. Many members took the floor with comments mostly focused on content and the four options that the facilitator had suggested as possible ways forward. The majority of countries stated that no option was perfect but that they treasured transparency. Members expressed no opposition to continue PSI discussions in an open-ended group and therefore tasked that group to assess the pros and cons of the options and make a recommendation to the DAC. Mr. Postel has agreed to chair that meeting which will take place on 9 November in the Boulogne Building. At the 16 November meeting, the DAC will review the recommendation then WP-STAT will review the technical implications of that proposal at its 22-23 November meetings. At the 5 December meeting, the DAC will strive to take a decision on the way forward for PSI. The Director thanked the facilitator for his work and underlined that OECD is a member-led organisation and that the Secretariat has a custodian role. He therefore encouraged countries to come to an agreement, as a non-agreement would have consequences. The Secretariat said that it would continue to consult with the Legal and Statistics Directorates to determine how to report PSI in the event that the DAC cannot come to an agreement.

Item 4. DAC Subsidiary Body Mandates

9. The Secretariat and Chair presented a proposal for revised mandates of DAC subsidiary bodies. Those mandates are currently set to expire on 31 December 2018; their sunset clauses are therefore proposed to be extended to 31 December 2022 to synchronise with the DAC’s mandate.

10. Members expressed strong support for the work of all of its subsidiary bodies and proposed a number of minor edits to the individual mandates. The Chair invited members to share those edits with the Secretariat in writing by Wednesday, 31 October. The Secretariat will then prepare a consolidated and revised version of the mandates to be shared with the network chairs for their review. The revisions will then revert to the DAC for a final approval before the end of 2018.

Item 5. Short-Term Finance in Humanitarian Crises

11. The Director announced that the reinstatement mechanism had been approved [DCD/DAC(2018)31/FINAL]. The one member that had agreed ad referendum had joined the consensus on the condition that a review of the new rule would be undertaken one year after the first country is reinstated.

12. The Secretariat (Mr. Moreira Da Silva and Ms. Benn) presented an overview of its review of finance mechanisms available to ODA–eligible and recently graduated High Income Countries (HICs) to finance the emergency response and reconstruction following disasters, and its preliminary conclusion that a finance gap exists for recently graduated HICs. The Secretariat presented, for discussion, a proposal for a time-limited Special ODA Allowance mechanism for recently ODA–graduated countries hit by catastrophic disasters and sudden onset crises, based on objective criteria and to be used in exceptional
circumstances. Members were asked to comment on the suggested rationale and the proposed objective triggers and criteria for the mechanism.

13. During the DAC discussion that followed, 9 members (Australia, Canada, EU, Korea, Spain, New Zealand, Norway, Portugal, United Kingdom) expressed support for the rationale as suggested by the Secretariat, but called for further analysis to underpin the objective triggers, and further safeguards to ensure that the Allowance does not result in diverted funds from other ODA recipients or diminished incentives for countries to manage disaster risk.

14. Ten members (Denmark, France, Iceland, Ireland, Luxembourg, the Netherlands, Poland, Sweden, Switzerland, United States) did not agree with the rationale mainly on the basis that no ODA–graduated country has ever fallen below the high-income threshold as the outcome of disasters; finance mechanisms are available for HICs, albeit underused, to insure disaster risk; the mechanism would risk diversion of ODA funds from other ODA recipients; and DAC members can support HICs in crises without accounting the flows as ODA. Several interventions called for the DAC to explore how to strengthen the uptake of existing disaster risk finance instruments.

15. The DAC was invited to provide written questions/clarifications/comments to the Secretariat (Julia.Benn@oecd.org and David.Vizer@oecd.org, copying the full Committee) by close of business 2 November. Based on those comments, the Secretariat will decide how to proceed with the proposal.

**Item 6. Private Engagement for Sustainable Development Platform**

16. The Secretariat presented an update and revised paper on the Private Engagement for Sustainable Development Platform, based on input received throughout the consultation process. The presentation outlined in particular the value added, the governance framework and deliverables of the platform to members. The paper was submitted as a discussion point and received across the board support for the goals of the platform.

17. A number of members expressed that they require further details on the platform’s objectives and outcomes, including on the governance. The Chair invited members to provide input in writing, after which the Secretariat will revise the terms of reference accordingly. However, in order to demonstrate the viability of the platform, and link it to a major conference, members agreed for the terms of reference to be agreed either before or after the January 2019 conference. That conference would be used to present the platform and raise visibility, despite the fact that the terms of reference may not have been finalised due to the DAC timetable of meetings. However, any presentation of the Platform at the Conference in January would be without prejudice to the Platform’s governance and structure if DAC Members are unable to reach consensus on those terms beforehand.

**Item 7. Policy Network Update: EVALNET**

18. The Evalnet Bureau and Secretariat updated the Committee on work in progress, including on the ongoing consultations to explore the adaptation of the DAC Evaluation Criteria. As the criteria are widely used, far beyond the direct membership of the DAC, the network is reaching out in a broad consultative process to many stakeholders, including through an online survey co-sponsored by IEG, World Bank, UNEG, IDEAS and the Evalnet.

19. The Committee expressed strong appreciation for the work of the Evalnet. Several delegates stressed the importance of its normative role, the peer exchange function, and noted the network’s responsiveness to requests from the DAC High Level Meeting, including the evaluation studies on refugee crisis in developing countries and the current work on evaluation criteria. Some suggestions were made for further work in specific areas, such as evaluations of private sector support, which will be considered by the Evalnet Bureau. The Evalnet Bureau expressed its appreciation for the opportunity of this direct interaction with the Committee and for the useful liaison role of the DAC Evalnet Facilitators.
Item 8. Multilateral Development Finance Report

20. This session provided a timely opportunity to discuss how DAC countries and other stakeholders can contribute to a more effective multilateral development co-operation system that is fit for purpose for delivering on the 2030 Agenda. The discussion was centred around the findings from the Multilateral Development Finance report, which will be launched at the end of November 2018 in New York, in an event co-hosted at the United Nations with the Swiss delegation. A draft of the report had been circulated to the DAC for comments in September.

21. The chair opened the session by highlighting that the Multilateral Development Finance report is a cornerstone in OECD’s toolkits to enhance the impact of development co-operation. The new edition comes at a critical time when doubts are raised concerning the value of multilateralism, contributing to the debate on why we need multilateralism and how we can make it work better for development. The Director stressed the need for actions by both donors and multilateral organisations, of a new ‘pact’ on multilateralism in order to improve the effectiveness of the multilateral development system. The Secretariat presented the main findings of the Multilateral Development Finance report.

22. Overall, DAC members expressed strong appreciation for the relevance, comprehensiveness and innovativeness of the new Multilateral Development Finance report. They emphasised the usefulness of the evidence and recommendations in the report for guiding effective choices vis-à-vis the multilateral development system. For instance, Germany mentioned that it used evidence from the report to determine its multilateral allocations. The United Kingdom highlighted that the Principles of Good Multilateral Donorship outlined in the report form a solid basis for improving multilateral funding and encouraged members to further discuss and adopt the Principles.

23. Some members echoed the importance of specific findings and recommendations, for instance regarding the need to enhance system-wide effectiveness, to ensure adequate levels of core resources, and to increase accountability through multilateral organisations’ independent evaluation units and a greater use of initiatives such as MOPAN. Members highlighted that this work could benefit from investing to produce dissemination materials that distil the wealth of new evidence the report contains. It could also benefit from continuing to expand, in future editions, the analysis of the multilateral engagement of non-DAC providers. This would give visibility to non-DAC countries’ investments in the multilateral system and provide opportunities for mutual learning. The representative from the World Bank requested a modification to their figures cited in the report (Special Drawing Rights – SDR US$ 53.5 billion for IDA 18).

Item 9. Multilateral Organisation Performance Assessment Network (MOPAN)

24. The Head of the MOPAN Secretariat, Ms. Suzanne Steensen, highlighted MOPAN’s work as an intergovernmental, member-driven network of 18 countries with a common interest in assessing the multilateral organisations they currently fund. She explained MOPAN’s role as a knowledge base intended to contribute to organisational learning within and among the organisations, their direct clients and partners, and other stakeholders and noted MOPAN’s contributions to the systematic improvements in multilateral institutions. She also noted that MOPAN’s work has led to a reduced need for comprehensive corporate bilateral assessments. Ms. Steensen presented how MOPAN is working to remain relevant by adapting its methodology to current contexts, such as the 2030 Agenda and safeguards against sexual exploitation and abuse and sexual harassment. She also detailed the pivotal moment in MOPAN’s history that is looking to another renewal of its Memorandum of Understanding (MoU) with the OECD.

25. A number of DAC representatives from MOPAN member countries responded in support of MOPAN’s work. Members spoke highly of MOPAN’s independent assessments as valuable tools that help their governments meet accountability requirements and provide inputs for strategic decision making when engaging with multilateral organisations. Many noted the current strategic timing around MOPAN’s MoU renewal with the OECD and spoke in favour of continuing this hosting arrangement. MOPAN Members
encouraged DAC Members who are not a part of the Network to join MOPAN to build further support for harmonised joint approaches to assessments of multilateral organisations.

26. On the question of whether or not MOPAN could provide an assessment of the effectiveness of individual members’ funding allocations, the Head of Secretariat explained that MOPAN does not attribute an agency’s results to any one country’s funding, but provides a holistic assessment of an organisation’s achievement of its objectives and results.

27. The DCD Director spoke to the value of MOPAN as a tool for the accountability of the multilateral system and highlighted several OECD reports and activities that are complementary to the work of MOPAN. The Head of Secretariat thanked the DAC Members for their positive and constructive feedback and concluded by highlighting that MOPAN invites interested DAC Members to inquire about membership, particularly considering that the work of the DAC and MOPAN is mutually beneficial.

**Item 10. Policy Coherence for Sustainable Development (PCSD)**

28. The Secretariat (Mr. Ernesto Soria Morales, Policy Coherence for Sustainable Development Unit, GOV) recalled the background and rationale for the exercise to update the 2010 Recommendation of the Council on Policy Coherence for Development, described lessons learned and evolution, and outlined the key elements of the proposal and roadmap. He explained that while the three building blocks of the Recommendation are still relevant in the current context, they need to be complemented by additional elements to respond effectively to the key principles, vision and integrated nature of the 2030 Agenda. He set out eight elements (political commitment; policy integration; long-term vision; policy effects; co-ordination; local and regional involvement; stakeholder engagement; and monitoring and reporting), noting that the objectives of an updated Recommendation are to provide guidance, and support governments at all levels and other stakeholders to design, implement and monitor coherent policies in pursuing the SDGs at home and abroad, in line with SDG 17.14 to enhance policy coherence for sustainable development. He indicated that after the initial consultation in the DAC, Public Governance Committee, and Policy Coherence National Focal Points, a first draft of the updated Recommendation will be shared with other relevant committees and a public consultation will be launched before discussion at the Executive Committee and Council.

29. Delegates welcomed the initiative to update the Recommendation in the context of the 2030 Agenda and supported the proposal along the lines set out in the paper. Many delegates indicated that the eight building blocks were a useful tool to advance PCSD and some were already applying the elements to their national strategies. They suggested that further iterations of the proposal could usefully include additional practical guidance including incentives, embedding a culture change in public administrations in support of policy coherence, a time-bound action plan for PCSD, and possibly case study material to highlight lessons learned. Implementation remains a key challenge. They also requested greater clarity on how to address both the internal (domestic) and external (transboundary) dimensions of SDG implementation, bearing in mind the need for coherence at both these levels to achieve SDG core objectives of poverty eradication and leaving no one behind. One delegate wondered if there may be too much emphasis on institutional mechanisms and another asked about the legal implications for non-adherence. Some delegates welcomed the idea of launching a public consultation and seeking feedback from civil society and private sector.

30. The Legal Directorate intervened to remind delegates that the Recommendation is not legally binding and that it is open to non-Member adherence. She indicated that that there is currently a stronger focus on and interest in providing assistance on the implementation of OECD standards and that there are several options to support countries in the implementation. The Secretariat (GOV) also emphasised that more concrete guidance is being developed based on countries experiences in implementing the 2030 Agenda and that a building block on culture change in the public administration in support of coherence will be included.
31. The Chair stressed that the updated Recommendation would carry substantial moral force once agreed and should be implemented to the best of a country’s abilities and capacity. He asked delegates to provide written comments by 2 November. He also recalled that the proposal would be considered by the Public Governance Committee on 13 November and by the Policy Coherence Focal Points on 14 November following which it would be revised.

Item 11. International Dialogue for Peacebuilding and Statebuilding

32. Canada, as Co-Chair of the International Dialogue on Peacebuilding and Statebuilding (IDPS), outlined the emerging vision and plans of the new IDPS co-chairs: Canada’s Minister Marie-Claude Bibeau (Minister for International Development and la Francophonie) and Sierra Leone’s Minister Nabeela Tunis (Minister for Planning and Economic Development) who had met twice since the assumption of their co-chairmanship. He underlined the value both co-chairs place on the tri-partite nature of the International Dialogue partnership between donors, governments and civil society, but also their ambition to revitalise the Dialogue through a more narrowed and prioritised focus, which identifies the issues where the interests of all three constituencies overlap.

33. The emerging co-chair vision highlights a streamlined focus on three core priorities, aiming to mobilise high-level political interest and momentum, notably: National Cohesion; Gender Equality, Women Peace and Security and a Peace Promoting Private Sector. Canada noted the Co-Chairs’ intention to take advantage of major international meetings (such as the Commission for the Status of Women or the UN Peacekeeping Defence Ministerial) to hold the next IDPS Global Ministerial meeting planned for March/April 2019, with a view to shaping a substantive IDPS contribution to the 2019 UN High Level Political Forum, which specifically focuses on SDG 16.

34. Acknowledging DAC members who are part of the IDPS Steering Group (EU, Australia, Finland, the US, Canada, Sweden, Germany), the Secretariat announced that the next IDPS Steering Group meeting would be held on 12–13 December in Lisbon, following the INCAF Director Level meeting and Task Team meetings (20–21 November) which would also include an agenda item on the IDPS. Canada concluded by announcing that it was finalising its financial contribution to the IDPS, acknowledging the contributions of France and Korea, and urging other members to step forward to consider funding for the IDPS.

35. Members’ feedback highlighted the importance of grounding IDPS work in country-level dialogue and impact, whilst also ensuring appropriate linkages to global-level policy dialogue, to the work of the UNDP Facility for support to SDG implementation, and to broader efforts and discussions on the prevention and sustaining peace agendas.

Item 12. Summary of Conclusions

36. The Secretariat provided an overview of the decisions, action points, and next steps emerging from the day’s proceedings. The Secretariat will circulate this overview to the Committee in electronic form.

Item 13. Any Other Business

37. The delegate from Luxembourg presented the main elements from her country’s new general development co-operation strategy. The delegates from the United Kingdom and Ireland informed the Committee of the results from the London Summit on Safeguarding. Twenty-two donors agreed to the summit statement; any other members interested in adding their voice to the statement are invited to inform the UK and Irish delegates. The delegate from Finland announced that the next DAC retreat is proposed to be held after the Senior Level Meeting, once a new DAC Chair has been selected. She encouraged delegates

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1 Available at https://cooperation.gouvernement.lu/dam-assets/politique-cooperation-action-humanitaire/documents-de-reference/strat%C3%A9gie/Strat%C3%A9gie-MAEE-EN.pdf
to volunteer. The Finnish and Belgian delegates then reported to the Committee on the outcomes from the Environet meetings held earlier this week. Participants had discussed in particular the new work stream on aligning development co-operation with the objectives of the Paris agreement. The network is looking for a new chair starting in 2019.