Summary Record of the 1070th DAC meeting held on 10 December 2019

The Revised Draft Summary Record [DCD/DAC/M(2019)11/REV1] was sent to the DAC for APPROVAL via the written procedure.

No objections were expressed by the 6 March 2020 deadline.

The Summary Record is therefore considered approved, issued as final, and declassified.

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Item 1. Welcome and Adoption of the Agenda

1. The DAC Chair asked that the Committee adopt the meeting agenda, which they did without modification.

Item 2. Approval of Draft Summary Record

2. The Chair invited the Committee to approve the draft summary record from the 18 November 2019 DAC meeting. Two members requested revisions to paragraphs 19 and 22. The Secretariat will circulate a revised version of the record, integrating these two comments, for approval via the written procedure.

Item 3. Briefing by the DCD Director and DAC Chair

3. The DCD Director and DAC Chair reported to the Committee on a number of developments and work streams, including through updates issued via email the prior week.

4. The Chair highlighted a number of upcoming meetings of interest to the Committee, including on peer learning, data for development, gender equality, and debt relief (with the Paris Club). The Committee also heard a report back from the Meetings of the Steering Committee of the Global Partnership for Effective Development Co-operation that took place the previous week in Seoul, Korea.

5. The Director highlighted the launch of the Secretariat’s recent report on Aligning Development Co-operation with Climate Action: The Only Way Forward1. A number of members expressed their support and others their concern over the report. A few members stated that the report does not reflect the reality in developing countries where fossil fuels will continue to play an important role in the energy mix and could deny the opportunities for future economic growth of such countries. Furthermore, those members stressed that, while expansion of renewable energies remains to be of utmost importance, efforts to reduce CO₂ emissions need to be made with regards to “all fuels and all technologies” and that efforts to make fossil fuel-related activities cleaner and more efficient should not be denied. On governance, a few members pointed out that the Secretariat needs to consider the different views among the OECD countries when issuing a report on issues with varied positions and stressed that the DAC discussions on this issue need to move forward in a member-driven manner.

6. In response, the Director asserted that, as with all Secretariat outputs, this report is evidence-based, well-rooted in the Secretariat’s internal capacity but also that of external experts. Furthermore, the Secretariat involved the DAC throughout the process, including through a concept note [DCD/DAC(2019)21] discussed at the March 2019 DAC meeting, an expanded annotated outline [DCD/DAC/ENV(2019)1] debated at the DAC Network on Environment and Development Co-operation meetings in April 2019, and a presentation of the report findings at a September event hosted by the Austrian ambassador. The report focuses on development co-operation, the immediate relevance of climate change to the development mandate of donors, and the responsibility to use scarce resources in a way that supports sustainable development pathways. It identifies a range of priority actions looking forward, as is the norm for OECD reports of this nature. He stressed that they are not presented as a formal DAC decision in any way, but rather serve to highlight areas that require urgent attention. He asserted that the Secretariat will provide the Committee with options and proposals with regard to key findings and action areas, while the authority to decide rests with the Membership, as well as the responsibilities for those decisions.

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7. In closing the discussion, the Chair concluded that no one questions the importance of this agenda for this Committee and there has been no disagreement expressed on the need to undertake work on how to better align development co-operation with climate action. She asserted that the report seems to have gotten off on the wrong foot, as there remain concerns over content, governance, and reputation. On content, the concerns expressed by a number of developing countries speak volumes and cannot be ignored. On governance, she pointed to the relationship between this Committee, reports that the DCD is producing, and the wider Organisation. She asserted that outside the OECD the general public does not distinguish between DCD, OECD, and DAC. While she does not wish to draft reports by consensus so they all turn out like communiqués, there are such fundamental fault lines it must be possible to agree before publication. On reputation, the Chair expressed her concern that the report reads like a directive from the rich club that is the OECD/DAC. Individually and collectively, the DAC is spending a lot of time trying to change that reputation. She affirmed that she read the report in depth and while there is much to recommend it, she does not feel that the tone is right.

8. She judged the Committee too fractured at the moment to go straight into a formal discussion on the content. She recommended that in 2020 the DAC agree on next steps which, initially, should be tabled in one or more informal discussions before being brought back to the DAC in a formal setting. The Chair suggested to focus on the elements of the report that are enabling, incentivising, and facilitating. She stated that for her the headline figure is that 80% of bilateral development finance overall is not climate-smart and that the Committee should reflect on how to address that figure either as a recommendation, policy guidance, or some other process. She expressed her hope that such a process could encourage DAC capitals and ministers to move very swiftly to a point where they do not take decisions about development co-operation without taking into account the climate needs of developing countries.

**Item 4. Election of 2020 DAC Bureau**

9. In accordance with established OECD procedure, the Secretariat chaired the session electing the Bureau. The Director reminded the Committee that on 12 November the Secretariat sent a letter to all Members to inform them that the three incumbent Vice Chairs and Chair had expressed their willingness to serve for another year. The Secretariat then offered Members the opportunity to offer alternate candidates. By the deadline of 22 November for expression of candidacies, the Secretariat had received no alternative nominations. The Director therefore invited the Committee to approve this one proposal for the composition of the 2020 DAC Bureau.

10. The Committee then agreed by acclamation to the following 2020 Bureau composition: DAC Chair Ms. Susanna Moorehead (United Kingdom) and Vice Chairs Mr. Philip Pierros (European Union), Ms. Thea Lund Christiansen (Denmark), and Mr. Jae-myong Koh (Korea).

**Item 5. Evaluation Criteria: Adapted Definitions and Principles for Use**

11. The DAC Chair opened the session by reminding members that the 2017 High Level Meeting (HLM) decided to “explore adapting the key evaluation criteria in line with the 2030 Agenda”, which was taken forward by the DAC Network on Development Evaluation (EvalNet) with a two-year stakeholder consultation process. The EvalNet approved new definitions and principles at its meeting in November 2019.

12. EvalNet Chair Per Bastoe described how evaluation supports improving performance and impact of development co-operation. He described the history of the criteria, which were originally intended for development evaluation, but have proven useful in all evaluations. The criteria are used worldwide and are among the most widely known products from the DAC. He described the motivation for revisiting the criteria including the request from the HLM, changes in the development context since 1991, and the 2030 Agenda. The consultation was far-reaching with a high level of interest and engagement. A key message was that the DAC should not make too many changes, but rather clarify and improve the definitions. There was also a clear need to address how the criteria are being used; they are not meant to be a strait jacket. He then presented the six criteria: relevance, coherence, effectiveness, efficiency, impact, and sustainability.
13. In discussion, delegates expressed support for the new definitions and congratulated the Network for the extensive consultation process. Delegates praised the usefulness of the criteria, which are comprehensive, while being concise and clear. It was appreciated that multiple dimensions of sustainability have been included, that transformative effects are addressed, and that effectiveness now captures equity dimensions. Members highlighted that the definitions will allow them to better address the challenges of the SDGs and the 2030 Agenda, and are a solid basis to evaluate the “leave no one behind” pledge. Delegates emphasised the importance of adding coherence to better capture co-ordination, and policy coherence across government. The principles for use were warmly welcomed with delegates emphasising the need to more thoughtfully use the criteria.

14. Delegates appreciated the broad and inclusive process, which supported building consensus and involved fair consideration of all perspectives. The consultation has been useful in raising awareness. Delegates also described efforts they are taking or planning to disseminate and operationalise the new criteria, and invited the Secretariat to prioritise support in this area. Members highlighted that the definitions will allow them to better address the challenges of the SDGs and the 2030 Agenda, and are a solid basis to evaluate the “leave no one behind” pledge. Delegates emphasised the importance of adding coherence to better capture co-ordination, and policy coherence across government. The principles for use were warmly welcomed with delegates emphasising the need to more thoughtfully use the criteria.

15. The DAC then unanimously adopted the criteria and declassified the document [DCD/DAC(2019)58/FINAL].

Item 6. Private Finance for Sustainable Development

16. The Secretariat introduced this session by stating that the Terms of Reference for the Community of Practice (CoP) had been revised based on the lengthy discussion on 18 November, as well as all the written comments received thereafter. During the discussion on 18 November, it was argued that the objective of the CoP was unclear and did not sufficiently link to the rationale. Members also argued that the linkage between deliverables and the activities could be strengthened, and the role of the DAC should be spelt out more clearly. Members also emphasised the risk of duplication and felt the scope was over-ambitious.

17. The focus had subsequently been narrowed to blended finance. Added to this, three of the nine deliverables had been deleted to tighten the linkage between the deliverables and the activities. Of note, the deliverables had also been revised to a more modest level – the removal of standard setting was a key example of this. The governance had been sharpened, and membership further revised. The DAC now exercises oversight over the CoP, including over scope of work and deliverables. Further to this, the co-ordinating role of the community had been described more precisely. All comments had been incorporated to the maximum extent possible.

18. In discussion, members welcomed the proposal, highlighting the importance of mobilising private finance, peer learning, and consultations with IFC. The Chair concluded that there were only a few remaining wrinkles to iron out, which the Secretariat would undertake with members, and that the aim was to bring the paper for a decision at the next DAC meeting on 23 January 2020.

Item 7. Contributions to Global Refugee Forum

19. The Secretariat provided an overview of OECD contributions to the Global Refugee Forum. Three contributions will be made: a policy paper based on four case studies ‘Financing for Refugee Situations’; a possible Common Position based on financing principles for refugee situations; and finally data collection and financial support on financing towards refugee situations through a follow-up survey on ‘Financing Refugee Hosting-contexts’. Following this, the Secretariat also provided an update on the TOSSD framework, which was developed by the International TOSSD Task Force for which the OECD serves as secretariat. The indicator framework for the Global Compact on Refugees includes a placeholder for TOSSD, which will expand the coverage of data on support to refugees and host communities to many
development co-operation providers beyond traditional donors. Finally, the Director and Chair both shared their agendas at the Global Refugee Forum.

20. Under this item, the Secretariat also introduced a proposed new DAC temporary working group, focused on clarifying ODA eligibility on migration to ensure quality and harmonious ODA reporting. The working group will be supported from the Secretariat side by both the Global Partnerships and Policies Division and the Financing for Sustainable Development Division. DAC members broadly supported the creation of the working group but expressed the need for more time to discuss the terms of reference internally. The date for providing feedback on the terms of reference was extended until 10 January 2020.

Item 8. Policy Network Update: GOVNET

21. In their introductory remarks the Co-Chairs of the DAC Network on Governance (GovNet), Georgette Bruchez and Bianca Gucciardi Gonsalves, explained that since the approval of the SDGs, GovNet has focused its work on inclusive governance as an attribute of SDG 16. This involved clarifying the concept of inclusive governance, the links between inclusive governance and women’s empowerment, and inclusive governance in contexts of fragility. Going forward, GovNet will focus on good practices in programming for inclusive governance, and do more work on inclusive governance in the sectors, particularly on climate change adaptation governance to begin. The Co-Chairs called attention to new and pressing challenges related to autocratisation that make us consider whether we should be reviewing or adapting our conventional governance and development approaches, to better respond to difficult and rapidly changing contexts. GovNet solicited the DAC’s inputs and guidance to shape its ongoing priorities to ensure impact.

22. The GovNet Secretariat then summarised the findings from the inclusive governance research, highlighting that the correlation between inclusive governance processes and inclusive development outcomes is contingent and non-linear, but that inclusive states and societies are more prosperous, effective, and resilient in the long-run. The Secretariat then presented data on ODA for governance 2008-2017 including a breakdown of purpose codes, top recipients, and top donors of ODA. The data suggest a downward trend in governance-specific spending.

23. In relation to the current work on inclusive governance, members suggested the need to develop clear policy recommendations. Members also expressed interest in current GovNet work streams and took positively to the prospective work on rising autocratisation and climate change adaptation governance. References were made in relation to a possible recommendation, albeit inconclusive as to whether the focus should be on shrinking civic space or more broadly on working effectively in autocratic contexts. The ODA analysis needs to be expanded to take into account governance in the sectors.

Item 9. Support and Engagement with Civil Society

24. The Secretariat presented key findings and action points for enabling civil society in sustainable development as found in the How DAC Members work with Civil Society 2019 study. The presentation highlighted contextual factors that demand urgent and concerted follow up on the action points, including the trend of shrinking space. The fact that DAC members invest on average 15% of bilateral ODA (2017) points to the imperative of standards and good practice in DAC members’ support to and engagement with CSOs.

25. The Secretariat sought feedback from the Committee on whether it would like to have guidance or a DAC recommendation on enabling environments for civil society. The Secretariat shared the conclusions of the 28 November workshop of the DAC Community of Practice on Civil Society. Members strongly underscored the importance of civil society to sustainable development and welcomed the work undertaken by the Secretariat in this area. A majority of DAC members were in favour of a recommendation. Many also expressed interest in a recommendation as the best instrument to leverage behaviour change, with a scope encompassing i) DAC member support to and engagement with civil society, ii) civic space, and iii) CSO accountability. Others communicated the need for further thought and clarity on the scope, as well as for elaboration of an inclusive, transparent, and predictable process to develop the instrument. Continued
collaboration with GOVNET and the Global Partnership for Effective Development Co-operation were strongly encouraged. The Secretariat welcomed these inputs as critical to informing next steps. The Chair invited the Secretariat to refine the proposal to be brought back to the DAC at a later date. In closing, the Chair introduced the idea of a possible two-stage approach of guidance and recommendation. The Chair also called for a discussion early next year on the prioritisation of DAC legal instruments and major decisions.

Item 10. Summary of Conclusions

26. 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 11. Any Other Business

27. The delegate from New Zealand promised to provide an update on the work of Evalnet in writing following the meeting (see update in annex). She then advertised vacancies for DAC Facilitators of Evalnet, as she will be leaving her post as DAC delegate by early 2020.

28. The delegate from Austria announced a vacancy as INCAF facilitator, as she too will leave her post as DAC delegate at the end of 2019.

29. The delegate from Germany announced that the facilitators for the DAC Informal Group on Major Policy Issues (MPI) have a number of proposals for MPI meetings in 2020, including on the Total Official Support for Sustainable Development measurement framework, alignment with climate action, debt relief, and policy reform. He said that he and his co-facilitator from Iceland will work with the DAC Bureau to prioritise and sequence the meetings.
Annex: Update on the DAC Network on Development Evaluation (Evalnet)

- **Criteria:** Following DAC adoption of the revised evaluation criteria, EvalNet is working intensively on the guidance (planned to be completed this quarter), and supporting uptake of the new definitions and principles for use among members and partners through a series of webinars and presentations.

- **EvalNet’s Working Group on Blended Finance** is addressing the challenges of assessing effectiveness and impact in this field (discussed in Working Paper “Blended Finance Evaluation: Governance and Methodological Challenges”). The Working Group is led by Denmark, Germany, Norway, and the Secretariat and has the objective of creating a shared understanding on how to evaluate blended finance, with three working papers planned, as follows:

  - Work stream 1. Key concepts: This work stream will examine how key concepts (such as “additionality” or “mobilisation”) are defined and used by different actors in Blended Finance – and the implications this has for monitoring and evaluation. This work will provide a conceptual framework and foundation for the other two work streams. Norway and the Secretariat have recruited a team of consultants from ADE (Analysis for Economic Decisions). Initial insights will be shared at the 28-30 January 2020 Conference on Private Finance for Sustainable Development, and a draft working paper discussed during a workshop to be hosted in Oslo in Q1 2020. The paper will then be finalised for publication in March/April 2020.


  - Work stream 3. Instruments: This work stream, led by Germany, focuses on the methodological approaches for evaluating different blended finance instruments. Germany is contracting a consultant to draft a working paper by late 2020 and discussed in a workshop in 2021.

- **Joint Agenda for Climate Evaluation:** Following an initial discussion at its November meeting, and in collaboration with Environet and external partners, EvalNet is developing a joint agenda on climate evaluation. The shared agenda will support filling the evidence gaps related to what works, why, for whom and in what contexts on climate mitigation and adaptation; as well as tackling some of the methodological issues related to climate evaluation.

- EvalNet members are discussing the role of bilateral evaluation units in evaluating multilateral development co-operation, and how we can best work together with our counterparts in the evaluation units of partner institutions. EvalNet’s June 2020 meeting will feature a collaborative event with the United Nations Evaluation Group (network of UN evaluation units), where we will discuss this and other issues of common interest.

- EvalNet is also starting work on evaluating gender equality and women’s empowerment (together with GenderNet) and on a synthesis of evaluations in Afghanistan.