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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Summary Record of the 1031st DAC meeting

held on 10 July 2017 at the OECD Conference Centre, Paris

The Draft Summary Record [DCD/DAC/M(2017)6] was approved under Item 2 of the Draft Annotated Agenda [DCD/DAC/A(2017)11] without modification at the 29 September 2017 DAC meeting and is now issued as FINAL.

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

1. The DAC Chair opened the meeting by announcing that there was a typographical error on the agenda: today's meeting was the DAC's 1031st and not its 1030th. The Director of the Development Co-operation Directorate then proposed to move item 7 on in-donor refugee costs immediately after item 3 in order to allow members more time to consult with capitals and arrive at a consensus. The Chair and the Committee agreed to this proposal.
2. The delegate from Switzerland requested to intervene under item 11 ("Any Other Business") to update the Committee on the Arab–DAC Dialogue. The Committee agreed to this addition and approved the agenda without further modification.

Item 2. Approval of Draft Summary Record

3. The Chair invited the Committee to approve the summary record from the 1027th DAC meeting held on 22 May 2017. Australia requested that the fifth bullet under paragraph 11 ("Review the structure and scope of its subsidiary bodies and networks, and ensure they are resourced to deliver the DAC's core mandate and priorities") be moved down into the bulleted list under paragraph 13. This item was a point for which Australia had requested further clarification and therefore deserved to be in the paragraph 13 list. The United States felt that paragraphs 25-27 portrayed the discussion on transition finance more optimistically than what was actually discussed. She proposed that the last sentence in paragraph 27 be modified to emphasise the support for maintaining the current criteria for graduation from the DAC List of ODA Recipients and that the List's review be delegated to WP-STAT before issuing a recommendation to the DAC. The Committee accepted these changes, approved the summary without further modification, and agreed to declassify the final record.

Item 3. Briefing by the DCD Director and DAC Chair

4. The DCD Director presented the latest developments from the perspective of the Secretariat. Since the Committee ran out of time in the May meeting to consider the achievements in the 2015-16 Programme of Work and Budget (PWB), he presented the main highlights as outlined in [DCD/DAC(2017)12]. The Secretariat delivered on all nine priorities included in the PWB. The final budget execution rate stands at 96% of the total estimated cost. Expenditure was funded at 30% through the Part 1 budget and 70% through voluntary contributions (VCs). Funding was provided by 38 donors; the largest donors being the UK, Sweden, and Ireland. The Director reminded delegates that it was challenging to mobilise the entire level of planned VCs, especially for non-core activities. But members showed constant active support and strong ownership that, in the end, helped to mobilise a high volume of VC funding. He pointed out that VCs came in rather late during the biennium. Whereas in 2009, 70% of the VCs had been received in Q2 of the first year of the biennium, this percentage has constantly decreased over the years to reach the level of only 35% in 2015. This made the implementation of the agreed PWB

rather challenging. The biennium also shows a substantial increase in the level of earmarked VCs received (58%) versus un-earmarked VCs (42%). Although the volume of un-earmarked VCs for the PWB remained high, the resource pressures in the non-core priorities of the PWB led to an increasing trend by members to provide small VCs which are tied to specific projects. This resulted in higher transaction costs and an increased complexity in the management of funds for the PWB.

5. The Director also provided an update on the financial situation of the 2017-18 PWB [DCD/DAC/RD(2017)9/RD2]. He reminded delegates that regular funding updates are available on the DAC PWB community platform. The next update will be issued after the summer break (most probably around mid-September). The level of VCs received to date amounts to almost 10 MEUR out of a target amount of VCs of 26 MEUR. The current overall funding gap therefore stands at 16 MEUR (representing a 42% gap). Breaking the gap down by the three parts of the PWB (foundational, optional and hosted partnerships), the situation is the following: foundational outputs are funded at 72%, optional outputs at 23%, and hosted partnerships at 2%.

6. There is a promising perspective that the funding gap for foundational outputs will be offset. However uncertainty remains as to when this will be achieved. The full membership is therefore encouraged to step forward and close the funding gap. Members who have indicated their intention to provide funding in 2017-18 are encouraged to convert these indications into actual disbursements as soon as their own internal approval processes will be finalised. The Secretariat will work closely with DAC members to intensify fundraising efforts for optional outputs and hosted partnerships for which the level of funding received so far remains low. The Secretariat wishes to reiterate its call to members to frontload their VCs as early as possible in the biennium and provide, as possible, un-earmarked VCs to be consistent with the DAC's good practice.

7. The Director then expressed his concern over the lack of financial support for the International Dialogue on Peacebuilding and Statebuilding at a time when so much need is clear for conflict-affected, fragile states. He asserted that the DAC has little time to wait for the International Dialogue to step into its legitimate, optimal role. As the International Dialogue's budgetary situation is deeply worrying, he encouraged immediate support, as financing from more than one donor is required. The Swedish representative made an intervention noting that they chair and support the IDPS and requested additional information for the Committee on the IDPS financing situation. The EU also currently supports the IDPS.

8. The Director then reported on the results from the Working Party on Development Finance Statistics (WP-STAT) held in late June. The main outcomes were the following:

- Members approved inclusion of the Asian Infrastructure Investment Bank on the List of ODA-eligible International Organisations with an 85% ODA coefficient.
- WP-STAT had a first discussion on a proposal for revising the rules on reporting on debt relief. The basis for this work is the decision taken in 2014 to count concessional loans in ODA on the basis of risk-adjusted grant equivalents and the need to avoid double-counting risk when subsequently reporting on debt relief operations. The Secretariat subsequently met with the Paris Club Secretariat to obtain their feedback on the proposal. The plan is to elaborate it further over the next few months and present it at a meeting of the Paris Club in September or October. A decision by the DAC is required by the end of the year.

- Members supported the proposal by New Zealand of delaying, by 18 months, the decision on Cook Islands until reliable GNI data are available; the Secretariat will make a recommendation to the DAC to this effect.
- Members generally supported changing the date of effect of decisions on the DAC List. The Secretariat will look into possible negative impacts of changing the date of effect and then make a recommendation on this change to the DAC (later this year).
- Antigua and Barbuda, previously identified for graduation based on the World Bank GNI per capita figures available prior to 30 June, will remain on the List according to the latest figures published. The 2014 figure was revised downwards below the high income threshold.
- Equatorial Guinea graduated from the UN List of LDCs on 4 June 2017, and according to the latest World Bank GNI per capita figures published in July, it will be transferred as of 1 January 2018 to the upper middle income category.
- The Secretariat will consult key donors in countries for which no World Bank or UN income data are available to identify what data sources they use.
- For future reviews of the List, in order to inform countries on course for graduation of their possible removal from the List a year in advance, the Secretariat will consult key donors in the countries in question to obtain contacts.
- The draft new List will be updated after publication of the 2016 GNI per capita figures and submitted to the DAC for decision in the last quarter of 2017.

9. The TOSSD International Task Force held its first meeting on Thursday last week. The meeting was substantive in content, very positive in the group dynamics, and thereby kicked-off the task force to a very promising start. There were three sessions on substance to discuss and clarify: i) key elements of the TOSSD definition, namely what is meant by “sustainable development”, “officially supported resource flows” and “developing countries”; ii) key measurement questions, namely gross vs. net measurement of flows and the valuation of technical co-operation; and iii) TOSSD-eligible financial instruments and the treatment of amounts mobilised and export credits. The Task Force's second meeting will be held on 2-3 November 2017, probably elsewhere than in Paris.

10. The Director closed his intervention by inviting the DAC to approve the WP-STAT's recommendation of a delay on the decision of Cook Islands' graduation from the ODA recipients list until reliable GNI data are available.

11. The DAC Chair then intervened to present developments from her office. She thanked Portugal for a very well organised Tidewater meeting, held from 2-4 July in Lisbon. She commented that this year's event, the 49th annual Tidewater, represented the first time discussions were open to all DAC members. Four main topics were debated: the global development architecture, the humanitarian–development nexus, transition in development, and development finance. The Chair commented that the DAC must work on the narrative around development. The Committee must be more visible in co-ordinating the development of this narrative.

12. The Chair also mentioned that she attended the 7 July OECD Evaluation Committee (EVC) meeting to present the DAC's action plan to implement the recommendations of the In-Depth Evaluation. The EVC commented that the plan looks thinner than other plans that they have seen. She responded that the proposals will be fleshed out further as the DAC reform unfolds. Such changes will not involve revisions to

the content but rather increased granularity on the activities. The EVC requested further details on the timeline for DAC reform, a point echoed in Tidewater.

13. She then reported to the DAC that she will attend the High Level Political Forum (HLPF) in New York in the middle of the month. Her participation will involve attending side events organised by the OECD on gender and policy coherence for sustainable development. She will also have bilateral meetings to discuss the narrative around development and the SDGs.

14. On 19 and 20 June 2017, the Chairs and Co-Chairs of the DAC Networks and OECD-hosted Partnerships gathered in Paris for a meeting which was designed to bring together the Bureau and members of the DAC, the DCD, and the Chairs and Co-Chairs of the Networks and OECD-hosted Partnerships. This meeting was an excellent opportunity to exchange on progress and the way forward with the Networks and Partnerships, to discuss the DAC reform process, and think about ways in which the Committee and the Networks and Partnerships could work more closely together. The Chair recommended that this event be held at least once per year.

15. In discussion, several members expressed their agreement to the proposal to defer decision on the graduation of the Cook Islands from the List of ODA Recipients until more reliable GNI data are available. No delegates expressed any objection to the proposal. Members commented on the financial situation of the current PWB. A few members lamented the lack of funding for the International Dialogue and the Aid for Trade work streams. They requested a rundown of those optional areas where funding is lacking and which donors are contributing to which areas. The Swiss representative, co-chair of the DAC Facilitator Group on the PWB, promised to organise an informal meeting on the PWB in the coming months. Some members questioned the transparency of decisions on human resources and PWB allocations, in particular in relation to the DCD contribution to the proposed OECD office in New York. Some members asked for more information, including on how this office would interact with and report to the DAC and what should be included in its terms of reference (TORs). A few members also commented on the clashing of meetings to which they are called to attend, which the Chair speculated may be due to the Committee attempting to do too much. A couple of members recommended a discussion in the September DAC meeting on the impact of graduation, in advance of the decision on the List of ODA Recipients to be taken in November. The UK representative raised the issue of the date of effect of decisions on graduation, commenting that the DAC should avoid unnecessary delays.

16. In response to members' interventions, the Director promised to share details on side events to be organised at the HLPF. He informed delegates that OECD Deputy Secretary-General Frantz would attend the meetings. On the issue of date of effect of ODA graduation, he commented that the Secretariat would look into possible negative impacts of such a decision. As this work has not yet been undertaken, the Secretariat cannot at this time recommend a specific decision. The Secretariat will look into the issue over the summer so that it could be discussed in September. Regarding the New York office, the Director reminded delegates that this proposal – for which a final decision still has not yet been taken – has been debated in the Budget Committee, at which TORs have already been presented. He assured the Committee that the small contribution (60 KEUR) from the DCD will not require an amendment to the DAC PWB and will actually engender savings on travel and organisation of meetings. The office will contribute to the DAC's work and not vice versa. He said that the Organisation will find a way to ensure that the office is accountable to the DAC.

Item 4. DAC Reform

17. The DAC Chair opened discussion on the DAC reform by recalling the objective of the session: to agree to continue refining the vision and strategic priorities proposed in the “Chair’s Proposal for a Vision and Strategic Priorities for the Development Assistance Committee” [DAC/CHAIR(2017)1/REV2] with a view to submit them to the October 2017 DAC High Level Meeting (HLM) with the recommendation that they be formally approved. Ahead of the HLM, an informal and a formal DAC meeting will take place so the DAC can continue refining its vision and discuss a draft mandate as well as a draft action plan to implement the DAC reform. The DAC Chair also clarified that the action plan to be prepared will be accompanied by a cost estimate. This will serve to “signal” areas where resources might need to be reallocated; however, the DAC reform process shall not pre-empt any decisions on the Programme of Work and Budget.

18. Members approved the proposed vision and strategic priorities, with the understanding that they will be further refined up to the HLM. Members made the following proposals for future iterations of the current document:

- On the DAC’s vision, include the need to respond to new development challenges and make stronger reference to the three dimensions of sustainability.
- On strategic priority 1, have “fostering development impact” first, clarify that “mobilising resources” is understood as using ODA in a catalytic manner and not pre-empt decisions on the new DAC mandate.
- On strategic priority 4, refer to working with multilateral development banks and the EU.
- Prioritise strengthening current work rather than starting new work streams.
- Make greater reference to the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Global Partnership for Effective Development Co-operation.

19. With regards to the new DAC mandate, two members asked that the full Committee be involved in the preparation.

Item 5. Private Sector Instruments (PSI)

20. The Secretariat (Mr. Haje Schütte) summarised the process followed on PSI work since the last DAC meeting on 22 May. A negotiation meeting had been held with 10 members on 8 June where the following seven issues had been discussed: parameters for the ODA credit calculation (PSI loans); treatment in PSI of developmental guarantees and equities; competition safeguards; phase 2; review of the system; treatment of reflows from DFIs to the Government; and implications on 2014 HLM decision. Based on the outcomes of this meeting, the Secretariat had slightly revised the latest proposal and shared an advance copy with members on 28 June. Three members had objected to the proposed discount rates for loans and one of these members had also objected to the proposed treatment of reflows. Three other members had expressed their disagreement with the changes introduced for the treatment of reflows. The original language on reflows had therefore been reintroduced in the proposal issued for approval at the present meeting under cote DCD/DAC(2017)18/REV1.

21. The DCD Director (Mr. Jorge Moreira da Silva), while still confident that an agreement could be reached in the coming weeks, also emphasised the need for clarity on the rules that would apply for reporting 2018 data. The Secretariat would therefore

prepare, for the sake of clarity and for discussion at the September DAC meeting, a document detailing the options at hand if no agreement could be reached on PSI. The document would look at issues such as the nature of statistics to publish for 2018 data (hybrid system mixing grant equivalents and flows?), the treatment of PSI data for the past few years (in particular for members that have already reported using the institutional approach), the discussion of Phase 2 issues, etc. The DAC Chair complemented this intervention by highlighting that a vast majority of members (27) were now supporting the proposal.

22. Three members (France, Germany and Japan) stated they could still not support the proposal. Their arguments included: need for consistency with previous agreements (discount rates for the private sector could not be lower than for the public sector, the base rate should be in line with 2014 HLM regardless of maturity); for reflows, the proposal should not attempt to interpret but just reproduce the 2016 HLM decision. France and Germany suggested to look at an alternative option for calculating ODA and called for a more realistic timeframe for reaching a decision. Japan was concerned that the DAC was not in the driver's seat for Phase 2.

23. Eleven other members who spoke supported the proposal (Canada, Denmark, European Union, the Netherlands, Norway, Spain, Sweden, Switzerland, Slovak Republic, United Kingdom and the United States). Norway was particularly concerned with any further delays as it needed to plan its development budget; this was an existential problem for their DFI. Spain and the United States underlined the efforts they had needed to make to move from their original proposal for the sake of compromise. Several members urged the few members still objecting to join the consensus, highlighting that the framework would in any case be temporary and Phase 2 would allow for further work on remaining issues.

24. In addition, Ireland asked for an assessment of what had blocked the process and requested to better involve CSOs in future discussions of this type. Korea asked for clarification on the purpose of Phase 2. Finally, the United States asked the Secretariat to revise the ODA figures for past years on PSI, including where DFI capitalisation had been reported as ODA.

25. The Chair took note of the lack of consensus, which was unfortunate as it was a missed opportunity for the DAC to demonstrate its ability to make decisions. It was also a critical issue for some members and their DFIs. She disagreed that more time was needed as in-depth technical discussions had already taken place. Conversations at higher level would need to be organised and a written procedure would possibly be launched in September (no new document on a proposal would be produced though); alternatively, a decision would be sought at the DAC meeting on 29 September.

Item 6. Tax and Development

26. The Head of the Global Relations and Development Division in the OECD Centre for Tax Policy and Administration – CTPA (Mr. Ben Dickinson) updated the Committee on the tax and development work, which is in the Programme of Work and Budget of the Committee on Fiscal Affairs (CFA) for the 2017-18 biennium. Recent developments included greater inclusivity in the CFA, with 102 countries joining the Base Erosion and Profit Shifting Project and increased revenues from Tax Inspectors Without Borders. Links to the DAC would remain vital, for example on financing for development work and updating ODA statistics relating to taxation.

27. In discussion, delegates expressed their continued strong support for work in this area (including Germany, the Netherlands and Sweden indicating the prospect of new funding). It was noted that improvements are needed in how to measure the results of donor interventions, and the Platform for Collaboration on Tax is intending to work on this. The Task Force on Tax and Development would remain an important forum for dialogue for DAC donors, with small group work proposed to develop new ideas. In closing, the Chair thanked CTPA for its continued close co-operation with the DAC and suggested that the DAC may wish to consider how it can improve its narrative on the contribution of taxation to financing development.

Item 7. Approval of Clarifications to the Reporting Directives on In-Donor Refugee Costs

28. The members of the Temporary Working Group on Refugees and Migration developed proposals for the clarification of in-donor refugee costs over the last several months. The draft proposal [DCD/DAC/TWGMR(2017)2/REV2] was circulated to the DAC on 30 June. At the DAC meeting, all members noted their appreciation for the work of the Secretariat and the Co-Chairs (EU and Japan) and underlined the great progress achieved in clarifying the existing directives with the current proposal.

29. Two members noted that they would be able to accept the proposal without reservations in its current format as it represented the best possible compromise. Two other members, while not explicitly stating their support for the current proposal, reacted positively to it, and reiterated the importance of restraint and transparency in ODA reporting.

30. Several members expressed concerns regarding different aspects of the proposal. The most commonly raised concern related to the inclusion or exclusion of rejected asylum-seekers. Eleven members objected to the caveat that members reporting costs incurred for rejected asylum-seekers would report these costs separately. While the majority of members reiterated their commitment to the principle of transparency, they noted that they did not (a) understand why these specific costs had been singled out for disaggregated reporting and/or (b) have the statistical capacity to provide this level of detail. Within this group, two members were willing to support the disaggregation of costs, with the understanding that these data would be used solely for analytical purposes and would not be published. One of these noted that the language in the proposals should be softened, with countries required to 'make every possible effort' to report costs separately to allow members time to adjust their reporting capacities accordingly.

31. On the other side of the spectrum, three members noted that they were opposed to the inclusion of costs incurred for rejected asylum-seekers as this risked compromising the integrity of the aid definition. One member explained that including these costs would increase their ODA by 40%. However, in the spirit of compromise, they had been willing to support the version in DCD/DAC/TWGMR(2017)2/REV1, which stated that members should 'strive to' exclude costs for rejected asylum-seekers. Four members voiced their support for separate reporting of rejected asylum-seekers, with one emphasising that it was important to support separate reporting as ODA, in all its forms, is supposed to be demonstrably humanitarian, requiring a heightened level of scrutiny of what is spent where.

32. Members also raised individual concerns pertaining to Clarification 4 (eligibility of administrative costs for processing of asylum applications, costs for voluntary return of

rejected asylum-seekers after 12 months, secondary education, and lack of clarity on definitions of training and transport) and Clarification 5 (methodology for calculation of costs for rejected asylum seekers). One member requested that decision-making be delayed until the HLM in October 2017.

33. The DAC Chair concluded with a statement on the need for further exchange within the membership of the TWG. The Chair outlined two outstanding issues – the need to find a compromise on rejected asylum-seekers and to find a way to maintain responsibility for comparative analysis without singling out specific categories of costs. It was agreed that additional inputs on the proposal will be shared by members by 14 July. The Secretariat and Co-Chairs will continue consensus-building in the lead up to the DAC Meeting on 29 September in preparation for the HLM in October.

Item 8. ODA Coefficient for UN Peacekeeping Operations

34. The Secretariat (Ms. Clare Addison) presented the outcome of the Technical Review of the ODA Coefficient on United Nations Peacekeeping Operations. The ODA coefficient applied to contributions to UN peacekeeping operations is currently set at 7%. This reflects the ODA-eligible activity conducted by civilian personnel; activities and associated costs relating to uniformed personnel are excluded due to limitations in terms of the standard reporting from the UN. In particular, the absence of detailed information within UN budgetary documentation regarding activities conducted by UN police and military contingents has rendered the Secretariat unable to make a coherent assessment on their ODA-eligibility. To address this issue, the February 2016 DAC High Level Meeting mandated the Secretariat to undertake a technical review of the ODA coefficient. The Secretariat had carried out this technical review in collaboration with the UN Department of Field Support (UN DFS), and overall recommended that the ODA coefficient for UN peacekeeping operations be increased to 15%, with application to 2016 flows.

35. This recommendation and the underlying methodology had been examined by the Working Party on Development Finance Statistics at its meeting on 20-21 June 2017; technical clarifications had subsequently been included in the Secretariat's note.

36. Members expressed their thanks to the Secretariat for this long-expected review. Thirteen members took the floor to explicitly support the proposed revised coefficient. There was also encouragement for the acceptance of the proposal, underlying that the review had delivered what had been mandated, adhering to the rules and safeguards within the Reporting Directives and providing a good estimate that better reflects the multidimensional nature of UN peacekeeping. It was acknowledged that a carefully crafted narrative was required to communicate the results of the review to the public and in particular CSOs. The Secretariat put forward the suggestion of a CSO event, possibly in London, to communicate and discuss the review and recommendation – this was widely supported by members.

37. One member, while appreciating the rigour of the review, expressed that the proposed coefficient was lower than expected and did not reflect the substantial contributions that peacekeeping operations make to SDG 16. It therefore considered the Secretariat's proposal incomplete and noted the need for a complementary commitment by the DAC to further work on the ODA measurement of peacekeeping contributions. On this basis, the member concerned stated that it was not currently in a position to approve the proposed revised coefficient and that it wanted to ensure that discussions on the matter would continue in the DAC.

38. In response, the Secretariat highlighted that the proposal included a review mechanism which would put the coefficient on the agenda of the DAC on a regular basis (every three to five years). In addition, this process has re-energised co-operation between the Secretariat and UN and promoted closer dialogue on ODA which would improve next iterations of the review.

39. The Secretariat further pointed out that the broader question of the ODA-eligibility of peace and security related activities was beyond the mandate of revising the coefficient for UN peacekeeping, and therefore in principle outside the scope of the decision to be taken at the present meeting.

40. The Secretariat also clarified that if the DAC approved the proposal, the revised ODA coefficient would be applicable to reporting on 2016 flows. Any members that have finalised their 2016 flows should send them to the Secretariat as soon as possible and the Secretariat will work with them to finalise the data once the proposal has been approved. Therefore, pending approval, members reporting on their 2016 flows should continue, without delay, using the 7% coefficient. The Secretariat will then work with members to adjust their figures as necessary.

41. Following the meeting, the Secretariat engaged in discussions with interested parties to foster consensus and members subsequently agreed, through written procedure, with the 15% coefficient and to include in the present summary record the following text proposed by one member: "The DAC agrees with the 15% coefficient as a precursor to a more fundamental strategic and methodological reflection on the DAC's role in incentivising contributions to UN Peacekeeping Operations that will happen during the next HLM."

Item 9. Global Outlook on Financing for Development

42. The DCD Director introduced the session by emphasising the importance of the Global Outlook as a vehicle to position the OECD as a key actor to strengthen the most innovative segments of the broader Financing for Development (FfD) agenda. He stressed that the Global Outlook, led by DCD with the DAC as the principal committee, benefits from a cross-directorate approach in collaboration with the Investment Division of the Directorate for Financial and Enterprise Affairs (DAF), the Tax and Development Programme of the Centre for Tax Policy (CTP), and the Development Centre (DEV). The Secretariat (Ms Cushla Thompson) presented the document [DCD/DAC(2017)21], reporting on the progress to date. In particular, she highlighted the Outlook's aim to contribute to international discourse and policy exchange between OECD members and developing countries by examining how OECD member policies are reflected in developing countries' ability to finance their sustainable development pathways. The Outlook will seek to expand the evidence base for integrated and holistic approaches in order to maximise synergies and manage trade-offs across key FfD policy areas, including aid and beyond, domestic resource mobilisation, private investment (FDI), philanthropic flows, and remittances.

43. DAC members expressed support for the progress to date on the Global Outlook, and confirmed that the work programme is in line with the expectations outlined in the Programme of Work and Budget (PWB). Several members welcomed the Outlook as an opportunity to form a stronger DAC narrative on Financing for Development, and to position the DAC as a forward-thinking leader within the broader development stakeholder community. Many members called for demand-driven, action-oriented and

practical lessons which target a clearly defined, yet comprehensive audience base. The importance of close upstream co-ordination efforts with the UN system was highlighted. Members encouraged an incremental approach to the substantive scope that capitalises on the DAC's core strengths and adds value to existing processes. The proposal to identify and focus analysis on 2-3 key policy areas in the inaugural report was welcomed. Topics that found broad-based support were policy coherence for sustainable development, debt sustainability, mobilisation of private sector resources, and support for domestic resource mobilisation. The Development Centre expressed its support for and participation in the work, including on policy linkages between philanthropy, remittances and aid.

44. In concluding the session, the Director reaffirmed that the Global Outlook will complement rather than duplicate existing efforts to follow-up and monitor support for the Addis Ababa Action Agenda and the 2030 Agenda. Discussions on the Outlook's approach are underway with members of the UN Inter-Agency Task Force (IATF) on FfD, the chair of which has welcomed the contribution of the Global Outlook. The DAC was advised of an informal consultation planned in the margins of the High Level Political Forum in New York (13 July), and DAC member participation was encouraged. This event provides a crucial platform for exchange on the conceptual scope of the Report and an occasion to raise awareness and carefully position the work in support of the major international processes. Clarification on additional questions raised by members will be provided by the Secretariat.

Item 10. Financing of Sectors

45. The Secretariat (Mr. Guillaume Delalande) presented the background document [DCD/DAC(2017)23] on the financing of sectors. The United States expressed reservations on the possibility to analyse contributions to the SDGs, due to the integrated and complex nature of the Goals and the difficulty to isolate activities that contribute to a specific goal. The USA also underlined the necessity to align the proposed work with efforts of the WP-STAT to map out CRS purpose codes with the SDGs.

46. During the meeting and through written comments, the Netherlands encouraged the Secretariat to focus on concrete analysis and to focus the mapping on financial support by bilateral donors for the SDGs and to ODA recipients only. Data currently available do not allow for a full picture of financing to sectors (not all donors are providing information and not all flows are available per sector). The Netherlands also welcomed a focus on results rather than inputs. The OECD should not fulfil a central role in the monitoring of the implementation of the SDGs. Rather, the work should focus on questions such as how much money is mobilised per sector and how much money is needed per sector.

47. Germany welcomed the proposed research framework with regards to the financing of sectors based on the SDGs. Improving the availability of data is key to identifying and, consequently, addressing financing gaps that arise in the implementation of the 2030 Agenda for Sustainable Development. These data challenges are also reflected in the 2017 Report of the Inter-Agency Task Force on Financing for Development, which states: "The closing of data gaps on FfD follow-up may not be sufficiently prioritized within the global agenda". Therefore, Germany welcomed the approach to include flows beyond ODA in the proposed sectoral research framework. ODA is only a complementary means of implementation to finance the 2030 Agenda, and all available resources should be mobilised for development. However, two points need to be taken into consideration: Firstly, sectoral analysis should be regarded as a

complement, not as a replacement, for analysis at the country level. Secondly, the integrated nature of the SDGs needs to be considered when carrying out sectoral analysis. It will be essential to use the findings of the study to align DAC instruments (e.g., CRS codes) better with the 2030 Agenda. An integrated overview of DAC members' contributions to the implementation of the 2030 Agenda needs to be possible through DAC statistics.

Item 11. Any Other Business

48. The Chair announced that she would circulate to delegates her proposal for the October 2017 High Level Meeting agenda. She then thanked and bid a fond farewell to departing delegates from the European Union, Finland, France, and Italy. She then thanked Ms. Talita Yamashiro Fordelone for her collaboration over the past few months in assisting with the DAC reform.

49. The delegate from Switzerland intervened to update the Committee on the Arab-DAC dialogue, following the meeting held in Bern earlier this year. The next meeting of this Dialogue will be held in the headquarters of the Arab Fund for Economic and Social Development in Kuwait in January 2018. Switzerland is working with the Arab Coordination Group to produce an input paper on engagement in water issues that will be presented at the Kuwait meeting. He welcomed support from other DAC members to further elaborate this paper.