

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

Summary Record of the 1055th DAC meeting held on 5 December 2018

The Draft Summary Record [DCD/DAC/M(2018)12] was approved at the 21 January 2019 DAC meeting, under Item 2 of the Draft Annotated Agenda [DCD/DAC/A(2019)1], without modification 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 Netherlands served as Chair for today's meeting in the absence of the DAC Chair. The Committee approved the draft agenda without modification.

Item 2. Approval of Draft Summary Records

2. The Chair invited the Committee to approve revised versions of the draft summary records from the 1050th DAC meeting on the peer review methodology held on 4 October 2018 and the 1052nd DAC meeting held on 25 October 2018. Finland and the World Bank proposed minor changes to paragraph 23 of the 25 October summary record, and Luxembourg requested to be included in the list of countries in paragraph 14. The Committee accepted those changes, along with all other revisions, and approved both records. The Chair also invited the Committee to approve the draft summary record from the 1053rd DAC meeting held on 16 November 2018. Japan proposed a change to paragraph 19. The Committee approved that record with this one modification. The Committee then agreed to declassify all three records in their final versions.

Item 3. Briefing by the Director and Chair

3. The Director reported to the Committee on recent developments from the perspective of the Secretariat. He outlined the results from his mission to New York the previous week, which included his participation at the Global South–South Development Expo, a presentation of the Global Outlook on Financing for Sustainable Development and the Multilateral Development Finance report, and bilateral discussions with the UN Statistics Division on the Total Official Support for Sustainable Development measurement framework.
4. He also attended the Steering Committee meeting of the Global Partnership for Effective Development Co-operation (GPEDC) at which participants kicked off preparations for the GPEDC's 2019 Senior-Level Meeting to be held 13–14 July 2019 in New York in the margins of the High Level Political Forum. A save-the-date for that Senior-Level Meeting will be circulated shortly to the attention of DAC Directors-General. He informed the DAC that civil society now represents the six non-executive constituencies of the GPEDC Steering Committee as a fourth co-chair in a pilot phase. The Secretariat will keep the DAC firmly engaged in the Global Partnership's SLM preparations to ensure it addresses DAC priorities and shapes a future GPEDC work programme that is relevant and useful for the DAC. The immediate opportunity is in shaping the principles and guidelines for private sector engagement through development co-operation. A survey is ongoing; the Director invited members to mobilise private sector focal points to provide inputs and to secure capitals' participation in the GPEDC policy dialogue on private sector engagement as part of the OECD Week on private finance in January.
5. The Director reminded delegates that, at the end of the last DAC meeting, the Secretariat committed to co-ordinate with Germany and Finland regarding the text of chapter 7 of the DAC peer review reference guide. A revised guide was due to be submitted under written procedure, for approval at today's meeting; however, discussions with one member are still ongoing. The Director then proposed that the guide be approved at the Senior Level Meeting in February.

6. The Director thanked the many DAC members who participated in the survey on DAC members' approaches to working with civil society. Those inputs are key to identify trends and good practice ahead of developing DAC guidance (on support and partnerships with civil society). The Secretariat will present the study report at an event at the OECD during the first week of June, back-to-back with a workshop on good practice guidance, and the first meeting of the DAC community of practice.

7. The Director then mentioned that, following the April release of preliminary, aggregate ODA figures, the Secretariat will release within the next week or so the final 2017 aid data, which includes activity-level ODA data plus Other Official Flows. He then announced that, this year, the Secretariat will also issue additional data on philanthropic flows that include 25 new foundations relative to previous releases.

8. The Director informed delegates that the 2018 Development Co-operation Report and a companion volume of over 40 case studies will be released on 11 December. This soft launch will be accompanied by a video with the OECD Secretary-General, blogs, and a social media campaign. The Secretariat will share an embargoed copy of the report with the DAC later today via an email notification and link to the report. This soft launch will build up to a six- to eight-month campaign in 2019 on leaving no one behind. The Secretariat also hopes to organise a high-level international conference on development co-operation and leaving no one behind in Q2 2019.

9. The Chair reported to the Committee on her participation at the GPEDC Steering Committee representing the DAC Chair. Participants emphasised the strong relevance of and the need for the GPEDC and its monitoring at country level. They also expressed strong support for the overall direction of anchoring GPEDC in the 2030 Agenda framework. The HLPF agenda could usefully influence the GPEDC SLM agenda to align agendas. She mentioned that the GPEDC's funding situation (for the joint support team, the SLM preparations, and forward work plan) remains a concern.

10. The Chair announced that in early 2019 the Bureau will launch preparations for the next Tidewater meeting in collaboration with the incoming DAC Chair. Since a host country has not yet been identified, Members are invited to contact the DAC Chair's office to signal an interest in hosting.

Item 4. Selection of the DAC Chair and Election of the 2019 Bureau

11. In accordance with established practice, the Secretariat took the chairmanship during the designation of the Chair and Bureau. The Director informed the Committee that, following the interviews of 14 November, all 30 members expressed their preference. The Director then communicated the results to the candidate with less support, who decided to withdraw her candidacy. Those members who had preferred that candidate then confirmed that they were willing to join the consensus. The one remaining candidate is therefore Ambassador Susanna Moorehead (United Kingdom). The Director asked the Committee if it was willing to accept the designation of Ambassador Moorehead as DAC Chair. The Committee agreed unanimously to this proposal. The Director and Committee congratulated the United Kingdom and the incoming chair.

12. The UK and Danish delegates expressed their appreciation for the efficient, transparent process and recognised the Secretariat, Chair's Office and Vice Chairs for this. Later in the day, the newly designated DAC Chair intervened via video-link to thank the Committee for the confidence it had placed in her and expressed her eagerness to work with the DAC. She announced that her current assignment requires that she remain in her post until mid-February 2019, after which time she would move to Paris to take up her role as DAC Chair.

13. The Director then informed the Committee that, on 5 November, the Secretariat sent a letter to all members to inform them that the three incumbent Vice Chairs had expressed their willingness to serve for another year. The Secretariat then offered members the opportunity to offer alternate candidates. By the deadline of 16 November for expression of candidacies, the Secretariat had received no alternative nominations. The proposal for the composition of the DAC Bureau in 2019 as follows: Ms. Susanna Moorehead (United Kingdom); Ms. Marit Van Zomeren (Netherlands); Mr. Darren Rogers (Canada); and Mr. Philip Pierros (European Union). The Committee then agreed to this proposed Bureau composition by acclamation.

Item 5. Private Sector Instruments

14. The Chair thanked Mr. Eric Postel for facilitating members' discussions on the reporting on private sector instruments (PSI) and noted that the document [[DCD/DAC\(2018\)47/REV2](#)] was presented for the Committee's approval in its entirety. Mr. Postel briefly recalled that the proposals had been developed following a meeting on PSI held on 9 November 2018 and members' subsequent comments at the WP-STAT and in writing. Thanks to good dialogue between members, significant progress had been made. The proposals had been thoroughly discussed and fine-tuned at the 3 December 2018 meeting; the paper thus reflected members' positions and addressed their redlines. Mr. Postel invited members, when expressing their opinion on the proposal, to consider very carefully the consequences that might result from a non-agreement.

15. Twenty-three members took the floor, all expressing their appreciation for Mr. Postel's work. In their comments several members echoed Mr. Postel's description of the proposal as a delicate compromise and his point about the costs of inaction on the credibility of the DAC. Some members emphasised that the proposal was a temporary measure which would help build evidence on PSI and improve transparency. Canada, supported by Iceland, suggested that PSI should be discussed at the upcoming Senior Level Meeting which could mandate the DAC to finalise a comprehensive agreement. A few other members commented that the default process remains permanent unless members agree otherwise.

16. Eighteen members (Australia, Austria, Belgium, Canada, European Union, Finland, France, Iceland, Korea, Luxembourg, Norway, Portugal, Slovak Republic, Spain, Sweden, Switzerland, United Kingdom, United States) stated they were ready to approve the proposal. Five members (Denmark, Germany, Japan, Netherlands, Poland) stated they were still not in a position to do so.

17. The Chair concluded that there was broad support for the proposal and, if necessary, members could obtain further clarifications on the proposal from Mr. Postel during the day. After bilateral discussions in the margins of the meeting, the Chair reported that the current proposal would be put to the DAC for approval via the silent procedure with a deadline of 10 December 2018.

18. The document [[DCD/DAC\(2018\)47/REV2](#)] was subsequently approved via the silent procedure with two statements reproduced in the annex to the present record.

Item 6. DAC Recommendation on the Humanitarian–Development–Peace Nexus

19. The Secretariat outlined the purpose and content of the draft DAC Recommendation on Humanitarian–Development–Peace Coherence, noting the central role DAC members play in providing almost 80% of bilateral development assistance in fragile contexts, members' key role as shareholders of the multilateral system, and the impact that the Recommendation could have on the UN's prevention agenda. The Secretariat also outlined the process for taking the Recommendation forward towards the DAC Senior Level Meeting in February, including the

timeline of consultations within INCAF and the DAC, and with external actors including civil society and the UN.

20. Members welcomed the draft Recommendation and expressed support for its content and intent, with many calling for stronger, more ambitious language. Delegates also recognised the success of the 19 November DAC Roundtable on Coherence, in particular for the momentum it has created around the draft Recommendation. Members also commented on how the Recommendation can be useful in supporting discussions on coherence at the United Nations. On content, members requested that the Recommendation include modified or additional language about the role of the environment; the primary responsibility of national governments; humanitarian principles and development effectiveness principles; the possible role of TOSSD and the financing of collective outcomes on women, peace and security, and youth; and about human rights-based approaches. There were also comments about the readability of the text. Members raised the importance of consulting with external actors, including humanitarian bodies such as the Good Humanitarian Donorship Initiative, and with the G7+ fragile states. Several members announced their intention to send supplementary written comments. The Secretariat will incorporate these changes and requests, and circulate a revised version of the draft Recommendation to members through the International Network on Conflict and Fragility (INCAF). The Recommendation will be discussed again at the 21 January 2019 DAC meeting.

Item 7. Draft Programme for the DAC Senior Level Meeting

21. The Director opened this session by confirming the dates of the LAC–DAC dialogue (21 February) and the SLM (22 February) and presenting the programme for both events which reflected input from DAC members. A discussion ensued on the programmes of both events. Members underlined the importance that discussions focus on the political and not technical level. Concerning the programme of the SLM, one member noted the sensibility around taking a decision around TOSSD to which the Director noted that the work of the taskforce should be further discussed during the January DAC meeting and acknowledged at the SLM without formal approval of the reporting directives, therefore not undermining the influence of G77+ at the UN level. A few members voiced concerns that the topic of financing the functions of the DAC Chair was not ripe for decision and therefore suggested its removal from the programme. Many DAC members noted that the SLM programme should provide space for the incoming DAC Chair to articulate her vision and priorities and for participants to react, followed by a stock taking and forward looking discussion. Members also voiced concerns on the density of the programme with several noting that the programme should be more substantial to ensure high-level participation from capitals. It was also noted that the SLM should include participation from emerging donors, private sectors and CSOs. Several members noted the importance of the innovative financing discussion and the importance of linking it to the 2019 HLPF.

Item 8. Transition Finance

22. The Secretariat presented the outcomes of the transition finance pilot in Zambia and circulated a first compilation paper on this issue during the meeting. The Secretariat then presented initial impressions on the just-conducted Uganda pilot, mainly centred on transition finance and migration, and informed the Committee that a paper will be circulated to the DAC before the end of the year. The Secretariat then summarised the work already undertaken in 2018 on transition finance and presented future planning in this work stream, including a methodological paper to be released before the end of this year and at least four country pilots (possibly Lebanon, Chile, and Uruguay) to be conducted in 2019–20. Delegates welcomed the progress achieved and expressed enthusiasm for the proposed future studies and work. They stressed the need to continue including debt distress issues in country pilot contexts.

Item 9. Sector Financing

23. The Secretariat made a short presentation of the main highlights of the publication “Sector Financing in the SDG Era”, which was launched in Cairo on 20 November 2018. Several DAC members expressed support for the report and praised the work done. One member (the EU) expressed appreciation for the fact that the report was broadening the lens of development finance beyond ODA by taking into account other official flows, private finance mobilised and philanthropy, and highlighted some text in the report calling for non-DAC providers to contribute with data towards a more transparent financing landscape. Two members (EU, Greece) expressed direct support for the reference made to TOSSD in the report, which shows how the framework can bring about increased transparency. One member (Canada) expressed particular appreciation for the gender focus of the report. The DCD Director concluded by indicating that the report already proved its value by informing an exercise on SDG costing and financing.

Item 10. Aid for Trade

24. The Secretariat highlighted the links between the work on aid for trade and horizontal OECD programmes on Global Value Chains, Going Digital and the NAEC innovation lab. Several members noted the importance of aid for trade in their development strategies and programmes. They welcomed the focus on empowerment and sustainable development for the next edition of the joint OECD/WTO Aid for Trade at Glance publication as well as the two planned OECD publications on *Aid for Trade and Gender* and *Aid for Trade in Action*. All three publications will be presented for comments to the Committee at a meeting preceding the official launch of the publications during the 2019 Global Review on Aid for Trade on 3–4 July 2019.

Item 11. Summary of Conclusions

25. 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 12. Any Other Business

26. The delegates from the United Kingdom and Hungary announced that today’s meeting would be their last. Both delegations will name their successors shortly. The UK delegate will return in November 2019 after her maternity leave. The Committee thanked both delegates for their service to the DAC. The delegate from the Slovak Republic promised to debrief the Committee in the January meeting on the work of the Working Party on Development Finance Statistics.

Annex: National Statements on the Reporting Methods for Private Sector Instruments

Statement by Germany:

Germany acknowledges the unwavering efforts of the facilitator Mr. Eric Postel and the DAC-Secretariat-Team in bridging diverging views and seeking consensus among DAC Members on the ODA reporting of private sector instruments (PSI). The discussions over the years have shown: The task is extremely challenging.

In view of these efforts and as a sign of our trustworthy cooperation with the OECD-DAC-Secretariat and amongst OECD-DAC-Members, Germany has decided to accept the document and not to break the “silent procedure”, after facilitator Mr. Eric Postel having assured the German Government in writing that no sunset clause has been introduced into the document or was meant by it.

Thus, Germany’s consent is valid only by entering the following declaration on our understanding of the agreement in the minutes:

- a. Germany does not accept additional reporting requirements unless these are voluntary and not – explicitly or implicitly - pre-empting later agreements which have to be found by consensus. Germany does not accept any interpretation that this document includes a sunset clause or that such a clause be introduced without the agreement of the DAC. Germany fully trusts the assurance of facilitator Mr. Eric Postel that the aforementioned will remain the valid interpretation of this document and will therefore be a reliable basis for future ODA reporting of private sector instruments.
- b. Germany also assumes that the agreement does not affect any reporting mechanisms within the existing Arrangement on Officially Supported Export Credits, where under Chapter IV, Article 49 the reporting procedures for trade-related aid are very clearly defined and mandatory.

Statement by the Slovak Republic, supported by Denmark, Iceland, the Netherlands and Spain:

The agreement in document [[DCD/DAC\(2018\)47/REV2](#)] was adopted for reporting purposes and constituted no prejudice to commitments adopted at the DAC 2014, 2016 and 2017 High Level Meetings, nor modified other applicable obligations, in particular regarding competition safeguards, under respective international arrangements.