



Organisation for Economic Co-operation and Development

DCD/DAC/M(2019)1/FINAL

Unclassified

English - Or. English

1 April 2019

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

Summary Record of the 1056th DAC meeting held on 21 January 2019

The Draft Summary Record [DCD/DAC/M(2019)1] was approved without modification under Item 2 of the Draft Annotated Agenda [DCD/DAC/A(2019)5] of the DAC meeting on 29 March 2019 and is now issued as FINAL. The Committee also agreed to declassify this final version.

Contact: Eric Bensel - Tel: +33 (0)1 45 24 76 52 - E-mail: eric.bensel@oecd.org

JT03445580

Summary Record of the 1056th DAC meeting held on 21 January 2019

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. The Committee approved the draft agenda without modification.

Item 2. Approval of Draft Summary Records

2. The Chair invited the Committee to approve the draft summary from the 1055th DAC meeting held on 5 December 2018. The Committee approved that record 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 perspective of the Secretariat. He announced that Ms. Mayumi Endoh has been appointed Deputy Director of the DCD. She will take up her functions on 28 January 2019. Mr. Haje Schütte has also been appointed Senior Counsellor and will lead the DCD's contributions to G20 and G7 development work and co-ordinate cross-divisional work on private sector engagement, while continuing to serve as head of the DCD's Financing for Sustainable Development division.

4. By the deadline of 19 December 2018 for expressions of objections to the revised mandates of the DAC subsidiary bodies, the Secretariat had received no objections from Members. The mandates are therefore approved as revised and extended to 31 December 2022 to synchronise with the mandate of the DAC itself. The OECD's "bodies book" is being updated to reflect these updates.

5. After internal discussions, the DCD and Development Centre have agreed to postpone this year's Global Forum on Development to 2020. It will be organised as part of a string of co-ordinated, senior-level events involving non-members. It will be an "OECD Development Week", including the Council Meeting on Development, and with the participation of the Secretary-General. More details will follow in the coming months.

6. On 14 January, the Arab–DAC Dialogue was held in Kuwait City. The meeting demonstrated that collaboration with Arab countries and institutions is becoming more concrete. The Secretariat is working with the Arab Co-ordination Group to finalise the meeting summary, which will be circulated shortly. The European Union will host the next Arab–DAC Dialogue in summer 2020.

7. Last week, the Secretariat held the Private Finance for Sustainable Development Week, which brought a diverse set of businesses and investors together with an equally multi-faceted development co-operation community, from all regions and types of actors. The meetings demonstrated the urgent need for diverse communities to join forces to embed an impact imperative into investment for financing sustainable development to deliver on the SDGs. The OECD issued an Impact Imperative Call for Action around the following four themes: financing, innovation, data, and policy changes. The Global Partnership Specialised Policy Dialogue showed a true appetite on the part of the development co-operation and business communities to work together on new and common rules of the game for effective private sector partnerships, mobilised through development co-operation. The Global Partnership's vibrant Business Leaders' Caucus issued a statement, highlighting trust building, risk sharing, generating data and results, and managing realistic expectations as key elements of effective partnering. The OECD also formally launched

the new report *Social Impact Investment: The Impact Imperative for Sustainable Development*, a sequel to the OECD 2015 report on *Social Impact Investment (SII), Building the Evidence Base*.

8. In late 2018, the OECD published a survey concerning the efforts of DAC members in refugee-hosting contexts¹. The results show that, although humanitarian aid is vital in supporting immediate needs in crises, an uneven balance of humanitarian aid and development aid presents the risk that communities facing more long-term, protracted refugee situations may not receive the most adequate type of assistance. Knowing that conflict and refugee crises generally last for decades, and as stable fragility rarely stays stable forever, the publication further makes the case for a closer collaboration and support between host, transit, and countries of origin, and a better coherence within the humanitarian–development–peace nexus, to find improved solutions for local integration, address the root causes of the conflict and prevent the next crisis.

9. The Secretariat was actively engaged in the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) held in Katowice, Poland in late 2018. The Secretariat participated in discussions on climate finance data, climate change adaptation, green investment, triangular co-operation, and alignment of development co-operation with the objectives of the Paris Agreement. This COP was very encouraging and successful in confirming the pertinence of DCD/DAC work to key discussions that are taking place in the climate space.

10. The Chair then reported to the Committee on recent developments as well. He complemented the Director's intervention on the Arab–DAC Dialogue, which he had co-chaired with the DAC Vice-Chair from the Netherlands. Discussions centred around four topics (women's economic empowerment, education, water and sanitation, and food security and agriculture). Participants agreed to establish a Task Force on women's economic empowerment, continue monitoring trends on education through the education task force, continue facilitating and documenting the partnership on water and sanitation, and explore innovative financing modes in the food security and agriculture sectors, notably regarding blended finance and aid for trade, in particular for small-scale farmers. The Chair warmly thanked Kuwait for having hosted the event.

11. The DAC Vice-Chair from Canada briefed delegates on the informal CSO meeting held last week to discuss preparations for the DAC Senior Level Meeting. The CSOs expressed broad support for the DAC to systematically engage with CSOs and flagged five elements they would like to discuss with the Committee: (1) migration, (2) aid and security, (3) how the DAC is responding to shrinking civil society space particularly in developing countries, (4) expectations in the SLM for the Global Partnership for Effective Development Co-operation, and (5) DAC work on leaving no one behind. The CSOs also expressed concerns about access to information. The Vice-Chairs requested that CSOs submit contributions in writing in advance of the SLM.

12. Lastly, the Chair informed the Committee that incoming DAC Chair Susanna Moorehead will take up functions on 18 February 2019.

¹ See http://www.oecd.org/development/conflict-fragility-resilience/docs/highlights_financing_refugee_hosting_contexts.pdf

Item 4. DAC Recommendation on Humanitarian–Development–Peace Nexus

13. The Secretariat presented an overview of progress in developing the draft Recommendation on the Humanitarian–Development–Peace nexus, noting that it has been discussed extensively at a DAC High-Level Roundtable, during five rounds of consultations with INCAF members, as well as consultations with external stakeholders – through six key networks representing a combined membership of 346 national and international civil society organisations, 11 UN agencies, the Red Cross and Red Crescent Movement, the World Bank, and 20 fragile states.

14. Members indicated their significant support for the transmission of the draft Recommendation to the DAC Senior Level Meeting for adoption. Delegates also highlighted the need to consider dissemination, which would begin on the date of adoption, and a number of suggestions were put forward, including DAC members’ translation of the Recommendation into their respective languages, the development of complementary communication products and the posting of the document on members’ respective webpages. Norway sought clarification on the monitoring mechanism, while Canada requested further clarity on the definition of the term “joined-up” in the text. The Secretariat worked with members over the course of the day to clarify these matters, and the draft Recommendation was amended to the satisfaction of both members. Greece and Germany requested that members have time to consult with their respective governments on the amendments and, as such, the Chair determined that agreement would be carried out through the silent procedure, ending Friday 25 January at 12 noon (Paris time). Should no objections be expressed by that deadline, the draft Recommendation will be transmitted to the DAC Senior Level Meeting, to be tabled for approval on 22 February 2019.

Item 5. DAC Recommendation on Preventing Sexual Exploitation and Abuse

15. The Secretariat provided an update on the work to develop a DAC instrument on preventing sexual exploitation and abuse in development co-operation. On 12 December 2018, the DAC Reference Group on Preventing Sexual Exploitation and Abuse (PSEA) held its fourth meeting and included CSO and UN representatives. The agenda covered three substantive areas: i) issues for which a wider learning process may be needed for the development agencies and partners in this endeavour, ii) sharing approaches related to a victim/survivor-centred approach; and iii) efforts toward organisational change in different types of institutions.

16. Between September and November 2018, the DAC conducted a survey on Sexual Exploitation and Abuse (SEA) within the development sector to gather information and recommendations from members based on their experiences, best practices, and lessons in preventing and responding to sexual exploitation and abuse. By 21 January, 25 of the 30 DAC members had responded to the survey.

17. The Secretariat presented the findings from the DAC Survey on PSEA. The analysis shows that while the majority of DAC members who responded have a code of conduct or ethical framework, only half of the respondents cover SEA in their code of conduct or have a specific SEA policy or strategy. Of the respondents, 76% of DAC members have a designated SEA report mechanism or function. On the other hand, more work is needed in terms of protecting those who report SEA, preventing the hiring of SEA perpetrators, and raising awareness among local, beneficiary populations.

18. Based on the discussions at the Reference Group meetings and findings from the survey, the Co-Chairs, with support from the Secretariat, developed a room document outlining the draft pillars of a DAC instrument on PSEA and a work plan through June 2019. The Secretariat requested that members send any written comments on the room document to SEA_TaskForce@oecd.org by 29 January. This document will also be discussed at the 31 January meeting of the Reference

Group. A revised document, based on members' written comments and discussions at the Reference Group meeting, will be put for discussion at the DAC SLM on 22 February.

19. Members reiterated their strong support for undertaking work on this issue and stressed the need maintain the momentum within the DAC and wider development community to address this issue. One member highlighted the importance of localisation of the DAC instrument, ensuring implementation through field offices, and including a roadmap for future monitoring and learning. Some members asked that the calendar be more ambitious to aim for finalisation of a potential DAC instrument by summer 2019. Members encouraged the Secretariat to ensure that there is enough time for consultation and shared learning to have a solid DAC instrument.

Item 6. DAC Peer Review Reference Guide

20. At the 4 October 2018 DAC Meeting, the Secretariat presented proposed updates to the DAC Peer Review Reference Guide for 2019-20. Following discussion and receipt of written comments from Members, the Secretariat presented a revised text at the 16 November and 5 December DAC Meetings and engaged in bilateral discussions to address individual concerns. Given the focus on Chapter 7, further consultations also took place through the DAC International Network on Conflict and Fragility (INCAF).

21. In this January session of the DAC, the Secretariat provided an update on discussions with Members regarding Chapter 7 of the Peer Review Reference Guide for 2019-20, recalling that the Reference Guide is a biennially agreed document applied flexibly and in response to the priorities of different members and their institutional realities. The Secretariat further recalled ongoing efforts to streamline the peer review process and, given that peer reviews will be the means for monitoring the DAC Recommendation on Humanitarian-Development-Peace Nexus (agenda item 4), highlighted the need to be consistent.

22. In response to a proposal from Germany to create an additional Chapter 8 in order to separate humanitarian aid from other crisis responses and the nexus, a large portion of DAC members supported the compromise text proposed by the Secretariat [DCD/DAC(2019)3].² Germany and Sweden indicated the need for further consultations while the European Union and Norway also signalled that additional comments would be shared in writing. On this basis, the Secretariat agreed to undertake a further final round of consultations to reach agreement and to provide further clarifications to Members where necessary. A final version of the Reference Guide for 2019-20 would then be agreed via the written procedure before 1 February 2019. Following the passage of that deadline, the final Reference Guide for 2019-20 will be put to the DAC Senior Level Meeting in February 2019 for adoption.

Item 7. Total Official Support for Sustainable Development (TOSSD)

23. After an introduction by the Chair and the DCD Director stressing that 2019 would be a critical year to advance TOSSD, the Secretariat updated the Committee on the status of development of the measurement framework and the proposed focus of the SLM discussion. The co-Chair of the International TOSSD Task Force emphasised the importance of members responding to the data survey but also the need for the DAC to hold a policy-oriented debate on TOSSD.

² Austria, Belgium, Canada, Denmark, European Union, Finland, Iceland, Netherlands, Norway, Portugal, Slovakia, Sweden, Switzerland, United States. The United Kingdom was still undertaking consultations at the time of the meeting.

24. Many members expressed strong and specific support for TOSSD, acknowledging the work and progress made by the Task Force. A few members asked questions of clarification about the added value of TOSSD, one member requesting that a cost–benefit analysis be carried out. Another member cautioned about the engagement strategy vis-à-vis the UN, which may test the credibility of the OECD if it were to fail and deemed that the ODA and TOSSD measures had a lot in common. Two members stressed that TOSSD pilots are showing the usefulness of the framework.

25. Members widely supported the extension of the Task Force and two members encouraged to include SIDS in the process. One member flagged the strategic importance of keeping a clear separation between the TOSSD and DAC processes. One member requested a clearer view on the oversight mechanism being proposed.

26. Many members confirmed that they will participate in the survey, which will serve as proof of concept for the TOSSD framework. Two members requested clarifications about the additional reporting burden or could not confirm their ability to report.

27. Five members specifically supported the idea of a “city group”, which the Secretariat clarified is a mechanism used by the UN Statistical Commission to initiate the process of development of international statistical standards. It would be important that all DAC members support the creation of a TOSSD city group if and when it is announced at the UN Statistical Commission in March 2019. Two members insisted on the importance for members to work with their UN delegations in New York to increase ownership of TOSSD and find a co-custodian agency for the framework.

28. Regarding the TOSSD methodology itself, one member commented on how sustainable development is operationalised in TOSSD and noted that, in its view, activities that contribute to one SDG target but that are detrimental to another should not be TOSSD–eligible. One member raised concerns about the use of the MDB methodology for measuring private finance mobilised in TOSSD and insisted that MDBs use the DAC reporting methodology instead.

29. There was wide support for the proposed focus of discussions on TOSSD at the SLM. Several members insisted that, in addition to the overview of progress and the specific discussion points presented in the paper, the SLM should address a number of political issues. These include: the relationship between ODA and TOSSD; the possibility of certain ODA activities to be considered as unsustainable in the TOSSD context; the ownership of TOSSD by other stakeholders, but also by the DAC, which requires a clear view on the future governance mechanism. Members also asked that the next version of the paper should point to the challenges faced by TOSSD. Several members called for the creation of clear communication materials for TOSSD highlighting the “why” and importance of TOSSD.

30. The Director concluded the discussion by emphasising that there will be no target on TOSSD and that it will not replace ODA. In response to questions by members on the process to prepare the SLM, the Director clarified that a new paper will be produced building on [[DCD/DAC\(2019\)2](#)], taking into account members’ comments. At the SLM, members will be expected to express support for the work of the Task Force, acknowledge the overall direction of the Reporting Instructions and support the expansion of the Task Force membership. He insisted that the Secretariat is making all efforts to engage with the UN to find a co-custodian agency for TOSSD.

Item 8. 2019 DAC Senior Level Meeting

31. The Director opened this session by presenting the programme for the LAC–DAC Dialogue (21 February 2019) and Senior Level Meeting (22 February 2019) which reflected input from DAC members. A discussion ensued on the programmes of both events. A few countries brought up additional organisations or entities that they wanted to invite to the LAC–DAC dialogue. The Secretariat agreed to bring this to the attention of the co-chairs of the meeting. The Chair clarified that only the Update of the Peer Review Methodology and the DAC Recommendation on the Humanitarian–Development–Peace Nexus will be final documents for approval by the SLM. Other items are either for discussion only, or for discussion with a view to be approved at a later stage. Members underlined that while the events are held back-to-back they should be separated in terms of programme documents and invitations. Members agreed to change the title for the SLM Morning Session to “Supporting the implementation of the 2030 Agenda for Sustainable Development through a DAC fit for purpose”.

Item 9. Indicative Roadmap for 2019

32. The Chair presented an indicative roadmap jointly produced by the Vice Chairs, the DAC Chair’s office, and the Secretariat. He emphasised that it is a living document that will evolve over time as priorities shift. In advance of the meeting, the Secretariat had circulated a draft outreach plan for the DAC and requests written comments by 8 February.

33. In discussion, delegates suggested a number of topics to be included in the roadmap, including: small island developing states, the emergency short-term financing mechanisms available to respond to catastrophic humanitarian crises in recently graduated high income countries, the Total Official Support for Sustainable Development (TOSSD) measure, private sector instruments (PSI), outreach to new donors, core vs. earmarked contributions to multilateral organisations, preventing sexual exploitation and abuse, the programme of DAC peer reviews, and upcoming surveys to which members are requested to respond. The Committee also requested that the linkages with the DAC’s Programme of Work and Budget be made more explicit.

Item 10. Council Recommendation on Policy Coherence for Sustainable Development

34. The Secretariat (Mr. Ernesto Soria Morales, Policy Coherence for Sustainable Development Unit, GOV) presented the Draft Recommendation of the Council on Policy Coherence for Sustainable Development [[SG/PCD\(2018\)2](#)] for DAC review, which builds on the proposal [[SG/PCD\(2018\)1](#)] discussed by the DAC on 26 October 2018. He emphasised that the initial comments by Members were carefully taken into account in the preparation of the Draft Recommendation. He explained that this first draft includes more practical guidance on implementation, monitoring, analysis, and reporting; identifies more specific institutional mechanisms and measures for promoting PCSD; embeds PCD principles; and builds on successful experiences by OECD members in promoting PCD, as suggested by Members. He underlined that the draft Recommendation also builds on the experience of initial efforts in OECD countries in implementing the 2030 Agenda, as illustrated in the room document [[DCD/DAC/RD\(2019\)3](#)] circulated at the meeting for information. He further highlighted the addition of a ninth element of PCSD on maximising all available financial resources that emphasises the role of coherence for ensuring that different flows are fully leveraged in support of sustainable development. He indicated that this addition would help align approaches on PCSD with UN Environment, the custodian agency for developing the global indicator for monitoring the achievement of SDG target 17.14 on PCSD.

35. Delegates welcomed the draft Recommendation and emphasised their support for the work on updating the 2010 Recommendation of the Council on PCD, including the development of an implementation toolkit. Many delegates welcomed the proposal for a broad consultation process as outlined in the room document [[DCD/DAC/RD\(2019\)4](#)]. Several delegates highlighted the diversity of national political, legal, and administrative structures and suggested that this could be reflected more strongly in the recommendation. Some pointed out that the draft Recommendation was too detailed and prescriptive and suggested to present the guidance as a menu of options, recognising that there is no one-size-fits-all approach for promoting PCSD. Three delegates indicated that PCD could figure more prominently in the recommendation. Some delegates also requested greater clarity on the implications for the DAC peer reviews and on the mechanisms for monitoring the implementation of the Draft Recommendation. Several delegates suggested to build on existing mechanisms. It was recalled that the next version of the Draft Recommendation will be discussed by policy coherence focal points on 20 February.

Item 11. 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 12. Any Other Business

37. The delegate from New Zealand intervened on behalf of her country and Australia to suggest a way forward on improving communication with partner countries about the DAC List of ODA Recipients and ODA eligibility. She asserted that it is important that such information-sharing by the Secretariat is regularised to allow greater predictability and clarity for DAC members – and assist them with the ongoing dialogue with partner countries – particularly in relation to ODA graduation. She commented that, following an initial discussion with the Secretariat, it appears that September is an appropriate time for updates on letters sent, or to be sent, to partner countries, as this timing would allow for consideration of World Bank Atlas data. As such, the Secretariat could deliver a brief oral presentation at the September DAC meeting each year (especially in relation to those countries who have exceeded high-income threshold levels for two or more years). Verbal updates at other points in the year, where appropriate, would also be useful.

38. The delegate from Norway intervened to announce that the DAC will hold its retreat on 3 April. The incoming DAC Chair has already confirmed that she is available on this date. The organising committee – Norway, USA, and Korea – will share more details shortly.

39. The delegate from the Slovak Republic reported to the DAC on the results of the November WP-STAT meeting. Deliberations considered many topics, including the ODA grant equivalent system, reporting directives and markers, debt relief, and PSI reporting instructions. He announced that he would no longer serve as DAC Facilitator for WP-STAT, as he must devote his time to supporting his country's presidency of the 2019 Meeting of the OECD Council at Ministerial Level. The delegate from Norway will take his place as Facilitator, but he will remain the Slovak delegate to the DAC. The other WP-STAT Facilitator, the delegate from Portugal, announced that the next WP-STAT will take place on 13-15 February 2019. The delegate from Greece will circulate an updated list of DAC Facilitators.