DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

Summary Record of the DAC-CSO Dialogue Meeting held on 7th June 2019

The Draft Summary Record [DCD/DAC/M(2019)7] was approved under Item 2 of the Draft Annotated Agenda [DCD/DAC/A(2019)12] without modification at the 10 September DAC meeting. It is now issued as FINAL. The Committee also agreed to declassify this final version.

The document was reviewed, commented on and cleared by the DAC working group composed of 4 Delegates involved in the organisation of the meeting, as well as the Coordinators of the DAC-CSO Reference Group.

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JT03450888

DAC-CSO Dialogue Meeting
7 June 2019 – OECD Headquarters, Paris

SUMMARY OF DISCUSSION

The second DAC-CSO Dialogue Meeting was held on 07 June 2019 at the OECD in Paris. It was chaired by the Chair of the OECD's Development Assistance Committee (DAC) and co-organised jointly by four DAC Delegates (Australia, the EU, Italy, and Ireland) and four representatives from the DAC-CSO Reference Group with support from the OECD/DCD/FOR Civil Society Team. The DAC-CSO Dialogue Meeting brought together members of the DAC and approximately 30 representatives of CSOs for a dialogue covering the following points: (1) Presentation of the DAC-CSO Reference Group; (2) Updates and discussions about the DAC's agenda and priorities for 2019-2020 including opportunities for CSO engagement; (3) Progress made in implementing the [DAC-CSO Dialogue Framework](#), and next steps to take this work forward and lastly (4); In-depth thematic and policy discussions on (a) Civic space; and (b) Engagement with the private sector.

Introductory remarks

By the DAC Chair

- The DAC-CSO dialogue is in its early stages and still a work in progress. The DAC, under the leadership of the Chair, is committed to making it a successful and reciprocally useful and beneficial dialogue through which CSOs can hold the DAC to account but are also "part of the solution" to the challenges of today's development cooperation.

By CSO Representatives

- CSOs' rationale for coming together and engaging with the DAC are their common concern over persisting poverty and growing inequality and how to make ODA effectively address that; CSOs expressed appreciation of the DAC reform, in particular the DAC-CSO Dialogue Framework.
- The dialogue offers CSOs a space to influence the DAC and advocate for an even more effective and qualitative aid and development finance. Equally, it offers the DAC a space to leverage civil society knowledge, expertise and constituencies through the diverse range of CSOs represented in the DAC-CSO Reference Group. CSOs engage in this process with intent and interest to engage, raise concerns and be part of the solution including by sharing evidence and experiences of what works and what doesn't.
- Following the reform of the DAC and the adoption of the Dialogue Framework, consultations that were once ad hoc and informal are now institutionalised. As a result, the dialogue and cooperation with civil society are strengthened.
- The DAC-CSO Reference Group welcomes this significant step forward, which is important both for the accountability structure and the quality of the policy-making process. Through their first-hand experience of development challenges and policies on the ground, connections to grassroots' communities and commitment to amplifying unheard voices, CSO perspectives are invaluable and contribute to enriching polices. Moreover, meaningful engagement with the DAC supports civil society empowerment and ownership over the policies and development initiatives that affect their lives.

Observations from the discussion

- Southern CSO perspectives in particular should be recognised.
- Good policy comes from listening to the people.
- A CSO Representative also asked about the DAC's plans to sustain the dialogue and support the Reference Group.

Progress made in implementing the DAC-CSO Dialogue Framework and next steps

Presentation by the DAC Delegate from Ireland of the progress made at the DAC level

- Through the Dialogue Framework, the DAC aims to 'walk the talk' in terms of transparency, inclusion and accountability. This Framework, developed in close cooperation with the DAC-CSO Reference Group, is a fundamental step and offers a solid, institutional structure for engagement. CSOs now have observer seats at the HLMs and SLMs. Civil society stakeholders were present in the SLM in February 2019. Prior to the SLM, meetings took place between representatives of the DAC-CSO Reference Group and the DAC Chair and Vice Chairs to discuss the agenda. There is also a greater effort to ensure the DAC-CSO dialogue meetings are more strategic and forward-looking (CSOs may react to and influence the DAC's agenda and priorities). The co-organisation of the second DAC-CSO Dialogue Meeting by members of the DAC bureau, DAC delegates and RG Coordinators and representatives is also noteworthy and sends a signal of ownership, commitment and leadership. The DAC also continues to improve transparency by providing more information on the website, improving work stream level communications, and with the plans to issue a newsletter and more press releases on peer reviews. Ideas proposed for further consideration and discussion included co-creation of SLM&HLM agendas, two DAC Dialogue meetings per year in advance of SLM or HLM to maximise influencing opportunities, structuring engagement with DAC subsidiary bodies in a clearer way, and further discussion of how to manage the access to documents to make contributions in advance of decisions vs classification.

Presentation by CSO Representatives of the progress made at the DCD work stream level

- Engagement of CSOs at the work stream level is equally important because it allows input before DAC decision-making. It is also key for the quality of OECD policies and products. So far, this engagement has been fairly ad hoc and the quality uneven. Good examples of engagement and dialogue include the PSEA recommendation and TOSSD[1]. Less successful engagement where CSO participation so far has been relatively limited include the PSI reform (this process remained opaque and closed) and the WP-STAT (except on the new purpose code to capture ODA-eligible migration activities which was specifically demanded of the WP Stat by Ireland, Canada, Nordic Countries and the USA in advance of the decision).
- There are good examples of collaboration and a lot has been achieved during the course of the year, both at the level of engagement with the Committee and the work stream level. However, there is still room to improve the implementation of the framework by i.e.: ensuring timely access to information from the DAC and greater transparency; providing feedback in response to CSO inputs; improving practical modalities for CSO engagement; strengthening the CSO RG communication, outreach and capacity building. The need for sustainable funding model/resources was highlighted as a prerequisite for an ambitious, meaningful and sustainable dialogue.

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[1] CSOs have been interacting with the TOSSD Task Force since 2016. In terms of access to information, the TF has a website for all documents provided ahead of the meetings, there are regular consultations; the TF, however, takes time to respond to comments; Face-to-face meetings are important and offer an opportunity to create trust.

Overview of comments from the floor

- The DAC and CSO RG share a common goal: to promote effective development co-operation to ensure the implementation of the SDGs.
- The DAC and CSO RG also share the same understanding of the importance of the role of CSOs for development cooperation, as development actors in their own right, to implement the SDGs and to contribute to DAC discussions.
- The DAC-CSO dialogue offers a space to exchange information on each party's respective priorities and work together on issues of mutual interest.
- The DAC and CSO RG share the view that there is a need to continue strengthening the relationships and trust between CSOs and the DAC, not only through face-to-face meetings but also through virtual interactions.
- Responding to CSOs' needs to strengthen capacities, the FOR Unit is committed to continue helping CSOs to develop capacities and to linking them up with the various work streams.

Opportunities for CSO engagement in the DAC's agenda for 2019

Presentation by the DAC Delegate from the EU

Priorities for the DAC in 2019 include:
- ✓ *ODA modernisation process*. There are no specific decisions planned at this time. PSI data is currently being collected under interim arrangement.
- ✓ *Debt relief* issue still ongoing; discussions with Paris Club are planned.
- ✓ Dissemination and monitoring of the *Humanitarian-Development-Peace Nexus Recommendation* (adopted at the February 2019 SLM). Monitoring will happen within the context of DAC peer reviews and other monitoring modalities. CSO consultations on the nexus recommendation were satisfactory and a possible example to build on.
- ✓ Adoption of the *PSEA recommendation* in July or latest in September 2019. PSEA is another good example of consultations, which could be built upon, with CSOs as mentioned also by the CSO RG Coordinators.
- ✓ *Guiding principles on results based management*, to be presented for approval in July or latest in early Fall 2019. The invitation to participate in the online consultation has been shared with the CSO Reference Group.
- ✓ The *Study and Guidance on how DAC members work with CSOs* (to be published in Q4 2019).

Some areas of interest for engagement expressed by the floor

- ✓ *Private Sector Instruments (PSI)* and *blended finance.*
- ✓ *Recommendation on Preventing Sexual Exploitation and Abuse, and Sexual Harassment (PSEA).*
- ✓ *Climate financing and ODA alignment with the Paris Agreement* (on climate change). DCD offered to connect the DAC-CSO RG with the OECD Environment Directorate and DAC ENVIRONET for further engagement on this issue.
- ✓ *Debt relief and the issue of double counting*. CSO representatives enquired about the possibility to give additional inputs to and revise the principles to make sure DAC incentivises responsible sustainable lending practices (avoid double counting without eliminating incentives to members to cancel debt relief). The response was that it is no longer possible to review the principles as they have already been agreed to by the DAC. What can be done, however, is join efforts to ensure the implementation of the principles moving forward.

✓ *Poverty focus*. Revisiting and holding discussions on new and effective strategies / approaches to ensure that reducing poverty and inequality is at the heart of all of the DAC's work. The DAC Chair explained how the DAC needs to be selective in its approach to respond to changing country contexts and maintain its relevance e.g. shifting from mere poverty reduction to jobs creation and growth in partner countries. In support of this, the EU delegate underscored the need to engage the private sector while ensuring proper safeguards and expansion of social protection coverage. CSOs pointed out that the focus on growth means investors go to countries with educated workforces (not the least developed countries/countries with the poorest people) and they do not necessarily create quality jobs. CSOs suggested developing skills and using ODA to create relevant infrastructure in partner countries, and to use peer reviews to facilitate dialogue between development partners and partner countries.

✓ *Peer reviews* process and follow-up (including behavioural change at the country level and CSO shadow/cross-peer review learning exercises (as piloted by Switzerland and next in Ireland), and including civil society stakeholders in the DAC Peer Review meetings held in Paris following the example of Switzerland, The Netherlands, Finland, Sweden and the upcoming peer review of Ireland).

✓ Working with the DAC to promote *good quality aid* and discussing innovative approaches in this area at a challenging time when DAC member governments are under pressure from citizens / tax-payers to cut back ODA.

Break-out session: Observations from the policy discussion on civic space and recommendations put forward from various discussants[2]

✓ Include a list of minimum standards or requirements for CSO enabling environment (EE) and development effectiveness (DE) in the DAC Guidance.

✓ Engage in peer learning and exchange of evidence-based lessons and good practices when it comes to protecting and expanding civic space.

✓ Recognise that civil society space is both shrinking and changing.

✓ Strengthen coordination at country level between donors; adopt policy frameworks and funding modalities that do no harm and avoid indirectly adding to the problem of shrinking space.

✓ Support CSO capacity building and the empowerment of local CSOs in decision-making processes in partner countries.

✓ Promote and engage in country level political dialogue on CSO enabling environment with partner country governments and resident donor agencies.

✓ Raise the issue of shrinking space at the political level and in the global arena including the UN; link up with missions in NY to generate support on this at the HLPF.

✓ Strive to be more country/context-specific in designing policies and strategies that address this issue and tap into country level civil society / CSO voices on the ground.

✓ Strengthen donor accountability with respect to CSO enabling environment.

✓ Reflect on what shrinking space and other concepts such as CSO EE and DE mean in practice (in a granular way), looking into, among others, how the engagement on transnational corporations impacts on this (e.g. links between large-scale mining and CSOs in the areas where these companies operate).

✓ Consider developing a DAC recommendation on civic space.

✓ Building on existing policies developed at headquarters - consider developing regional and national action plans with concrete actionable / practical recommendations to protect and expand civic space.

✓ Protect human rights defenders and human rights more generally, with a particular focus on the rights of indigenous peoples, migrants and refugees.

✓ Address the issue of shrinking space and enabling environment in all DAC policy networks.

✓ Consider and react to *the Belgrade Call to Action: Positive Measures for Enabling Civic Space towards Maximising Civil Society Contributions to the SDGs*.

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[2] Some recommendations are specific to the DAC but not exclusively.

- ✓ Recognise challenges that exist in DAC member countries; reflect this across OECD's work including in the peer reviews.
- ✓ Focus on the DAC's comparative advantage.
- ✓ Harmonise and develop guidelines to simplify funding requirements (financial and administrative) for CSOs and decrease the use of a short-term project focus.
- ✓ Look into travel and visa constraints for CSO representatives to participate in international policy spaces.

Break-out session: Observations from the policy discussion on engagement with the private sector in development

The private sector has a role to play in sustainable development. However, there are risks and challenges associated with this.

Risks /challenges identified by discussants

- ✓ Proving "additionality". Breaking down the funding that has public origins and the funding that is 'new' or 'private' money especially money from DFIs and MDBs.
- ✓ Diversion of aid from LDCs.
- ✓ Collateral damage.
- ✓ Not balancing risks between donor and recipient countries, neither between the public sector and the private sector.

Open questions raised by discussants

- ✓ What is the role of local Small and Medium Enterprises (SMEs) in development co-operation?
- ✓ How can CSO expertise be leveraged to effectively engage them in LDCs?
- ✓ How can Private Sector Instruments (PSI) be channelled into LDCs (incentives for private sector, risk mitigation, etc.).
- ✓ What are the potential synergies and opportunities for collaboration between CSOs and the private sector?
- ✓ The impact of ODA on private sector? How can ODA be effectively used to mitigate the risks associated with private sector engagement? How can a portion of ODA be used to leverage resources from the private sector, contributing to increasing TOSSD and strategically maximising the use of domestic resources to achieve the SDGs?
- ✓ What is the possibility of promoting both human and economic development through private sector engagement?
- ✓ Issue of transparency.

Additional observations

- There is need to put in place safeguards as well as incentives for private sector engagement in sustainable development, that leads to human, social, environmentally sustainable and economic development, and that leaves no one behind. It is also important to look closely at the impact of ODA channeled through Private Sector Instruments and gather data that can support evidence-based decisions. It is also important that ODA channeled through Private Sector Instruments follows development effectiveness principles, notably ownership and accountability.

Recommendations put forward and considered by discussants

- ✓ For the OECD to gather evidence and data to demonstrate the impact of and provide guidance for private sector engagement, including guidance for DAC policies in this area.
- ✓ To work on language and clear terminology and differentiate between the private sector in development and the private sector in development cooperation.
- ✓ For the DAC to help both its members and civil society to get more data on how CSOs are working together with the private sector. CSO experiences could help the private sector see how they can make a better contribution. CSOs often have extensive poverty reduction focused experience of working with and through the private sector and at the moment this expertise has no space or channel to be shared – the OECD PSE4SD or private sector week could be a space for this.

Overview / compilation of some of the messages that were put forward during the meeting by participants regarding the dialogue

General

- The DCD and DAC reiterated the importance of listening to CSOs, especially Southern CSOs.
- Participants reiterated that the DAC-CSO dialogue and the DAC-CSO Reference Group should complement existing interaction / engagement modalities and groups rather than replace them. The DAC-CSO Reference Group does not seek to act as a gatekeeper but facilitate dialogue processes.
- The DAC and the DAC-CSO Reference Group should continue to work together towards the full implementation of the Dialogue Framework, at both DAC and DCD levels, to address joint challenges.
- The sheer volume of DCD work streams makes it challenging for CSOs to engage across all the activities – it is important to prioritise.

CSO representatives would welcome

- Greater transparency and more timely access to DAC information and documentation / working documents.
- A structured rigorous process of consultation around a well-focused agenda.
- Provision of feedback in terms of which CSO contributions are taken on board or not, and why if not.
- More opportunities and structures for practical engagement modalities i.e.: teleconferences and webinars in addition to face-to-face meetings.
- Support in terms of resources and capacity building for effective CSO engagement (for example training on using the CRS database).
- Structured and enhanced CSO participation in DAC networks and subsidiary bodies i.e. WP-STAT.
- Willingness to involve CSOs and consider CSO contributions before key decisions are made.

Representatives from the DAC and CSOs would welcome that the DAC-CSO Reference Group

- Strengthen outreach to ensure greater representation and inclusiveness.
- Reach a better North-South balance in terms of CSO representation; Increase the participation of CSOs from the global South.
- Ensure the network expertise is used more optimally. Endeavour to ensure that meeting attendees and their expertise are aligned with the agenda items up for discussion.
- Improve the transparency of the self-regulation/self-organisation process.
- Develop and implement a communication strategy / plan including effective communication platforms/channels that: (i) enable all CSO members of the RG to access information; and (ii) allow for a fair representation and participation of a variety of CSOs in consultative processes such as the pre-consultation meetings ahead of the SLM/HLM.

Next steps for the civil society work stream including the DAC-CSO dialogue for the second half of 2019

Dialogue

- The next DAC-CSO dialogue meeting is tentatively scheduled in September (TBC).

Policy work

- The Study on How the DAC works with CSOs will be presented at the end of 2019. The guidance will be subject to another workshop with the DAC Community of Practice on civil society in November (TBC).
- A policy brief on the impact of digital transformation on civic space is being developed in parallel and in complementarity with the study and guidance (to be presented in Sept./Oct.- TBC).