

DEVELOPMENT CENTRE
GOVERNING BOARD OF THE DEVELOPMENT CENTRE

1st MEETING OF THE GOVERNING BOARD IN 2017

SUMMARY RECORD

The Summary Record of the Development Centre Governing Board's 1st Session in 2017 (6-7 March 2017) is submitted to delegates for APPROVAL at the 2nd Meeting of the Governing Board on 19 June 2017. In light of the late submission of this document delegates will be invited to provide comments on the document within an additional week after the meeting.

On 6-7 March the 1st Session of the Governing Board in 2017 focused on the following themes: i) Social Protection; and ii) DEV Africa Initiative. At its meeting of 21 February the Governing Board Bureau supported the proposed Draft Agenda for the Governing Board. The procedural aspects of the agenda related to the implementation of the Centre's Work Programme; potential topics for the foreseen High-level Meeting of the Governing Board; a 2016 implementation report and financial status report; and a presentation on impact: tracking results against the Development Centre Results Framework. At the end of the first day (6 March from 17:30 - 18:30) there was a DEV TALKS seminar, honoured with the participation of and special address by Rémy Rioux, Chief Executive Officer, Agence Française de Développement (AFD).

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ITEMS 1 AND 2: DRAFT ANNOTATED AGENDA [DEV/GB/A\(2017\)1/REV1](#); AND THE SUMMARY RECORD OF THE GOVERNING BOARD MEETING, 14 DECEMBER 2016 [[DEV/GB/M\(2016\)5](#)]

The Governing Board Members approved the Draft Annotated Agenda and the Summary Record.

ITEM 3: DESIGNATION OF THE BUREAU IN 2017

In his message dated 23 February the Chair of the Governing Board, Pierre Duquesne, Ambassador of France to the OECD, explained that in response to his call for candidates message in November 2016 to fill the 3 vacant seats in the Bureau (DEV Members-OECD countries), the following 5 applications were received from:

- Rodrigo Monardes, Chile
- Andrea Macchioni, Italy
- Takuma Kajita, Japan
- Maria Oliveira Fernandes, Portugal
- Jörgen Karlsson, Sweden

Based on the results of the consultation process that followed and the Chair's subsequent consultations with and the suggestions made by the candidates themselves, Maria Oliveira Fernandes, Portugal informed of her decision to withdraw her application. The remaining four candidates from Chile, Italy, Japan and Sweden, reiterated their strong wish to be considered for the position of Vice-Chair in the Bureau.

Taking into account the increased interest of Members to join the Bureau and the criteria for the Bureau Designation in the Development Centre, the Chair proposed to extend in 2017 the size of the Governing Board Bureau by 2 seats, to have 12 Vice-Chairs, Member countries of the Development Centre: 6 OECD countries and 6 non-OECD countries. This proposal was supported also by the Bureau Members at the Bureau meeting held on 21 February.

The enlargement of the Bureau to 6 + 6 Vice-Chairs opened an additional seat to a Member of the Development Centre, non-OECD country. The Chair invited delegates to provide to the Secretariat their indications of interest to apply by 2 March 2017 cob. The consultation process was conducted in accordance with the Council guidelines on consultation procedures and the results were informed via written procedure in advance of the Governing Board session.

Following the call for candidates for the additional vacant seat, Doina Căjvăneanu, Romania, applied for the position. As a result the Chair invited delegates at the meeting to designate the full Governing Board Bureau in 2017 as follows. It was noted that the format and size of the Bureau would be reviewed by Members at the end of 2017.

Chair: Pierre Duquesne, Ambassador of France to the OECD

Vice-Chairs:

- Rodrigo Monardes, Chile
- Andrea Macchioni, Italy
- Takuma Kajita, Japan
- Seong-ho Lee, Korea
- Jörgen Karlsson, Sweden
- Ender Saritekin, Turkey
- Charles Gomis, Côte d'Ivoire
- Fajar Harijo, Indonesia
- Catherine Vennard, Peru
- Fakhr Eddine Essaïdi, Morocco
- Sirichada Thongtan, Thailand
- Doina Căjvăneanu, Romania

ITEM 4: STATEMENT BY THE CHAIR AND THE DIRECTOR

The Chair, Pierre Duquesne, and the Director of the Development Centre, Mario Pezzini, reported on recent developments and ongoing and forthcoming activities and events. These included, in particular, reports on the outcome of the Council meeting in January, which consisted of a presentation of the OECD “Development Cluster” Committee Chairs (The Development Assistance Committee (DAC), the Development Centre (DEV) and Sahel and West Africa Club (SWAC)); the first DEV-GB Cluster of events in 2017; an update on the preparations of the Global Forum on Development; the contribution of the Centre to the Council Meeting on SDGs in April 2017 (see ["OECD Action Plan"](#)).

The Chair welcomed Paraguay as Member in the Development Centre as of March 2017, attending its first meeting of the Governing Board. He recalled that Paraguay's accession to the Centre was marked by a signing ceremony (exchange of letters) at OECD in the presence of the Minister of Foreign Affairs, Eladio Loizaga, the Chair, OECD Secretary-General and Director of the Centre.

Then, the Chair invited Members to approve the establishment of the Mutual Learning Group for Multidimensional Country Reviews. This happened after the Governing Board's approval of the creation of the MLG-MDCR at its meeting on 14 December last [[DEV/GB\(2016\)31/REV1](#)] and subsequent approval by the OECD Executive Committee via a written procedure notification [C(2017)1]. Finally, the Development Centre's Membership and Outreach Strategy was adopted via written procedure. Its realisation was thanks to the work of the Informal Working Group on the DEV Membership Strategy Review (IWG-MOS), Co-Chaired by Rodrigo Godinho (Brazil) and Seong-Ho Lee (Korea), nominated by the Chair.

The Director of the Centre, Mario Pezzini, also reported on the results of his recent missions since the beginning of the year and forthcoming key events and missions (a room document was available for documents in this regard).

ITEM 5: SOCIAL PROTECTION IN AGENDA 2030 - EMERGING PRIORITIES FOR RESEARCH AND POLICY [DEV/GB\(2017\)1](#)

This item opened with a presentation by Alexandre Kolev, head of the Development Centre's Social Cohesion Unit, outlining the key trends of social protection in developing countries, identifying the main challenges these countries are experiencing and describing the Centre's current work, within the context of the Development Centre's work programme in 2017-2018 [[DEV/GB\(2016\)8/REV4](#)] on social protection. He identified three main areas where there is strong demand for policy guidance:

- The challenge of extending coverage of social insurance in contexts of high informality
- Ensuring the sustainable financing of social protection
- The contribution of social protection to inclusive growth

Then followed interventions by government officials in four capital cities for whom social protection is an important component of their work:

- Andrew Donaldson, former head of Public Finance in the National Treasury of South Africa
- Eppu Mikkonen-Jeanneret, Senior Adviser for Global Social Policy, Ministry of Foreign Affairs of Finland
- Carlos Ganoza Durant, Chief of Staff at the Ministry of Economy and Finance of Peru
- Nadine Poupart, Social Protection Project Manager, Agence Française de Développement

These interventions provided a range of perspectives as to the main challenges for social protection. South Africa is an example of a country which has a strong social assistance system (which covers half

of all households) but poorly developed social insurance arrangements. Peru, on the other hand, has well-established social insurance arrangements but is experiencing major difficulties in expanding coverage. The speaker from Finland explained social protection's contribution to the Sustainable Development Goals (SDGs), while the French representative discussed the importance of sustainable financing for social protection and the sector's role in combating climate change.

The session was then opened up to the rest of the Governing Board. Representatives from Brazil, Chile, the European Union, Finland, Italy, Japan, the United Kingdom and Uruguay identified topics where the Centre should look to focus its activities on social protection in the future. The following points were prominent during the discussions and will be reflected in the Centre's future work on social protection:

- The Governing Board recognised the importance of the three topics identified by Alexandre Kolev in his presentation and agreed this is a timely moment for the Centre to be focusing on social protection
- A nexus of issues around climate change, replacing humanitarian assistance with social protection, and extending social protection in fragile and conflict-ridden states is emerging
- Social protection policies should adopt a systematic, lifecycle approach which addresses the needs of all age groups, including the very young, working-age individuals and the elderly
- Social protection is a key means of promoting women's empowerment
- The link between social protection and productive employment needs to be explored.

Federico Bonaglia concluded the session by noting the significant reserve of experience and expertise among Governing Board member countries as regards social protection. He called for a network of focal point to be established as a means of sharing experiences and helping the Centre to develop toolkits and recommendations.

ITEM 6: IMPLEMENTATION OF THE PROGRAMME OF WORK 2015-2016

6.1 THE PROGRAMME OF WORK AND BUDGET (PWB) FINANCIAL AND ACTIVITIES REPORT: 1 JANUARY TO 31 DECEMBER 2016. The Secretariat provided for information this report that describes the implementation of the PWB in line with [DEV/GB\(2014\)3/FINAL](#). It includes an update on delivery of the outputs foreseen in the 2015-16 PWB and information on the budget status at the end of the biennium as well as progress in the delivery of each output area of the PWB (see reference afore-mentioned). Delegates were invited to provide any written comments to the Secretariat by 17 March cob.

6.2. TRACKING PROGRESS AGAINST THE RESULTS FRAMEWORK FOR THE YEAR 2016 [[DEV/GB\(2017\)3](#)]

As of the 2015-2016 biennium, the Centre has applied the Results Framework of the Programme of Work and Budget. As agreed with the Governing Board, this as an internal management tool that guides planning and monitoring of activities, collection of evidence, and regular assessment of results with respect to showing the progress made towards achieving the Objectives of the Programme of Work and Budget. The Secretariat made a presentation of the main impact of the Centre's activities over 2015-16. The presentation builds on the document ([DEV/GB/RD\(2016\)5](#)), which provided to Governing Board Members at their meeting of 14 December 2016 some interim and final results up to end November, 2016. A final report will be later shared with Members, with a view to incorporate comments received on the presentation to the Board.

ITEM 7: DEV TALKS WITH RÉMY RIOUX, CHIEF EXECUTIVE OFFICER, AGENCE FRANÇAISE DE DÉVELOPPEMENT (AFD)

The Chair welcomed Rémy Rioux, Chief Executive Officer, of the Agence Française de Développement (AFD) to the Governing Board Meeting, who made a special address. The AFD is a financial institution and the main implementing agency for France's official development assistance to developing countries and overseas territories. Mr. Rioux presented AFD's strategic vision and development perspectives. He discussed with Governing Board Members their views and country perspectives on today's global, national and regional development challenges and emphasised the important role of international action, such as AFD's contribution to the implementation of the 2030 agenda while stressing the AFD's whole-of-Africa perspective approach. In particular, he described the 3 main changes facing the AFD as a result of the adoption of 2015 turning point in the international agenda in 2015 i) the universality of the SDG agenda (all countries and all areas) and the importance of implementation at the local level; ii) the need to upscale financial flows and mobilise financial resources for development, and iii) the importance of multi-stakeholders coalitions for a successful collective outcome (a major success at the COP21). Mr. Rioux highlighted the emerging pillars in international cooperation, which are the national and regional development banks. Also, he mentioned explained the development of a model on climate data, to which the Centre could be associated.

Mario Pezzini thanked Mr. Rioux for his timely intervention on a number of points of convergence between AFD and the Centre. Notably, he stressed the important implications for the Centre with respect to the role of international actions; the challenges of development at different levels (LDCs as well as MICs); the key role that the Centre may play in a Paris debate on education and development. Lastly, Mr Pezzini welcomed AFD's particular emphasis on the local level (and its focus on territorial development).

ITEM 8: 4TH HIGH-LEVEL MEETING OF THE DEVELOPMENT CENTRE GOVERNING BOARD (JUNE 2017, EXACT DATE TBC)? [DEV/GB\(2017\)4](#)

The Secretariat presented a concept note for the 4th High-level meeting of the Governing Board. Building on the results of the 3rd HLM in June 2016, delegates reflected on the possible themes to focus on in the HLM Agenda this year. Possible areas to be explored include the Development Centre's contribution to SDGs. For example, the Centre's work on gender equality and the role of SIGI as a tool for monitoring progress with gender-related SDGs (e.g. SDG5) could be one important deliverable. Other important areas of the Centre's ongoing work concern the ongoing work and expected outcomes from the Global Knowledge Partnership on Migration and Development (KNOMAD) and the associated dashboard of indicators. Also, following on to last year's HLM and at the request of several members, the Centre has engaged on discussions on "Development in Transition", focussing on the challenges faced by countries moving across income levels. In particular, these have shed light on the need to address the issue of the transition of low-income and middle-income countries, overcoming the middle-income trap and the role of policy sharing and south-south cooperation. Delegates noted that the HLM would be a timely moment to present and endorse important tools that have been developed by the Centre's Policy Dialogue on Natural Resources and the outcomes of the ongoing CONNEX Negotiation Support Forum (NSF) and related deliverables. As basis for this discussion an outline of the potential building blocks to shape the HLM Draft Agenda aimed to assist the Members in their discussion.

Also, delegates discussed the best calendar for the meeting, either June within the OECD week, and September/October, back to back with the Africa Forum and other associated events of the Centre. The Chair, in his conclusions, invited Members to send by 14 March 2017 any further eventual written comments on the date, format and themes proposed for the HLM in 2017.

ITEM 9: DEV AFRICA INITIATIVE [DEV/GB\(2017\)5](#)

The discussion on the Development Centre's Africa Initiative followed the decision from the High-Level Meeting of June 2016 to further strengthen the Centre's engagement with Africa. This Initiative builds on the membership of nine African countries in the Governing Board and on partnerships with several multilateral institutions (AfDB, AUC, NEPAD, ECOWAS, etc.). It has benefited from the support of the entire Governing Board, including national agencies and ministries (e.g. FIPA, SIDA, BMZ, AFD) who represented their headquarters at this session of the Governing Board on Africa.

During the meeting delegates provided feedback on DEV's work on Africa, including the Africa Economic Outlook (AEO), the Multi-Dimensional Country Reviews, the evaluation of current and potential future areas of work. The main highlights were:

Africa faces a conjunction of new challenges. Externally, mediocre global macro-economic conditions, challenges linked to increased automation of manufacturing and climate change require ambitious policy responses. Internally, the demographic youth bulge, the objective of industrialisation, rapid urbanisation and the rising costs of environmental degradation call for innovative development strategies that harness the specificities of African countries.

African Members voiced their strong support of DEV's work. They highlighted the Centre's role in monitoring economic progress, devising strategies for economic transformation and regional integration, and in gathering comparable revenue statistics. They stressed the impact of the *African Economic Outlooks* and *Multi-Dimensional Country Reviews*. DEV is a strategic ally in achieving the Sustainable Development Goals in Africa. Close co-operation with African partners has proven crucial. Delegates stressed the importance to continue working "with Africa, not only for Africa."

Members mainly focused on **four key areas of work: (i) demographics, (ii) financing development, (iii) industrialisation, and (iv) regional integration.** Public policies must better harness demographic growth and its impact on social and economic integration (urbanisation, migration, social policy). Better using ODA as catalyst for private investments and mobilising domestic resources can secure more resources necessary for Africa's development. To accelerate industrialisation, new policies can promote local value addition and integration of global value chains. Delegates proposed greater support to regional integration, namely on cross-border mobility, infrastructure, market development, macroeconomic convergence, legal harmonisation, and capacity building of statistical agencies. Delegates suggested the following actions:

- Undertake studies on the policy consequences of Africa's demography, with focus on social protection, skills development, migration, women's empowerment, etc.;
- Advocate for local retention of capital by MNCs from OECD countries;
- Work more closely with the 5 main African Regional Economic Communities (RECs), for instance by inviting representatives of African RECs as observers to the GB;
- Consider complementary research areas such as agriculture, financing, well-being;
- Greater focus on avoiding the middle income trap;
- Developing the AEO a basis for dialogue on African policies. The report could include a section on African innovations.
- Cover more African countries in studies on social protection.
- Deepen the MDCRs as a tool for policy dialogue and exchange among African countries, and cover more African countries in the MDCRs.

Delegates also discussed the role of the Centre as platform for dialogue and possible partnerships. Some Delegates suggested the creation of a "Friends of Africa" group or informal steering committee proposing topics for the Centre's involvement with Africa. Such initiatives would extend the co-operation with SWAC and DCD.

The Centre may also wish to consider the following partnerships:

- Africa is seen as priority by the G20 Summit for its upcoming meeting. This interest helps go beyond the traditional North-South model of support to Africa. China, India and Turkey all co-operate with and substantially support many African countries. The Centre and the OECD could contribute to the work carried out in this forum.
- The German “Marshall Plan for Africa” can see the Centre’s “involvement” on financing for development, regional integration, support on African initiatives on which the Plan is built (e.g. Agenda 2063), entrepreneurship, jobs and opportunities for the youth, tailored reforms.
- OECD Members and the Secretariat could have a more active role in global and multilateral fora (e.g. UN high level meetings)
- Involving even more African stakeholders such as universities, think tanks, companies.

Other key issues to translate the Centre’s Africa Initiative into action are the following:

- First, a clear narrative of Africa’s current situation and developmental objectives is essential. Relying on African solutions is paramount, and strategies such as Agenda 2063 provide a good basis for policy tools.
- Second, while deepening the focus on regional institutions, sub-national governments are also important players.
- Third, the Centre (and the OECD) can focus on providing support to the policy implementation process (as with Côte d’Ivoire) as well as co-ordinating Development Centre Members’ development action plans.
- Fourth, working partnerships are essential. SWAC and DCD are important partners for this Initiative of the Development Centre.