

LAC-DAC DIALOGUE

ON DEVELOPMENT CO-OPERATION

Co-Chairs' Summary

Paris, France | 21 February 2019

The second LAC-DAC Dialogue on Development Co-operation was held on 21 February 2019 at the OECD in Paris. It was co-chaired by Susanna Moorehead, Chair of the OECD's Development Assistance Committee (DAC) and Juan Pablo Lira, Executive Director of the Chilean International Development Co-operation Agency (AGCID). The LAC-DAC Dialogue brought together 180 representatives from 21 countries in Latin America and the Caribbean (LAC) and 34 members, participants and invitees of the OECD Development Assistance Committee (DAC) for a frank and fruitful dialogue in a changing development co-operation landscape. Representatives of eight multilateral institutions also attended.

This followed from the first LAC-DAC Dialogue on Development Co-operation, held on 29 June 2016 in Santiago de Chile and co-chaired by Chile, Mexico and the OECD. Throughout the four thematic sessions, the Co-Chairs noted remarkable consensus regarding the diagnostics of our common challenges. The dialogue contributed to building trust and understanding among LAC countries and DAC members and participants. Through the frank and open discussions, this Dialogue set a foundation for a stronger partnership, including concrete follow-up activities.

Sharing views on new trends and approaches for the future of development co-operation: development in transition and multi-stakeholder partnerships

Development co-operation is a partnership for change. In light of the changes in the world economy in the past three decades – the diffusion of new technologies, demographic growth and the rising environmental footprint – as well as the emergence of new development stakeholders, participants discussed the future of development co-operation. Development co-operation is not only a source of finance, but also a policy tool to promote innovation, better governance of other types of finance and technology. Participants welcomed this opportunity to rethink future objectives and means of development co-operation, as countries move along the development continuum, and called for flexibility of tools and mechanisms beyond Official Development Assistance. Development in transition is part of rethinking multilateralism. As the number of players in the system increases, their roles become increasingly complex. This calls for continued dialogue of communities, the adoption of innovative and inclusive approaches, and new forms of partnerships. Participants stressed that development co-operation remains uniquely positioned to ensure that no one is left behind.

Participants agreed that:

- It remains important for countries in LAC and members of the DAC to continue stimulating further Dialogue on a multi-dimensional understanding of development co-operation, also in light of new narratives of international co-operation.

- As countries move along the development continuum, the principles, instruments and modalities of co-operation need to be adjusted continuously to the country's needs to support its sustainable development and the achievement of the 2030 Agenda.
- The special circumstances that Small Islands Developing States (SIDS) face necessitate for adapting proper development co-operation to those realities. Concrete proposals were made to consider new ways of allocating ODA for building resilience in SIDS, taking into consideration their specific vulnerabilities.
- Coalitions of the willing are needed to tackle today's global challenges and to provide global public goods.
- Participants called on the OECD to support this Dialogue by providing evidence and policy analysis.

Triangular Co-operation on the Road towards BAPA +40

Triangular co-operation is clearly on the rise and at the forefront of the Second UN High-level Conference on South-South Co-operation (BAPA +40). Argentina invited all participants to BAPA +40 on 20-22 March 2019. Representatives from LAC, DAC and international organisations have a long history of working together in trilateral initiatives in the region. To build on these, participants advocated to further 'globalise' triangular co-operation, increasing joint engagement across regions, and involving partners beyond governments. Triangular co-operation is complementary and does not replace South-South or North-South co-operation. Partners make use of their complementary strengths to innovate and co-create. Participants pointed to the ability of triangular co-operation to contribute to a better understanding, changing the paradigms and ways of working – moving away from donor–recipient relations to real partnerships for development.

Participants agreed:

- To build on the momentum of this Dialogue and BAPA +40, also by working with the Global Partnership Initiative (GPI) on Effective Triangular Co-operation, as a dynamic platform for exchange and mutual learning, including with non-state actors.
- To follow up on the concrete proposals of how LAC and the DAC could engage in triangular partnerships, creating synergies, measuring impact, addressing challenges and promoting innovation.
- To share approaches and methodologies respecting the specific national contexts and ensuring long-term and effective partnerships.
- To take stock of the outcomes of this Dialogue and BAPA +40 regularly. Portugal kindly offered to organise the next international meeting on triangular co-operation in Lisbon during the second half of 2019.

Financing for Sustainable Development – scaling up resources for better results

Four years after the Addis Ababa Action Agenda (AAAA), the expected surge in to achieve the SDGs has not materialised. Government revenues in low-income countries remain below the 15% of GDP threshold considered necessary for effective state functioning, while the overall supply of external resources to developing countries has declined. Participants called for a better understanding of the opportunities and risks in this new global financing system. ODA remains relevant and essential for achieving the 2030 Agenda, but is insufficient to achieve the SDGs. Participants cited innovative and inclusive approaches to scale up and catalyse resources, as well as new forms of partnerships, public-private, social impact, climate finance. They called for private finance for of development co-operation lives up to be held to the same standards of transparency and development effectiveness as other aid modalities. The Global Partnership for Effective Development Co-operation (GPEDC) is elaborating principles for effective collaboration with the private sector. Participants discussed the new statistical measurement of Total Official Support for Sustainable Development (TOSSD).

Participants agreed on the importance of:

- Innovating new instruments and modalities that fit for purpose.
- Continuing discussions on the new statistical framework of Total Official Support for Sustainable Development (TOSSD) to provide a comprehensive picture of officially-supported resource flows to delivery of the SDGs.
- Ensuring that private finance for development co-operation is held to the same standards of transparency and development effectiveness as other aid modalities.
- Scoping how development co-operation supports sustainable ocean economies, the engagement of the private sector, including fostering public-private partnerships and supporting developing countries to mobilise domestic resources.

The role of development co-operation in addressing migration challenges

Migration is a global issue requiring global solutions. LAC and DAC face similar challenges, such as the need to co-ordinate development co-operation efforts with national policies, avoiding duplication of efforts and introducing monitoring and evaluation mechanisms. Participants shared their own country's or institution's experiences in developing strategies, instruments and tools to implement the Agenda 2030 on migration. There was agreement that development co-operation could help address the challenges as well as the opportunities afforded by migration. Facilitating effective labour migration is critical. Remittances are an important source of finance for many countries. Participants stressed the need to co-ordinate humanitarian, development and peacebuilding efforts and to support the Global Compact for Migration.

Participants agreed to:

- Invest in protecting the most vulnerable migrants, especially women and girls, through a human rights based and gender-sensitive approach.
- Address the causes of migration in the spirit of shared responsibility. The majority of migrants are hosted in low- and middle-income countries and the global community needs to ease their burden. Development co-operation is a useful tool and needs to consider how to help developing countries that host large numbers of migrants.
- Step up efforts to measure, monitor and include migration in national and regional policies, and involve the private sector and civil society.
- Enhance advocacy in host countries, with a view to changing negative perceptions of migrants and migration, and highlight their positive contributions to the economy and social fabric of host countries

Further strengthening collaboration

The Our two communities are committed to advance the LAC-DAC Dialogue on Development Co-operation and to share and learn from each other. LAC and DAC can increase their collaboration in joint development co-operation projects, including through triangular or other innovative co-operation initiatives. Participants welcomed the frank, dynamic, relevant discussions and stressed the importance of continuing this dialogue. Argentina reiterated the importance of triangular co-operation for the BAPA +40 Conference in March 2019. The DAC confirmed its commitment to investing in triangular co-operation as an innovative, sustainable modality, which does not replace, but complements South-South and North-South Co-operation. Peru has voiced interest to host the third LAC-DAC Dialogue on Development Co-operation.

The Co-Chairs undertook to transmit their summary of the meeting to the DAC members and all countries in Latin America and the Caribbean.