

Annex A. DAC HLM Communiqué 2020

10 November 2020

1. We, the Members of the OECD Development Assistance Committee (DAC), met virtually at high level on 9-10 November 2020. Progress towards implementing the 2030 Agenda for Sustainable Development in developing countries was off-track before the onslaught of the COVID-19 pandemic and consequent economic downturn. Our shared endeavour to end poverty, leave no one behind, protect the planet, and improve the lives and prospects of everyone, everywhere has suffered a severe setback. For the first time in decades, poverty is increasing - especially for women and girls. Between 83 and 132 million more people are hungry this year.

2. The COVID-19 pandemic and resultant crises now define the start of the Decade of Action to achieve the Sustainable Development Goals (SDGs), called for by the UN Secretary General. The OECD launched its Global Outlook on Financing for Sustainable Development, which concludes that hundreds of millions of people in developing countries will lose their livelihoods and fall back into poverty. The Global Outlook estimates that external finance to developing countries may drop by USD 700 billion this year - more than four times the value of DAC Official Development Assistance (ODA). In response to these multiple challenges, they will endeavour to recover and rebuild more sustainably and more equitably - between countries, regions, women and men and generations, as well as reducing the risk of future crises. Inclusive, resilient and sustainable growth, job creation, social protection and reducing inequality are more critical now than ever.

3. In these exceptionally stressed times, the DAC's priority remains championing the 2030 Agenda. As the pandemic evolves, financing for sustainable development risks collapsing: all resources available to developing countries are under pressure. Rising demand and declining resources are having disproportionately detrimental impacts on the societies and economies of developing countries. Renewed efforts by all development actors are needed to meet the outcomes we endorsed in 2015. The pandemic and the ensuing economic crisis epitomise the interdependence of the world's development challenges. Global challenges require a global response and a strong multilateral system. The most vulnerable countries in the world, many of which are in Africa, should not suffer disproportionately.

4. Today's crises are intensifying existing inequalities, making it harder to leave no one behind. We commit to tackling inequality between all people in our ODA policies and programmes more actively. We recognise the inextricable links between gender inequality and poverty, and commit to promoting gender equality and the empowerment of women, adopting gender-responsive approaches, and striving to ensure that the voice, rights and agency of women and girls are included in policies and programmes during the COVID-19 pandemic and recovery, and beyond. Mainstreaming gender equality across all our policies and programmes increases the overall effectiveness of ODA, and we aim to strengthen further direct and targeted financing for gender equality.

Immediate response

5. The crisis is having a deep and lasting impact on countries most in need. It is exacerbating existing vulnerabilities, especially in fragile and conflict-affected states, and creating fertile ground for increased violence and displacement, reversing development and peacebuilding gains. We reiterate the message of our joint statement of April 2020. We reaffirm the important contribution of ODA to the immediate health and economic crises and longer-term sustainable development, particularly in Least Developed Countries (LDCs) and recognise those of us that have met the UN targets of 0.7% of Gross National Income (GNI) as ODA to developing countries. The DAC has demonstrated its flexibility with an exceptional one-year delay to updating the list of countries that are eligible to receive ODA, and has shortened the reinstatement mechanism that allows countries to be eligible again if their GNI drops below the high income threshold.

6. DAC Members' actions since the start of the pandemic have included new and reprioritised flows of urgent financing for developing countries. We reaffirm the importance of safeguarding this funding against the risks of misuse and corruption, and of supporting transparency and accountability measures to ensure resources are used for their intended purpose. We endeavour to continue to protect health, water and sanitation, and social safety net programmes and to support investments in immunisation as a global public good. We will continue working until affordable vaccines, tests and treatments are accessible to all, leaving no one behind, and invest in policies and programmes that take into account the disproportionate socioeconomic burden COVID-19 imposes on women and girls. We welcome public and private initiatives to develop vaccines, including the COVAX facility of the Access to COVID-19 Tools Accelerator (ACT-A) initiative. We also welcome voluntary licensing of intellectual property to facilitate global equitable access to vaccines, therapeutics and diagnostics, and the COVID-19 Global Evaluation Coalition, which will provide credible and independent analysis of our collective response and contribute to shared knowledge and learning.

Building forward better and greener

7. The DAC recognises the important and diverse roles that all development actors play in supporting a sustainable, inclusive and resilient recovery from COVID-19, including partner country governments, non-DAC donors, multilateral agencies, civil society organisations (CSOs) and the private sector. DAC Members, in partnership with other actors, will shape the response and support work towards the SDGs in the following areas.

New sources of finance for sustainable development

8. The 2030 Agenda and the Addis Ababa Action Agenda provide a global framework for recovery and building a more resilient and sustainable world. It is more urgent than ever to mobilise new and more varied sources of finance for the recovery and achievement of the SDGs. We will continue working to find ways to mobilise more official and private resources for sustainable development, including promoting more – and more effective – blended finance, with special attention to LDCs. We welcome the OECD's identification of policy actions to increase financing for sustainable development and support further work on this topic.

9. Debt treatment is an important last-resort mechanism to support countries to restore debt sustainability and free up public resources for sustainable development and we have agreed how to account for it as ODA. Capital outflows from emerging markets in this crisis are twice as large as during

the global financial crisis. Foreign direct investment may decline by up to 40% in 2020. We commit to working with partner countries, the private sector and multilateral organisations to improve business environments, share risks and rewards fairly when collaborating with businesses investing in developing countries. We should also include clear accountability mechanisms and meet social and environmental standards. We welcome continued work on Total Official Support for Sustainable Development as an important measure that promotes transparency and accountability.

10. Given COVID-19 and the challenge of sustainable development financing, we need to make the ODA we have work harder to leverage more resources, achieving more impact and investing in prevention and preparedness to reduce future risks. We can do this by making better use of the resources of the multilateral development banks, funds, national development banks and other development finance organisations in which we invest. We can reduce barriers faced by countries when accessing finance. We can frontload and re programme where appropriate. We can encourage better co-ordination among members, non-DAC donors and the agencies we support in partner countries. We can expand the use of guarantees and other innovative financing instruments, while ensuring rigorous analysis of the development effects across all sectors. We support domestic resource mobilisation and more efficient, effective and accountable use of public resources in developing countries. We will strive to ensure that other public flows – and those mobilised from the private sector – contribute to progress towards the SDGs.

Climate, environment and development

11. The pandemic demonstrates the interconnectedness of our world, and highlights the need for investment to respond to shared global challenges. As we design plans to support developing countries' recovery, we acknowledge the determination of those signatories to the Paris Agreement who confirmed in Buenos Aires and Osaka their commitment to implement it fully, including by updating their Nationally Determined Contributions and communicating long-term plans. We should take this opportunity to strengthen efforts to support our development partners to meet their environment and climate goals, conserve biodiversity, strengthen resilience and enhance global health security. We recognise that low-emissions, climate-resilient pathways and sustainable recovery are a critical component of all countries' ability to achieve the 2030 Agenda. We are supporting our development partners to mitigate and adapt to climate change across sectors, including by promoting more sustainable, secure, reliable, affordable and resilient access to the energy they need to achieve their development priorities. DAC Members are investing more in terrestrial and marine environments, disaster preparedness, risk reduction and management. Ocean-based sectors, such as fisheries and tourism, are at the heart of the economies of many developing countries, and we support a transition to a global sustainable ocean economy.

12. We recognise that we need to go further and faster to ensure that development co-operation takes greater account of all relevant environmental risks. We will work to ensure that our post-COVID-19 development policies and programmes are consistent with international climate and environment objectives, and will work to integrate them systematically. We intend to prioritise investments in – and risk mitigation instruments for – a cleaner, inclusive and resilient recovery. In the spirit of fairness and just transition, we will support developing countries to achieve their own transitions to environmentally sustainable, low-emissions and climate-resilient development pathways, including by promoting sustainable, quality infrastructure. We should take more account of the interactions between the three pillars of the sustainable development agenda – economic, social and environmental – including universal energy access, poverty reduction, climate change, water and sustainable oceans, between biodiversity and economic development, and the nexus between energy, food and water. Strong, sustainable, inclusive and resilient recovery measures should be applied in economic stimulus packages to use the opportunity and build forward better. In this way, we can set the course for sustainable, low-emissions development.

13. The DAC will report, in a format and scope to be agreed by ENVIRONET, on the individual and collective steps we have taken to give effect to the voluntary commitments set out in this communiqué with

regard to climate and the environment before COP26. We will consider options for co-ordinating development approaches with international climate and environment objectives through a member-driven process, according to a calendar to be confirmed by DAC Members. We look forward to working towards successful outcomes in 2021 at COP15 (the Convention on Biological Diversity) and COP26. We acknowledge the importance of increasing the proportion of ODA that is climate, environment and biodiversity sensitive.

14. Small Island Developing States (SIDS) generate a tiny proportion of global greenhouse gas emissions, yet are suffering the harshest and most urgent consequences of climate change and environmental degradation. SIDS are uniquely vulnerable to economic shocks, the adverse impacts of climate change and environmental degradation, extreme weather conditions and natural hazards. Their smaller and less-diversified economies are less resilient in a global recession and they report difficulties in accessing international concessional finance. We commit to improving how our policies and programmes address the particular needs of SIDS, and to working with them to address obstacles they encounter in accessing finance for resilient and sustainable development.

Development effectiveness

15. We reaffirm our commitment to the Busan principles for effective development co-operation – country ownership, transparency and accountability, inclusive partnerships and a focus on results. These principles – and their effective implementation – are more relevant than ever in our shared effort to support achievement of the SDGs and leave no-one behind. We welcome the DAC’s work to modernise our narrative to intensify our implementation of these principles and reassert our active engagement in the Global Partnership for Effective Development Co-operation as an equal partner. We will strive to put results and impact at the heart of our development policies, in the spirit of the mutual accountability of both donors and partner countries. Our aim is to build better partnerships, including with the private sector, triangular and south–south co-operation partners, civil society, foundations, local governments and multilateral partners. By applying the principles for effective development co-operation across our partnerships, we generate more impetus for the 2030 Agenda.

Humanitarian–Development–Peace Nexus

16. We welcome progress made by the DAC to improve responses to fragility and prevent conflict. Consistent with the DAC’s Recommendation on the humanitarian development–peace nexus endorsed in February 2019, the response to the COVID-19 pandemic should focus on reducing risk and building longer-term resilience to multiple hazards while meeting immediate needs and fully respecting humanitarian principles. We acknowledge the need to redouble efforts to implement the principles of the nexus Recommendation through bilateral and multilateral activity and endorse the outcomes of the October high-level DAC-UN roundtable. We commit to creating incentives in our co-operation structures and policies to this end, including via quality and flexible funding. We welcome the decisions of the International Organisation for Migration, UN Development Programme, UN Children’s Fund, UN Population Fund and World Food Programme to adhere to the DAC’s nexus Recommendation and invite other multilaterals to follow suit.

Ending Sexual Exploitation, Abuse, and Harassment

17. We welcome the progress made by the DAC to prevent sexual exploitation, abuse and harassment in development co-operation and humanitarian assistance, and in particular the strong signal sent by the agreement of the DAC Recommendation in July 2019. We recognise that we need to do far more to prevent sexual misconduct and to support victims and survivors, including working with the UN and other implementing partners to improve protection and investigation. We should improve transparency

and accountability, and adopt survivor-centred approaches. We commit to creating and strengthening reporting and accountability mechanisms in our co-operation structures and policies to implement the pillars of the Recommendation through bilateral and multilateral action.

DAC outreach and working across the OECD

18. We will promote DAC values, rules, standards and best practice, and learn from others especially partner countries, including through the LAC–DAC and Arab–DAC Dialogues. In order to enhance development effectiveness, we will continue to foster inclusive policy dialogues with other development co-operation providers. We will continue working with key stakeholders, other parts of the OECD Development Cluster and across the OECD. We call on other providers of development co-operation to adhere more closely to international standards and practices, to improve transparency and accountability in the development co-operation globally and as stated at BAPA+40 in 2019.

Partnering with civil society

19. DAC Members value open, democratic and inclusive societies. We will continue to use our development co-operation to support democracy, the rule of law and human rights, including freedom of expression and peaceful assembly and association, as essential elements of sustainable development for any society. We believe that citizens, including through social movements and CSOs must be free to hold their governments to account and contribute to decision-making to make progress towards sustainable development. We will continue our DAC–CSO Dialogue. We commit to redoubling efforts on how DAC Members and CSOs can work together more effectively to respond to the multiple challenges caused by the COVID-19 pandemic, promote an enabling environment and support progress toward the SDGs, including through more locally led and owned action. To this end, we commit to developing a new DAC policy instrument on enabling civil society.

20. We will reconvene in late 2021 or early 2022 and take stock of progress with implementing these decisions.



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