

Ministry of Foreign Affairs – The Danish OECD Delegation in Paris and the Department for Evaluation, Learning and Quality (ELK)

Meeting in the Council for Development Policy on 11 May 2023

Agenda Item No. 7

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| 1. Overall purpose: | <i>For discussion and recommendation to the Minister</i> |
| 2. Title: | Organisation Strategy for OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD) 2023-2026 |
| 3. Amount: | DKK 23.2 million |
| 4. Presentation for Programme Committee: | 18 April 2023 |
| 5. Previous Danish support presented to UPR: | No, this is the first presentation to UPR |

Strategy for Denmark's Cooperation with the OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD)

Introduction:

The OECD Development Assistance Committee (DAC) has a key agenda-setting role internationally in the field of development. The Committee analyses and helps shape the global development architecture with the objective to maximise development results and impact.

Key results:

Danish support will contribute to achieving results across the 'output result' areas in DAC's 2023-24 work plan, including:

- ODA mobilised and aligned for the 2030 Agenda
- More effective, impactful, and inclusive development co-operation
- Fragility and crises prevented and addressed
- Poverty and inequalities, achieving gender equality, and enabling inclusive governance in order to leave no one behind are tackled
- Sustainable management and use of natural capital

Justification for support:

The purpose of Denmark's engagement in and support to the DAC, is - together with the leading development actors/donors - to continuously strengthen and further develop policies for, measurement of and learning from official development assistance (ODA) and development cooperation efforts. Furthermore, the purpose is to strengthen the quality and results of development cooperation in order to increase development impact as well as contributing to increased resource mobilisation for the 2030 Agenda.

How will we ensure results and monitor progress:

Monitoring will be done through DAC's established processes and reporting in accordance with standard OECD processes and procedures.

Risks and challenges:

- Restrictive budget approaches by members, including cuts in 2023 voluntary contributions from several members leading to underfunding of work plan 2023-24.
- Diversion of DAC's focus due to demands from individual donors through earmarked funding.

File No.	2023-14598				
Responsible Unit	ELK				
<i>Mill. DKK</i>	2023	2024	2025	2026	total
Commitment	11.5		11.7		23.2
Projected ann. Disb.	5.75	5.75	5.85	5.85	23.2
Duration of strategy	2023-26				
Finance Act code.	§06.36.06.23				
Desk officer	Peter Jul Larsen				
Financial officer	Gitte Bruus				

SDGs relevant for Programme



Danish involvement in governance structure:

Denmark participates in DAC monthly meetings attended by Paris-based delegates of the 31 members and by officials from member capitals. In addition, DK participates in DAC High Level Meetings (every 2-3 years) at the level of development ministers, in DAC Senior Level Meetings (attended by heads of aid agencies), and in annual 'Tidewater' meetings attended by Heads of Agency. Furthermore, Denmark is active in DAC networks on statistics, evaluation, gender equality, environment, governance and conflict & fragility.

Strat. objectives

Denmark will work to ensure that the implementation of DAC's mandate takes place in a way that ensures the Committee's continued relevance and impact. By ensuring further and wider impact of the work of an international organisation like the OECD-DAC, Denmark contributes to a stronger international order. Denmark's support specifically addresses SDGs No. 17.

Priority areas

Danish funding will pursue following priorities which are linked, where possible, to DAC's own intermediate output results:

1. ODA integrity
2. Climate and fair green transformation
3. Gender equality
4. LDC's and fragility
5. Development finance

Core information

DAC is the central committee in OECD's development architecture. For more than sixty years, DAC has gathered and set the standards for ODA from the world's main donors. There are currently 31 members. In 2021, ODA amounted to USD 185.9 billion by the (then 30) DAC members.

DAC is defining and monitoring global standards in key areas of development. DAC aims to be the preferred platform for all providers to monitor, measure, share lessons and set policies to improve the quality, results and impact of development co-operation and stimulate mobilisation of resources for implementing the 2030 Agenda.

DAC has a special status in the OECD with a full-time chairperson elected by committee members. As of 1 March 2023 the DAC Chair is Ambassador Carsten Staur from Denmark. This is the first time Denmark holds this position during more than 60 years of membership.

Strategy for Denmark's

Cooperation with the OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD) (2023 – 2026)

List of abbreviations

DAC: Development Assistance Committee

DCD: Development Co-operation Directorate

GPEDC: Global Partnership for Effective Development Cooperation

HDP: Humanitarian-Development-Peace

ODA: Official Development Assistance

OECD: Organisation of Economic Cooperation and Development

PWB: Programme of Work and Budget

SDG: Sustainable Development Goals

TOSSD: Total Official Support for Sustainable Development

1. Objective

This Strategy for the cooperation between Denmark and the Organisation of Economic Cooperation and Development (OECD), the Development Assistance Committee (DAC), and the Development Co-operation Directorate (DCD) forms the basis for Denmark's voluntary contributions to this part of the organisation. It is the central platform for Denmark's dialogue and partnership with DAC and DCD. It sets up Danish priorities for the DAC performance within the overall framework established by the DAC's own Programme of Work and Budget (PWB).

The purpose of Denmark's engagement in and support to DAC is - together with the leading development actors/donors - to continuously strengthen and further develop policies for official development assistance (ODA) and development cooperation efforts, including measurement and learning. Furthermore, the purpose is to strengthen the quality and results of development cooperation in order to increase development impact as well as to contribute to increased resource mobilisation for the 2030 Agenda.

The span of this strategy – from the beginning of 2023 to the end of 2026 (four years) – represents a particular period for Denmark, as this is the first time in DAC's more than 60 years of history that DAC has a Chair from Denmark.

2. The Organisation

2.1. Mandate and Mission

To Denmark, DAC has a key agenda-setting role internationally in the field of development. The Committee analyses and influences the global development architecture and policies with the objective to maximise development results and impact.

The DAC mandate was revised and updated in 2022 and now covers the period 2023-2027. The overarching objective of DAC is to promote development co-operation and other relevant policies to contribute to the implementation of the 2030 Agenda for Sustainable Development. This includes promoting inclusive and sustainable economic development, the advancement of equalities within and among countries, poverty eradication, improvement of living standards in developing countries, and striving towards a future in which no country will depend on development assistance.

For more than sixty years, DAC has gathered the world's main ODA donors. There are currently 31 members¹. In 2022, ODA from the DAC members amounted to USD 205 billion which is equivalent to a 0.36% average of member states' GNI. DAC is defining and monitoring global standards in key areas of development. DAC aims to be the preferred platform for all providers to monitor, measure, share lessons and set policies to improve the quality, results and impact of development co-operation and stimulate mobilisation of resources for implementing the 2030 Agenda.

DAC contributes to OECD's overarching goal: To shape policies that foster prosperity, equality, opportunity and well-being for all. DAC's work supports the United Nations and its agencies in

¹ Australia, Austria, Belgium, Canada, Czech Republic, Denmark, EU, Finland, France, Germany, Great Britain, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Lithuania, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and USA.

implementing the Sustainable Development Goals (SDG) and other international commitments such as the Paris Agreement, the Addis Ababa Action Agenda and the Rio Conventions.

2.2. Organisation and Management

DAC is the central committee in OECD's development architecture. It holds monthly meetings attended by Paris-based delegates of the 31 members and by officials from member capitals¹. In addition, DAC holds High Level Meetings (generally every 2-3 years) at the level of development ministers to steer the work of the committee. In between High Level Meetings, DAC convenes Senior Level Meetings (attended by heads of aid agencies) to review the Committee's work on current policy issues. The High Level Meetings are supplemented by an annual meeting called Tidewater, where the Heads of Agency meet for a more informal policy dialogue on development challenges and priorities. DAC works consensus-based.

DAC has a special status in the OECD with a full-time chairperson elected by committee members. As of 1 March 2023, the DAC Chair is Ambassador Carsten Staur from Denmark. This is the first time Denmark holds this position during more than 60 years of membership. DAC's work is supported by the DCD. DCD's Director as of January 1 2023 is María del Pilar Garrido Gonzalo from Costa Rica, and she reports to the Secretary-General of the OECD. The activities of the DCD are set out in biennial PWBs which DAC continuously monitors. The Chairman organises the work of the Committee in cooperation with the DCD and the members of the Committee.

DAC has a number of subsidiary bodies (working party and networks), which bring together national sectoral experts from the member countries. These bodies are tasked with preparing and providing professional input to DAC's work as well as independently discussing and following agendas in their respective areas. The mandates of all the bodies have been renewed together with the overall DAC mandate by the end of 2022. The bodies are:

- Working Party on Development Finance **Statistics** (WP-STAT)
- Network on Development **Evaluation** (EVALNET)
- Network on **Gender Equality** (GENDERNET)
- Network on **Environment** and Development Co-operation (ENVIRONET)
- Network on **Governance** (GOVNET)
- International Network on **Conflict and Fragility** (INCAF)

In addition, a number of informal groups are organised on an ongoing basis to deal with particular issues such as coordination with the implementation of DAC Climate Recommendation across the DAC entities. DAC is striving to "standardise" this work and to ensure that all mandates are limited in time.

DAC cooperates with other relevant committees and fora of the OECD e.g. on Tax Policy and Administration, Economic Policy and Environment. This is done to ensure coherence on policies on cross-cutting issues for sustainable development, including Trade and Agriculture, Responsible Business Conduct, and Anti-Bribery. The OECD has established a 'development cluster', which include the Development Centre and the Sahel and West Africa Club. The Development Centre was established in 1961 as a forum for knowledge sharing and exchange of experience between countries inside and outside the OECD. The membership currently consists of 26 OECD countries (not including US, UK and Germany, among others) and 29 non-

OECD countries (primarily middle-income countries). SWAC is an independent, international platform hosted at the OECD, which promotes regional policies to improve the economic and social well-being of people in the Sahel and West Africa.

In the External Relations Committee, OECD also has a wide range of initiatives aimed at cooperation with non-member countries. Brazil, China, India, Indonesia and South Africa have privileged status as 'Key Partners'. In addition, there are regional programmes with, among others Southeast Asia and Latin America.

DAC also engages with non-DAC OECD Members in areas of mutual interest. This includes other providers of development co-operation (like China, Brazil, Arab countries), international organisations, private sector organisations, foundations, and civil society representatives in line with principles of development co-operation effectiveness, to ensure transparency and the relevance and inclusiveness of DAC's work. Through the Global Partnership for Effective Development Cooperation (GPEDC) platform (see below), DAC seeks to keep an ongoing dialogue with non-member donors such as China, who is becoming an increasingly important actor on the international development arena.

DAC provides the framework for three partnerships that go beyond the OECD/DAC set up. GPEDC since 2012); Total Official Support for Sustainable Development (TOSSD since 2017) and DCD which also provides the secretariat for the Multilateral Organisation Performance Assessment Network (MOPAN – 2002) based on a host agreement.

3. Key Strategic Challenges and Opportunities

3.1. DAC's Strength, Relevance and Comparative Advantage

DAC is considered the custodian of ODA and thereby performs a key role vis-à-vis the UN target set in 1970 for countries to spend at least 0.70% of Gross National Income on ODA. DAC represents the largest, most influential and impactful group of donor countries with longstanding engagement and experience in development cooperation, based on common values. DAC has the ability to influence the international development agenda. DAC members are substantive donors to the multilateral system financing approx. 81% of the UN development efforts and 89% to IDA20 thus influencing the international development architecture. Through key publications revolving around data, trends and analyses, such as the annual Development Co-operation Report and the Global Outlook on Financing for Sustainable Development, the committee seeks to qualify the discussion on the development agenda and further how to finance and achieve the SDGs.

Through its subsidiary bodies, DAC has extensive knowledge on specific areas that can support the members' ongoing advancement and improvement of their development cooperation. DAC has a leading role in defining and monitoring global standards in key areas of development and often acts as a convening platform internationally for different development issues (e.g. GPEDC and TOSSD). DAC also aims to be the preferred platform for other donors to monitor, measure, share lessons and set policies to improve the quality of their cooperation efforts. Examples include the DAC Climate Declaration from 2021, which outlines the commitment of the committee members to a just green transformation. The declaration reflects Danish priorities and interests. Stock takes on the implementation of the declaration take place continuously (see 4.2.2 for more information). Recently the committee has also agreed on new

Guidelines for Gender Equality and Recommendations for Enabling Civil Society Organisations in Development Co-operation.

3.2. Adapting to Changing Framework Conditions, New Actors, and Better Collaboration with Partners

As the Custodian of ODA, it has been positive for DAC to see that ODA has increased year by year in recent years – and even proved resilient during the financial crisis, COVID and the unprovoked and illegal war of aggression in Ukraine. However, the increase in ODA might not continue, as many countries face budgetary pressures, including from increasing defence spending. At the same time, development demands are increasing not least due to the multiple global crises, climate challenges and the war in Ukraine. This challenges DAC members' ability to prioritise and further ensure the catalytical and transformative role of ODA in their development cooperation. COVID and Conflicts have taken focus away and possibly disrupted other more traditional development efforts, especially in the global South. The crisis has also accelerated the already growing depth in low- and middle-income countries, which demands that the countries are using an increasing part of their budget to service the debt. This has again contributed to increased poverty, inequality and social unrest in the countries. Additionally, the exacerbated Climate Crisis has created an even greater demand for development assistance.

As ODA's role in support of the SDGs is getting more limited, DAC will also have to focus on how to utilise ODA to mobilise more investments to developing countries through the private sector. This can be done by ODA leveraging private finance for the SDGs and catalysing private sector driven solutions towards systems transformation. However, solid evidence of these partnerships as real and sustained drivers of systemic transformation remains elusive.

Evidence suggests that one of the main reasons for this, especially when trying to reach the poorest of the poor, is that the business case of sustainability is often not proven (or perceived by the private sector). So far, this has resulted in limited market uptake of catalytic and transformative sustainability solutions, especially in poor and fragile contexts. The impact of engaging the private sector in realising the SDGs remains limited in scale, the partnerships often not being able to sustain themselves beyond ODA subsidies. Also, it will be important to focus on how to mobilise more national revenue for development, not least through national taxation systems.

In general, the discussion of the integrity of ODA is also an issue that is becoming more thorny, as development policy and funding is getting more and more joined up with other policy areas at national level, e.g. in relation to foreign policy and private sector instruments. At the same time, ongoing discussions in the UN on the development of a Multidimensional Vulnerability Index and international debate on Global Public Goods are issues that can potentially challenge the integrity of ODA.

Geopolitically, there are also challenges, including from non-DAC donors who do not necessarily share same approaches, means and values in their development cooperation. Furthermore, the increase in the number of development assistance actors with different approaches, such as China, can possibly make co-operation and alignment more difficult, which can frustrate the effectiveness of development aid.

The DAC Community of Practice on Civil Society upholds an ongoing dialogue with civil society organisations through e.g. civil society dialogue meetings and Civil Society Days as well as through its relationship with the DAC- Civil Society Reference Group. The meetings draw on the before-mentioned Recommendations for Enabling Civil Society Organisations in Development Co-operation. In line with the overall Danish priority of meaningful involvement with civil societies in all relevant stages of the development co-operation, the committee seeks to strengthen its co-operation with the civil society organisations in the work towards achieving the SDGs. DAC focusses on e.g. locally led development and share best practices and experience on the implementation the Recommendation.

When it comes to the financing of DAC's work, and the funding of DCD's activities including support to other networks and working parties, the new PWB for 2023-24 is facing challenges, as is also the case for the wider OECD. The organisation is experiencing an overall budget pressure due to a more restrictive budget approaches by members, a relatively generous staff salary adjustment mechanism, rising costs, especially on energy, and ongoing new asks and demands from members. As other parts of the OECD, DAC is financed by approx. 30% from the part-1-budget (assessed contribution) and 70% from voluntary contributions of which a large amount are earmarked. From 2023 several donors, including Sweden, Norway, UK and US have indicated that they foresee cuts in their Voluntary Contributions.

3.3. Evaluation

DAC is generally viewed as a well-functioning institution. The latest In-Depth Evaluation of DAC was compiled in 2016. The results of the In-Depth Evaluation reflected that the committee had improved its efficiency, which was ranked high. At the same time, the relevance of the committee's mandate and objectives had slipped a little back since 2007, but nevertheless still remained and ranked high. Regarding effectiveness, measuring the extent to which the committee's products have had an impact in alignment with members' policy needs and concerns ranked medium to high, which reflected a fall back from a previous high-ranking level.

The In-Depth Evaluation highlighted the committee's products as credible, rigorous and informative in nature, but criticised that the products do not necessarily find their way to the appropriate audience and furthermore that they can be difficult to operationalise and transform into practice. The In-Depth Evaluation further recommended that the committee finds a way to better exploit the potential of the GPEDC as well as improved their horizontal work with other OECD bodies to ensure further progress in focusing mandates and work programs on priority policy needs and concerns. Furthermore, the In-Depth Evaluation recommended that the committee, due to its size and complexity and thus the related resources needed, renew its effort to optimise its meeting infrastructure, substructure and related processes, which would contribute to maintaining a high level of efficiency in the coming period.

The next In-Depth Evaluation of the committee is planned to commence in 2023 and is expected to last 18-24 months. The OECD is, for the first time ever, carrying out an external evaluation of the entire organisation. The evaluation is expected to be completed and discussed in the Council mid-2023. The evaluation's recommendations are expected to become central benchmarks for the continued reforms of the OECD's working methods and organisation in the coming years.

The ongoing efforts to improve the impact and efficiency of DAC will continue to focus on the prioritisation of the work around DAC's core functions. This will include narrowing down the number of intermediate output results of the DCD (see also below); the before-mentioned "standardisation" of informal groups (time limited mandates) as well as a more selective use of the different DAC-meeting formats (especially at High Level Meetings/Senior Level Meetings). To increase financial stability and predictability, Denmark will also support the development of a funding strategy for Voluntary Contributions. Since the In-Depth Evaluation, DAC has undertaken several initiatives to accommodate the recommendations including more strategic communication, greater document accessibility, a revised mandate to better align itself with the 2030 Agenda and reviews of the substructure to ensure that it responds to the needs of the committee.

4. Priority Areas and Results to be Achieved

4.1. DAC's output results and intermediate output results

Danish involvement will be based on Denmark's strategy for development cooperation 'The World We Share'. Denmark will work to ensure that the implementation of DAC's mandate takes place in a way that ensures the Committee's continued relevance and impact. By ensuring further and wider impact of the work of DAC, Denmark contributes to a stronger international order.

The DAC PWB for 2023-24 has the following five Output Results, which Denmark fully supports, as they are considered well aligned to Denmark's strategy:

- **Output Results 1** - Mobilising and aligning finance for the 2030 Agenda
- **Output Results 2** - Making development co-operation more effective, impactful, and inclusive, including through better partnerships and innovation
- **Output Results 3** - Preventing and addressing fragility and crises
- **Output Results 4** - Tackling poverty and inequalities, achieving gender equality, and enabling inclusive governance in order to leave no one behind
- **Output Results 5** - Promoting sustainable management and use of natural capital

Denmark will continue to engage in the ongoing prioritisation of DAC's work keeping a strong focus within DAC's core areas/functions and on those areas where the OECD overall is considered to have added value in the development arena. This is the case when the OECD, through its products and platforms, is able to inform and strengthen development policy and practice.

During the discussions in DAC on the PWB for 2023-24 Denmark, among other countries, supported narrowing down the number of intermediate output results from 34 to 18 in the new budget. Within the 18 intermediate output results (see Annex 2), the three highest priorities according to a member survey were allocated approx. 75 % of the Part-1-budget (assessed contributions) to safeguard work streams within these areas.

The coherence between the output results, the 18 intermediate output results, as well as the expected outcomes and deliverables are accounted for in detail in the 2023-24 PWB.

4.2 DAC and Denmark's Strategic Policy Priorities

In addition to the overall focus on core areas and ensuring added value, Denmark will engage selectively in activities and fora that are linked to the thematic priorities of the Danish Development Strategy outlined below. Danish priorities will, where possible, be linked to DAC's own intermediate output results, as formulated in DAC's PWB for 2023-24.

4.2.1. ODA integrity

Transparency is key to the general trust in and support for development cooperation. Accurate definitions and measures of development are important means to create transparency and comparability.

The OECD-DACs role as custodian for the integrity of ODA is unique and represents a significant contribution in the area for international development. ODA is the only internationally recognised financial source for development cooperation, and is under pressure to adapt to new agendas.

Denmark is committed to:

- Maintain the integrity of ODA so that ODA statistics, concepts and calculations are credible, hereunder maintain ODA's overall purpose on economic and social development in developing countries, particular poor, fragile countries. Protect the relevance and cohesion between policy markers, purpose codes and other categories of definitions to promote consistent and correct reporting of data to the OECD. Furthermore, to work for the establishment of a common standard for such definitions with organisations such as IATI (International Aid Transparency Initiative) to further promote consistent reporting and transparency.
- Actively engage in consultations, coordination and related processes regarding new challenges such as Multidimensional Vulnerability Index and Global Public Goods.
- Actively engage in consultation, coordination and processes related tracking and reporting of climate finance both inside OECD (for example in the context of the Research collaborative in tracking private climate finance under Environment Policy Committee) and the context of the Multilateral Development Banks, EU, UNFCCC and other contexts to strengthen transparency, comparability, coherence and shared statistical standards across reporting systems.

4.2.2. Climate and just green transformation

Denmark attaches great importance to the assistance by OECD DAC to the member states with the aim of aligning their development cooperation with the goals set out in the Paris Agreement and thus implementing the DAC declaration on climate, environment and biodiversity, which was adopted ahead of the Conference of the Parties - COP26 - in Glasgow in November 2021. The declaration covers a wide range of areas and is further transformed into an action plan. The implementation of the declaration and action plan represents the largest budget item expenditure (approx. 20 per cent) of the DAC PWB for 2023-24. It will be implemented across all priority work areas with Network on Environment and Development Cooperation as an anchor. This is a very significant prioritisation of climate and green transition compared to the PWB for 2021-22. Denmark will work for the ambitious implementation of the

DAC Declaration's priorities, and has specifically prioritised to contribute to the elaboration of a "common approach to net zero energy transition", referred to under 4) below. Furthermore, Denmark will be particularly engaged in the work to realise the following sub-goals ("deliverables from the declaration"):

Selected deliverables (from DAC Declaration and action plan):	
1.	Monitoring and reporting of progress on DAC Climate Declaration commitments; including horizontal coordination support across climate- and environment-related deliverables.
2.	Support mainstreaming through a peer learning exercise based on OECD guidance on strengthening climate resilience, and joint products with other DAC bodies.
3.	Support for resilience and adaptation policies, including one report on access to adaptation finance and a guidance module for resilience and adaptation capabilities in SIDS contexts.
4.	Support for net-zero transitions, including analysis, evidence and practice to inform and support a DAC common approach.
5.	Support for effectiveness approaches (in collaboration with the Development Effectiveness team), including analysis, key lessons, and best practices for effectiveness in climate and environmental action.
6.	Support for mobilisation actions, including guidance on blended finance for adaptation and biodiversity (jointly with PF4SD), and knowledge exchange on greening financial systems including support for effective carbon pricing in development contexts.
7.	Support for Biodiversity, including peer exchange and dialogue, research and evidence on aligning development finance with nature and the post-2020 Global Biodiversity Framework.

4.2.3. Gender equality

Women's rights and gender equality, including Sexual and Reproductive Health and Rights, have for many years been high on the Danish policy agenda and thus also reflected in the Danish development aid strategy 'The World We Share'. These priorities are also central to Denmark's engagement in OECDs development activities. In this regard Denmark will prioritise the following areas:

- Engage actively in the Network on Gender Equality forum to strengthen peer learning on how best to promote gender equality and Sexual and Reproductive Health and Rights in development aid as well as contribute to the work of the DAC Reference Group on Ending Sexual Exploitation Abuse and Harassment.
- Engage in discussions on the nexus between gender equality and climate change through the Network on Gender Equality/Network on Environment and Development Co-operation forum and explore areas of common interests with OECD DAC members with the aim of strengthening policies and programmes.
- Focus on the particular vulnerabilities women and girls in all their diversity face in fragile settings through participation in International Network on Conflict and Fragility.

4.2.4. LDC's and fragility

There is great emphasis on fragile and conflict-affected countries in the Danish development aid strategy 'The World We Share'. This includes creating hope and opportunities for people by promoting economic and social protection and development in fragile countries, regions and

regions of origin impacted by conflict and disaster. Denmark will engage in OECDs International Network on Conflict and Fragility with the following priorities:

- In order to address the fundamental causes of fragility, prevention should be included in all activities. In order to do this effectively, improved access to data and analysis on fragile contexts and the financial resources to and in fragile and crisis contexts is needed.
- Prevention of violations of human rights, Do No Harm/conflict sensitivity and the humanitarian principles are critical aspects of Danish work in situations of fragility. Common donor positioning of principled humanitarian assistance remains critical for our work. On the fragility agenda, Denmark is keen to see a HDP-nexus approach that also safeguard humanitarian space/access.
- Moreover, the operationalisation of the DAC recommendation on the HDP-nexus is key to improve aid effectiveness and results in fragile and crisis contexts.

4.2.5. Development Finance

Denmark will be actively engaged in the Community of Practice on Private Finance for Sustainable Development, where Denmark already acts as co-chair (together with Italy and Norway). Development of new and effective financing instruments for mobilising private capital, not least for climate investments, as well as further development of standards for blended finance and impact will be an important priority of Denmark in this context. A voluntary contribution from Denmark to the DCD Secretariat in this regard will be considered.

Denmark will continue to follow the development of the Total Official Support for Sustainable Development methodology and report to DAC in accordance with the agreed standard.

4.3. Monitoring

Monitoring will be done through DAC's established processes and reporting in accordance with standard OECD procedures. Annual progress reports monitor the financial situation and assesses the programmatic results including expected results and intermediate outputs according to the PWB. Furthermore, there is regular reporting from the DCD on program implementation to the committee.

5. Budget

The Danish financial contributions to the OECD's development activities in 2021-22 and the expected contributions in 2023-24 are shown in Annex 1.

The OECD DAC's PWB for 2023-24 is expected to amount to EUR 40.4 million, of which EUR 12.3 million or about 30 % will be financed by the member contributions to the OECD/Part-1-budget. Voluntary contributions from the members of DAC are thus a prerequisite for the implementation of the OECD DAC work programme and budget – as it is for the rest of OECD.

For a number of years, Denmark's voluntary contributions to OECD DAC's PWB have remained stable at DKK 5 million annually. The contributions have alternated between being allocated directly in the Finance Act and being provided in connection with framework adjustments. From FFL23 onwards, DKK 10 million will be committed every two years (2023 and 2025, respectively), so that the full commitment can be made at the beginning of the first year of the

biannual work programme, and payment can take place in two annual instalments of DKK 5 million each. Based on the narrowing down of intermediate output results for 2023-24 and overall satisfaction with the results achieved, Denmark will not in the future earmark its contributions to the OECD DAC's PWB, but provide unearmarked annual contributions of 5 million DKK throughout 2023-26.

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Annex 1: Danish financial contributions to the OECD's development activities in 2023-24 and the expected contributions in 2025-26 (amounts in DKK)

	OECD-DAC		OECD Development Centre	
	2023-2024	2025-2026	2023-2024	2025-2026
Membership fee			1.5 mio. (FL21)	1.7 mio. (FFL23)
Voluntary contribution	2x5 mio. (FFL21)	2x5 mio. (FFL23)		
Total	10 mio.	10 mio.	1.5 mio.	1.7 mio.

Annex 2: The 18 intermediate output results and the agreed budget including distribution of Part-1 Budget

Scenario 2bis (total 40.4 MEUR) for the 2023-24 DAC PWB

The actual distribution between un-earmarked and earmarked VCs will be influenced by the timing and associated conditions of Members' VCs during PWB implementation

