

## Co-Chairs' Summary

Madrid, Spain | 10 July 2024

*The first Latin America and Caribbean (LAC) Regional Programme Meeting on Development Co-operation was held on 10 July 2024 in Madrid. Co-chaired by Carsten Staur, Chair of the OECD's Development Assistance Committee (DAC) and Ms. Eva Maria Granados Galiano, Secretary of State for International Cooperation, Ministry of Foreign Affairs, European Union and Co-operation, Spain, the meeting brought together over 100 representatives from 17 Latin American and Caribbean (LAC) countries providing development co-operation, 28 members of the OECD Development Assistance Committee (DAC) and representatives of nine international organisations and multilateral institutions, including the OECD.*

**The meeting offered ample possibility for an open exchange of views and signalled convergence around the diagnostics of how development co-operation can accelerate progress on sustainable development in a changing context.** Participants raised that the current macro-economic and geopolitical challenges make it hard for any provider agency or entity to effectively respond to a growing, intertwined set of needs and challenges. This raised tough questions around *how* to devise multi-level, and multi-stakeholder responses, collectively, and within the means, roles and responsibilities of each individual partner. The dialogue also reaffirmed the importance of listening to and learning from each other in the spirit of mutuality, openness, and like-mindedness.

**While participants acknowledged the different histories and mandates governing their respective co-operation arrangements and set-ups, they saw ample benefit in continuing frank and open dialogue on issues of shared interest to better respond to the changes and trends in global development,** in the context of the Fourth International Conference on Financing for Development (FfD4), hosted by Spain from 30 June to 3 July 2025. Based on the shared understanding of the most pressing challenges, participants shared a wide range of practices, policies, and partnership experiences.

**Participants welcomed the idea of engaging in practical thematic follow-up conversations in the form of an innovation lab, driven by the need to adopt more integrated approaches, increase resources, efficiency, and impact.** The ambition would be to deepen debate on issues raised, on a needs-basis, better understand each other's expectations and ambitions, learn from each other to navigate and respond proactively to challenges and rethink and adapt policies, practices and partnerships amid emerging needs by different partners, cognizant of each other's capabilities and responsibilities. Participants called on the OECD, in particular the DAC and its Secretariat, the Development Centre and the Global Relations and Cooperation Directorate, to support all participants in this, building on the solid foundation of existing collaboration, and with a view to help everyone prepare for FfD-4. Participants, in turn, are expected to bring forward concrete ideas for thematic follow-up conversations and were invited to express interest in engaging in networks of the DAC to deepen technical exchanges on related issues. Participants were also encouraged to draw on the upcoming flagship *OECD Development Co-operation Report 2024: Tackling poverty and inequalities through the green transition* and the next edition of the *Latin American Economic Outlook 2024* whose focus is Finance for Development, and is being co-produced with LAC countries, as insight for these discussions.

### **Mobilising more resources for sustainable development including financing and other types of co-operation**

Based on a widening Sustainable Development Goals (SDG) financing gap, calls for living up to commitments and for leveraging financing for sustainable development to mobilise other public and private resources, and promote domestic resource mobilisation were prominent. Official Development Assistance (ODA) was considered critical, including as a catalytic and leveraging tool.

Development co-operation was discussed as one part of the Financing for Sustainable Development process, closely linked to ongoing debate on global governance and institutional reform efforts and on how best to respond to the growing debt crisis, including by enhancing debt transparency and fostering systemic reform of debt resolution mechanisms and related architecture, harness private investment, tax, and trade better for sustainable development and address other systemic issues.

Participants stressed that development co-operation comprises much more than financing. Participants characterised it as important vehicle for technical and non-financial co-operation, for dialogue and knowledge sharing, built around good practices, as well as for driving policy change to help deliver the 2030 Agenda and future development priorities, with a strong focus on tackling poverty and inequalities as part of providing support for just and green transitions and social mobility everywhere.

In this context, the long-standing, tangible contribution of South-South Co-operation as an essential, diverse modality that is complementary to other types of development co-operation was highlighted. At the same time the diversity of approaches, institutional set-ups and experiences, as well as the many challenges and ambitions different providers share was noted, making it essential to regularly exchange knowledge and explore specific areas for work together.

Triangular co-operation was repeatedly stressed as an essential bridge builder between the LAC region and the DAC – as entry point for deepened collaboration making use of the complementary strengths of each partner to co-create, promoting a better understanding of each other's systems; an amplifier for each other's efforts; and a tool for long-standing partnerships that are resilient, owned and led by local actors. Participants proposed triangular co-operation as one important area for more follow up dialogue and agreed to make more efforts to scale up triangular co-operation and share experiences from multi-stakeholder partnerships with partner country governments, the private sector and civil society. Portugal invited all participants to the 8<sup>th</sup> international meeting on triangular co-operation in Lisbon on 7-8 October 2024 to advance policy debate and guidance on this together.

Participants also reiterated the important work on development in transition that provides a narrative and policy guidance based on thorough technical assessment of weaknesses and opportunities to support countries in their development trajectories; a critical resource for LAC countries to share with their partners, their own development successes and their progress in facing development traps, and to reflect on potential integrated forms of international cooperation that align with national priorities, focus on the exchange on public policies and policy reforms, and combine different sources of finance, and efforts of diverse actors, nationally and internationally. Participants recalled the importance of development in transition as integral part of Spain's new cooperation law – together with its incorporation of the 0.7 percent ODA target – as a reference for other countries.

Many reiterated the benefits of Total Official Support for Sustainable Development (TOSSD) to better inform decision making on financing for development in developing countries, and providers reporting on TOSSD were thanked for their contributions. Many participants referred to the new International Forum on TOSSD, that met in Oslo for the first time earlier this year and entities not yet engaged were encouraged to consider joining the Forum and reporting under TOSSD.

Participants also discussed the need to learn more from each other on using diverse instruments to scale up and catalyse resources for sustainable development (e.g., to promote effective South-South and triangular co-operation, use blended finance instruments and GSSS bonds, engage in private sector partnerships, mobilise climate finance, etc.). Parties more interested were encouraged to propose topics for discussion, and engage in the OECD's Private Finance for Sustainable Development Community of Practice and with OECD's Development Co-operation Directorate to exchange on effective private sector engagement through development co-operation.

### **Amplifying the quality, effectiveness and impact of their co-operation as reliable and trusted partners**

Participants welcomed the proposal for more debate on how to improve policies, systems and practices to maximise the impact of development co-operation based on their diverse perspectives and experiences. Many were interested in learning more from each other on how to improve their strategic frameworks, institutional arrangements, management systems and partnership modalities, in line with their existing set-ups and structures, while also improving how to effectively deliver and engage with partner country governments and local actors, promoting impact through leadership, cost-effectiveness and domestic and external trust.

Within this context, agencies and entities from the LAC region providing development co-operation and DAC members reiterated that they have a lot to learn from each other – including on how to a) achieve long-term sustainable outcomes while catering to pressures to deliver quick results, b) communicate their contributions and impact to the public and partners and shore up domestic support for international co-operation, c) promote ownership and leadership by partner country stakeholders in different contexts, or d) promote greater coordination among providers at country level to minimise the burden on governments to coordinate efforts.

Participants welcomed the idea of exchanging further on how to harness good practices in delivering positive outcomes in this regard through different modalities, including public bilateral co-operation, public-private financing, South-South and triangular co-operation, unpacking and sharing each other's understanding of how to improve the effectiveness and impact of all types of development co-operation. This can capture a wide range of issues building on those agreed at the Addis Ababa Action Agenda and emerging priorities since 2015 including driving broad-based and inclusive ownership, capacity and agency. Participants were encouraged to engage in the ongoing Global Partnership for Effective Development Co-operation (GPEDC) monitoring and follow-up dialogues in partner countries to encourage policy and behaviour change based on emerging evidence. Colombia also mentioned a forthcoming tool to self-assess the effectiveness of South-South Co-operation. Furthering debate between LAC and

DAC providers on how to improve the development outcomes of all types of *financial* and *technical* co-operation was also considered a good opportunity to share experiences. Participants acknowledged that the LAC Regional Programme could represent an important venue as well to advance and take stock of these discussions as they evolve.

Participants also welcomed reflections on measuring impact by strengthening monitoring and evaluation capacity that draws on existing resources and ongoing efforts. In this regard, participants were encouraged to engage in the work of the DAC Evaluation Network (EVALNET) which has a wide reach across developing countries.

Many participants showcased their own locally led development and innovation efforts to respond to pressing policy challenges and underscored the relevance of investing in diverse forms of innovation in partner countries, along with investing in the innovation capabilities of their own organisations. This was deemed necessary due to the many complex challenges for which there are no known solutions yet and due to the rapid pace of technological progress. The societal and economic transformations that are required in light of the global climate and biodiversity crises require not only more but better innovation. Participants interested in development innovation, were invited to contact the OECD Secretariat.

### Promoting greater social inclusion and reduction of poverty and inequalities through development co-operation

As the first meeting under the aegis of the OECD LAC Regional Programme (LACRP), special emphasis was placed on one of the four priorities of the LAC region to advance reforms: enhancing social inclusion. Participants exchanged on how development co-operation, in all its dimensions, can support the social transitions needed to reduce poverty and inequalities while fostering green and digital transitions. A variety of topics were touched upon, including how development co-operation, in all its forms, can help developing countries address the deep causes of poverty and inequalities, including the lack of social mobility, informality, quality education and training, improving social protection and cash transfer schemes, digital and financial inclusion, among others. Discussions revolved around bottlenecks and how LAC providers and DAC members can leverage their relevant experiences in this policy area.

Participants welcomed the prioritisation of global dialogue on the fight against poverty and inequalities, and the challenge of informality, in the context of Brazil's G20 Presidency and Peru's hosting of APEC, both in 2024.

Participants highlighted socio-economic and gender disparities in the labour market and in education, as obstacles to long-term sustainable development, and the need to support inclusive development co-operation that promotes gender equality. In this regard, the DAC Guidance and Recommendation on gender equality and the empowerment of all women and girls can also be of relevance for LAC agencies as and interested parties are welcome to identify areas of interest for further dialogue and knowledge exchange and join meetings of GENDERNET to deepen the substantive dialogue on such issues.

Deliberations from this session will inform discussion on social inclusion at the upcoming third LACRP Ministerial Summit on Social Inclusion (Bogotá, 22 October 2024).

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The Co-Chairs called on participants to express their interest in deepening dialogue and knowledge exchange on issues of common interest to the Secretariat. Based on this, joint, time-bound follow-up debates or informal 'task forces' can be set up to lift the bar in terms of mutual understanding of each other's ambitions and priorities, ways of working, systems and set ups, also in preparation of a next iteration of this dialogue between DAC members and the agencies and entities from the LAC region providing development co-operation.

The Co-Chairs invited participants to engage in relevant subsidiary bodies of the DAC, observe DAC peer reviews and attend the 2025 DAC High-Level Meeting which would most likely take place in the spring of 2025, harness the work across the OECD, including with the Development Centre and through the OECD's Global Relations and Cooperation Directorate, to further deepen our debate, and welcome ideas for hosting the next iteration of this dialogue, or stocktakes of progress in the margins of other events in between, for instance in the context of the United Nations or in preparation of FfD4.

**Every provider can strive to become better and, irrespective of which region they come from, or which history and mandate they share, there lies great merit in sharing their unique experiences and solutions they are proud of and want to scale up through different means.** This insight is critical to rethink and overhaul how to provide development co-operation in future with ambition and strategic intent. Participants greatly welcomed and expressed appreciation for Spain's generous offer to host this first LACRP dialogue to deepen such reflections and looked forward to the next iteration of the dialogue. Spain also reiterated its willingness to support continuity to dialogue between LAC providers and DAC members.

*The summary of the meeting has been transmitted to all DAC members and all countries and institutions from the Latin America and the Caribbean region that participated in the meeting.*