

Pamphlet No. 13

THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT'S

DEVELOPMENT ASSISTANCE COMMITTEE (DAC)

Summary: The Organisation for Economic Cooperation and Development's Development Assistance Committee (DAC) is a forum in which the major bilateral donors work together to support sustainable development in developing countries. While the DAC does not specifically address minority issues as such, it frequently consults with civil society, including minority populations, in the process of establishing its own policy guidelines.

The Organisation for Economic Cooperation and Development

The Organisation for Economic Cooperation and Development (OECD) is an international organization and is composed of some of the world's wealthiest States. Founded in 1961, one of the main aims of the OECD is the promotion of policies to stimulate and harmonize its Members' efforts in favour of developing countries.

Member States of OECD are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, New Zealand, the Netherlands, Norway, Poland, Portugal, Republic of Korea, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland and the United States of America.

The Development Assistance Committee

The OECD's Development Assistance Committee (DAC) is the principal body through which the OECD handles issues related to cooperation with developing countries. The DAC is one of the key forums in which the major bilateral donors work together to support sustainable development. Members of the DAC are expected to have certain common objectives governing their aid programmes.

The mission of the DAC is to foster coordinated, integrated, effective and adequately financed international efforts in support of sustainable economic and social development. In 1999, total net resource flows from DAC member countries and multilateral agencies to aid recipients amounted to US\$248 billion, including some US\$51.3 billion in Official Development Assistance.

Recognizing that developing countries are ultimately responsible for their own development, the DAC concentrates on helping developing countries to participate in the global economy and helping people to overcome poverty and participate fully in their societies.

DAC meetings are attended by Paris-based delegates of Member countries and by officials from Member-country capitals. Once a year, senior-level officials from aid agencies gather at the DAC to take stock of the overall aid effort and to review the DAC's work on current policy issues. The Committee also holds an annual High-Level Meeting for Ministers or heads of aid agencies. The High-Level Meeting provides an opportunity, at the political level, to adopt basic policy directions for the Committee's work and for the common efforts of its Members.

The DAC has also established working parties, expert groups, temporary task forces and informal networks, in which DAC Members are generally represented by specialists. Their respective mandates reflect the Committee's major interests: poverty reduction; financial aspects of development assistance; development assistance and the environment; statistics; aid evaluation; gender equality; good governance and capacity development; conflict, peace and development; and harmonization of donor practices.

Members of the DAC are: Australia, Austria, Belgium, Canada, Commission of the European Communities, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

The DAC'S Work

The DAC is increasingly involved in supporting developing countries' efforts to strengthen local capacities to pursue integrated development strategies.

A landmark report, "Shaping the 21st Century: The Contribution of Development Cooperation", was adopted by the DAC and endorsed by the OECD Ministerial Council in 1996. This report sets out a vision for a global partnership in favour of sustainable development. The report:

- frames the vision with a set of basic goals of measurable progress over the next 20 years in economic well-being, social development and environmental sustainability
- describes a strategy of development cooperation in pursuit of those goals through partnerships that respect the primary responsibility of the people, institutions and governments of developing countries for their own progress, and that offer international support for their efforts, based on shared interests
- expresses a commitment to work together to reinforce the self-help efforts of developing countries with adequate resources, improved coordination and consistent policies that support development and that are accompanied by continuous monitoring and evaluation

The 21st Century report built upon a foundation of two previous policy statements that had been adopted by the DAC in 1989 and in 1995. In the first of these, "Development Cooperation in the 1990s", DAC Members concluded that the

self-perpetuating cycle of underdevelopment, linking high population growth, poverty, malnutrition, illiteracy, and environmental degradation, could only be broken through integrated economic and developmental strategies and policies.

Primary Activities

Adopting authoritative policy guidelines

The DAC adopts authoritative policy guidelines to be used by Members in designing and implementing their development cooperation programmes. These guidelines reflect the views and experiences of the Members and benefit from input by multilateral institutions and individual experts, including experts from developing countries. Consultations with partner countries, including representatives from government and civil society, are also part of the process of adopting these guidelines. Guidelines adopted prior to 1992 were published that year in a compilation entitled *Development Assistance Manual: DAC Principles for Effective Aid*. Subsequently adopted guidelines have been published individually in a *Development Co-operation Guidelines Series*, inaugurated in 1995. While DAC guidelines are non-binding, Members who adopt them make a firm commitment to implement them to the extent possible. The themes addressed by DAC guidelines include:

Development Assistance Manual: DAC Principles for Effective Aid

- Guiding Principles for Aid Coordination with Developing Countries
- DAC Principles for Project Appraisal
- Principles for New Orientations in Technical Cooperation
- Principles for Programme Assistance
- Good Practices for Environmental Impact Assessment of Development Projects
- Good Procurement Practices for Official Development Assistance
- New Measures in the Field of Tied Aid
- Principles for the Evaluation of Development Assistance

Development Cooperation Guidelines Series

- Participatory Development and Good Governance
- Support of Private Sector Development
- Donor Assistance to Capacity Development in Environment
- Conflict, Peace and Development Cooperation
- Gender Equality and Empowerment of Women

New Guidelines Endorsed at the 2001 DAC High Level Meeting

- Poverty Reduction
- Strategies for Sustainable Development
- Helping Prevent Violent Conflict: Orientations for External Partners
- Capacity Development for Trade in the New Global Context

Conducting periodic critical reviews

The DAC conducts periodic critical reviews of its Members' development cooperation programmes. These peer reviews, occurring at three- to four-year intervals, examine how each individual Member programme applies DAC policy guidelines, how the programme is managed (including coordination with other donors), coherence of other policies with development objectives and trends in the volume and allocation of resources. Each review is based on investigations by the Secretariat and on reports by examiners appointed from two Member countries. Their investigations include broad consultations, including with non-governmental actors in development cooperation activities, in the capital of the donor country under review. Sometimes, those Members under review organize special events involving civil society organizations.

The reviews also include an average of two field missions to major partner countries of the Member under review. During those missions, the review team has consultations with NGOs and other civil society organizations in the partner country visited. The process culminates in a meeting of the full DAC at which the major issues identified in the examination are discussed. A summary of the findings and conclusions of the Committee and the detailed report of the Secretariat are published in the *Development Cooperation Review Series*. The OECD is the only international organization dealing with development issues that conducts such reviews.

Providing forums for dialogue

The DAC provides a forum for dialogue, exchange of experiences and the building of international consensus on policy and management issues of interest to Members. Particular themes, such as strategies for poverty eradication and expanding and integrating all sources of funding for development, emerge from the Senior Level and High-Level meetings and from the annual work programme and medium-term priorities. Since 1998, the DAC has organized Development Partnership Forums on key issues in partnership and local ownership. These are usually held back-to-back with the DAC Senior Level Meeting. Participants in these Forums include representatives from civil society in both DAC member and partner countries. The most recent Develop Partnership Forum, held in December 2000, addressed the role of civil society, in both the North and South, in poverty-reduction strategies (see box below).

Publishing statistics and reports

The DAC publishes statistics and reports on aid and other resource flows to developing countries and countries in transition, and on related matters, based principally on reporting by DAC Members. These authoritative statistics and reports are widely used and frequently cited in publications related to development.

Further Information and Contacts

For more information, the OECD Development Assistance Committee's web site (www.oecd.org/dac) provides access to some of the most important work of the DAC. Or you can contact:

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Development Partnership Forum 2000

OWNERSHIP AND PARTNERSHIP: THE ROLE OF NORTHERN AND SOUTHERN CIVIL SOCIETY IN THE POVERTY REDUCTION STRATEGIES

11-12 December 2000

The Development Partnership Forum 2000 brought together over 150 participants from governments and civil society, including representatives of business associations, NGOs, churches, trade unions, media, and Parliamentarians, both from DAC Member countries and partner countries, together with DAC Member delegations and observers, including representatives from DAC Member country civil society.

The Forum proposed a large number of concrete measures to bolster participation of civil society. A detailed report by the DAC and the Development Centre will be made available in 2001. The following points provide a preliminary overview of the Forum.

1. The involvement of civil society, in addition to partner country governments and the private sector, is becoming an operational feature of poverty reduction strategies, for reasons which are both political (ownership) and practical (active participation in pro-poor growth policies, effective and accountable implementation and realism check). To establish and implement successful participatory poverty reduction strategies, country ownership must involve all stakeholders.
2. Civil society is not homogeneous. It comprises many and diverse actors, each with their own interests and responsibilities. While this may complicate the consultation process, narrowing the selection of actors involved could hinder the entire process.
3. Adequate consultation processes need time. The absence of adequate consultation of civil society may speed up the process, but it does not foster true ownership. . The sense of urgency in launching Poverty Reduction Strategy Papers (PRSPs) should not mean that consultations are forfeited.
4. Engaging citizens and civil society actors in the consultation process is a formidable challenge in terms of time and resources for partner countries. Fostering partnership and participation of all stakeholders in an effective manner will require investment in capacity building and further evolution in aid agencies' operations, in particular simplification and harmonisation of their procedures. It must be a joint endeavour.
5. Creating the enabling environment for civil society capacity building also calls for recognition of the importance and cost of international networking and South-South collaboration by civil society actors. Development co-operation may have a decisive role in this respect.
6. Civil society should be allocated resources in a way that is conducive to the choice of specific activities chosen by civil society actors, but clearly governed by standards for accountability (in particular with respect to the poor), transparency, efficiency and effectiveness. Bilateral and multilateral official aid agencies should share these standards.
7. Donors should increase efforts to inform and educate public opinion on the objectives, principles and implementation of the partnership strategy, setting whenever appropriate a target percentage for the financing of development information and education in their own countries.
8. Civil society actors in partner countries should be encouraged to play a more active role in advocating sound and effective poverty reduction strategies.
9. Opening up space for the advocacy role of civil society actors in partner countries will be of particular importance in situations where entering into a genuine partnership for poverty reduction has not yet been established as a policy priority, or when partnership is impeded by conflict situations.
10. Accountability and transparency can be enhanced through increased support for the media (traditional print and communication as well as modern IT applications). Moreover, the media is an important guardian against corruption. Media coverage of the whole partnership process at work, e.g. the elaboration of PRSPs should be facilitated through real dialogue and not restricted to briefings and press handouts. This is important in order to stimulate local participation and ownership, and should lead, in the North, to increased confidence in and understanding of policy making in the South.