



DAC in Dates

The History of OECD's
Development Assistance Committee



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2006 Edition

Foreword



OECD is host to some 200 subsidiary bodies. Among them, the Development Assistance Committee has a special profile. Under the guidance of a full-time Paris-based Chair, the DAC has always enjoyed the singular privilege of being the venue and voice of the world's major bilateral donors. Its acronym – the DAC – is known to an informed public worldwide. It is a brand name for many OECD products on development, in particular its statistics on Official Development Assistance (ODA).

Since its creation in 1960 – alongside that of the OECD – the DAC has been responsible for a rich and remarkable array of achievements in co-ordinating donor policies. This very involvement has led to an evolution whereby, over recent years, the DAC has broadened the scope of its work beyond its own membership. Most importantly, the Paris Declaration on Aid Effectiveness (March 2005) has been endorsed by over 100 countries. The DAC also serves as an international hub for the subsequent monitoring process which is underway in over 30 developing countries. At the same time, the DAC is reaching out to non-DAC or “emerging donors”. This new feature in DAC work was only able to materialise because of ever closer DAC collaboration with the World Bank and UNDP.

Keeping the logbook of such an institution is a worthwhile effort. We are grateful to Helmut Führer, my predecessor from 1975 to 1993, who took the initiative to assemble an initial record of landmarks. This allowed for the first publication of “DAC in Dates” in 2000.

Six years later, with history continuing its march, it is time once again to look back and add a couple of pages to the logbook, listing the DAC’s major actions during this period. This was done by James Michel, DAC Chair from 1995 to 1999, and Carola Miras who both held the pen while others contributed helpful comments. As a result, I am delighted to present the new edition of “DAC in Dates”.

A handwritten signature in black ink, reading "Michael Roeskau". The signature is written in a cursive style with a large, stylized initial "M" and "R".

Michael Roeskau
Director
Development Co-operation Directorate

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The DAC Year by Year

1960**Establishment of DAG**

The Development Assistance Group (DAG) is formed as a forum for consultations among aid donors on assistance to less-developed countries. Under-Secretary of State C. Douglas Dillon of the Eisenhower Administration was a key figure in this initiative. DAG is set up on the occasion of the OEEC Special Economic Committee meeting on 13 January 1960.

Original DAG members

Belgium, Canada, France, Germany, Italy, Portugal,
the United Kingdom, the United States and
the Commission of the European Economic Community.

The Japanese government was immediately invited to participate in
the work, and the Netherlands joined the DAG in July.

The first DAG meeting takes place in Washington (9-11 March 1960, chaired by Ambassador Ortona, Italy). At the second DAG meeting in Bonn (5-7 July, chaired by A.H. van Scherpenberg, State Secretary in the Ministry of Foreign Affairs, Germany) the DAG adopts a resolution relating to the improvement of information on financial assistance to the developing countries. The third DAG meeting, held in Washington (3-5 October) is chaired by T. Craydon Upton, Assistant Secretary, United States Treasury Department. The meeting concentrates on pre-investment technical assistance, with the participation of various international organisations, and on reaching agreement on the basis on which comparable data could be provided by DAG members about the flow of funds to developing countries.

The first meeting of the Working Party of the Development Assistance Group is held at the Château de la Muette, Paris, at high level under the Chairmanship of Fritz Stedtfeld from Germany. It discusses monitoring of the reporting of financial flows to developing countries and prepares the DAG meetings in Washington, London and Tokyo. Secretariat services are provided by the OEEC (Secretary-General: René Sergent), the Economics and Statistics Directorate, the Economics Division, and the LDC Section.

MANDATE OF THE DEVELOPMENT ASSISTANCE COMMITTEE

As decided by the Ministerial Resolution of 23rd July 1960 [OECD(60)13], the Development Assistance Group shall, upon the inception of the OECD, be constituted as the Development Assistance Committee, and given the following mandate:

- a) The Committee will continue to consult on the methods for making national resources available for assisting countries and areas in the process of economic development and for expanding and improving the flow of long-term funds and other development assistance to them.
- b) The Development Assistance Committee will acquire the functions, characteristics and membership possessed by the Development Assistance Group at the inception of the Organisation.
- c) The Committee will select its Chair, make periodic reports to the Council and its own members, receive assistance from the Secretariat as agreed with the Secretary-General, have power to make recommendations on matters within its competence to countries on the Committee and to the Council, and invite representatives of other countries and international organisations to take part in particular discussions as necessary.
- d) The Development Assistance Committee may act on behalf of the Organisation only with the approval of the Council.
- e) In case the responsibilities of the Development Assistance Committee were to be extended beyond those set forth under a), any member country not represented in the Development Assistance Committee could bring the matter before the Council.

Parallel institutional developments

The establishment of DAG/DAC in 1960 was part of an extraordinary upsurge of related institutional developments concentrated in the early 1960s, which laid the foundation of the current aid system.

- The World Bank sets up the International Development Association (IDA), with an initial subscription of some USD 900 million, to provide very soft loans to poorer developing countries.
- The Pakistan Consortium is set up under World Bank auspices (modelled on India Consortium established in 1958). Original members: Canada, Germany, Japan, the United Kingdom, the United States and the World Bank.
- Canada creates an “External Aid Office” which, in 1968, becomes the Canadian International Development Agency (CIDA).

1961**Resolution of the Common Aid Effort and Establishment of the DAC**

The DAG holds its fourth meeting in London at Church House (27-29 March). The meeting is opened by Selwyn Lloyd, Chancellor of the Exchequer and chaired by Sir Frank Lee, Permanent Secretary of the Treasury, United Kingdom. Again at the US initiative – this time by the new Kennedy Administration represented by George Ball – the DAG adopts a Resolution on the Common Aid Effort. In 1960/61 the United States was the source of more than 40% of total official aid to developing countries, and one-third came from France and the United Kingdom. DAG agrees that its chair shall have his office in Paris and be available to work full time for the Committee, and requests the United States Delegation to nominate a chair and the French Delegation to nominate a vice-chair.

*James W. Riddleberger,
former Director of the United States
Economic Aid Agency,
is elected first permanent
and resident Chair of the DAG.*



In March 1961, OEEC publishes the first comprehensive survey of *The Flow of Financial Resources to Countries in Course of Economic Development, 1956-59*, followed by regular annual reports until 1964.

Final meeting of the DAG

The DAG holds its fifth and last meeting in Tokyo on 11-13 July at the Akasaka Prince Hotel. The meeting is opened by Hayato Ikeda, Prime Minister of Japan and chaired by James W. Riddleberger. The DAG reviews incentives for private investment in developing countries and asks the World Bank to prepare a study on possible multilateral investment guarantee systems. The Group also discusses suggestions for implementing the Resolution on the Common Aid Effort, including equitable sharing of the aid effort. The Group also agrees on the usefulness of the United States' proposal to set up an OECD Development Centre.

RESOLUTION OF THE COMMON AID EFFORT

(adopted by Development Assistance Group, 29 March 1961, London)

The Development Assistance Group:

Conscious of the aspirations of the less-developed countries to achieve improving standards of life for their peoples;

Convinced of the need to help the less-developed countries help themselves by increasing economic, financial and technical assistance and by adapting this assistance to the requirements of the recipient countries;

Agree to recommend to members that they should make it their common objective to secure an expansion of the aggregate volume of resources made available to the less-developed countries and to improve their effectiveness;

Agree that assistance provided on an assured and continuing basis would make the greatest contribution to sound economic growth in the less-developed countries;

Agree that, while private and public finance extended on commercial terms is valuable and should be encouraged, the needs of some of the less-developed countries at the present time are such that the common aid effort should provide for expanded assistance in the form of grants or loans on favourable terms, including long maturities where this is justified in order to prevent the burden of external debt from becoming too heavy;

Agree that they will periodically review together both the amount and the nature of their contributions to aid programmes, bilateral and multilateral, keeping in mind all the economic and other factors that may assist or impede each of them in helping to achieve the common objective;

Agree to recommend that a study should be made of the principles on which governments might most equitably determine their respective contributions to the common aid effort having regard to the circumstances of each country, including its economic capacity and all other relevant factors;

Agree that the Chair, assisted by the Secretariat, shall be invited to give leadership and guidance to the Group in connection with the proposed reviews and study.

1961**First Meeting of the Development Assistance Committee**

The Development Assistance Committee (DAC) is established as the reconstituted Development Assistance Group. The first meeting is held on 5 October.

The OECD Development Department is established

Within the OECD Secretariat a new “Development Department” (DD) is created, under the direction of Assistant Secretary-General Luciano Giretti from Italy. It consists of two branches: the “Development Finance Branch” and the “Technical Co-operation Branch”. The Development Finance Branch later becomes the Development Assistance Directorate (DAD) (1969) and then the Development Co-operation Directorate (DCD) (1975).

The OECD comes into operation in September 1961.
Secretary-General: Thorkil Kristensen (Denmark),
Deputy Secretaries-General Michael Harris (United States)
and Jean Cottier (France).

Parallel institutional developments

The United Nations General Assembly designates the 1960s as the United Nations Development Decade and sets two specific objectives:

- Achieve by 1970 a rate of growth in the developing countries of 5% per annum.
- Increase substantially the flow of international assistance and capital to developing countries “so as to reach as soon as possible approximately 1% of the combined national incomes of the economically advanced countries”.

The Kuwait Fund for Arab Economic Development is established.

France is the first country to establish a Ministry for Co-operation to be responsible for assistance to independent, mainly African, developing countries.

The United States:

- Enacts the Foreign Assistance Act as its basic economic assistance legislation.
- Establishes the Agency for International Development (USAID) to administer bilateral economic assistance.
- Creates the Peace Corps.
- Launches (by President Kennedy) the Alliance for Progress, a 10-year programme of co-operation with Latin America.

Germany takes various measures to set up a comprehensive development assistance programme. These include:

- Authorisation by parliament of significantly higher funds for development co-operation.
- Designation of the Kreditanstalt für Wiederaufbau (KfW) as the German development bank for capital assistance.
- Establishment of a separate Ministry – the Ministry for Economic Co-operation – for development assistance.

Japan establishes the Overseas Economic Cooperation Fund (OECF) as a source of development loans for developing countries.

Sweden establishes the Agency for International Assistance, which is transformed in 1965 into the Swedish International Development Authority (Sida).

The Swiss Parliament votes the first “programme-credit” for co-operation with developing countries. A technical co-operation service is created in the Department for Foreign Affairs.

1962

DAC Launches Aid Reviews, the Chair’s Report and Systematic Statistical Aid Reporting

The DAC launches annual reviews of each member’s development assistance efforts and policies (Aid Reviews) and publishes the first annual review of members’ Development Assistance Efforts and Policies (the DAC Chair’s Report). This first annual Chair’s Report addresses practically the whole range of issues and doctrines subsequently pursued by the DAC.

The first DAC High Level Meeting, held in July at OECD headquarters, reviews results of the first Aid Reviews.

The DAC issues agreed Directives for reporting aid and resource flows to developing countries on a comparable basis. Improving and harmonising the financial terms of aid is one of the early and continuing preoccupations of the DAC, both in view of the impact on developing countries’ debt and of burden-sharing considerations. Successive DAC terms and recommendations are particularly directed at the countries with relatively low grant shares and below average loan concessionality, notably at that time Germany, Italy, Japan and later Austria. This leads to the establishment of a special Working Party on the Terms of Aid.

The OECD establishes the Development Centre,
which comes into operation in 1964.

→ **Norway joins the DAC**

1963**First DAC Recommendations: Terms and Conditions of Aid**

*Willard L. Thorp is elected DAC Chair
Mr. Thorp was Assistant Secretary of State for
Economic Affairs, US Representative at the GATT
negotiations and President
of the American Statistical Association.*



The DAC adopts a “Resolution on the Terms and Conditions of Aid”, recommending that DAC members relate the terms of aid on a case-by-case basis to the circumstances of each under-developed country or group of countries.

→ **Denmark joins the DAC**

1964

The DAC establishes the Working Party on UNCTAD Issues, which coincides with the first UNCTAD meeting in Geneva. This meeting recommends a target of 1% of “national income” for transfer of financial resources from each developed country.

The DAC consults with Latin American institutions on development problems and needs in the region and discusses development and assistance problems in the Middle East and in West Africa.

1965

The DAC adopts a new “Recommendation on Financial Terms and Conditions”, which introduces terms objectives and deals also with appropriate financial terms, harmonisation and general softening of financial terms, measures related to aid tying and the need for non-project assistance and local cost financing.

The President of the World Bank, Mr. George D. Woods, reports to the DAC High Level Meeting on developing countries’ resource needs. DAC members reaffirm their support for the target of 1% of national income as adopted by UNCTAD in 1964.

The DAC holds its first meeting with BIAC on private investment in developing countries.

→ **Austria and Sweden join the DAC**

1966

At the invitation of the United States Government, the DAC High Level Meeting is held in Washington. The emphasis is on encouraging agricultural development and food production and to assist developing countries in this effort. Vice-President Hubert H. Humphrey addresses the Delegations of the 15 member countries.

The DAC approves Guidelines for Co-ordination of Technical Assistance, to address the DAC's early and continuing concern with improved aid co-ordination.

The OECD Council approves introduction of the joint OECD/IBRD "Expanded Reporting System on External Lending", later known as the Creditor Reporting System (CRS), operated by the DAD/DCD.

→ Australia joins the DAC

1967

*Edwin McCammon Martin is elected DAC Chair.
Mr. Martin was Deputy US Representative to the
North Atlantic Council, Assistance Secretary of State
for Economic Affairs and for Inter-American Affairs,
and US Ambassador to Argentina.*



Improved aid burden sharing has been a major subject of DAC work from its inception, with controversial discussions on appropriate measurements. The DAC publishes for the first time data on "Total Official Contributions as per cent of National Income", accompanied by closely negotiated explanations.

The DAC gives early attention to the problems arising from rapid population growth in developing countries and reviews external assistance in the population field.

**On 5 June, the OECD celebrates the 20th Anniversary of
General Marshall's speech at Harvard launching the idea
of the Marshall Plan.**

The Netherlands decides to raise the development co-operation budget to 1% of net national income by 1971. In 1973, it decides to raise the development co-operation budget to 1.5% of national income by 1976.

1968

The DAC reviews the evolution of multilateral development institutions, including their resource needs; external assistance for education in developing countries; and public support for aid.

The DAC Chair convenes the first meeting of aid leaders at Tidewater.

The Swedish Parliament adopts a government bill on international development co-operation, including medium-term assistance planning, according to which aid appropriations should reach 1% of GNP in fiscal year 1975/76.

→ **Switzerland joins the DAC**

1969

DAC Adopts the Official Development Assistance (ODA) Concept

The DAC adopts the concept of “Official Development Assistance”, separating ODA from “Other Official Flows”. The Chair’s Report publishes for the first time figures on “ODA as a percentage of GNP”.

*Publication of the Pearson Commission Report *Partners in Development*, including a recommendation of 0.7% target for Official Development Assistance (based on the new DAC ODA concept and DAC statistical data). (For further information see pages 42-44)*

1970

Major DAC Effort at Multilateral Untying

At the invitation of the Japanese Government, the DAC High Level Meeting is held in Tokyo. It had been hoped, after lengthy negotiations, to come to a multilateral agreement on untying at this meeting, but this proved impossible. The Communiqué noted that:

... there was considerable discussion of the untying of bilateral development assistance. For the first time, a large majority of members declared themselves prepared in principle to adhere to an agreement to untie their bilateral financial development loans. They agreed to enter into discussions in DAC on an urgent basis on the technical problems of implementation and to prepare a detailed scheme for governmental consideration. Other members, some of whom had already untied substantial portions of their aid by other means, were not in a position to commit themselves on the principle or on the urgency of such a scheme. While they were prepared to participate in further discussions concerning the establishment of such an agreement, they stressed that any such scheme should take into account their special circumstances and their aid composition.

The DAC publishes the first survey of measures and facilities adopted by DAC members to encourage private direct investment in developing countries (*Investing in Developing Countries*, published in 1972, 1975, 1978 and 1983).

The DAC begins to issue press releases on aid review meetings, starting with Norway, Germany and the United Kingdom.

1971

The DAC High Level Meeting invites the DAC to pay special attention to the problems of the “least developed countries”.

The DAC reviews arrangements for local co-ordination and evolves principles for use by members.

1972

The DAC agrees on a firmer definition of ODA, which still applies today. This definition is adopted as part of a revised DAC Terms Recommendation, which sets an overall financial target for each DAC member’s ODA programme at 84% grant element; special terms are recommended for the least developed countries.

Definition of Official Development Assistance

ODA consists of flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following test: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and b) it is concessional in character and contains a grant element of at least 25% (calculated at a rate of discount of 10%).

1973

A Comprehensive Integrated Approach to Development Co-operation

The OECD Council launches an integrated approach to problems of development co-operation and invites the DAC to take a comprehensive view of development problems. In particular, the DAC, in pursuing its tasks related to the volume and terms of aid and other resources transferred to developing countries, should take a comprehensive view

of the development problem in order i) to identify the main issues on which not only the DAC itself but other bodies of the Organisation and the Development Centre might make a contribution, and ii) whenever necessary, to make suggestions for the consideration by these bodies of development issues falling within their sphere of competence.

The DAC High Level Meeting discusses the “crisis” in development – the current and sometimes contradictory criticisms addressed to development assistance. Members underline the need for greater efforts on the part of all member governments individually and through the DAC to promote a better understanding by public opinion at all levels of the co-operation effort, especially in the form of increased development assistance.

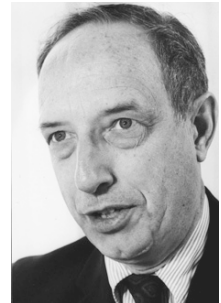
The meeting also reaches agreement on making contributions to multilateral institutions on an untied basis.

→ New Zealand joins the DAC

1974

The Oil Price Shock

*Maurice J. Williams is elected DAC Chair.
Mr. Williams was USAID Deputy Administrator.*



The DAC holds urgent consultations on the effects on developing countries of the oil price shock resulting from OPEC decisions and high food prices (coupled with food shortages) and implications for aid needs.

Ten DAC members subscribe to a “Memorandum of Understanding on Untying of Bilateral Development Loans in Favour of Procurement in Developing Countries”.

Sweden becomes the first DAC member to reach the 0.7% ODA/GNP target, followed by the Netherlands (1975), Norway (1976) and Denmark (1978).

Portugal withdraws from the DAC and requests to be included on the DAC List of Developing Countries (Portugal rejoins the DAC in 1991).

1975

Upsurge of OECD Concern with North-South Relations

The OECD Ministerial Council discusses in particular the problems of North-South relations, and adopts the “OECD Declaration on Relations with Developing Countries”. The *Ad hoc* High-level Group on Economic Relations between Member Countries and Developing Countries is established.

The DAC holds a first meeting on the integration of women into the development process and undertakes a survey of aid management procedures. The Creditor Reporting System is computerised.

→ **Finland joins the DAC**

1976

The DAC addresses the problems of directing aid to the poorer populations in the more disadvantaged countries. The DAC also addresses food and agricultural issues and undertakes for the first time a systematic assessment of external resource flows to agriculture.

Promoted by the DAC Chair Maurice Williams, the Club du Sahel is created at an inaugural session in Dakar.

1977

DAC Statement on Basic Human Needs

The DAC High Level Meeting adopts a “Statement on Development Co-operation for Economic Growth and Meeting Basic Human Needs”. This statement emphasises that concern with meeting basic human needs is not a substitute for, but an essential component of, more economic growth that involves modernisation, provision of infrastructure and industrialisation. In particular, policies that contribute to increased utilisation of available resources – especially labour and improvement in their productivity – should contribute to both growth and equity. DAC members make clear that, in their view, a basic needs approach is not primarily welfare or charity, but productivity-oriented, self-generating development. Programmes involving the widest possible participation of the people whose needs are addressed are more likely to be effective. Since programmes in support of basic human needs objectives are likely to have a high local cost content, DAC members undertake to consider sympathetically requests to help support local costs in accordance with *DAC Guidelines for Local Cost Financing* (also adopted at this meeting).

1978

The DAC further strengthens the Recommendation on Terms and Conditions, increasing the average grant element target for each member’s ODA programme from 84% (set in 1972) to 86%, with higher terms sub-targets for LLDCs.

OECD countries agree in the “Arrangement of Officially Supported Export Credits” to set minimum interest rates for their subsidised export credits, differentiating borrowing countries by per capita GNP into three categories.

The DAC co-sponsors, with the OECD Committee on Scientific and Technological Policy and the Development Centre, a “Workshop on Scientific and Technological Co-operation with Developing Countries”.

1979

*John P. Lewis is elected DAC Chair.
Mr. Lewis was Professor of Economics
and International Affairs at Princeton University.
He was also Director of the USAID Mission to India.*



The DAC conducts an in-depth comparative review of the aid procedures of DAC aid agencies in an attempt to contribute to their rationalisation, and adopts Guidelines for Improving Aid Implementation. The DAC also adopts Guidelines on Local and Recurrent Cost Financing, which introduce an important new element of flexibility in development co-operation financing policy.

The DAC meets with the International Council of Voluntary Agencies to review collaboration between official and non-governmental agencies.

DAC High Level Meeting asks the DAC to place renewed emphasis on the evaluation of aid effectiveness.

1980

New Emphasis on Evaluation of Aid Effectiveness

The Chair’s Report includes a major chapter on “The Important but Elusive Issue of Aid Effectiveness”, emphasising the difficulties of producing scientific proofs of average aid effectiveness and underscores learning experience.

The DAC launches regular reviews of the financing and policy orientations of multilateral development institutions.

The first computer-generated version of *Geographical Distribution of Financial Flows to Developing Countries* is published.

Finland adopts a plan to reach the 0.7% GNP target by the end of the decade, leading to a rapid expansion of Finnish aid.

1981

New Emphasis on Interdependence and Developing Country Diversity

The North-South Group embarks on a major survey of “interdependence” issues, based on a series of papers prepared by the DCD covering macroeconomic interdependence, financial interdependence, trade, food security, commodities, demographics, technology and environment.

The OECD Ministerial discusses the changing context of North-South relations based on DCD draft “Relations with Developing Countries in a Context of Interdependence and Diversity”.

The DAC reviews the role of women in development and decides to give the subject increased focus in aid reviews and in statistical reporting.

France announces that it intends to achieve the 0.7% of GNP target for independent countries.

1982

The Debt Crisis and New Emphasis on Structural Adjustment

*Rutherford Poats is elected DAC Chair.
Mr. Poats was advisor on President Carter’s White House staff and the National Security Council. Previous positions were Senior Vice-President and Acting President of the Overseas Private Investment Corporation (OPIC) and Deputy Administrator of USAID.*



The international debt crisis marks the beginning of a long process of policy reform and structural adjustment efforts by developing countries.

The DCD publishes the first survey of *External Debt of Developing Countries*.

1983

The DAC High Level Meeting considers the scope for increasing the effectiveness of development co-operation through improved co-ordination at the country level, and adopts “Guiding Principles to Aid Agencies for Supporting the Role of Women in Development”.

An agreement is signed between the President of the Bank for International Settlements (BIS) and the Secretary-General of the OECD for the exchange of confidential data on private and official claims. This results in publication of the first joint OECD/BIS series on *Bank and Trade-Related Non-Bank External Claims on Individual Borrowing Countries and Territories*.

1984**Progress in Promoting Aid Co-ordination and Policy-Based Aid**

The DAC High Level meeting discusses further efforts to promote improved aid co-ordination and policy-based aid. Members welcome the efforts by the World Bank to increase the number of consultative groups, to strengthen the aid co-ordination functions of these groups, and to promote local arrangements for co-ordination. The DAC also welcomes the related efforts of the UNDP to strengthen the co-ordination capability of round tables for least developed countries.

The DAC publishes the first annual issue of *OECD External Debt Statistics*, based on the OECD/BIS combined data and other data sources (CRS, DRS, DAC).

Japan becomes the second largest ODA donor.

1985**Twenty-Five Years of Development Co-operation**

The DAC reviews and publishes *Twenty-Five Years of Development Co-operation* on its 25th anniversary. The report contains a series of accounts by the five successive DAC chairs of the evolution of development co-operation and the role of the DAC in that process. It also traces major volume and policy development and pays particular attention to a careful assessment of the effectiveness of aid.

On the effectiveness of aid, the report concludes that despite recent setbacks in sub-Saharan Africa and some countries of Latin America, many developing countries have achieved remarkable economic and social growth over the past quarter-century. Aid, accompanied by growing exports to OECD countries, has significantly contributed to these gains. It is in the nature of official development assistance that it is concentrated on countries coping with particularly difficult problems. Official development assistance is not investment banking and is therefore not directed to the countries with the highest potential investment returns. Not only is aid concentrated in countries with the most difficult and intractable development problems; substantial amounts of it must be used to cope with emergency situations arising from natural calamities, refugee influxes or strife. Therefore, it is not at all surprising that many of the major aid recipients are not among the fast-growing countries. Almost all have been helped significantly by aid to accelerate social development and to lay at least some of the foundations for rapid economic growth.

The report also draws some operational lessons from aid experience that lay the ground for future DAC work on aid principles in the respective areas.

→ **Ireland joins the DAC**

1986

DAC Adopts Principles for Aid Co-ordination

*Joseph Wheeler is elected DAC Chair.
Mr. Wheeler was Deputy Executive Director
of the United Nations Environment Programme.
Previously, he was Deputy Administrator of USAID.*



The DAC High Level Meeting adopts guiding principles on “Aid for Improved Development Policies and Programmes and Implications for Aid Co-ordination”. DAC members accept that central responsibility for aid co-ordination lies with each recipient government. There is a strong emphasis on the need for developing countries to prepare, with the assistance of the World Bank, the IMF and the UNDP, effective development strategies and programmes that can serve as a basis for aid co-ordination.

The DAC launches a series of field missions to review local co-ordination arrangements (Bangladesh, Nepal, Tanzania, Senegal).

The OECD Council adopts a recommendation on “Measures Required to Facilitate the Environmental Assessment of Development Assistance Projects and Programmes”.

1987

The DAC reviews multilateral aid and makes principal conclusions with respect to:

- Donor assessments of multilateral agencies.
- Use of sectoral UN agencies by the World Bank, IMF and UNDP.
- UNDP’s position as the central funding agency for UN technical co-operation programmes.
- Capacity and responsiveness in sectoral UN agencies.
- Policy-based programme lending instruments in the regional development banks.

Critical scrutiny of the efficiency and effectiveness in support of specified useful programmes and projects as well as the availability of adequate funding to finance activities.

1988**New Principles for Project Appraisal**

After considerable analytical work and negotiations by the DAC, the High Level Meeting adopts “Principles for Project Appraisal”, covering the whole process from initial project identification to preparation, appraisal, selection and design and to subsequent monitoring and evaluation.

The DAC launches work on development co-operation in the 1990s.

1989**Development Co-operation for the 1990s**

The DAC High Level Meeting adopts a policy statement on “Development Co-operation in the 1990s”. This is backed up by a comprehensive analysis included in the Chair’s Report on the fundamental development assistance challenges for the 1990s and central policy orientations in the key areas as they emerge from DAC work. In the policy statement, the DAC concludes that the vicious circle of underdevelopment that links high population growth, poverty, malnutrition, illiteracy and environmental degradation can be broken only through economic and developmental strategies and policies which integrate the objectives and requirements of:

- Promoting sustainable economic growth.
- Enabling broader participation of all the people in the productive processes and a more equitable sharing of their benefits.
- Ensuring environmental sustainability and slowing population growth in those many countries where it is too high to permit sustainable development.

The DAC reviews its working methods and structures and essentially confirms the utility of current approaches. One recommendation from this review was to further increase the representation of DAC officers by inviting a country with a particularly high ODA/GNP ratio to nominate a vice-chair. (In 1990, Gun-Britt Andersson from Sweden is elected as a vice-chair of the DAC.)

The DAC launches, on an experimental basis, a series of reviews of aid issues in specific developing-country regions, starting with Aid Policy Issues in South Asia.

Japan becomes the largest donor, accounting for 20% of total DAC aid.

The fall of the Berlin Wall in November signals the end of the Cold War and of the division of Europe, leading to profound political, economic and social changes in Central and Eastern Europe with repercussions for development co-operation and developing countries.

1990

The DAC High Level Meeting pursues discussions of the role of aid in contributing to broad-based participatory development and the inter-linked issues of environment, population and development. The meeting endorses the recommendation to substantially strengthen support for population programmes.

The DAC reviews, with the World Bank and the IMF, the impact of the Gulf crisis on developing countries and its implications for aid.

Through special financial contributions from members, the DCD launches a programme of field visits in connection with the preparation of aid reviews.

The OECD establishes the Centre for Co-operation with European Economies in Transition, headed by Assistant Secretary-General Salvatore Zecchini.

1991

Alexander R. Love is elected DAC Chair.

Mr. Love was Counsellor to USAID.

Previous assignments included work on Asia and Africa including positions such as Regional Director in Nairobi and Deputy Assistant Administrator for Africa.



The DAC devotes major attention to the problems of ensuring improved policy coherence in the whole range of policies in relations with developing countries. It also works on the role of aid agencies in contributing to improved policy coherence.

Following restitution of democratic regimes in most of Latin America, there is widespread popular pressure in Africa and elsewhere for more representative government. The OECD Ministerial and the DAC High Level Meeting emphasise the importance OECD countries attach to promoting human rights, democratisation, open and accountable government institutions and the rule of law and reduction of excessive military expenditures.

The OECD holds a meeting of Development and Environment Ministers. They adopt a policy statement and endorse a series of environment aid principles developed by the DAC Working Party on Development Assistance and Environment.

Finland exceeds the 0.7% target, joining Norway, Denmark, Sweden and the Netherlands.

→ Portugal and Spain join the DAC

1992

The DAC continues its work on participatory development and good governance with a review of a detailed survey of DAC members' policies and practices in these areas. Members agree to attempt to establish an evolving "common frame of reference" for their co-operation in these areas.

Having stressed the importance they attach to the respect of human rights, democratic development and reduction in excessive military expenditures, DAC members at the High Level Meeting also address one of the last taboo subjects: corruption.

The DAC publishes the *Development Assistance Manual*, bringing together the essence of DAC work over the past five to ten years on key areas of aid management.

→ Luxembourg joins the DAC

1993

The DAC reviews the concept of official development assistance and the DAC list of aid recipients. This review is undertaken in light of a changing international scene that includes the emergence of new aid recipients in Eastern Europe and the former Soviet Union, new aid needs related to democratic development, the global environment, refugees and peacekeeping and growing diversity among the traditional developing countries. The review results in the adoption of a new, two-part List of Aid Recipients, replacing the previous DAC List of Developing Countries and Territories. Aid to Part I recipients (Developing Countries and Territories) is counted as ODA. Aid to Part II recipients (Countries and Territories in Transition) is regarded as "official aid" and does not count as ODA. This two-part DAC List continues in use until 2005 when the DAC returns to a unitary List of Recipients of Official Development Assistance.

1994

James H. Michel is elected DAC Chair.
Mr. Michel was Acting Deputy Administrator for USAID. Previous assignments included Assistant Administrator for USAID for Latin America and the Caribbean and Ambassador to the Republic of Guatemala.



The DAC High Level meeting adopts Principles for Private Sector Development.

The DAC holds its first tripartite DAC/UNDP/World Bank Seminar on Improving the Effectiveness of Technical Co-operation.

For the first time, the DAC Aid Reviews are published.

The DAC holds the first OECD Senior Level Forum in Turkey (Antalya), focusing on principles for effective external assistance to the new Eurasian recipient states.

→ **Mexico and the UNDP become DAC Observers**

1995

Development Partnerships

The DAC High Level meeting adopts the statement “Development Partnerships in the New Global Context”, which was subsequently endorsed by the OECD Ministerial. This statement recognises the principal responsibility of each developing country for its own development and the need for public participation. It puts emphasis on the importance of integrated strategies for development, addressing the economic, social, political and environmental factors. It identifies democratic accountability, the protection of human rights and the rule of law as among the key elements of integrated development strategies. The HLM also adopts “Orientations for Participatory Development and Good Governance”, and a far-reaching policy statement “Gender Equality: Moving Towards Sustainable, People-Centred Development” which will serve as a strategic objective for development co-operation.

The DAC launches an *exercice de réflexion* to help prepare development co-operation strategies for the 21st Century.

1996

Shaping the 21st Century: The Contribution of Development Co-operation

The DAC High Level Meeting adopts a new development strategy *Shaping the 21st Century: The Contribution of Development Co-operation* (see full text

on pages 45-48). This strategy emphasises people-centred development, local ownership, global integration and international partnership, based on experience and conclusions reached at a series of international conferences. Its goal is “to serve as a basis of a new global partnership with developing countries and to strengthen co-ordination to achieve global results”. The strategy is subsequently endorsed by the OECD Ministerial and the G7 Summit. The goals of the strategy are:

Economic well-being:

- A reduction by one-half in the proportion of people living in extreme poverty by 2015.

Social development:

- Universal primary education in all countries by 2015.
- Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005.
- A reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality, all by 2015.
- Access through the primary health care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

Environmental sustainability:

- The current implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.

The HLM launches a new strategy to review coherence and effectiveness of the international aid system in selected country partners (Mali is the first partner).

The DAC holds a senior level workshop on “Aid Procurement Regimes, Tying Status and Value for Money” with participants from developing countries.

1997

Partnerships: From Policy to Implementation

The DAC High Level meeting focuses on implementing the strategy outlined in *Shaping the 21st Century*, with the following recommendations:

- Member countries will need to build on the existing consensus in order to make the Strategy operational, make co-ordination work in the field

(including working with the multilateral and new donors), promote a leadership role for developing countries, report periodically to the DAC on progress, and share experience on what had and had not worked. Approaches should be made to engage local leadership on a country-by-country basis.

- The DAC will need to pursue the development finance agenda, including the question of how to use ODA resources to redirect private flows to poor countries; how to catalyse domestic resource mobilisation in developing countries; how to promote South-South co-operation; and how to increase DAC members' ODA volume. The DAC should also engage in more discussion within the OECD on coherence issues, especially on environment, trade, investment and corruption. The DAC should call attention to the need for investment of resources to achieve the goals of the *21st Century* strategy.
- Joint efforts should be concerted movement towards a common framework so that the Strategy is not perceived as donor-driven. This will require further work with the United Nations agencies, the multilateral banks, emerging donors and other members of the development community. Approaches should be made to engage local leadership.

The DAC, in collaboration of the Government of Mexico, holds a forum for dialogue between Senior Officials of DAC members and countries with development co-operation programmes (Mexico City).

The DAC organises the first joint DAC/UN/World Bank/IMF seminar on indicators of development progress. The seminar brings together a cross-section of representatives of donors, partner countries' policy makers and national and international statisticians to discuss the indicators to measure progress toward the development goals as identified in *Shaping the 21st Century*.

DAC holds its first Development Partnership Forum on Implementing the Partnership Concept.

1998

The DAC High Level meeting reviews progress and guidance in implementing the Development Partnership Strategy. The emphasis is on a two-pronged approach involving:

- Changing the way we think and operate (improving local ownership, in-country co-ordination and donor procedures; poverty reduction strategies, maximising resources for development; and reconciling performance and need).

- Achieving improved coherence of policies affecting development (liberalising of aid procurement and sustainable development and climate change).

The DAC initiates the practice of biannual reviews of its subsidiary bodies.

The DAC inaugurates a working set of indicators to show progress from the 1990 baseline towards the International Development Goals. The indicators reflect the recommendations of donors, partner countries, multilateral development organisations and international experts.

1999

Jean-Claude Faure is elected DAC Chair.

Mr. Faure was previously Principal Private Secretary to the State Secretary with responsibility for Co-operation and the French speaking world. Previous assignments included Principal Adviser to the Global Coalition for Africa and Director of the Development Directorate in the Ministry of Co-operation and Development.



The DAC High Level Meeting conducts in-depth discussions on a Draft DAC Recommendation on Untying ODA to the Least Developed Countries. While agreement on a Draft Recommendation on Untying is not reached, the DAC reaffirms its support for the untying of aid to least developed countries and declares its commitment to work towards a Recommendation to untie ODA to the least developed countries, in accordance with the 1998 DAC mandate. Members indicate that they would continue to pursue further untying measures with their own programmes, with some members proposing joint arrangements to this end.

The High Level Meeting adopts a draft report to the OECD Ministerial Council Meeting on “Trade, Investment and Development: The Challenges of Policy Coherence in a Global Economy”.

The DAC leads the establishment of PARIS21 (Partnership in Statistics for Development in the 21st Century), an international consortium to support statistical capacity building in partner countries, www.paris21.org. The Secretariat is hosted by OECD’s Development Co-operation Directorate and a special manager is appointed in 2001.

→ **Greece joins the DAC**

2000

The Millennium Development Goals

The UN Millennium Summit achieves a universal commitment to specific international development goals which become known as the eight “Millennium Development Goals”. The DAC High Level Meeting (HLM) endorses a report to be presented by the heads of the United Nations, OECD, IMF and World Bank on the eve of the Millennium Summit. *A Better World for All: Progress Towards the International Development Goals* supports the transformation from goals first advanced by the DAC in 1996 to the universal Millennium Development Goals (see “The origins of the Millennium Development Goals”, pages 49-50).

The HLM adopts a policy statement on “Partnership for Poverty Reduction: From Commitment to Implementation”. This statement reaffirms the commitment of DAC members to the International Development Goals and endorses key orientations and actions for implementing policies of development co-operation. This statement provides the policy basis for a new DAC Task Force on Donor Practices.

The DAC submits a report on implementing the DAC Gender Equality Goals to the United Nations Special Session “Women 2000: Gender Equality, Development and Peace for the 21st Century”. The report emphasises the clear evidence that mainstreaming gender into development is crucial to achieving the international development goals and stresses that the empowerment of women and their greater participation in development co-operation management are essential to the success of development activities.

Following the DAC HLM a number of participants discuss with Mr. K.Y. Amoako, Executive Secretary of the United Nations Economic Commission for Africa, the ongoing work in promoting an African-driven development agenda. This discussion leads to the inauguration of an annual “Big Table” dialogue between African Ministers and a number of DAC development ministers and aid agency heads.

The DAC celebrates its 40th anniversary with commemorative speeches by OECD Secretary-General Donald Johnston and others.

Luxembourg joins Denmark, the Netherlands, Norway and Sweden in meeting the 0.7 per cent of GNI target for the volume of its ODA.

The DAC launches the *DAC Journal*. In four issues each year, the Journal publishes the annual Development Co-operation Report, peer reviews of DAC member development policies and programmes, and occasional papers on development co-operation issues.

2001**Untying Aid, New Guidelines**

The DAC High Level Meeting culminates a three-year effort by adopting a formal “Recommendation on Untying ODA to the Least Developed Countries”. The Recommendation applies to balance of payments and structural adjustment support, debt forgiveness, sector and multi-sector programme assistance, investment project aid, import and commodity support, commercial services contracts, and ODA to non-governmental organisations for procurement related activities. It excludes technical co-operation and food aid, and leaves room for further development.

The OECD Secretary-General establishes the OECD Development Group to foster policy coherence and reinforce co-ordination among Committees and “core development units” (Development Co-operation Directorate, Development Centre, Centre for Co-operation with Non-members, and the Sahel and West Africa Club) in order to strengthen the development dimension of OECD work. This will lead, in September 2002, to the establishment by the OECD Council of the “Development Cluster”.

Policy coherence is a common theme emphasised in important new DAC guidelines on poverty reduction, trade capacity, sustainable development and preventing violent conflict.

In preparation for the March 2002 International Conference on Financing for Development at Monterrey, the DAC work programme includes extensive analysis of all sources of financing for development. Financing the Millennium Development Goals is a major theme of the 2001 Development Co-operation Report, including a review of the opportunities and challenges presented by the scheduled Monterrey Conference.

The DAC conducts a joint assessment of the aid programmes of Germany, the Netherlands, and the United Kingdom in Mozambique.

The horrifying events of 11 September with terrorist attacks on the World Trade Center and other targets also impact on Development Co-operation. They set in motion renewed reflection on the nexus between development and security (see 2004) and inspire special DAC meetings on Afghanistan (2002) and Iraq (2003).

2002**Monterrey and OECD Action for a Shared Development Agenda**

The OECD Ministerial Council adopts a Statement, “OECD Action for a Shared Development Agenda” (see full text on pages 51-53”) lending support to policy coherence for development in the work of the OECD. The Ministerial Statement reaffirms the capacity of the DAC “... to foster amongst donors concerted, well co-ordinated, effective and adequately financed international efforts in support of development and poverty reduction.”

The DAC approves a set of six Good Practice Papers on aid effectiveness, developed by the Task Force on Donor Practices in collaboration with a diverse group of partner countries and published in 2003 as *Harmonising Donor Practices for Effective Aid Delivery*. These Good Practice Papers herald an emphasis in the work of the DAC that continues through the Paris High Level Forum on Aid Effectiveness in 2005 and follow-on activities. They also demonstrate a new level of continuing DAC collaboration with multilateral development organisations and partner countries.

An experts' meeting, "Afghanistan Reconstruction and Recovery: Seeing Round the Corner" is organised by the DAC. The meeting provides useful independent advice to policy makers and practitioners by discussing openly the complex, fundamental issues underpinning reconstruction and relief strategies.

The DAC conducts a client survey study of peer reviews of DAC member development policies and programmes.

The DAC joins with the WTO to develop the Trade Capacity Building Database, <http://tcbdb.wto.org>.

The DAC joins with the World Health Organization to produce a Reference Document on *Poverty and Health*, which is published in 2003.

The DAC Evaluation group publishes a *Glossary of Key Terms in Evaluation and Results Based Management*, for use in staff training and in practical aid management. It is a major breakthrough in clarifying and agreeing terminology among bilateral and multilateral members of the DAC. The glossary is translated into eight languages.

The Monterrey Conference on Financing for Development

The International Conference on Financing for Development, held at Monterrey, Mexico in March 2002, produces the Monterrey Consensus in which more than 100 participating countries commit themselves to a basic compact of mutual accountability and partnership between developed and developing countries within the context of the global economy. Commitments involve mobilising domestic resources, attracting international flows, promoting international trade, increasing international financial and technical co-operation, sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems.

2003

Towards More and Better Aid

Richard G. Manning is elected DAC Chair. Mr. Manning was previously Director General for Policy at the UK Department for International Development (DFID). His other assignments with DFID and predecessor organisations included service in West Africa and South East Asia, and as Alternative Executive Director at the World Bank. Mr. Manning was Chair of the DAC Task Force on Donor Practices from 2001 to 2003.



The Rome High Level Forum on Harmonization endorses the DAC's six Good Practice Papers on harmonising donor practices for effective aid delivery. The Rome Forum adopts a declaration setting out an ambitious program of activities to foster harmonization of donor programmes and their alignment with partner-country priorities.

The DAC High Level Meeting, noting the commitments entered into at Doha, Monterrey and Johannesburg, emphasises the nexus between scaled-up volumes of aid and improved effectiveness. It welcomes the Rome Declaration on Harmonization and requests the new DAC Working Party on Aid Effectiveness and Donor Practices to undertake a vigorous work programme. The HLM also endorses the Reference Document *A Development Co-operation Lens on Terrorism Prevention*.

The DAC holds a meeting entitled "Reflection on Reconstruction in Iraq" (Paris, 21-22 July 2003). The purpose of this meeting is to have an informal exchange within the donor community on the complex issues underpinning reconstruction and transition in Iraq, and specifically to: i) exchange information and discuss emerging needs assessments; ii) discuss how to apply lessons learned elsewhere; and iii) consider approaches to effective collaboration among donors.

The DAC conducts a joint assessment of ownership and partnership in Tanzania, involving a comparative review of the aid programmes of Denmark, Finland, Ireland and Japan.

2004

The Development and Security Nexus

The DAC High Level Meeting adopts a policy statement: on "Security System Reform and Governance: Policy and Good Practice". The statement endorses a whole-of-government approach to help developing countries respond to violent conflict and widespread public insecurity and fear.

The DAC Chair joins with the Presidents of the Multilateral Development Banks at the Marrakech Round Table on Managing for Development Results to endorse a global partnership on managing for development results, identifying core principles and proposing a detailed action plan for achieving global partnership. PARIS21 plays an important role in identifying the Marrakech Action Plan on Statistics (MAPS).

The DAC joins with Transparency International in organising a Partnership Forum on Improving Donor Effectiveness in Combating Corruption, building on other related work across the DAC. In a related activity, the DAC develops draft principles for donor action in anti-corruption.

DAC members' net official development assistance reaches USD 80 billion, continuing the steady growth in ODA volume since a low point in 1997 of less than USD 60 billion (measured in 2004 US dollars). The DAC Secretariat projects a continuation of this positive trend, based on statements of intent by DAC members.

The DAC joins with the United Nations Economic Commission for Africa to inaugurate a series of Mutual Review Reports in support of the New Partnership for African Development (NEPAD). These reports will monitor performance and identify good practice by African and OECD countries regarding their respective contributions to political and economic governance and capacity building.

Metagora, a PARIS21 pilot project, is launched with support from a number of DAC members. Metagora fosters the strengthening of local capacity to measure human rights and governance performance and to contribute to the development of policy-relevant indicators (www.metagora.org).

2005

Aid Effectiveness

The Paris High Level Forum, co-chaired by the DAC Chair, brings together development officials from over 100 countries and 26 international organisations, along with representatives of civil society and the private sector. The resulting Paris Declaration on Aid Effectiveness contains an unprecedented set of commitments to monitorable actions to increase aid effectiveness. These commitments are organised around principles of ownership, alignment with national development strategies, harmonisation, managing for results and mutual accountability. The DAC Working Party on Aid Effectiveness begins co-ordinating the international monitoring of the Paris Declaration's indicators. The Working Party is an international partnership with the active involvement of the World Bank and UNDP. In addition to the 23 DAC members, it comprises 23 developing countries.

Boosted by exceptional debt relief for Iraq and Nigeria, total DAC net ODA exceeds USD 100 billion for the first time. The highest ODA/GNI ratio since

1992 is reached (0.33%). The UN Summit, the G8 Gleneagles Summit and the European Council of the European Union carry political commitments towards sizable ODA increases by 2010.

The DAC High Level Meeting approves field testing of the Principles for Good International Engagement in Fragile States, a product of the DAC/World Bank Learning and Advisory Process on Difficult Partnerships. It reaches consensus on ODA definitions for technical co-operation and civilian support to security system reform.

The OECD Ministerial Council approves a statement on Enabling Development, which had been reviewed by the DAC High Level Meeting and by other OECD Committees, as an OECD contribution to the World Summit of the United Nations: *Making Poverty Reduction Work: OECD's Role in Development Partnership*.

The DAC approves a new, simplified List of Recipients of Official Development Assistance. The new DAC List eliminates reporting on aid to countries not eligible for ODA. It includes all low and middle income

The Paris Declaration on Aid Effectiveness

The Paris Declaration was endorsed on 2 March 2005. Participants committed their countries and organisations to increase efforts in harmonisation, alignment and managing aid for results with a set of indicators and targets that can be monitored. The international partnership of donors and partner countries hosted by the DAC has been asked to co-ordinate the monitoring of the commitments of the Declaration.

More than a statement of general principles, it lays down a practical, action-orientated roadmap to improve the quality of aid and its impact on development. The partnership commitments are organised around five key principles: ownership, alignment, harmonisation, managing for results, and mutual accountability. Twelve indicators of aid effectiveness were developed as a way of tracking and encouraging progress against the broader set of partnership commitments. Targets for the year 2010 have been set for 11 of the indicators and are designed to encourage progress at the global level among the countries and organisations adhering to the Paris Declaration. The first review of progress achieved will take place at the next High Level Meeting on Aid Effectiveness scheduled for 2008 in Accra, Ghana.

Note: The full text of the Paris Declaration on Aid Effectiveness can be found on pages 54-67. For the latest list of participating countries and organisations, see www.oecd.org/dac/effectiveness/monitoring.

countries except those that are members of the G8 or the European Union. (It also excludes countries with a firm date for EU admission.)

The OECD Council approves the establishment of a support unit within the OECD for the Africa Partnership Forum, building on a G-8 initiative to monitor and advance a joint action plan for Africa's development.

The DAC gives new impetus to co-operation with non-DAC donors ("emerging donors") by organising a Policy Dialogue for Aid Effectiveness (co-chaired by UNDP) and a "Structured Briefing" on DAC activities.

2006

Aid for Trade, Pro-Poor Growth

The 2005 Hong Kong WTO Ministerial Declaration calls for the expansion of aid for trade to help developing countries benefit from WTO agreements and more broadly expand their trade. It is within this mandate that the WTO asks the OECD to contribute to these efforts, including the WTO reviews of aid for trade and a review of the scope of the joint WTO/OECD data base.

The ensuing DAC/Trade Directorate study *Aid for Trade: Making it Effective* (OECD, 2006) argues that the volume of aid for trade is not the restraining factor. It calculates that since the end of the Uruguay Round, bilateral donor support for trade-related assistance, infrastructure and supply side constraints has averaged around 25% of total ODA, minus debt relief. Provided that commitments to the scaling-up of aid are being honoured, the study estimates that aid-for-trade will increase by almost 50% in volume terms or USD 11 billion in 2010 compared to 2004. The July 2006 recommendations of the WTO Task Force on Aid for Trade closely follow the advice of the DAC and Trade Committee that it should be guided by the Paris Declaration on Aid Effectiveness.

Despite these volumes, there is as yet little evidence on the effectiveness of these programmes. Ongoing DAC work is addressing this matter. The main challenges remain ensuring genuine country ownership of the programmes and providing the right incentives to strengthen engagement in aid for trade.

In April 2006 the DAC High Level Meeting welcomes and endorses the key messages coming out of POVNET's work on pro-poor growth. This work focuses on sharing good practice in areas that contribute to pro-poor economic growth such as infrastructure, private sector development and agriculture, as well as risk and vulnerability and *ex ante* poverty impact assessment. The resulting policy guidance, as well as more detailed conclusions and recommendations from task team work, is published under the title *Promoting Pro-Poor Growth: Policy Guidance for Donors*.

DAC Dates at a Glance

DAC Chairs

1961	James W. Riddleberger	1986	Joseph C. Wheeler
1963	Willard L. Thorp	1991	Alexander R. Love
1967	Edwin M. Martin	1994	James H. Michel
1974	Maurice J. Williams	1999	Jean-Claude Faure
1979	John P. Lewis	2003	Richard G. Manning
1982	Rutherford M. Poats		

DAC Members and Dates of Membership

Australia	1966	Luxembourg	1992
Austria	1965	The Netherlands	1960
Belgium	1960	New Zealand	1973
Canada	1960	Norway	1962
Denmark	1963	Portugal	1960/91*
France	1960	Sweden	1965
Finland	1975	Switzerland	1968
Germany	1960	Spain	1991
Greece	1999	United Kingdom	1961
Ireland	1985	United States	1961
Italy	1960	EC	1961
Japan	1960		

*Portugal joined the DAC in 1960, withdrew in 1974 and re-joined in 1991.

List of DAC Recommendations and Guiding Principles

- 1961 Resolution on the Common Aid Effort
- 1962 Directives for Reporting Aid and Resource Flows to Developing Countries
- 1963 Resolution on the Terms and Conditions of Aid
- 1965 Recommendation on Financial Terms and Conditions
- 1966 Guidelines for Co-ordination of Technical Assistance
- 1969 DAC adopts concept of “Official Development Assistance”, separating ODA from “Other Official Flows”
- 1972 Firmer definition of ODA
- 1977 Statement on Development Co-operation for Economic Growth and Meeting Basic Human Needs
DAC Guidelines for Local Cost Financing
- 1978 Strengthened Recommendation on Terms and Conditions of Aid
- 1979 Guidelines on Local and Recurrent Cost Financing
Guidelines for Improving Aid Implementation
- 1982 Guidelines on Aid for Maintenance and Strengthening of Existing Services and Facilities
- 1983 Guiding Principles to Aid Agencies for Supporting the Role of Women in Development
Guiding Principles for the Use of Aid in Association with Export Credits and other Market Funds (Mixed Credits)
- 1985 Recommendation on Environmental Assessment of Development Assistance Projects and Programmes
- 1986 Aid for Improved Development Policies and Programmes and Implications for Aid Co-ordination
Good Procurement Practices for Official Development Assistance
Recommendation on Environmental Assessment of Development Assistance Projects and Programmes
Guiding Principles on Aid for Improved Development Policies and Programmes and Implications for Aid Co-ordination
- 1987 Guiding Principles for Associated Financing and Tied and Partially Untied Official Development Assistance
- 1988 Principles for Project Appraisal
- 1989 Policy Statement on Development Co-operation in the 1990s
Guiding Principles for Women in Development

- 1991** New Disciplines for Tied Aid and Associated Financing
Principles for Programme Assistance
New Orientations for Technical Co-operation
Principles for Aid Evaluation
Guidelines on Aid and Environment:
- Good Practices for Environmental Impact Assessment of Development Projects
 - Good Practices for Country Environmental Surveys and Strategies
 - Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects
 - Guidelines for Aid Agencies on Global Environmental Problems
- 1992** The Development Assistance Manual with principles and general orientations adopted in the areas of:
- aid co-ordination
 - project appraisal
 - technical co-operation
 - programme assistance
 - women in development
 - environmental impact assessment
 - good procurement practices
 - tied aid
 - population and development
 - promoting the private sector
 - role of science and technology
 - aid evaluation
- 1993** Orientations on Participatory Development and Good Governance
Guidelines on Aid and Environment:
- Guidelines for Aid Agencies on Chemicals Management
- 1994** Orientations for Private Sector Development
Guidelines on Aid and Environment:
- Guidelines for Aid Agencies on Disaster Mitigation
- 1995** Development Partnerships in the New Global Context
Gender Equality: Moving Towards Sustainable, People-Centred Development
Guidelines on Participatory Development and Good Governance
Donor Assistance to Capacity Development in Environment
Guidelines on Aid and Environment:
- Guidelines for Aid Agencies on Pest and Pesticide Management

- 1996** Shaping the 21st Century: The Contribution of Development Co-operation
 Guidelines on the Preparation of DAC Reviews
 Statistical Reporting Directives
 Guidelines on Aid and Environment:
- Guidelines for Aid Agencies on Global and Regional Aspects of the Development and Protection of the Marine and Coastal Environment
 - Guidelines for Aid Agencies for Improved Conservation and Sustainable Use of Tropical and Sub-Tropical Wetlands
- 1997** Recommendation on Anticorruption Proposals for Aid-Funded Procurement
 Conflict, Peace and Development Co-operation on the Threshold of the 21st Century
 Co-operation for Sustainable Development
- 1998** Guidelines for Gender Equality and Women's Empowerment in Development Co-operation
 Assisting Developing Countries with the Formulation and Implementation of National Strategies for Sustainable Development: The Need to Clarify DAC Targets and Strategies
- 1999** The Challenges of Policy Coherence in a Global Economy
 On Common Ground: Converging Views on Development and Development Co-operation at the Turn of the Century
 Guidance for Evaluating Humanitarian Assistance in Complex Emergencies
- 2000** Statistical Overview *A Better World for All*
- 2001** DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries
 Guidelines on *Poverty Reduction*
 Guidelines on *Strengthening Trade Capacity for Development*
 Guidelines on *Strategies for Sustainable Development*
 Guidelines on *Helping Prevent Violent Conflict*
- 2002** Guidelines on *Integrating the Rio Conventions into Development Co-operation*
- 2003** Reference Document on *Poverty and Health*
 Reference Document on *Harmonising Donor Practices for Effective Aid Delivery*
 Reference Document on *A Development Co-operation Lens on Terrorism Prevention: Key Entry Points for Action*

- 2005** Reference Document on *Security System Reform and Governance: Policy and Good Practice*
Reference Document on *Environmental Fiscal Reform for Poverty Reduction*
Reference Document on *Managing Aid: Practices of DAC Member Countries*
Paris Declaration on Aid Effectiveness
- 2006** Reference Document on *Promoting Pro-Poor Growth: Policy Guidance for Donors*, accompanied by 4 off-prints: *Promoting Pro-Poor Growth: Key Policy Messages; Private Sector Development; Agriculture; Infrastructure*.
Reference Document on *Promoting Private Investment for Development: The Role of ODA*
Reference Document on *Applying Strategic Environmental Assessment: Good Practice Guidance for Development Co-operation*
Reference Document on *The Challenge of Capacity Development: Working towards Good Practice*

Policy Landmarks

The Origins of the 0.7% Target

The origins of the 0.7% target

By far the best known international target in the aid field is that of raising official development assistance (ODA) to 0.7% of donors' national income.

The target grew out of an earlier suggestion to transfer 1% of donor countries' income to developing countries. This idea was first advanced for international consideration by the World Council of Churches in 1958. The definitions of its numerator and denominator were refined through the 1960s, and all the then DAC members subscribed to it in 1968. But it had a major flaw, in that governments had no means of programming or even predicting the private element of capital flows, which in many years are more than half the total.

This drawback stimulated efforts to define a separate sub-target for official flows. The Dutch economist Jan Tinbergen led this work after he was appointed Chair of the United Nations Committee on Development Planning in 1964. Tinbergen had pioneered macroeconomic modelling, for which he won the 1969 Nobel Prize for Economics. He used this experience to estimate the capital inflows developing economies needed to achieve desirable growth rates, and proposed a target for official flows – both concessional and non-concessional – of 0.75% of GNP, to be achieved by 1972. Some but not all developed countries accepted this target, but without the date, at the second meeting of UNCTAD, held in New Delhi in 1968.

Developing countries were also pressing for increased concessional financing. At the first ministerial meeting of the G-77, at Algiers in 1967, they called for “a separate minimum target... for the official component of aid flows”.

This idea was taken up by the Pearson Commission, appointed by World Bank President McNamara in 1968. The Commission found good arguments for a new target for the concessional part of official flows, or ODA. In considering its level, the Commission built on the 0.75% target for total official flows. Since the non-concessional component of these flows is repayable, its net volume is small. The Commission's 1969 Report therefore proposed that ODA “be raised to 0.70% of donor GNP by 1975, and in no case later than 1980”.

The origins of the 0.7% target (cont.)

The late 1960s saw intense negotiations in the United Nations over a development strategy for the 1970s. Aid volume was a key sticking point between developed and developing countries. For most of the course of the negotiations, developing countries pressed for the UNCTAD target of 0.75% of GNP in total official flows. But when negotiations stalled a couple of weeks before the General Assembly was due to vote on the Resolution, they substituted the Pearson Commission target of 0.7% of GNP in official development assistance.

This broke the impasse, and although most donor countries expressed some continuing reservations, the 0.7% target was formally recognised in October 1970 when the UN General Assembly adopted a Resolution including the goal that “Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7% of its gross national product at market prices by the middle of the Decade.”

The adoption of the 0.7% target for ODA built on the definition of this concept by the DAC in 1969 as the flow of grants and soft loans from the donor’s public sector for developmental purposes, net of repayments of capital, but disregarding interest. The definition was tightened in 1972 by the addition of a minimum level of grant element that loans would have to meet to qualify as ODA.

Through the 1970s, the new target gained in acceptance, but there remained some exceptions. The United States made clear that, while it supported the general aims of the Resolution, it did not subscribe to specific targets or timetables. Switzerland was not a member of the United Nations at the time, and did not adopt the target. All other DAC member countries have at one time or another accepted it, at least as a long-term objective, and it has been repeatedly re-endorsed at international conferences on aid and development down to the present day. In 2005, the 15 countries that were members of the EU at the beginning of 2004 agreed to reach the target by 2015.

Sweden became the first country to meet the target in 1974, although on revised GNP figures, the achievement was postponed to 1975, by which year it was joined by the Netherlands. Norway and Denmark reached it in 1976 and 1978 respectively, and all four countries have consistently met it since. Finland achieved it once, in 1991. Luxembourg reached it in 2000 and continues to do so. But no other DAC country has met the target since it was established, and the weighted average of DAC members’ ODA has never exceeded 0.4% of GNP.

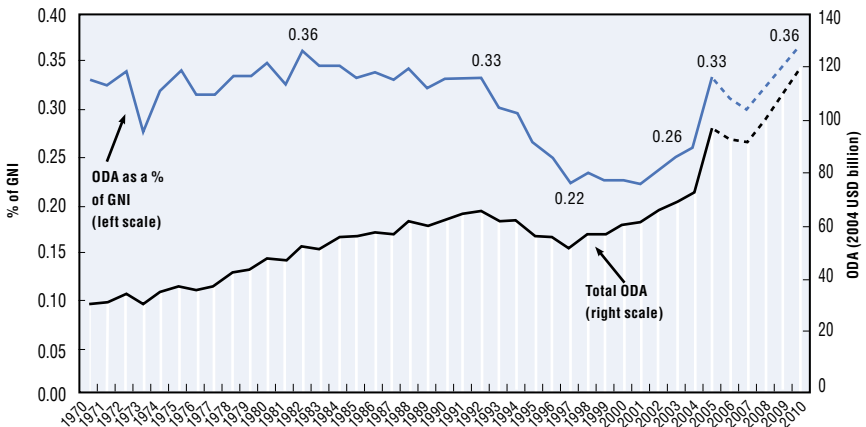
The origins of the 0.7% target (cont.)

The new System of National Accounts promulgated in 1993 discontinued the term “gross national product” and replaced it with “gross national income” (GNI), an equivalent concept. DAC members’ performance against the target is therefore now shown in terms of ODA/GNI ratios.

The political commitments to increase ODA, announced in 2005 at EU level, at the G8 Summit in Gleneagles and at the UN Summit, all refer to the 0.7% target and testify to its continued relevance.

Source: published in *The DAC Journal*, Vol. 3, No. 4, pages III-9-III-11, OECD, Paris, 2002.

DAC members’ net ODA 1970-2005 and DAC Secretariat simulations of net ODA to 2006 and 2010



Shaping the 21st Century: The Contribution of Development Co-operation (1996)

The text below constitutes the introduction and summary of the report adopted by the OECD's Development Assistance Committee, meeting on 6-7 May 1996 at the level of development co-operation ministers and heads of aid agencies.

Values and interests

As we approach the end of the twentieth century, the time is ripe to reflect on the lessons of development co-operation over the last 50 years and to put forward strategies for the first part of the next century. This report sets forth the collective views on these matters of development ministers, heads of aid agencies and other senior officials responsible for development co-operation, meeting as the Development Assistance Committee of the Organisation for Economic Co-operation and Development.

In the year 2000, four-fifths of the people of the world will be living in the developing countries, most with improving conditions. But the number in absolute poverty and despair will still be growing. Those of us in the industrialised countries have a strong moral imperative to respond to the extreme poverty and human suffering that still afflict more than one billion people. We also have a strong self-interest in fostering increased prosperity in the developing countries. Our solidarity with the people of all countries causes us to seek to expand the community of interests and values needed to manage the problems that respect no borders – from environmental degradation and migration, to drugs and epidemic diseases. All people are made less secure by the poverty and misery that exist in the world. Development matters.

The record of the last 50 years, from Marshall Plan aid to the network of development partnerships now evolving, shows that the efforts of countries and societies to help themselves have been the main ingredients in their success. But the record also shows that development assistance has been an essential complementary factor in many achievements: the green revolution, the fall in birth rates, improved basic infrastructure, a diminished prevalence of disease and dramatically reduced poverty. Properly applied in propitious environments, aid works.

Co-operation within the United Nations, the international financial institutions, the OECD and other global and regional fora has greatly enhanced these efforts and shaped an evolving multilateralism in which all countries hold a vital stake.

We have learned that development assistance will only work where there is a shared commitment of all the partners. We have seen the results in countries which have grown, prospered and achieved industrialisation; they no longer depend on aid but stand on their own feet and participate in the global economy. We have seen, on the other hand, the countries in which civil conflict and bad governance have set back development for generations. And we have learned that success takes time and sustained international and local effort.

As we look ahead, we see an overwhelming case for making that effort. As a crucial part of this undertaking, the international community needs to sustain and increase the volume of official development assistance in order to reverse the growing marginalisation of the poor and achieve progress toward realistic goals of human development. Domestic preoccupations in member countries should not jeopardise the international development effort at a critical juncture. Today's investments in development co-operation will yield a very high return over the coming years.

We believe that ways must be found to finance multilateral development co-operation that are adequate, efficient, predictable and sustainable. The full implementation of current agreements to pay arrears and create workable financing systems is an essential part of efforts to ensure that the United Nations and the multilateral development banks avoid severe crisis and continue to play their vital roles.

We also recognise that those responsible for public money are accountable for its effective use. We have a duty to state clearly the results we expect and how we think they can be achieved.

It is time to select, taking account of the many targets discussed and agreed at international fora, a limited number of indicators of success by which our efforts can be judged. We are proposing a global development partnership effort through which we can achieve together the following ambitious but realisable goals:

Economic well-being

- A reduction by one-half in the proportion of people living in extreme poverty by 2015.

Social development

- Universal primary education in all countries by 2015.
- Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005.
- A reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality, all by 2015.

- Access through the primary health care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

Environmental sustainability

- The current implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.

While expressed in terms of their global impact, these goals must be pursued country by country through individual approaches that reflect local conditions and locally owned development strategies. Essential to the attainment of these measurable goals are qualitative factors in the evolution of more stable, safe, participatory and just societies. These include capacity development for effective, democratic and accountable governance, the protection of human rights and respect for the rule of law. We will also continue to address these less easily quantified factors of development progress.

Effective international support can make a real difference in achieving these goals. This is far from saying that they can be achieved by aid alone. The most important contributions for development, as in the past, will be made by the people and governments of the developing countries themselves. But where this effort is forthcoming it needs and deserves strong support from the industrialised countries. We commit ourselves to do the utmost to help:

- **First**, by a willingness to make mutual commitments with our development partners, supported by adequate resources.
- **Second**, by improving the co-ordination of assistance in support of locally-owned development strategies.
- **Third**, by a determined effort to achieve coherence between aid policies and other policies which impact on developing countries.

These approaches were set out in broad terms in the statement of policy that we adopted in 1995 entitled “Development Partnerships in the New Global Context”. The report that follows builds on this statement and proposes specific new practical measures to achieve the vision of partnership for development.

We intend our report to be a contribution to the broad contemporary effort to improve the effectiveness of development co-operation. A rich process of dialogue and decisions is underway-within the OECD, in the Interim and Development Committees of the World Bank and IMF, in the regional development banks, in the G7, and in the United Nations system. This

heightened international focus on development co-operation reinforces our conviction that development matters.

The success or failure of poor people and poor countries in making their way in an interdependent world will have a profound influence in shaping the 21st century. We offer our proposals in this report with confidence that international co-operation can be effective in supporting development, and that the results will be well worth the effort they will demand of our societies. The stakes in a stable, sustainable future for this planet and all who will inhabit it are far too high for us to forego that effort.

The Origins of the Millennium Development Goals

The origins of the MDGs

From the early 1990s the volume of official development assistance had begun a decline that was to continue until 1997. A recurrent theme of DAC deliberations in 1994 was the relationship between aid volume and perceptions of aid effectiveness in both donor and partner countries. There emerged a consensus that the DAC should disseminate a brief statement on development strategies. This initiative was seen as a “mid-decade update” of a policy statement that the DAC had issued in 1989, and laid the ground for the development of the MDGs.

Active collaboration between the DAC Secretariat and member countries produced a concise text entitled “Development Partnerships in the New Global Context”. This statement identified poverty reduction as the central challenge, and endorsed a comprehensive strategy that integrated elements of sound economic policies; social investment; participation and gender equality; good governance, human rights and the rule of law; sustainable environmental practices; and conflict prevention. It expressed a commitment by DAC members to support the partnership approach.

At their annual High Level Meeting in May 1995, development ministers and heads of aid agencies adopted this statement of shared orientations for their development co-operation efforts. The DAC was also asked to undertake a more profound reflection on “strategies looking to the next century”.

These decisions set the stage for a challenging year of research, consultation and dialogue among senior policy makers. The product of this work was a set of concrete, medium-term goals, all based on the recommendations of major United Nations conferences. These would be pursued on the basis of agreed principles: people-centred development, local ownership, global integration and international partnership. All of this was presented in the DAC report *Shaping the 21st Century* (1996).

The bold undertaking launched by the DAC in 1995 had produced a development strategy that was remarkably well received. Both the principles of partnership and the specific suggested goals met with a positive response from throughout the international community. Bolstered by a series of partnership forums, the dialogue that followed was broad and deep, and the degree of consensus that it revealed was impressive.

The origins of the MDGs (cont.)

Ultimately, the consensus was sufficiently strong to permit the United Nations, the OECD, the IMF and the World Bank to jointly publish a report on the eve of the Millennium Summit, *A Better World for All* (2000). In the preface, the leaders of the sponsoring organisations described the goals as “... a common framework to guide our policies and programmes and to assess our effectiveness”.

In September 2000, heads of state and government adopted the Millennium Declaration and the Millennium Development Goals, based largely on the formulation recommended in *Shaping the 21st Century and A Better World for All*. The Goals thus evolved from being disparate findings in various UN conferences to becoming a unified set of DAC recommendations to the international community, and then to acquiring recognition as a universally-agreed vision to guide international co-operation.

OECD Action for a Shared Development Agenda (2002)

From the OECD Council at Ministerial Level, Final Communiqué, 16 May 2002.

OECD's Role and Strengths

1. Contributing to global development is a key objective of the OECD. Its founding Convention calls upon the OECD to promote policies: "... *designed to contribute to sound economic expansion in member as well as non-member countries in the process of economic development.*" Article 1(b). Given increased interdependence, this objective is even more vital today in order to achieve poverty reduction and sustainable development globally. The principles and values that the OECD promotes – commitments to democracy, market-based economies and open, rule-based, and non-discriminatory trading and financial systems, supported by good governance – are essential to achieving our ultimate goal of the economic and social well being of all people, in a way that respects diversity and cultural identity.
2. OECD's strengths include a multidisciplinary capacity for analysis and policy dialogue, its sharing of best practices and monitoring of its members through peer review, and extensive policy dialogue and capacity building activities with more than 70 non-member economies, international organisations and other stakeholders. The Development Assistance Committee (DAC) provides a capacity to foster amongst donors concerted, well co-ordinated, effective and adequately financed international efforts in support of development and poverty reduction in developing countries.
3. The building blocks for achieving the internationally agreed goals of the Millennium Declaration are now in place, supported by a broadly shared view that effective development calls for a comprehensive, partnership-based and results-focused approach. Developing countries have primary responsibility for their economic and social development, establishing good governance and sound policies to mobilise domestic resources and attract private investment, while developed countries give increased attention to the impacts of their policies on developing countries, and assist developing countries, in particular least developed countries (LDCs), in their efforts to build the capacity necessary to make effective use of trade, investment and aid in support of poverty reduction and sustainable development.

How OECD contributes

4. The OECD, for its part, will build upon its strengths to advance this shared development agenda in the following ways:

Encouraging policy coherence for development

5. Successful poverty reduction requires mutually supportive policies across a wide range of economic, social and environmental issues.

Through its programme on policy coherence for development, the OECD will enhance understanding of the development dimensions of member country policies and their impacts on developing countries. Analysis should consider trade-offs and potential synergies across such areas as trade, investment, agriculture, health, education, the environment and development co-operation, to encourage greater policy coherence in support of the internationally agreed development goals.

6. By increasing understanding of the development benefits of rules-based trade and investment, such work will help to reinforce our efforts, including promoting the better integration of developing countries into the multilateral trading system, to achieve more open markets both between developed and developing countries and among developing countries themselves to allow for export-led growth, and further our aim to improve market access to the goods of developing countries, and particularly LDCs.

Supporting developing countries' governance and policy capacities

7. The OECD will continue to work with developing countries and countries in transition to help them identify and meet key human and governance capacity needs, including through use of information and communication technologies. OECD Global Forums and regional dialogue can support developing countries' efforts to build good governance and market-supportive institutions conducive to mobilising domestic resources and attracting investment capital. Such resources are critically important to developing countries' efforts to achieve sustained economic growth and support their capacities to address vital environmental, educational, health and other needs. We welcome initiatives at the regional level, such as the New Partnership for Africa's Development (NEPAD), and stand ready to share the OECD's experience and expertise, notably on peer reviews, in support of a sustained commitment to strengthen political and economic governance.

Improving aid effectiveness and ensuring adequate aid volume

8. Aid remains an important policy instrument and complement to domestic and international private capital for reducing poverty, preventing conflict, promoting good governance and creating an enabling environment conducive to achieving private sector-led growth. The OECD, where the world's major donors meet, has a key role in improving aid effectiveness, thereby sustaining the case for aid volume. Peer review in the DAC is an important tool in support of this role. The OECD is working to reduce the complexity of aid management procedures in collaboration with multilateral aid agencies and developing countries, and to ensure effective implementation of all aspects of the OECD/DAC Recommendation on untying aid to the least developed countries.

Strengthening partnerships and accountability

9. The OECD will strengthen its partnerships with non-members, in particular developing countries, as well as with international organisations and other stakeholders through analytical work, policy dialogue, and advice. A broader and more effective dialogue will improve the quality of our efforts to support development. The OECD will account for its actions to advance this shared development agenda through regular review and reports on progress.

**Paris Declaration on Aid Effectiveness (2005)
Ownership, Harmonisation, Alignment, Results
and Mutual Accountability**

I. Statement of resolve

1. We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. As in Monterrey, we recognise that while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.
2. At this High-Level Forum on Aid Effectiveness, we followed up on the Declaration adopted at the High-Level Forum on Harmonisation in Rome (February 2003) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004) because we believe they will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs.

Scale up for more effective aid

3. We reaffirm the commitments made at Rome to harmonise and align aid delivery. We are encouraged that many donors and partner countries are making aid effectiveness a high priority, and we reaffirm our commitment to accelerate progress in implementation, especially in the following areas:
 - i. Strengthening partner countries' national development strategies and associated operational frameworks (e.g. planning, budget, and performance assessment frameworks).
 - ii. Increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities.
 - iii. Enhancing donors' and partner countries' respective accountability to their citizens and parliaments for their development policies, strategies and performance.
 - iv. Eliminating duplication of efforts and rationalising donor activities to make them as cost-effective as possible.

- v. Reforming and simplifying donor policies and procedures to encourage collaborative behaviour and progressive alignment with partner countries' priorities, systems and procedures.
 - vi. Defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.
4. We commit ourselves to taking concrete and effective action to address the remaining challenges, including:
- i. Weaknesses in partner countries' institutional capacities to develop and implement results-driven national development strategies.
 - ii. Failure to provide more predictable and multi-year commitments on aid flows to committed partner countries.
 - iii. Insufficient delegation of authority to donors' field staff, and inadequate attention to incentives for effective development partnerships between donors and partner countries.
 - iv. Insufficient integration of global programmes and initiatives into partner countries' broader development agendas, including in critical areas such as HIV/AIDS.
 - v. Corruption and lack of transparency, which erode public support, impede effective resource mobilisation and allocation and divert resources away from activities that are vital for poverty reduction and sustainable economic development. Where corruption exists, it inhibits donors from relying on partner country systems.
5. We acknowledge that enhancing the effectiveness of aid is feasible and necessary across all aid modalities. In determining the most effective modalities of aid delivery, we will be guided by development strategies and priorities established by partner countries. Individually and collectively, we will choose and design appropriate and complementary modalities so as to maximise their combined effectiveness.
6. In following up the Declaration, we will intensify our efforts to provide and use development assistance, including the increased flows as promised at Monterrey, in ways that rationalise the often excessive fragmentation of donor activities at the country and sector levels.

Adapt and apply to differing country situations

7. Enhancing the effectiveness of aid is also necessary in challenging and complex situations, such as the tsunami disaster that struck countries of

the Indian Ocean rim on 26 December 2004. In such situations, worldwide humanitarian and development assistance must be harmonised within the growth and poverty reduction agendas of partner countries. In fragile states, as we support state-building and delivery of basic services, we will ensure that the principles of harmonisation, alignment and managing for results are adapted to environments of weak governance and capacity. Overall, we will give increased attention to such complex situations as we work toward greater aid effectiveness.

Specify indicators, timetable and targets

8. We accept that the reforms suggested in this Declaration will require continued high-level political support, peer pressure and co-ordinated actions at the global, regional and country levels. We commit to accelerate the pace of change by implementing, in a spirit of mutual accountability, the Partnership Commitments presented in Section II and to measure progress against 12 specific indicators that we have agreed today and that are set out in Section III of this Declaration.

9. As a further spur to progress, we will set targets for the year 2010. These targets, which will involve action by both donors and partner countries, are designed to track and encourage progress at the global level among the countries and agencies that have agreed to this Declaration. They are not intended to prejudge or substitute for any targets that individual partner countries may wish to set. We have agreed today to set five preliminary targets against indicators as shown in Section III. We agree to review these preliminary targets and to adopt targets against the remaining indicators as shown in Section III before the UNGA Summit in September 2005; and we ask the partnership of donors and partner countries hosted by the DAC to prepare for this urgently.¹ Meanwhile, we welcome initiatives by partner countries and donors to establish their own targets for improved aid effectiveness within the framework of the agreed Partnership Commitments and Indicators of Progress. For example, a number of partner countries have presented action plans, and a large number of donors have announced important new commitments.

1. In accordance with paragraph 9 of the Declaration, the partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) comprising OECD/DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the twelve Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on a) the methodology for assessing the quality of locally-managed procurement systems [relating to targets 2.b) and 5.b)] and b) the acceptable quality of public financial management reform programmes [relating to target 5.a.ii)]. Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

We invite all participants who wish to provide information on such initiatives to submit it by 4 April 2005 for subsequent publication.

Monitor and evaluate implementation

10. Because demonstrating real progress at country level is critical, under the leadership of the partner country we will periodically assess, qualitatively as well as quantitatively, our mutual progress at country level in implementing agreed commitments on aid effectiveness. In doing so, we will make use of appropriate country level mechanisms.

11. At the international level, we call on the partnership of donors and partner countries hosted by the DAC to broaden partner country participation and, by the end of 2005, to propose arrangements for the medium term monitoring of the commitments in this Declaration. In the meantime, we ask the partnership to co-ordinate the international monitoring of the Indicators of Progress included in Section III; to refine targets as necessary; to provide appropriate guidance to establish baselines; and to enable consistent aggregation of information across a range of countries to be summed up in a periodic report. We will also use existing peer review mechanisms and regional reviews to support progress in this agenda. We will, in addition, explore independent cross-country monitoring and evaluation processes – which should be applied without imposing additional burdens on partners – to provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives.

12. Consistent with the focus on implementation, we plan to meet again in 2008 in a developing country and conduct two rounds of monitoring before then to review progress in implementing this Declaration.

II. Partnership commitments

13. Developed in a spirit of mutual accountability, these Partnership Commitments are based on the lessons of experience. We recognise that commitments need to be interpreted in the light of the specific situation of each partner country.

Ownership

Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions

14. Partner countries commit to:

- Exercise leadership in developing and implementing their national development strategies² through broad consultative processes.

2. The term “national development strategies” includes poverty reduction and similar overarching strategies as well as sector and thematic strategies.

- Translate these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets (**Indicator 1**).
- Take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.

15. Donors commit to:

- Respect partner country leadership and help strengthen their capacity to exercise it.

Alignment

Donors base their overall support on partner countries' national development strategies, institutions and procedures

Donors align with partners' strategies

16. Donors commit to:

- Base their overall support – country strategies, policy dialogues and development co-operation programmes – on partners' national development strategies and periodic reviews of progress in implementing these strategies³ (**Indicator 3**).
- Draw conditions, whenever possible, from a partner's national development strategy or its annual review of progress in implementing this strategy. Other conditions would be included only when a sound justification exists and would be undertaken transparently and in close consultation with other donors and stakeholders.
- Link funding to a single framework of conditions and/or a manageable set of indicators derived from the national development strategy. This does not mean that all donors have identical conditions, but that each donor's conditions should be derived from a common streamlined framework aimed at achieving lasting results.

Donors use strengthened country systems

17. Using a country's own institutions and systems, where these provide assurance that aid will be used for agreed purposes, increases aid effectiveness by strengthening the partner country's sustainable

3. This includes for example the Annual Progress Review of the Poverty Reduction Strategies (APR).

capacity to develop, implement and account for its policies to its citizens and parliament. Country systems and procedures typically include, but are not restricted to, national arrangements and procedures for public financial management, accounting, auditing, procurement, results frameworks and monitoring.

18. Diagnostic reviews are an important – and growing – source of information to governments and donors on the state of country systems in partner countries. Partner countries and donors have a shared interest in being able to monitor progress over time in improving country systems. They are assisted by performance assessment frameworks, and an associated set of reform measures, that build on the information set out in diagnostic reviews and related analytical work.

19. Partner countries and donors jointly commit to:

- Work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems (**Indicator 2**).
- Integrate diagnostic reviews and performance assessment frameworks within country-led strategies for capacity development.

20. Partner countries commit to:

- Carry out diagnostic reviews that provide reliable assessments of country systems and procedures.
- On the basis of such diagnostic reviews, undertake reforms that may be necessary to ensure that national systems, institutions and procedures for managing aid and other development resources are effective, accountable and transparent.
- Undertake reforms, such as public management reform, that may be necessary to launch and fuel sustainable capacity development processes.

21. Donors commit to:

- Use country systems and procedures to the maximum extent possible. Where use of country systems is not feasible, establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures (**Indicator 5**).
- Avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes (**Indicator 6**).
- Adopt harmonised performance assessment frameworks for country systems so as to avoid presenting partner countries with an excessive number of potentially conflicting targets.

Partner countries strengthen development capacity with support from donors

22. The capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives – from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.

23. Partner countries commit to:

- Integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

24. Donors commit to:

- Align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly (**Indicator 4**).

Strengthen public financial management capacity.

25. Partner countries commit to:

- Intensify efforts to mobilise domestic resources, strengthen fiscal sustainability, and create an enabling environment for public and private investments.
- Publish timely, transparent and reliable reporting on budget execution.
- Take leadership of the public financial management reform process.

26. Donors commit to:

- Provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules (**Indicator 7**).
- Rely to the maximum extent possible on transparent partner government budget and accounting mechanisms (**Indicator 5**).

27. Partner countries and donors jointly commit to:

- Implement harmonised diagnostic reviews and performance assessment frameworks in public financial management.

Strengthen national procurement systems

28. Partner countries and donors jointly commit to:

- Use mutually agreed standards and processes⁴ to carry out diagnostics, develop sustainable reforms and monitor implementation.
- Commit sufficient resources to support and sustain medium and long-term procurement reforms and capacity development.
- Share feedback at the country level on recommended approaches so they can be improved over time.

29. Partner countries commit to take leadership and implement the procurement reform process.

30. Donors commit to:

- Progressively rely on partner country systems for procurement when the country has implemented mutually agreed standards and processes (**Indicator 5**).
- Adopt harmonised approaches when national systems do not meet mutually agreed levels of performance or donors do not use them.

Untie aid: getting better value for money

31. Untying aid generally increases aid effectiveness by reducing transaction costs for partner countries and improving country ownership and alignment. **DAC Donors** will continue to make progress on untying as encouraged by the 2001 DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries (**Indicator 8**).

Harmonisation

Donors' actions are more harmonised, transparent and collectively effective

Donors implement common arrangements and simplify procedures

32. Donors commit to:

- Implement the donor action plans that they have developed as part of the follow-up to the Rome High-Level Forum.
- Implement, where feasible, common arrangements at country level for planning, funding (e.g. joint financial arrangements), disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows. Increased use of

4. Such as the processes developed by the joint OECD-DAC – World Bank Round Table on Strengthening Procurement Capacities in Developing Countries.

programme-based aid modalities can contribute to this effort (**Indicator 9**).

- Work together to reduce the number of separate, duplicative, missions to the field and diagnostic reviews (**Indicator 10**); and promote joint training to share lessons learnt and build a community of practice.

Complementarity: more effective division of labour

33. Excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. A pragmatic approach to the division of labour and burden sharing increases complementarity and can reduce transaction costs.

34. Partner countries commit to:

- Provide clear views on donors' comparative advantage and on how to achieve donor complementarity at country or sector level.

35. Donors commit to:

- Make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks.
- Work together to harmonise separate procedures.

Incentives for collaborative behaviour

36. Donors and partner countries jointly commit to:

- Reform procedures and strengthen incentives – including for recruitment, appraisal and training – for management and staff to work towards harmonisation, alignment and results.

Delivering effective aid in fragile states⁵

37. The long-term vision for international engagement in fragile states is to build legitimate, effective and resilient state and other country institutions. While the guiding principles of effective aid apply equally to fragile states, they need to be adapted to environments of weak ownership and capacity and to immediate needs for basic service delivery.

38. Partner countries commit to:

- Make progress towards building institutions and establishing governance structures that deliver effective governance, public safety, security, and equitable access to basic social services for their citizens.

5. The following section draws on the draft Principles for Good International Engagement in Fragile States, which emerged from the Senior Level Forum on Development Effectiveness in Fragile States (London, January 2005).

- Engage in dialogue with donors on developing simple planning tools, such as the transitional results matrix, where national development strategies are not yet in place.
- Encourage broad participation of a range of national actors in setting development priorities.

39. Donors commit to:

- Harmonise their activities. Harmonisation is all the more crucial in the absence of strong government leadership. It should focus on upstream analysis, joint assessments, joint strategies, co-ordination of political engagement; and practical initiatives such as the establishment of joint donor offices.
- Align to the maximum extent possible behind central government-led strategies or, if that is not possible, donors should make maximum use of country, regional, sector or non-government systems.
- Avoid activities that undermine national institution building, such as bypassing national budget processes or setting high salaries for local staff.
- Use an appropriate mix of aid instruments, including support for recurrent financing, particularly for countries in promising but high-risk transitions.

Promoting a harmonised approach to environmental assessments

40. Donors have achieved considerable progress in harmonisation around environmental impact assessment (EIA) including relevant health and social issues at the project level. This progress needs to be deepened, including on addressing implications of global environmental issues such as climate change, desertification and loss of biodiversity.

41. Donors and partner countries jointly commit to:

- Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for “strategic environmental assessment” at the sector and national levels.
- Continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation.

42. Similar harmonisation efforts are also needed on other cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.

Managing for results

Managing resources and improving decision-making for results

43. Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making.

44. Partner countries commit to:

- Strengthen the linkages between national development strategies and annual and multi-annual budget processes.
- Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which data are cost-effectively available (**Indicator 11**).

45. Donors commit to:

- Link country programming and resources to results and align them with effective partner country performance assessment frameworks, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies.
- Work with partner countries to rely, as far as possible, on partner countries' results-oriented reporting and monitoring frameworks.
- Harmonise their monitoring and reporting requirements, and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, with partner countries to the maximum extent possible on joint formats for periodic reporting.

46. Partner countries and donors jointly commit to:

- Work together in a participatory approach to strengthen country capacities and demand for results based management.

Mutual accountability

Donors and partners are accountable for development results

47. A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. This also helps strengthen public support for national policies and development assistance.

48. Partner countries commit to:

- Strengthen as appropriate the parliamentary role in national development strategies and/or budgets.
- Reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies.

49. Donors commit to:

- Provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens.

50. Partner countries and donors commit to:

- Jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments (**Indicator 12**).

III. Indicators of progress

To be measured nationally and monitored internationally.

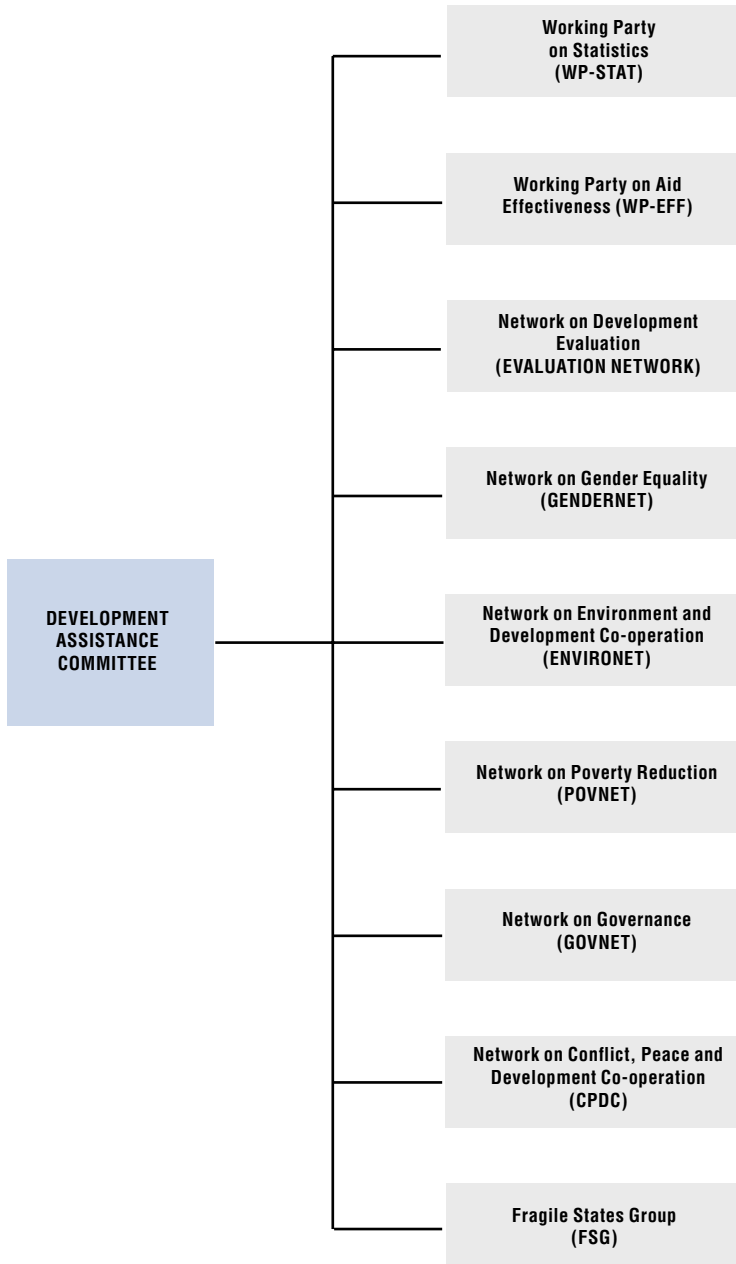
OWNERSHIP		TARGET FOR 2010						
1	<i>Partners have operational development strategies</i> – Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	At least 75% of partner countries have operational development strategies.						
ALIGNMENT		TARGETS FOR 2010						
2	<i>Reliable country systems</i> – Number of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	<p>a) Public financial management – Half of partner countries move up at least one measure (<i>i.e.</i>, 0.5 points) on the PFM/ CPIA (Country Policy and Institutional Assessment) scale of performance.</p> <p>b) Procurement – One-third of partner countries move up at least one measure (<i>i.e.</i>, from D to C, C to B or B to A) on the four-point scale used to assess performance for this indicator.</p>						
3	<i>Aid flows are aligned on national priorities</i> – Per cent of aid flows to the government sector that is reported on partners' national budgets.	Halve the gap – halve the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported on budget).						
4	<i>Strengthen capacity by co-ordinated support</i> – Per cent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies.						
		PER CENT OF DONORS						
		<table border="1"> <thead> <tr> <th>Score*</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>5+</td> <td>All donors use partner countries' PFM systems.</td> </tr> <tr> <td>3.5 to 4.5</td> <td>90% of donors use partner countries' PFM systems.</td> </tr> </tbody> </table>	Score*	Target	5+	All donors use partner countries' PFM systems.	3.5 to 4.5	90% of donors use partner countries' PFM systems.
Score*	Target							
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3.5 to 4.5	90% of donors use partner countries' PFM systems.							
		PER CENT OF AID FLOWS						
5a	<i>Use of country public financial management systems</i> – Per cent of donors and of aid flows that use public financial management systems in partner countries, which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	<table border="1"> <thead> <tr> <th>Score*</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>5+</td> <td>A two-thirds reduction in the % of aid to the public sector not using partner countries' PFM systems.</td> </tr> <tr> <td>3.5 to 4.5</td> <td>A one-third reduction in the % of aid to the public sector not using partner countries' PFM systems.</td> </tr> </tbody> </table>	Score*	Target	5+	A two-thirds reduction in the % of aid to the public sector not using partner countries' PFM systems.	3.5 to 4.5	A one-third reduction in the % of aid to the public sector not using partner countries' PFM systems.
Score*	Target							
5+	A two-thirds reduction in the % of aid to the public sector not using partner countries' PFM systems.							
3.5 to 4.5	A one-third reduction in the % of aid to the public sector not using partner countries' PFM systems.							

		PER CENT OF DONORS	
		Score*	Target
5b	<i>Use of country procurement systems</i> – Per cent of donors and of aid flows that use partner country procurement systems which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	A	All donors use partner countries' procurement systems.
		B	90% of donors use partner countries' procurement systems.
		PER CENT OF AID FLOWS	
		Score*	Target
		A	A two-thirds reduction in the % of aid to the public sector not using partner countries' procurement systems.
		B	A one-third reduction in the % of aid to the public sector not using partner countries' procurement systems.
6	<i>Strengthen capacity by avoiding parallel implementation structures</i> – Number of parallel project implementation units (PIUs) per country.	Reduce by two-thirds the stock of parallel project implementation units (PIUs).	
7	<i>Aid is more predictable</i> – Per cent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.	Halve the gap – halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.	
8	<i>Aid is untied</i> – Per cent of bilateral aid that is untied.	Continued progress over time.	
HARMONISATION		TARGETS FOR 2010	
9	<i>Use of common arrangements or procedures</i> – Per cent of aid provided as programme-based approaches.	66% of aid flows are provided in the context of programme-based approaches.	
10	<i>Encourage shared analysis</i> – Per cent of a) field missions and/or b) country analytic work, including diagnostic reviews that are joint.	a) 40% of donor missions to the field are joint. b) 66% of country analytic work is joint.	
MANAGING FOR RESULTS		TARGET FOR 2010	
11	<i>Results-oriented frameworks</i> – Number of countries with transparent and monitorable performance assessment frameworks to assess progress against a) the national development strategies and b) sector programmes.	Reduce the gap by one-third – Reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.	
MUTUAL ACCOUNTABILITY		TARGET FOR 2010	
12	<i>Mutual accountability</i> – Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.	All partner countries have mutual assessment reviews in place.	

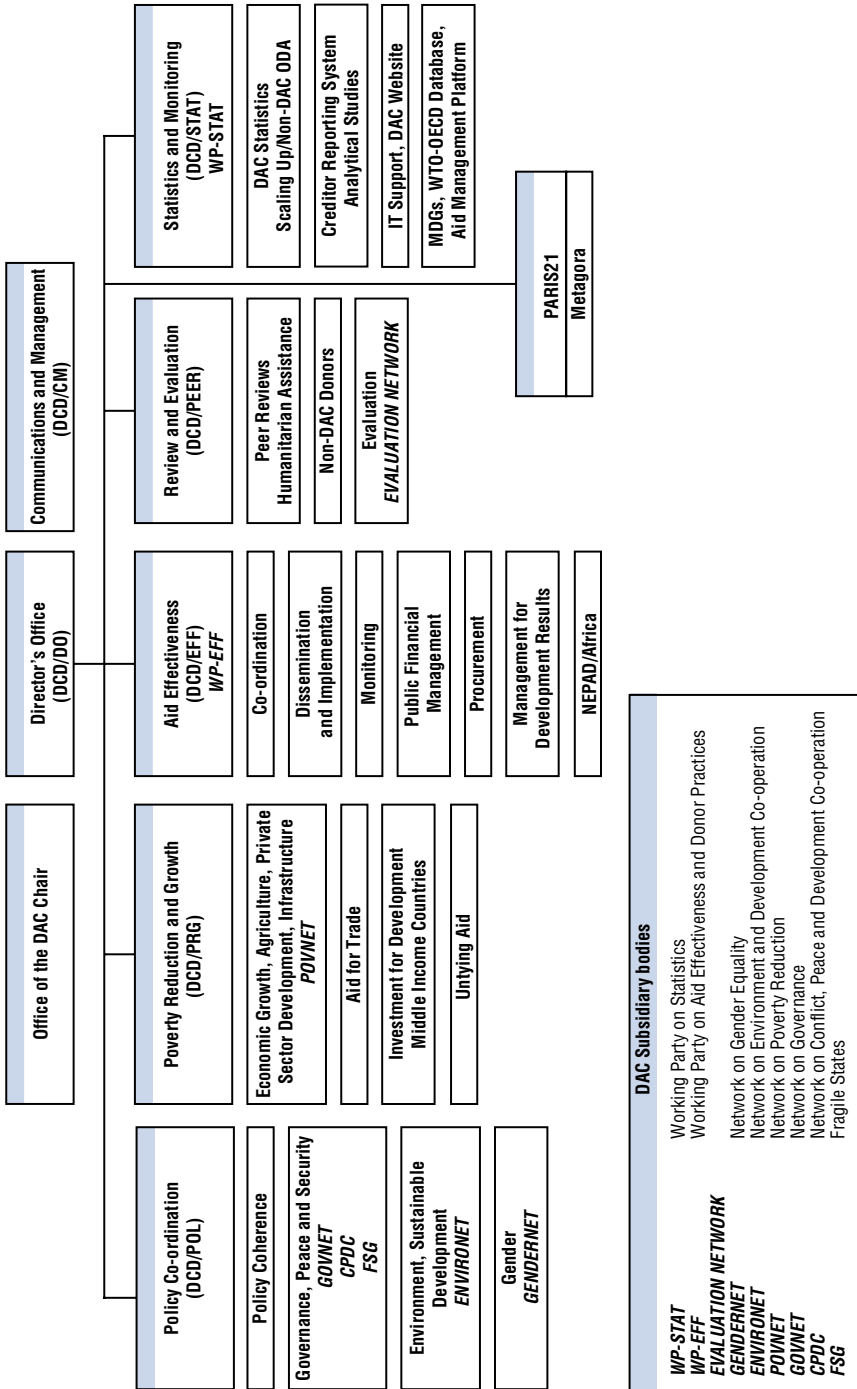
* Scores for Indicator 5 are determined by the methodology used to measure quality of procurement and public financial management systems under Indicator 2 of the present framework.

How the DAC is Organised

The DAC's Subsidiary Bodies as of 2006



**The DAC Secretariat:
OECD's Development Co-operation Directorate as of 2006**



DAC Subsidiary bodies

- Working Party on Statistics
- Working Party on Aid Effectiveness and Donor Practices
- Network on Gender Equality
- Network on Environment and Development Co-operation
- Network on Poverty Reduction
- Network on Governance
- Network on Conflict, Peace and Development Co-operation
- Fragile States

DAC Website Themes and Aliases

Themes and sub-themes	Direct URL to themes and sub-themes
DAC Home Page	www.oecd.org/dac
Aid Statistics	www.oecd.org/dac/stats
<ul style="list-style-type: none"> • Aid Activities • Aid from DAC Members 	<ul style="list-style-type: none"> • www.oecd.org/dac/stats/crs • www.oecd.org/dac/stats/dac
Aid Effectiveness and Donor Practices	www.oecd.org/dac/effectiveness/
<ul style="list-style-type: none"> • Monitoring the Paris Declaration • Managing for Development Results • Public Financial Management • Procurement 	<ul style="list-style-type: none"> • www.oecd.org/dac/effectiveness/monitoring • www.oecd.org/dac/effectiveness/pfm • www.oecd.org/dac/effectiveness/results • www.oecd.org/dac/effectiveness/procurement
Conflict and Peace	www.oecd.org/dac/conflict
Development Effectiveness in Fragile States	www.oecd.org/dac/fragilestates
Environment and Development Co-operation	www.oecd.org/dac/environment
Evaluation of Development Programmes	www.oecd.org/dac/evaluation www.oecd.org/dac/evaluationnetwork/derec
Gender Equality	www.oecd.org/dac/gender
Governance and Capacity Development	www.oecd.org/dac/governance
Information and Communication Technology for Development	www.oecd.org/dac/ict
Millennium Development Goals	www.oecd.org/dac/mdg/
Peer Reviews of DAC Members	www.oecd.org/dac/peerreviews
Poverty Reduction	www.oecd.org/dac/poverty
Trade, Development and Capacity Building	www.oecd.org/dac/trade
Untied Aid	www.oecd.org/dac/untiedaid

For numerous best practice documents see here:
www.oecd.org/findDocument/0,2350,en_2649_33721_1_119814_1_1_1,00.html

The annual Development Co-operation Report can be accessed on
www.sourceoecd.org/developmentreport

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