

**Unclassified**

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Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

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**English - Or. English**

**DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE**

**DCD/DAC(2010)15  
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**DAC Members Plans to Further Untie Aid to the Maximum Extend, in Line with the AAA Commitments  
Informal Discussion of DAC Members, Thursday 18 February 2010**

**Discussion summary**

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**DAC MEMBERS PLANS TO FURTHER UNTIE AID TO THE MAXIMUM EXTENT, IN LINE WITH THE AAA COMMITMENTS**

**INFORMAL DISCUSSION OF DAC MEMBERS, THURSDAY 18 FEBRUARY 2010**

**DISCUSSION SUMMARY**

1. Based on the note DCD/DAC(2010)11, DAC members discussed an overview and the secretariat assessment of their individual plans to untie aid to the maximum extent, in line with the commitments agreed in the Accra Agenda for Action (AAA paragraph 18b). The note and the discussion will form the basis of reporting to the DAC and the WP EFF. The subsequent discussion and note will be based on 2008 CRS reporting on tying status.

2. The representative of the European Commission clarified the tying status of aid financed through the regular EU budget and through the European Development Fund (EDF). The former is fully untied for those countries and categories covered by the 2001 DAC Recommendation and untied on the basis of reciprocity for the remaining countries and aid categories (so far only Australia has invited and been granted this status). Funds disbursed by the EDF are only open to suppliers from EU and ACP countries.

3. Some delegates noted that the statement “fully untied” required further clarification. In some cases it is impossible to untie aid (*i.e.* administrative costs and imputed costs for refugees), in other cases partner countries ask for in-kind aid (*i.e.* training of the police force). Other delegates noted that there is a need for informal guidance about how to report the tying status of certain aid categories such as imputed student costs and NGO support, where it seem that Members report their tying status in different ways The secretariat pointed out that a discussion on these issues is planned for the next meeting of the WP STAT in June 2010 and that the secretariat is also willing to provide assistance and training to Members on what and how to report on tying status to the CRS.

4. Members also asked for a discussion on the other issues related to AAA paragraph 18 such as the use of local procurement system, improved transparency and corporate social responsibility. In addition, some delegates suggested to take account of the global context in which DAC untying takes place (*i.e.* new donors, not members of the DAC), as well as a more in-depth exchange on the recent independent evaluation of the developmental effectiveness of untied aid. The issue of improving the access for local and regional suppliers to untied aid offers will be discussed by the WP EFF, cluster B, the issue of improved transparency will be addressed, amongst others, in the DAC during its annual discussion of the progress report on the implementation of the 2001 DAC Recommendation. The secretariat will reflect on how best to continue the discussion on the independent evaluation and how to address the global context.

5. Greece and Italy questioned the data presented in the note. The secretariat noted that this was partly due to incomplete reporting to the CRS. The chair invited thee two delegations to resolve the issue in bilateral discussions with the secretariat. Furthermore, the individual plans as set out in note DCD/DAC(2009)47 and Corrigendum 1 an 2 will be annexed to the annual progress report on untying which will be submitted for information to the DAC SLM.

6. Japan reiterated its view that the AAA commitment on untying only address aid covered by the 2001 DAC Recommendation and since it already fully implements its provisions no further actions are required in terms of the Accra commitment. Germany also supported this interpretation. The secretariat recalled its interpretation that the AAA commitment applies to all aid. Japan noted that untying is not an objective, but only one of the means to achieve development objectiveness. Furthermore, it joined other delegates proposing the need for more in depth discussion on specific cases where the difference between tied and untied aid was not clear cut, as was the question of the quality of that aid.

**Participants list for Development Assistance Committee - Informal DAC  
meeting on Untying**

**18/2/2010**

**Chairperson**

**Ms. Danielle MEUWLY MONTELEONE** *Counsellor  
Permanent Delegation*

**Australia**

**Ms. Caitlin WILSON** *Counsellor (Development Cooperation)  
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**Mr. Shuheu UENO**

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**Miss Hyun-jung JUNG**

*Second Secretary  
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**Mr. Song-Yun PARK**

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