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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)28
Unclassified**

FIFTH DRAFT DAC MANDATE

DAC Meeting, 19 May 2010

The draft DAC Mandate contained in this document is FOR APPROVAL at the DAC meeting on 19 May on the Draft Annotated DAC Agenda [DCD/DAC/A(2010)9]. This is an updated version to DCD/DAC/RD(2010)3/RD6.

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I. Introduction

1. As part of the decision to re-examine the mandates of all the committees of the Organisation, the OECD Council carried out an In-Depth Evaluation of the Development Assistance Committee (DAC) in 2007-8. As a result, it concluded that the DAC was highly relevant but that it needed to undertake a Reflection Exercise in order to maintain its relevance in a rapidly changing development landscape. This Reflection Exercise was also intended to provide the basis for a revised mandate proposal starting 2011 with a duration of five years. The Exercise was carried out in 2008-2009, resulting in a report¹ that was endorsed by the DAC High Level Meeting (HLM) and accepted by the Council in mid-2009.

2. Subsequently, two informal meetings and two electronic discussion forums were set up for the DAC Delegates to draft the new mandate. Annex I provides the fifth draft which takes into consideration the various comments—sometimes conflicting—posted by Delegates to the previous version. Bearing in mind that a perfect version for all Members will not be achievable, this fifth draft is now tabled for approval.

3. In particular, it would be desirable to submit a draft mandate to the Council for its approval before the summer of 2010 – a key starting point for the DAC subsidiary bodies to start revising their mandate proposals for DAC approval by the end of 2010. Therefore, any suggestion for further edits on the text should be weighed against the key question of “Will this edit change the way the DAC operates?” As the Chair has said on a number of occasions, the mandate is essentially an internal bureaucratic requirement. We have clearly reached a point when the time spent on further wordsmithing could be applied more usefully to other matters.

4. On the question of changing the name of the Committee, as the Chair has reiterated, the HLM in 2009 has concluded not to pursue this issue. Furthermore, based on the principle of form follows function, it would probably be more appropriate to revisit this issue when there is clearer evidence and agreement that the DAC has sufficiently changed to require or justify a name change. Moreover, a name change requires a separate Council approval process and therefore cannot be addressed within a mandate proposal.

II. Original Mandate

5. The DAC was preceded by the Development Assistance Group (DAG), which was formed on 13 January 1960 as a forum for consultations among aid donors on assistance to less-developed countries by the Organisation for European Economic Co-operation. On 23 July 1960, an OECD Ministerial Resolution decided to constitute the DAG as the DAC and gave it its original mandate, which is included in Annex II.

III. Question for the DAC

- Can the Committee approve this fifth draft of the DAC mandate for submission to Council?

¹ DCD/DAC(2009)23/FINAL

**ANNEX I
FIFTH DRAFT OF THE DAC MANDATE**

The Council:

Committed to supporting developing countries in their efforts to improve the lives of their peoples in a sustainable manner, including by attaining the Millennium Development Goals;

Recognising that members of the Development Assistance Committee (DAC) continue their common efforts to increase resources for development and to improve their effectiveness;

Convinced of the need to adapt development assistance to the specific context and challenges of each developing country and region;

Aware that poorer countries are disadvantaged in their engagement with the global economy and are at risk of increasing marginalisation;

Aware that the policy choices of OECD countries and emerging economies as well as policy challenges relating to global public goods affect development results;

Recognising the need for the DAC to work with other policy communities and development stakeholders beyond its membership with a view to enhancing development results;

Convinced that sustainable, economic, and broad-based development of developing countries is essential for global stability and inclusive growth;

Recognising that, while developing countries' ability to access private and public finance extended on commercial terms should be supported given its contributions to economic development, many developing countries will continue to require official development assistance (ODA) as well as other concessional official finance to achieve lasting progress and improved standards of living, at least throughout the period of this mandate;

Agrees:

The mandate of the DAC is to influence donor behaviour in order to contribute to sustainable and economic development, poverty reduction, improvement of living standards in developing countries, and to a future in which no country will depend on aid. To that end, the Committee shall:

- a) monitor, assess, report, and promote the provision of resources supportive of development and poverty reduction, by collecting and analysing data and information on ODA and other official and private flows;
- b) review development co-operation policies and practices, particularly in relation to national and international objectives and targets, and promote mutual learning;
- c) provide analysis, guidance and good practice with a view to enhancing the quality and effectiveness of development assistance, particularly regarding poverty reduction;
- d) contribute to understanding and influencing the rapidly evolving global development architecture;

- e) promote perspectives on global public goods and policy coherence for development in co-ordination with other policy communities in OECD;
- f) make Recommendations to Members of the Committee, as well as to the Council, within its competence on matters related to development;
- g) engage or invite non-member countries—including donors with major development co-operation programmes and other developing countries—international organisations, private sector organisations, and civil society representatives in its work as necessary with a view to assuring the relevance and inclusiveness of its work.

Notes:

The Development Assistance Group (DAG) was formed on 13 January 1960 as a forum for consultations among aid donors on assistance to less-developed countries by the Organisation for European Economic Co-operation. On 23 July 1960, a Ministerial Resolution decided to constitute the DAG as the Development Assistance Committee of the OECD, once this was created, and gave it its original mandate.

On the question of the association of OECD countries which were not members of the DAC with its work, it was suggested that these countries should be given an opportunity to participate in areas which were of real interest to them and where they might contribute to the work of the Committee [DCD/DAC/M(91)12].

ANNEX II
THE ORIGINAL MANDATE AND
THE RESOLUTION OF THE COMMON AID EFFORT²³

Paragraph 14 of the Report by the Preparatory Committee

“14. 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. (See below, “Resolution of the Common Aid Effort”)

c) The Committee will select its Chairman, 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.”

RESOLUTION OF THE COMMON AID EFFORT

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

The Development Assistance Group:

² The predecessor to the Development Assistance Committee, the Development Assistance Group (DAG) was set up on 13 January 1960 by the Special Economic Committee and approved by Council on 14 January 1960 [CM(60)2(Final) Item 14C].

³ OECD countries that are not members of the DAC are entitled to participate in all meetings of the DAC and its Subsidiary Bodies in areas of mutual interest.

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.