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**DAC ORIENTATIONS ON PARTICIPATORY DEVELOPMENT
AND GOOD GOVERNANCE**

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Paris 1993

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DAC ORIENTATIONS ON PARTICIPATORY DEVELOPMENT AND GOOD GOVERNANCE

These orientations represent a "work-in-progress" by the Members of the DAC. They aim to reflect the current state of their common thinking on "principles and approaches" and "areas for action" in pursuit of these shared objectives, particularly through development co-operation efforts. They take account of the evolution of thinking in the field and of current "best practice" in assistance -- in so doing they offer some agreed interim guidance for all concerned with assistance and with policy dialogues to advance these goals. It is expected that this shared framework will be further strengthened and refined by experience. Within their agreed general framework, DAC Members will continue to consider country situations on a case-by-case basis.

Introduction

1. It has become increasingly apparent that there is a vital connection between open, democratic and accountable systems of governance and respect for human rights, and the ability to achieve sustained economic and social development. Although these links are neither simple nor uniform, varying greatly from case to case and with respect to both time and place, DAC Members believe that sustainable development requires a positive interaction between economic and political progress. This connection is so fundamental that participatory development and good governance must be central concerns in the allocation and design of development assistance.

2. The themes of these "orientations" are centred on human beings as both the ends and means of a society's development and of its political life. These values are of vital interest to our publics and lawmakers and they are now fully accepted as integral to sustainable development within a society and for effective development co-operation internationally. The interest of the DAC Members is particularly in supporting the trend towards democratisation in developing countries, reflecting the basic aspirations of their peoples.

3. At the same time that these objectives are accepted as vital and urgent, DAC Members recognise that achieving them is a long, complex and uneven process in any society and that no society can achieve perfection. Clearly as well, while there are certain universal standards that cannot be compromised, the evolving needs and special conditions of each country will heavily influence the pattern of progress, and must be borne in mind in every attempt to help advance that progress.

4. The agendas for good governance, participatory development, human rights and democratisation are clearly interlinked. They include elements which are basic values in their own right, such as human rights and the principles of participation, and others such as accountability, transparency and high standards of public sector management, which are also means to developmental ends. Some of the objectives, such as the rule of law, must be viewed as both ends in themselves and means to viable development.

5. Specifically, the overall agenda includes the following interlinkages:
- the legitimacy of government which depends on the existence of participatory processes and the consent of those who are governed;
 - the accountability of the political and official elements of government for their actions, depending on the availability of information, freedom of the media, transparency of decision making and the existence of mechanisms to call individuals and institutions to account for their conduct;
 - accountability also exists at the political level through representative government and the political process;
 - the competence of government to formulate appropriate policies, make timely decisions, implement them effectively, deliver services;
 - respect for human rights and the rule of law, to guarantee individual and group rights and security, provide a viable framework for economic and social activity and allow and encourage individuals to participate.
6. A key cross-cutting concern in these issues is countering the systematic under-representation of the female half of the population in all the processes and institutions concerned. Improving the situation of women (and thus the respect of these basic values and the maximisation of their developmental benefits) requires strategies that take gender differences fully into account. Participatory methodologies of project design and implementation can be an effective strategy for expanding opportunities for women because their needs, abilities and concerns are addressed from the beginning.
7. Similarly, the involvement of local communities is essential to effective management of the environment and natural resources. The integration of environmental concerns with economic and social goals -- fundamental to sustainable development -- depends on access to information and the transparency as well as accountability of public sector activities.
8. The "areas for action" throughout the paper identify a sample of close to one hundred measures, from the wide-ranging to the highly-specific, most of which have already been shown to be effective in promoting tangible improvements. They extend from targeted measures to strengthen legal or accounting expertise to broad-based action to reduce excessive military expenditure, to multi-faceted action in support of human rights, effective participation and strengthened civil society. The examples provided are far from exhaustive.
9. The general approach reflected here embodies a number of basic guidelines:
- As recalled by the 1993 Vienna Declaration on Human Rights, the human being is the central subject of development.

- The developing countries themselves are ultimately responsible for their own development. The effectiveness of their policies and institutions is central to their development successes and failures and the eventual attainment of self-reliance.
- External co-operation efforts in participatory development and good governance should help strengthen those promising trends which emerge in individual countries.
- A deepened and strengthened policy dialogue with development partners is the most important vehicle for advancing these concerns at the policy level.
- Operationally, the key emphasis in assistance will be on capacity-building, i.e. helping a society to develop and harness its own expertise and mechanisms to ensure continued observance and evolution of these goals.
- Education, in all forms and at all levels, and with particular emphasis on women's equal access, is the main underpinning of a functioning civil society and thus of strengthened participation, improved governance and respect for human rights and democracy.
- Members wish to rely to the maximum extent on measures of positive support, but they also wish to be clear about the potential for negative measures affecting the volume and form of their aid, in areas of serious and systematic violations of human rights and brutal reversals from democratisation, or when a complete lack of good governance renders efficient and effective aid impossible.
- The pursuit of participatory development and good governance should nurture the environment for strengthening social justice and equity in developing countries.

10. The approach outlined here by DAC Members recognises that to advance the complex agenda of participatory development, good governance, human rights and democratisation, their own countries must accept a number of responsibilities. They have an obligation to be fully informed and sensitive about the particular circumstances of each partner country; they must be constructive and creative in seeking appropriate and effective ways to nurture improved practice; and, not least, they must work for coherence in the policies and practices of their own governments, individually and collectively. An obvious example -- cited later in these Orientations -- is that efforts to promote reduced military expenditure lose credibility and effectiveness when at the same time other agencies of governments may be actively promoting increased arms exports to the same developing countries.

I. Participatory Development

Principles and approaches

11. Participatory development is essential for at least two reasons:

- a) it strengthens civil society and the economy by empowering groups, communities and organisations to negotiate with institutions and bureaucracies, thus influencing public policy and providing a check on the power of government; and,
- b) it enhances the efficiency, effectiveness and sustainability of development programmes.

12. Participatory development, or what is sometimes referred to as popular participation, may be defined as a process by which people take an active and influential hand in shaping decisions that affect their lives. Popular participation may involve difficult and long processes but brings many benefits: the contribution of local knowledge to activities; an increased chance of objectives and outputs being relevant to perceived needs; greater efficiency and honesty of officials and contractors because they are under public scrutiny; "ownership" of the activity by community-based organisations. Through empowerment, participation can also lead to changes in knowledge, skills and the distribution of power across individuals and communities thus improving social equity.

13. "Empowerment" is essential to participatory development. Empowerment is enhanced when the organisations in which people participate are based on a democratic approach, strengthening the capacity of members to initiate actions on their own or negotiate with more powerful actors. It thus builds up the capacity of people to generate and influence development at various levels, increasing their access to and influence over resources and institutions, including by groups hitherto marginalised such as low-income populations and most particularly women.

14. People participate at various levels: local participation at the grassroots level in an activity of common interest; participation in groups and movements which form part of "civil society" and constitute intermediary organisations between the individual and the state; participation in the political life of the country. At the local level, participation in an aid context may range from consultation on a particular issue, involvement in delivery of a service or implementation of an activity, up to full decision-making where aid is given in support of a local initiative. A variety of grassroots movements and non-governmental organisations (NGOs) have set useful examples on how to approach participatory development.

15. Decentralisation and the creation or strengthening of responsive and effective local government structures, with authority over all or part of revenue from local taxation, are increasingly seen as important elements of participation.

16. In the OECD and the DAC, the concept of "participatory development" has broad scope and significance, as expressed in the Policy Statement on Development Co-operation in the 1990s, and the communiqués of the 1991 OECD Ministerial Council and the 1990 and 1991 DAC High Level Meetings. In particular, DAC Members stated their intention to work with their developing country partners in the areas of human resources development, with priority for programmes providing affordable, effective and sustainable services for education, training and health for the masses of the people, with equal access for women; and, to take distributional factors adequately into account in structural adjustment and related policy reform efforts. In this sense, participatory development is directly linked to equity goals.

17. The concepts underlying participatory development have been on the development co-operation agenda for many years but practice has proved difficult. In an aid context, recipient governments not

infrequently have reservations which severely limit the effective impact of these approaches. On the donor side, project aid procedures can constrain participation, and are often an obstacle to the flexible and less-known approaches needed to support local initiatives and grassroots organisations. Development administrators are not always convinced about the relevance and implications of encouraging participatory approaches. "Getting things done" and funds disbursed often outweigh other considerations, and work against participatory development. Participation is no panacea and intended beneficiaries do not always participate in the way that development agencies would like them to. Reasons include the "opportunity cost" of participation, especially for the poor and women, and the perceived risk that social conflicts which are latent in many communities may come out in the open. These are all points to which the DAC will pay further attention.

Areas for action

18. The donor community can encourage participatory development both in the long term by working toward "education for all" and the emergence of a vigorous civil society, and in the short term, through the design and implementation of aid programmes and projects. Translating participation objectives into reality calls for changes in attitudes and practices concerning the way activities are conceived, designed, financed, and timed. Examples of how participatory approaches can be assisted are:

- supporting intermediary organisations, such as interest and professional associations, women's organisations, consumer groups and trade unions, and encouraging governments to develop adequate mechanisms to include them in the policy-making process through representation on boards or in advisory structures;
- supporting grassroots organisations, such as village groups, and their networking beyond the local level; support may require special flexibility, such as having more "open" initial phases to enable intended beneficiaries to elaborate their own development activities; not earmarking all funds in advance, so as to match needs as they occur;
- involving all project stake-holders in programme design, implementation, monitoring and evaluation, including the self-selection of performance indicators, and taking into account from the outset appropriate forms of participation;
- providing support for decentralisation programmes and enhanced people participation at local government level;
- sensitising recipient decision-makers and aid agency staff to facilitate understanding and adoption of participatory approaches, and responsive government.

19. Participatory approaches can also be fostered in planning at the national policy and sector level to ensure greater equity in the distribution of public expenditure provisions, including basic services. Supporting participatory poverty assessments and development of national strategies for women are examples of current donor activity.

20. Fostering participatory development may require special attention to help prevent, contain or resolve ethnic and other kinds of conflicts. DAC Members should enhance the relevant skills available to aid agencies, and stand ready to help with mediation and conflict resolution.

21. DAC Members will continue to stress in their dialogue with partner governments the importance of participatory development. They will call attention to the need for creating conditions which enable NGOs to fully play their role. In many developing countries, there is a problem at present concerning the status of NGOs (human rights groups, women's groups, developmental NGOs, professional associations, trade unions), including formalities for their registration and obstacles to receiving external financial support. The latter point is of particular importance for groups operating in poor countries.

II. Democratisation

Principles and approaches

22. Democratisation integrates participation into the political life of the country and provides a basis for legitimacy of government. Diverse societies have become democratic. A wide variety of entry points exist for initiating democratisation and, on the part of donors, for providing appropriate support. Indeed, eclectic and often indirect approaches are needed since the features of democracy are highly interdependent and no one feature is sufficient on its own.

23. Transitions towards democracy do not necessarily present the same characteristics as mature democracies. Nevertheless certain principles seem inherently desirable. These revolve around the concepts of consent, legitimacy, and accountability to the people: whether participatory processes exist, whether the government is governing with the consent of the governed, whether the latter are allowed an effective voice in the government's conduct and have the possibility of withdrawing their consent and participating in a peaceful replacement of one government with another. If sections of the population like women and minorities cannot participate fully in these processes, the governed do not have an effective voice.

24. Periodic free and fair elections are one of the essential features of functioning democracies. To make formal democratic processes sustainable and to develop an authentic democratic culture, external assistance should also support broad-based and long-term development of the systems and institutions necessary for the democratic process to function in a way which is accepted by all elements in the nation.

25. Important linkages exist between the features of democratisation and other aspects of participatory development and good governance, such as the rule of law and respect for human rights. Human resources development is crucial for sustainable democratisation and development which require individuals capable of making informed choices. Also basic to democratisation is the development of a pluralist civil society comprised of a range of institutions and associations which represent diverse interests and provide a counterweight to government. Interaction between the formal political regime and civil society contributes to, and also requires, a responsive government, which is one of the characteristics of a functioning democracy. Supporting pluralism, e.g. the development of autonomous civil associations, professional and interest organisations, is an important step in fostering democratisation.

26. As knowledge, human capital and enterprise are even more recognised as central to the development process, a free society becomes more essential to development even apart from its intrinsic value. There is evidence that over time, market-oriented development is conducive in many cases to bringing about responsive governments and greater pluralism. Sustained economic development can thus be a major instrumental factor in the full emergence of democracy. On the other hand, there are situations where economic development is blocked by political oppression or predatory government and cannot really get underway until a democratisation process which effectively removes these blockages is set in motion. While there are thus no uniform predictable linkages between economic development and political development, there clearly are relationships of basic importance, deserving thoughtful attention in the approach being taken to the development challenge in every society.

27. National aspirations are the key element of the democratisation process in developing countries. Aid agencies can only provide support. It is important to provide sustained support going beyond visible political symbols, towards the development of enduring forms of democracy. Assisting democratisation should be viewed as a long-term process.

Areas for action

28. Support for democratisation must be designed in light of a comprehensive understanding of the country's specific socio-economic contexts and trends towards more or less democracy. The capabilities for generating such assessments and self-understanding should be developed in research institutions and the broader intellectual community within the recipient country itself. Donor responses based on a common framework of understanding of the specific country context are more likely to be effective and have positive impacts than individual ad hoc attempts at analysis.

29. Examples of support for democratisation processes are:

- diplomacy, whether public or quiet, referring to internationally accepted norms and the expectation they will be respected;
- strengthening pluralism in civil society through, for example, support for professional associations, advocacy groups, trade unions;
- supporting the role of women in the political process and in civil society generally;
- supporting the pluralism and professionalism of the media and increased access to information;
- helping improve the functioning of representative political institutions;
- supporting electoral processes in their various stages including assistance for information and education campaigns; maintaining support beyond "first-time" elections to ensure continuity in democratic practices through monitoring of the aftermath, and assistance for subsequent elections;
- encouraging the acceptance by governments of lawful opposition and the incorporation of the interests and concerns of opposition parties into the decision-making process through appropriate consultative mechanisms such as parliamentary committees, etc.;
- strengthening national capacity for independent social, economic and political analysis.

30. Repeated economic failures can fuel discontent and political instability, and jeopardise democratisation processes. Financial support for economic reforms and, where necessary, for social safety nets, may facilitate sustainable democratisation in many countries. Severe economic constraints during difficult stages of democratisation and economic reform can be eased by timely and quickly disbursed financial support.

III. Good Governance

31. The concept of "governance" is complex. The term is used in these Orientations, in accordance with a World Bank definition, to denote the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development. This broad definition encompasses the role of public authorities in establishing the environment in which economic operators function and in determining the distribution of benefits as well as the nature of the relationship between the ruler and the ruled. It is often useful to distinguish between three aspects of governance: the form of political regime; the processes by which authority is exercised in the management of a country's economic and social resources; and the capacity of government to formulate and implement policies and discharge government functions.

32. The rule of law, public sector management, controlling corruption and reducing excessive military expenditures are important dimensions of governance.

A. The rule of law

Principles and approaches

33. A predictable legal environment, with an objective, reliable and independent judiciary, is an essential factor for democratisation, good governance and human rights. The protection of human rights requires a legal system capable of fulfilling certain fundamental requirements: government should exercise its powers in accordance with the law; there should be an independent court system; the system should have full constitutional rights to investigate and supervise the exercise of executive and administrative powers. Equality before the law implies equal opportunity for all to seek redress in the courts and equality of treatment whatever their social status. Together, these factors constitute the rule of law.

34. The rule of law is also an essential factor for the effective functioning of the society and the economy. This requires the creation of honest law enforcement agencies that effectively carry out court decisions, and a court administration that ensures that cases are dealt with expeditiously and at reasonable cost to the plaintiff. Apart from the injustice and inequity involved, inefficiencies in the legal system, such as lack of predictability, delays in handling court cases and lack of enforcement of law decisions, increase business costs, discourage investors and obstruct development.

35. Legal systems may not improve without significant demand from within. Effective improvements are closely related to other elements of participation, democracy and good governance. For example, helping develop an independent judiciary implies a watchful parliament with a functioning opposition; clearly guaranteed rights; and a constitutional framework which clearly delimits the powers of the executive, the legislative and the judicial branches of government, guarantees for the tenure of office of judges, and a free press which can expose injustice. Improving accessibility to and the effectiveness of a justice system is thus a complex process and takes time.

Areas for action

36. Areas for donor support may include:

- publishing and disseminating a country's body of laws, and an official gazette, and the translation of these texts in the languages spoken in the country;
- helping improve the skills and procedures and ensure the proper remuneration of a wide spectrum of actors, including the legal system itself, the police, and prison staff;
- providing technical assistance to review existing laws, modern as well as customary, to detect inconsistencies and infringements of the human rights of women, minorities, other groups of people, and propose modifications accordingly;
- increasing the participation of women and members of minorities and other groups which have been the object of discrimination, in the various functions of these services at all levels so as to ensure greater equity;
- assisting the introduction of measures for legal aid for the disadvantaged; and for appropriate action by the legal system and law enforcement personnel in cases such as violence against women;
- developing "legal literacy" programmes with due attention to the needs of poor and often illiterate populations with training of "para-legals" and provision of other measures as appropriate;
- identifying and assisting non-governmental groups which can effectively carry out the activities related to enhanced awareness of the rights of the disadvantaged and their access to legal systems;
- helping design and develop accessible, sustainable judicial systems in countries where customary (informal) law is practised, by integrating customary ways of solving simple legal problems at the local level, insofar as customs do not violate human rights;
- assisting in the design of predictable and enforceable legal environments for property rights, trade, and investment;
- renovating the equipment of the courts whose obsolescence is in many cases at the origin of delays in court decisions.

B. Public sector management

Principles and approaches

37. Government institutions exist to serve people by maintaining law and order, developing policy, enforcing rules, ensuring property and other rights, and otherwise providing the framework for employment-generating investment and growth. They play a key role in providing or assuring the environment for provision of basic services such as education, health, and infrastructure, that are fundamental to a society and its economy. The government needs institutions and revenues to provide these public goods.

38. The government must have systems of accountability and information to permit transparency, sound management and feedback to democratic processes that should control the government. Informed public examination of key policy issues improves the quality and effectiveness of development efforts as well as accountability. Institutional arrangements vary between countries depending on their cultural traditions and history, and assistance must be tailored to each country's own situation.

39. Experience suggests that public administration should:

- make a clear distinction between public and private resources and public and private property rights;
- have a predictable, coherent, consistent framework of law and government behaviour without arbitrariness;
- avoid regulations that result in sub-optimal resource allocation in markets and rent-seeking and may foster corruption; and
- be transparent.

40. Many developing countries are in need of public sector reform for a variety of reasons. In some countries some institutions could be streamlined or reduced in size, while unnecessary institutions could be eliminated, often an objective of policy reform and structural adjustment programmes. Other institutions, particularly those needed to assure accountability and audit, and in the judicial sector, are commonly neglected and must be strengthened.

41. The salaries and benefits of government employees are often not realistic, either too high or too low, and poor control of their employment, phantom workers, nepotism and incompetence, limit the effectiveness of government. Civil service reform can improve the wage bill, and increase the competence and effectiveness of remaining personnel.

42. Accountability on several levels is necessary for the effective control of government resources. An independent audit system strengthens expenditure control by exposure and sanctions against misspending and corruption. It can extend to monitoring and evaluating public expenditure programmes for effectiveness and performance. It can help to control overall spending. A mechanism must exist to review and act on audit results.

43. Decentralisation can alleviate overloading of central government and can improve access to decision-making and participation by more people. However, decentralisation can lead to a deterioration in the use and control of resources if the administrative capacity is lacking.

44. The legal framework and the judicial sector are essential parts of the rule of law, necessary to create a stable, economic setting. Under the rule of law there is recourse against arbitrary expropriation and interference. Economic actors can make commitments with confidence that their respective rights will be enforced in a consistent, fair manner.

45. Legitimacy of a government and its institutions is promoted if there are institutions, associations and interest groups outside the government to represent other interests and provide a counterweight to the power of government. Education and literacy better enable people to participate in government processes and take advantage of services offered by government, reinforcing government legitimacy.

Areas for action

46. Improved public sector management can bring many benefits: lower costs, more effective production and delivery of goods and services by public agencies, more realistic budgeting, better policy formulation and implementation, and an improved environment for the private sector. Three critical areas in which donors can help to improve public sector management are described below by way of example:

- accounting;
- budgeting; and
- civil service reform.

Improved accounting

47. A major constraint to efficient public sector management in developing countries has been the lack of reliable accounts. This situation will not improve until more skilled accountants are trained and accounting standards are upgraded. Since this is a precondition to many other public sector improvements, such programmes can have high returns over time. DAC Members can finance programmes to:

- train accountants and auditors (both government and private sector);
- upgrade the professional body of accountants (help to institute a code of ethics and disciplinary procedures);
- modernise government and private accounting procedures;
- finance career development, teaching materials, research, train accounting teachers, improve university teaching.

Improved budgeting and public finance and expenditure management

48. Improving public budgets and expenditure management is an area where donors can have a major impact. It is essential that interventions in this area be closely co-ordinated with IMF and World Bank programmes. DAC Members can contribute to these programmes by:

- avoiding the financing of projects in the public sector that are not part of approved public investment programmes and by co-operating in aid co-ordination mechanisms;
- avoiding the proliferation of counterpart funding which obscures and complicates public expenditure management;
- providing training in project development, analysis, and budgeting;
- assisting in creating or improving information systems;
- assisting finance ministries and central banks to better perform their functions;
- helping to improve the administration of tax and customs offices; and
- strengthening audit functions through training, technical assistance, and support costs.

Civil service reform

49. Civil service reform remains a complex area with a potential for high returns. DAC Members can assist governments in:

- helping collect and analyse base-line data on employees, ghost employees, and payrolls;
- assisting in sectoral reviews of ministries or parastatals;
- contributing to programmes to pension off redundant civil service employees; and
- promoting private sector activities to undertake public services and to absorb surplus government workers; such activities can be supplemented with retraining and credit programmes.

C. Controlling corruption

Principles and approaches

50. When there is inadequate transparency, accountability and probity in the use of public resources, the state fails to generate credibility and authority. Pervasive corruption thus undermines the credibility of democratic institutions and works against good governance. Corruption, whether in the public or private sector, also results in the misuse of scarce resources with far-reaching effects throughout the economy. When corruption occurs in areas and activities supported by aid, it can devalue the reputation

and efforts of agencies. For these reasons, Members firmly endorse the need to tackle corruption, to improve transparency and accountability in the use of public funds and undertake to address these issues in the development dialogue between aid donors and recipients.

51. World-wide concern with corruption is growing. In developing countries, a complex set of deep rooted causes -- covering social, political, economic and administrative systems, including the often excessive role of the state, bureaucratic approaches to resource allocation and weak accountability and enforcement -- provides opportunity and incentive for corrupt practices. DAC Members are aware that an effective and credible approach to working with developing countries to control corruption requires that corruption be addressed at all levels of government and business, particularly the most senior levels. Efforts need to be devoted to reducing poverty, income disparities and underpayment of civil servants and to changing cultural perceptions. Corruption control also requires effective control procedures in both donor and recipient countries to ensure probity in the conduct of business and in the use of aid funds.

Areas for action

52. In looking at the ways and means to work in a positive way with developing countries to tackle corruption, DAC Members will examine efforts in areas such as the following:

- efforts to establish or reinforce mechanisms in developing countries to reduce the opportunities for corrupt practices (e.g. market approaches to foreign exchange allocation, international competitive bidding);
- support for strengthening the human and institutional capacity for establishing and implementing transparency and accountability standards and anti-corruption programmes in both the public and private sectors in developing countries;
- alertness to the potential for diversion of funds implicit in the various kinds of aid packages, and to the need to choose and design aid packages accordingly;
- assessment of the efficiency of control procedures in place in donor and recipient countries to ensure probity in the conduct of business and in the use of aid funds;
- support and encouragement to all involved, including the media and society at large, in exposing corrupt practices.

D. Reducing excessive military expenditure

Principles and approaches

53. DAC Members recognise the importance of peace and security for development. When military expenditure is excessive, it can result in conflict and repression, contribute to instability in the region and divert scarce resources away from development needs. DAC Members emphasise the importance of

establishing and maintaining the primacy of the role of civilians in political and economic affairs and the significance they attach to avoiding or reducing excessive military expenditure.

54. DAC Members agree that the most appropriate means for addressing concerns with excessive military expenditure is through their inclusion in the broader dialogue with developing countries on development co-operation. DAC Members therefore invite recipient governments to join with them in a common commitment to ensure that development needs are not sacrificed for excessive military expenditures and that scarce public resources are properly allocated. In this dialogue, account must be taken of the fact that official development assistance is only one element of a comprehensive approach to reducing excessive military expenditure and that aid agencies should make their best efforts to achieve coherence between aid policies and other related policies.

Areas for action

Respective roles of the military and civilians in economic and political life

55. In situations where the division of responsibilities between military and civilian sectors is inappropriate, such that government and administrations cannot carry out their activities independently of the military, DAC Members will examine the actions they can undertake to support efforts to rebalance these roles, for example through:

- establishing the conditions for dialogue between military and civilian officials on the appropriate definition of their respective roles;
- developing appropriate civilian expertise and management techniques in military-related affairs, e.g. budgetary and appropriation matters.

56. The DAC will contribute to these efforts by sharing information and experience among aid agencies and other relevant bodies and promoting donor co-operation and co-ordination.

Support for countries reducing military expenditure

57. For developing countries in the process of reforming, or wishing to reform their military sector, DAC Members will examine ways and means of supporting such efforts and the usefulness of technical and/or financial support in a number of areas, including:

- advice to recipient governments on ways and means by which reductions in military expenditure could be implemented without jeopardising legitimate security needs;
- assistance for force demobilisation schemes and accompanying measures designed to reintegrate military personnel into civilian life;
- participation in feasibility studies concerning the conversion of firms from military to civilian sector production.

58. At a more general level, and going beyond the specific area of official development assistance, they further recognise the value of strengthening the external security of developing countries by means of approaches such as mutual security agreements and regional defence agreements, and the contribution these can make to reducing military expenditure.

59. The DAC will develop a body of knowledge on approaches and experience with efforts to reduce military expenditure which, over time, should serve as a basis for further efforts and for concerted approaches based on the comparative advantages of donors in relevant fields.

Determining whether military expenditure is excessive

60. DAC Members recognise that there will be a need to determine whether military expenditure in certain developing countries is excessive. Through the DAC, Members can endeavour to develop a better understanding of what constitutes excessive military expenditure. They agree on the need to avoid mechanistic approaches, on the importance of a case-by-case approach and on the need to address both quantitative and qualitative indicators concerning levels and trends in military expenditure in the context of domestic and regional conditions. Public expenditure reviews undertaken in the context of World Bank programmes can be particularly helpful in this regard.

61. In order to conduct such assessments, Members reaffirm the importance of and the need for an appropriate definition of what constitutes military expenditure and for greater transparency of data on military expenditure. They undertake to support efforts by those organisations involved, particularly the IMF, in achieving transparent, reliable and comparable data on military expenditure patterns, uses and trends.

Reducing excessive military expenditures

62. When expenditure on military materials and technology is considered to be excessive but the developing country does not give evidence of a clear determination to reduce it, DAC Members must conclude that their aid is helping to sustain such expenditures and in such cases envisage a number of actions.

63. First and foremost, Members agree on the importance of pursuing their dialogue with the countries concerned and of the positive assistance they can provide to achieve consensus on the need for and approaches to reducing excessive military expenditure.

64. As a last resort, and if this dialogue does not have an adequate impact on developing countries' military expenditure, Members will consider the military expenditure situation in countries and their governments' commitment to development when deciding on the allocation of their aid.

65. In such situations, Members agree on the importance of a coherent and consistent approach within the donor community and of avoiding conflicting signals to and actions with recipients. They will act to minimise undesirable effects that their actions may have on the population at large.

IV. Human Rights

Principles and approaches

66. DAC Members reiterate their adherence to the internationally defined principles and standards contained in the UN Charter, the International Bill of Human Rights and other instruments, notably the various UN Conventions which target particular human rights abuses such as slavery and torture, discrimination against women, or the protection of population groups such as children, refugees and migrants and the Conventions of the International Labour Organisation concerning trade union rights. The

1993 Vienna Declaration on human rights reaffirms the universality and indivisibility of all human rights and fundamental freedoms, in accordance with the United Nations Charter. It also affirms the responsibility and duty of all states to promote and protect human rights and fundamental freedoms. Human rights are at the same time a legitimate concern of the international community. Enhancement of international co-operation in the field of human rights is essential for the achievement of the purposes of the UN.

67. On this basis, DAC Members expect developing country governments to share a common commitment to securing the human rights of all human beings, regardless of gender, ethnic identity, religion, race or socio-economic status. People in many different societies express their attachment to human rights, sometimes under difficult circumstances.

68. DAC Members recognise the role of non-governmental human rights groups in promoting human rights. They are a source of information on human rights situations and a constituency for human rights vis-à-vis governments and public opinion. In developing countries, human rights NGOs are often "first-line-of-defence" organisations, whose members in some cases take considerable risks. DAC Members recognise their independence and the need to protect human rights NGOs and other defenders of human rights.

69. Discrimination against women, in the form of violence in particular, is among the most serious unresolved problems in human rights, pervading all aspects of women's lives. Although widespread, it often goes unnoticed. In many places, women's human rights are often denied by local cultural attitudes and customary laws. DAC Members will continue to address this issue among priorities in development assistance and incorporate it into bilateral policy dialogue. The most relevant international instruments are the 1979 Convention on the Elimination of All Forms of Discrimination against Women and the Draft Declaration on the Elimination of Violence against Women (to be submitted for approval to the UN General Assembly towards the end of 1993).

70. Several aspects of human rights are particularly important for development. These include:

- The Vienna Declaration states that democracy, development and respect for human rights and fundamental freedoms are interdependent and mutually reinforcing. The existence of widespread extreme poverty inhibits the full and effective enjoyment of human rights; its immediate alleviation and eventual elimination must remain a high priority for the international community. While development facilitates the enjoyment of all human rights, the lack of development may not be invoked to justify the abridgement of internationally recognised human rights.
- The Vienna Declaration reaffirms the right to development, as established in the Declaration on the Right to Development, and states that lasting progress towards its implementation requires effective development policies at the national level, as well as equitable economic relations and a favourable economic environment at the international level.
- Discrimination against women is demonstrably linked with levels of poverty; high fertility, morbidity and mortality; loss of women's development potential; and persisting obstacles to fulfilling overall development goals.

- Respect for human rights gives scope to the creative energy of people and prevents scarce resources being used by a repressive apparatus.
- Human rights and fundamental freedoms, such as freedom of expression, assembly and association, empower people in their struggles to improve their living conditions and make it possible for civil society to criticise and redress unjust or inefficient state policies. A free press will greatly facilitate these processes.
- Discriminatory policies often contribute to ethnic conflict, a key problem today which causes untold suffering and delays and distorts development.

Areas for action

71. A number of DAC Members have developed specific policies to guide their development co-operation with reference to human rights. Those that have not yet done so, will endeavour to develop clear and credible policies.

72. In cases of grave and persistent violations of human rights, DAC Members will consider appropriate responses. In cases where such responses entail reducing or suspending aid, DAC Members endeavour to maintain their humanitarian assistance for the most vulnerable population groups.

73. Hopefully, donors will rarely need to indicate negative responses. The main donor concern is to assist developing countries to build up their priority and capacity for extending human rights to all their people. Some of the appropriate approaches are exemplified below.

74. Policy dialogue, especially at the highest political and administrative levels, is an appropriate avenue for discussing the protection and promotion of human rights with partner developing countries. Raising human rights issues in a general way may lead to discussions over specific government actions for policy and institutional reforms.

75. Recipient countries should be encouraged to submit proposals for assistance in the promotion of human rights, preferably also using their own resources, including counterpart funds. It is important that human rights groups, scholars and policy makers from the host country take part in this process. In helping design activities, it is important to strengthen the natural proponents and allies of human rights in the developing countries concerned, such as human rights groups and institutions, rather than having one-off projects contracted out to an agency of the donor country.

76. DAC Members signal their willingness to contribute positively to these issues, through technical assistance to relevant institutions and support for activities such as:

- strengthening education on human rights for broad or specialised audiences such as police, the judiciary, other civil servants, the military, medical personnel, scientists;
- strengthening education on a free and fair legal system;

- strengthening human rights groups in the developing countries themselves, including due attention to local cost financing and to the use of in-country aid agency funds;
- helping human rights groups in developing countries network among themselves, and with international and OECD-country human rights associations;
- facilitating the full participation of minorities in all aspects of the life of society and in the development of the country;
- supporting the development of free media.

77. DAC Members can support the exercise of the human rights of women in a number of ways, for example:

- awareness programmes for police officers, judges and government officials;
- legal literacy programmes for women;
- measures to address violence against women in public and private life;
- full and equal access to education for girls and women;
- education for girls and boys, women and men, to help them detect and reduce gender discrimination;
- gender equality under the law, including property and land rights, family law, and working conditions.

78. Beyond assisting developing countries, there are several ways in which donor countries can themselves contribute to the protection and promotion of human rights. DAC Members are encouraged to ensure that aid projects have no adverse effects on the human rights of local and indigenous populations. For example, assistance to large infrastructural projects should be granted in accordance with the DAC Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects. Measures may include:

- reviewing past projects to identify activities which may have violated human rights or impeded democratic development;
- assessing the likely human rights impact of proposed aid activities.

79. Of particular concern is assistance to increase the ability of so-called vulnerable groups (urban and rural poor, women, minorities, indigenous peoples, disabled persons) to formulate and organise their preferences and interests, claim their rights and obtain redress for their grievances. This includes the upholding of trade union rights in the face of the grave violations observed in numerous developing countries. Addressing these issues will be facilitated when commitments are translated into explicit policies.

80. The Vienna Declaration underlines the need for effective international measures to prevent the continuation of massive violations of human rights of civilian populations in war situations, in accordance with the Geneva Conventions of 1949. DAC Members will promote the upholding of international norms related to the protection of war victims. A special case with important negative impacts on reconstruction and development relates to the use of indiscriminate weapons such as anti-personnel landmines. DAC country aid agencies and ministries of defence should co-operate in an effort to limit the production, availability and use of such weapons.

81. Effective development co-operation on human rights requires programmes for motivating and training donor agency staff generally, in addition to those directly involved in reporting on human rights situations, and building aid agency capacity to design and pursue promotional policies.

82. The record of respect for human rights in the donor countries themselves affects the credibility of their advice in recipient countries. This point has particular relevance to the treatment of refugees and migrants. With respect to refugees, the Vienna Declaration underlines the responsibilities of states, particularly those of the countries of origin, and reaffirms the right to asylum from persecution in accordance with the 1951 Geneva Convention. With respect to migrants, recommendations adopted in the Vienna Declaration relate to the signing and ratifying by states of the relevant international Convention on the Rights of Migrant Workers and their Families, and the fostering of greater harmony and tolerance between migrant workers and the rest of society of the countries where they reside.

V. Coherence and Co-ordination

Policy coherence

83. Governments world-wide face broad, multi-faceted policy dilemmas. They are exposed to a vast range of divergent policy pressures, emanating from both inside and outside the administration. Political factors bring into play an array of forces that rarely converge toward a coherent set of policies.

84. Aid ministries/agencies are but one of the branches of government. They have a crucial role to play in making sure that adequate assessments of the "LDC dimension" of various policy options are taken into account and that development co-operation becomes a more central policy concern in coming years. Aid agencies need to equip themselves with the analytical capacity and broad perspectives that would enable them to participate more effectively in the domestic policy debate. Further efforts are also required for improved coherence and effectiveness within aid programmes.

85. Coherence is essential for the effectiveness and credibility of a donor country's stance in good governance and participatory development. This requirement is particularly well illustrated by the issue of military expenditures.

86. Tackling the issue of excessive military expenditure in an effective and comprehensive manner must go well beyond the area of official development assistance. To ensure the credibility of aid agencies'

efforts and the effectiveness of their approaches, policy coherence in Member countries must be strengthened. This would include a consideration of relevant domestic and external policies, including the promotion of exports of arms.

87. DAC Members will seek to improve policy coherence within their own governments by promoting horizontal approaches to the issues encompassed in participatory development and good governance in developing countries. The Committee will also endeavour to foster a horizontal approach on matters of its competence throughout the OECD and strengthen contacts with relevant committees and directorates.

Co-ordination

88. The DAC has a co-ordination role to play at the conceptual, policy and monitoring rather than operational level. Information exchange on these topics has been highlighted as a key function for the DAC.

89. The main instruments for country level co-ordination are the World Bank-led Consultative Groups and UNDP Round Tables. DAC Members are generally satisfied with the evolution of discussions concerning good governance and participatory development at Consultative Group meetings, which have become the principal fora for discussion of these sensitive subjects by bilateral donors and their developing partners. Discussions of these issues are also beginning to take place at Round Tables.

90. There is some support for increasing donor co-ordination at the level of individual developing countries. Local missions need delegation of authority and resources to initiate action or participate actively. Recipient governments may need encouragement and assistance to help them carry out their role in local co-ordination. In-country missions should retain primary responsibility for monitoring human rights situations and preparing bilateral stances at Consultative Group meetings.

91. DAC Members also welcome co-ordination efforts in regional groups such as the EC and the Nordic Group. Member countries of the EC have conducted in-depth work on the elaboration of principles, culminating in a joint policy statement in November 1991, and have agreed to monitor developments in the implementation of their own policies and trends in developing country situations.

VI. Areas Requiring Further Research

92. DAC Member policies and approaches regarding good governance, participatory development, human rights and democratisation are evolving. Experience is uneven however, and many areas require further research and examination.

93. Major emphasis in future research will be on acquiring a better understanding of the individual developing country, its history, culture, institutions, political circumstances, and social and gender factors. This could be facilitated if donors shared information. Insights are expected from aid agencies' evaluation

services that would contribute to the development of appropriate development strategies in specific country situations.

94. Members should continue to further research the linkages between economic development and political systems.

95. Members will use, and further develop, methodologies designed by several aid agencies for incorporating gender aspects into development co-operation in the areas relevant to the objectives and processes involved in these "Orientations".

96. Donor research should contribute to strengthening analytical capacities in developing countries themselves, by assisting local, independent socio-economic and political research institutions.

97. Co-ordination of research projects amongst donors and dialogue concerning these projects with recipient countries are essential to avoid duplication of efforts.