Office of the DAC Chair

A NEW DAC IN A CHANGING WORLD
SETTING OUT A PATH FOR THE FUTURE

Terms of Reference - High Level Panel

This version reflects final adjustments based on discussions at the DAC meeting on 22 April. It is submitted on a non-objection basis to the DAC and will become final by May 12.

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TERMS OF REFERENCE - HIGH LEVEL PANEL

1. At the February 2016 High-Level Meeting, the Development Assistance Committee (DAC) agreed to make proposals and recommendations for enhancing its inclusiveness and representativeness, and maximising its relevance and impact so as to better support sustainable development efforts as set forth by the United Nations and its member states.

2. To this end, DAC Members supported the establishment of a High-Level Panel. This Panel will elaborate proposals and recommendations for the Committee, on the following basis:

Background

3. Agenda 2030 and the implementation of the Sustainable Development Goals call for all stakeholders, including the DAC, to meet the need for change. The DAC was founded as a committee of donors in 1961, at a time when industrialisation and economic growth were largely limited to OECD countries, when many of today’s nations did not even exist, and when only a small group of countries had the resources and capabilities to provide international co-operation at a significant scale.

4. Today, thanks to impressive national development gains, more and more countries have enhanced their capacity, experience and resource base and are now increasingly in a position to harness this for international development. An ever growing number of countries are both recipients and providers at the same time, while the share of countries that are purely recipients or purely donors continues to shrink. The ability to contribute varies among nations, but the responsibility and commitment to contribute to Agenda 2030 is shared by all. Existing commitments, notably on ODA, must be safeguarded, while better ways must be found to reflect efforts by all and to generate additional resources. There is also recognition of the need to situate Official Development Assistance (ODA) in a mix of development resources, including private investments, domestic resources and philanthropy.

5. The mandate of the DAC is to promote development co-operation and other policies so as to contribute to sustainable development, including pro-poor economic growth, poverty reduction, improvement of living standards in developing countries, and to a future in which no country will depend on aid. In pursuing its mandate, the DAC has long recognised the world’s transformations and the need to adapt. The Committee has changed substantially over the last decade. It has broadened its membership, and both expanded and deepened the participation of other countries. Following a Strategic Reflection Exercise in 2008-09, it has also welcomed a wide range of providers of development assistance, states and non-state actors. Acknowledging the importance of promoting partnership and dialogue, the DAC is a key constituent in the Global Partnership for Effective Development Co-operation and has strengthened its collaboration with the United Nations, including its Economic and Social Council.

6. At the same time, the DAC continues to be perceived by many as the exclusive club of the traditional donors which alone take decisions on what counts as development co-operation. For the DAC to continue servicing its current members and the wider range of international partners that will implement Agenda 2030, and to sustain its central role in the global development effort as a forum of nations committed to supporting development, good policy and accountability within the new Sustainable Development Goals context, the Committee has to evolve.
7. The DAC also works within an OECD context that has evolved over time. The OECD Strategy on Development has helped to mainstream development thinking across the Organisation, as well as work with non-member countries. Initiatives in a diverse set of areas now see other parts of the OECD working with the DAC, and with developing countries, in new ways. The OECD Development Centre provides a forum for policy exchange and dialogue with non-OECD members on an equal footing. The forthcoming OECD Action Plan on the Sustainable Development Goals will go further in proposing a whole-of-OECD effort on the Sustainable Development Goals. The work of the DAC – and its future evolution – should also be considered in this context.

Objectives

8. For more than 50 years, the DAC has fulfilled an important function in the international development architecture – as a platform for setting policies and rules for official development finance, as keeper and guardian of statistics, in particular ODA, through its accountability mechanisms and its work to promote good practice and policy standards, building on distinctive working methods of the Committee and the OECD more generally. Based on these functions, the DAC has taken on over time a wide and evolving range of priorities and work areas.

9. The present exercise will propose options for the future of the DAC in an international landscape and development context that has witnessed fundamental change since it was created and in which the United Nations and its member states play a leading role.

10. The objective of the Panel will be to make proposals and recommendations, testing the status quo and focusing on the following main issues:

- the DAC’s contribution to global development efforts and its relevance and impact within the international development architecture, reflecting its mandate, traditional role and functions (these include peer learning and reviews, policy development, setting rules for official development finance and development finance statistics, and providing analysis, accountability, good practice and standards for international development efforts).

- the evolution of the DAC and its work, including the enhancement of the inclusiveness and representativeness of the committee, in line with the universal and inclusive nature of the Sustainable Development Goals.

- the strategic implications for the working methods and structure of the committee, including its subcommittees and networks.

11. In this regard, the Panel’s work should take account of the DAC unique position, the constellation of other relevant fora, initiatives and partnerships in relation to the Committee’s mandate and function. It should reflect upon the need to ensure efficiency and effectiveness of the Committee’s processes, working methods, decision-making modalities, and structures (meeting at High Level, Senior Level, resident committee, subsidiary bodies, and secretariat arrangements) and their role in light of the objectives set out in paragraph 10. Moreover, it should situate its work in the context of building coherence and interacting with other policy communities within the OECD development cluster, the organisation at large, and beyond it, so as to ensure unity of efforts for development in light of the enhanced impact of globalisation on development processes.

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1 The Secretary-General’s 21 for 21 proposal, currently under discussion by the OECD Council, sets out a vision for further strengthening the development work of the Organisation.
12. The recommendations should take the form of a succinct report of approximately 10-15 pages. Scenarios for the future of the DAC could be proposed to that effect.

Composition

13. The Panel will be composed of a small group of senior individuals (approx. 8-10 people) with due consideration to balanced representation. Panel members should have experience at the highest level in international development. They should include nationals from DAC members, other OECD members, non-OECD countries, including but not limited to those with significant South-South Co-operation activities, and those with high levels of aid dependency, as well as key international organisations. A chair will be selected from within the group.

14. The DAC Chair will propose panel members to the DAC for endorsement by the Committee. The DAC Chair will not be a member of the panel.

15. The Panel will be assisted by the Secretariat. A facilitator will be appointed to support the work of the panel. S/he will oversee the collection and editing of notes, record conclusions and recommendations and work with the panel to draft the final report.

Working Methods

16. The Panel will situate its work within the context of the new United Nations universal agenda for global development resulting from the United Nations Conference on Financing for Development, the Sustainable Development Goals, and the Paris Climate Conference. It will build on previous strategic reflections of the DAC, including the strategic reflection exercise of 2008 and the current In-Depth Evaluation of the DAC (whose final report is expected to be approved in April/May 2016), as well as evolving OECD-wide thinking on the 2030 Agenda.

17. As part of the exercise, extensive consultations are foreseen with DAC members, other OECD members, as well as non-member of the OECD, key partners in multilateral international organizations (including the United Nations, the World Bank and the IMF) and other stakeholders.

18. DAC members, as well as other OECD members will be invited to actively support the stakeholder consultation process. Moreover, the Panel may call for submissions from other parties and ask the DAC Chair to establish ad hoc task forces from members to contribute specific inputs and intellectual contributions to the process.

19. The Panel report will be submitted to the DAC, with decisions on the recommendations to be taken at the DAC High Level Meeting in 2017.

Timeline

20. The Panel will report back by the end of the first quarter of 2017 at the latest. More specifically, the following broad timeline is proposed:

- End-May 2016: Confirmation of panel members
- June-July: First meeting of the High Level Panel
- October: Progress report at and discussion with the DAC Senior Level Meeting
- November: Second meeting of the High Level Panel
December: Finalisation of the High Level Panel Report

21. If required, the panel may consider holding a third meeting. If so, this should be done without delay to the delivery deadline of the panel report of Q1 2017.

Budget

22. The costs of the High Level Panel will essentially relate to the physical meetings and associated travel costs of the group, plus a fee for the facilitator. The following is a first rough estimate for a budget:

- Two meetings with travel for 10 panel members @ EUR 5000 per travel = 2 x EUR 5,000 for 10 panel members, or a total of EUR 100,000.
- Miscellaneous costs in relation to meetings and report preparation = EUR 5,000.
- The fee for a facilitator, preferably with experience in similar exercises, equivalent to 20 working days = EUR 20,000.

23. The total resource implication is estimated at EUR 125,000 maximum. The actual resources requirements are expected to depend on factors such as, whether participation costs for individual panel members may be funded by that national’s government. Members are strongly encouraged to take on participation costs for panel members from their nations.