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DCD(2006)2



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Organisation for Economic Co-operation and Development

29-Nov-2006

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DEVELOPMENT CO-OPERATION DIRECTORATE

**DCD(2006)2
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Policy Dialogue with non-DAC Members of the OECD

Final Report

OECD Istanbul Centre, 12-13 October 2006

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JT03218825

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**Policy Dialogue with non-DAC Members of the OECD
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Final Report

Introduction

1. The Policy Dialogue meeting with non-DAC Members of the OECD was hosted by TIKA in collaboration with the Development Assistance Directorate. The meeting was convened to provide a setting for dialogue of non-DAC Members with representatives of Committee members. This was done in response to the DAC support for differentiated engagement of non-DAC donors and in view of the special concerns of the ‘inreach’ group¹.

2. As many non-DAC OECD Members are building increasingly active and ambitious development assistance programmes, there is a clearly intensifying interest in a dialogue with the DAC. The meeting consequently aimed to identify how OECD Members outside the DAC can augment their capacity while engaging in joint work with the Committee and its Members, including with regard to possible future DAC Membership.

3. The meeting agenda (see Annex I) brought together priorities of the DAC with specific aspects of interest to non-DAC donors. Short issues papers were distributed to inform participants and each session started out with a presentation that set out key lessons and questions and framed the discussions. Discussions evolved around questions of convergence between the development assistance of DAC and non-DAC Members, and any challenges this may imply for the DAC, emerging donors and for establishing international good donor practice.

4. In welcoming participants to the meeting, Turkey highlighted the structural change of its development assistance programme, and the intention to follow the right trends and make the right choices for its development through a dialogue with the DAC. DAC membership was seen as an objective for the nearer future.

The DAC, emerging donors, and scaled-up global aid

Background

5. This first session aimed to set the dialogue within the context of the current state of development co-operation as well as trends and outlook. Emerging donors are entering, and thereby increasingly contributing to shaping, the development co-operation ‘system’ or ‘architecture’, and several non-DAC OECD Members have stated DAC Membership as an objective for the short to medium term.

Key issues

- Emerging donors bring not only additional resources, but also new valuable insights for partner countries.
- A considerable challenge exists in ensuring that increases in development assistance, from DAC and non-DAC donors, will translate into increased development results.
- Many non-DAC members already make use of DAC recommendations and guidelines as references for their aid, even if not applied in full.

¹ OECD Member countries who are not members of the DAC.

- The Aide Memoire on the Admission of new DAC Members [DCD/DIR(2004)15] provides objective information on membership criteria, but it would be difficult to conceive a standardised accession process. Non-DAC donors, as DAC members, are a heterogeneous group:
 - The specific areas on which non-DAC OECD members may wish to focus in preparation for DAC membership cannot be expected to be uniform.
- At the same time, meeting participants appreciated that the dialogue should not be limited to focus on future DAC Membership.
- Generally, DAC donors still need to understand better the demands and interests of non-DAC donors vis-à-vis the Committee, which will help DAC member agencies organise themselves in order to respond to request and shape the dialogue.
 - The special reviews being piloted are expected to yield a better understanding on the needs of emerging donors, including with respect to prospective DAC Membership.
- Non-DAC donors expressed a strong plea to be included more actively in multilateral fora and consultative groups. A strong call was also made to the DAC and multilateral institutions to include emerging donors in the work on the risk of aggregate misallocations of aid.

6. The emerging donors were welcomed as bringing additional resource flows to developing countries, as well as very valuable insights for partner countries. The engagement of non-DAC donors will be a mutual learning process, and a particular benefit brought by emerging donors was seen in their ‘donorship with recipient side experience’.

7. To ensure that increased global aid translates into enhanced and sustainable development results, donors collectively need to address well-know challenges related to this as early as possible. The importance of a concerted effort through an advisory framework to avoid the risk of a resurgent debt problem was also highlighted. In this context, the DAC Chair stressed that there is no DAC position that would give preference to grants over loans. However, the sustainability of debt levels is a concern of the DAC.

8. The importance of the DAC to non-DAC members was revealed by the use of DAC products and knowledge by this group. This is being done to varying degrees, as several had increasingly sophisticated and sizeable aid programmes in place, whereas others have not yet formulated well-developed policies. Beyond this, the DAC was seen as an important source of expertise in areas where several non-DAC members still faced sometimes considerable challenges, such as institutional set-up, evaluation and statistics.

9. A stepwise approach was recommended to familiarise emerging donors with the aid effectiveness agenda and support them in enhancing their efforts and performance in this regard. Generally, the DAC was called upon to facilitate the accession process of interested non-DAC members. One point, on which there was agreement, even if not formally stipulated so far, was that DAC Members could not be on the DAC list of ODA eligible countries. At the same time, all indications pointed to the fact that there will continue to be OECD Members who are not full DAC members.

10. A call was made to draw from sometimes long standing co-operation with emerging donors, such as existed at the EC with new EU OECD Members. This year’s pre-SLM meeting will offer an opportunity to discuss this as well as options for an appropriate learning approach. Consideration should also be given to how to link the inreach dialogue with the wider international context. An opportunity with potential promise might be the first ECOSOC Development Co-operation Forum in 2007.

Partner country selection: A different perspective of emerging donors?

Background

11. The selection of partner countries is a fundamental decision in relation to the implementation of an aid programme. It reveals implicit preferences and political choices at the heart of development co-operation efforts. At a minimum it is a test for a donors' consistency among policy, commitments, and practice. Moreover, the decision process for aid allocation is not only a question of countries, but also of sectors and aid modalities.

Key issues

- Non-DAC donors appreciated the importance of working from a model based on partner country ownership, and its own context and strategy for development, not least in view of their own experience as recipients.
- Partner countries perceive differently assistance from the DAC than that of emerging donors, whom they often see as being more like themselves. This can also have implications for the effectiveness of the form of aid, e.g. technical assistance.
- Comparative advantage is of key importance to emerging donors; moreover, as they are entering a sometimes crowded field, complementarity with the efforts of other donors is also essential.
- Non-DAC donors feel that they can be most effective where their own experience and challenges are directly pertinent and similar to that of their partner countries.
- The importance of needs-based allocations was stressed repeatedly. At the same time, a trade-off can exist between strictly needs-based selection of partners and effectiveness, as aid is often less effective in countries where the need is greatest.
- Non-DAC members are in many cases still at a formative stage of their aid programmes. The scope for decision at this point should generally be broader, while corrections or modifications of the developing country partners have proven to be very difficult for DAC members.

12. Non-DAC donors are moving from more project-based co-operation to country programmes, as they increasingly aim to deliver their aid in line with the country-based development model. Moreover, non-DAC donors are very consciously basing their programmes on comparative advantages. In applying the comparative advantage to a specific country, the importance was stressed to develop a common understanding with partners on what is seen as the specific comparative advantage in the respective country context.

13. Yet, focusing the choice of partner countries exclusively on exploiting comparative advantage and maximising effectiveness risks compounding problems of imperfections of aggregate aid allocation, and neglecting fragile states. Aid to these countries is often less effective. However, even if actual progress and results is more difficult to achieve here, a donors should also consider the potential cost of continued 'underaiding' in terms of the increased risk of a severe national or regional crisis or state failure.

14. Conversely, non-DAC donors gave examples that even in 'overaided' countries, niche opportunities for them exist with demand for assistance in areas of their comparative advantage. Conversely, the trade-off between effective aid and strictly needs based selection may appear particularly acute to donors with smaller ODA budgets, who are compelled to focus on a limited range of partner countries. In this context, trilateral co-operation was referred to as one option to leverage the context specific experience of emerging donors with limited scope for financial assistance.

15. Finally, emerging donors should have the benefit of avoiding past mistakes and a costly and painful learning process of DAC Members. However, a question remained whether non-DAC donors were indeed in a position to avoid this process. Several non-DAC members suggested that some problems DAC members have long worked to overcome are inherent to the evolution of an aid programme, and that it may not be possible to avoid confronting them entirely.

The Aid Effectiveness Agenda

Background

16. The Paris Declaration and the principles of the aid effectiveness work were introduced as a framework for local action that is built on extensive experience of DAC members of what works best within partner countries. Participants acknowledged that the Paris agenda is ambitious and poses a challenge to all donors. It implies a process of change, and triggers innovations or adjustments, which will shape future aid efforts considerably and for a long time. The Paris Declaration with its five principles is an important reference to guide such operational processes by helping to keep clear direction.

17. Against this background, the introductory presentation highlighted several basic opportunities to move toward better aid effectiveness regarding aid modalities, use of country systems, donor co-ordination at country level, and managing for results.

Key issues

- The perspective for Non-DAC donors with regard to the Paris agenda seemed to be ambivalent:
 - Limited capacity and experience as donors, generally weaker domestic political and public support, and sometimes stronger historical or legal reservations on the use of partner country systems pose a very high challenge;
 - Conversely, emerging donors do not need to retrace the footsteps of experienced donors; they should have the chance to set up their systems on the basis of knowledge of good practices to achieve greater effectiveness and development impact.
- A range of non-DAC members are reforming their development programmes with the explicit objective of establishing an organisation that will support and ensure enhanced aid effectiveness.
- Aid effectiveness is not prescribing modalities, and harmonisation and alignment can be achieved through a wide range of modalities.
- Harmonisation and Alignment carry a cost – this cost is not limited to individual aid modalities, but exists for the entire range of aid modalities, including for projects that are to be integrated into a harmonised and aligned approach.
- Retaining a visibility as a donor emerged as a central concern for DAC and non-DAC donors.
 - Donors might address the visibility dilemma associated with aid modalities such as (sector) budget support by adopting the same results based approach that underlies their engagement.
- Emerging donors have increasingly advanced and sophisticated operations, and are intent on further emulating good practice. There is strong interest in examples that could guide them in this; the need to deepen dialogue by practical action at partner country level was highlighted. The opportunity to do so will be particularly good where new consultations will be opened in individual countries on translating the Paris declaration into action.

18. Many interventions by non-DAC members bore testimony to their work towards the aid effectiveness objectives. However, a few non-DAC donors indicated that the challenge of aid effectiveness is still very much related to establishing an appropriate institutional framework at home.

19. In this context, several non-DAC donors also acknowledged the building of programme around projects as a difficult and complex task. They asked for good practice and experience on programme-based approaches. The Netherlands offered to share this, and reference was also made to products from the European Commission and the DAC Secretariat, such as on evaluation of budget support and the Paris Declaration itself.

20. With respect to the perceived visibility problem, the need for distinction was seen between public and political support. Political support needs cross-party consensus on development co-operation to create important continuity. However, political continuity and support will not forestall political discussion of development co-operation issues. In light of this, donor agencies should be able to offer issues for discussion that would not directly affect key operational and implementation issues.

21. Further, donors might point to and take credit for results of their collective engagement, instead of taking credit for individual input. The stake in a common programme is independent of the size of a donor's share in it, whereas the overall outcome should exceed what any donor individually could have achieved. But for non-DAC donors, the visibility question may also be related to the challenge of joining the global development effort where established donors operate in some sort of 'carved out territory'. In view of this, one DAC member suggested greater flexibility, e.g. thinking about 'entrusting' or sharing with an emerging donor the lead over (part of) a sector programme.

22. Harmonisation and alignment carry a cost for donors, but these costs can also be recuperated through efficiencies and complementarities. Yet a trade-off between capacity and modalities was seen to remain: a modality such as project aid may have the 'advantage' of low start-up costs, whereas a fully aligned programme approach require a high cost for donors before it is possible to deliver aid. On the other hand, the marginal cost of delivering extra dollars through e.g. budget support is close to zero, whereas it is high for project aid. As smaller donors are to significantly increase their aid, the high marginal cost of projects will quickly make a strong focus on project aid increasingly unattractive.

23. Several interventions stressed the benefit of mixing aid modalities and finding the right blend given individual donor circumstances and preferences. A good mix was also seen to offer potential prospects for aligned and harmonised trilateral co-operation. More generally, it was observed that the experience of different aid modalities will allow non-DAC donors to be a fully informed part of ongoing international discussions.

24. As mutual learning is a key element of advancing with the Paris agenda, active partnering of non-DAC donors among themselves as well as DAC donors with emerging donors was encouraged, and developing trilateral programmes might be a good option for applied donor partnerships. Non-DAC members are increasingly ready and keen to participate in joint programming, and several are already gaining experience through the EU in joint programming in APC countries – in this context, Turkey asked also to be included in the co-ordination process of the EU.

Technical Co-operation – its role in Capacity Development

Background

25. The DAC is in the midst of a debate and analytical reflections of what is, and what contributes to, capacity development. As there is a strong consensus that capacity development is central to the achievement of development results, the question addresses the core of the DAC's agenda. At the same

time, criticism of technical co-operation has increased over recent years, as often too costly, inappropriate to recipients' needs, or fostering dependency.

Key issues

- Learning from past mistakes and experience: Technical Co-operation does not equal capacity development, nor is it in itself a sufficient input to achieve capacity development.
- Technical Co-operation is not 'good' or 'bad' – it depends on how it is used. Technical Co-operation is only a tool or a bundle of tools.
- Focusing on outcomes, not inputs: The Paris Declaration and the aid effectiveness agenda place a clear focus on results orientation and results-based management. Donors should seek to apply this principle in all the aid they give.
- Technical co-operation can be very much appreciated, as non-DAC donors are experiencing. A key element in this was identified in the immediate and hands-on transmission of their own development experience.
- Niche markets exist and non-DAC donors are often in good positions to cover them, not least in view of likely comparative advantages of emerging donors in south-south or east-east co-operation. This also offers scope for enhanced complementarities with DAC donors.
- Capacity for technical co-operation is important but often underemphasised by donors. At the same time, there was an obvious need for a stronger focus of technical co-operation on results and monitoring.

26. Sustainable capacity development is in many ways an endogenous process, and the challenge for donors is to find effective ways to support and strengthen this process with their assistance. Participants gave a range of examples on their experience with technical co-operation. This included instances where technical co-operation had clearly been ineffective in terms of producing development results, as well as very successful experience.

27. Many interventions related to how to connect technical co-operation with country ownership and development strategies to get improved capacity development. Technical co-operation should not be an add-on, but integrated, including through pooling and balancing with other assistance. This was a necessity not least if donors plan to significantly increase their aid, as doing so primarily through additional technical co-operation would impose very high additional administrative burdens on donors. Generally, one way to align technical co-operation more consciously with partner country strategies is to bring it under more direct control of the recipient, making it more responsive to the recipient's real needs. The United Kingdom offered to share good practice guidance that DFID had developed on the integration of technical co-operation into Poverty Reduction Strategies, addressing how to ensure ownership through local procurement, monitoring of results, and concerns of brain drain.

28. The challenge of complementarity and ownership of technical co-operation was also presented as an opportunity in the form of trilateral co-operation, which could also offer substantial scope as an entry point of emerging donors into the aid effectiveness agenda. South-South or East-East Co-operation Declarations might be used for direct links to the Paris Declaration.

Statistical capacity: A tool for policy analysis and management

Background

29. The discussion focused on the compilation and reporting of statistics from a managerial as well as policy perspective, highlighting three aspects of statistical work: (1) the preparation of statistics; (2) the purposes of the compilation and reporting of statistics; and (3) the outputs that a good statistical system can deliver.

Key issues

- As donors build their development co-operation programmes they require increasingly detailed information about them for a variety of purposes:
 - Internal management of the agency (setting budgets; deciding on the shares of multilateral and bilateral aid, country and sector focus; deciding on different forms of aid; monitoring performance and the results achieved)
 - Accounting to taxpayers
 - International reporting and monitoring
 - Providing the basis for assessing the effectiveness of aid delivery.
- Through these channels, statistics link policy work with reality. Building statistical capacity has also helped provide information on aid flows to partner countries, so that they could be captured in their budgets.
- Statistics have also proven important for building public support.
- Political will was stressed as an essential condition for effective collection, and cross government reporting and co-ordination.
- The lack of depth of statistical capacity is a familiar operational challenge that is not only confined to non-DAC donors.

30. A good statistical system can generate knowledge and learning about development assistance work that will be of direct relevance for policy setting and monitoring. Statistics can inform decisions about strategic direction, aid allocations and focus on countries and sectors where comparative advantages lie, and evaluating what works and what does not.

31. However, experience has shown that political will is required to ensure that the entire range of government actors will contribute data on their activities. Turkey offered a very good example of how entrusting the aid agency with clear responsibility for collecting statistics from the entire government can be important not just for improved statistical information, but for policy formulation and reforming the entirety of a country's development assistance efforts.

32. Beyond the question of cross-government reporting, a familiar operational challenge was the lack of depth of statistical capacity, not only confined to non-DAC donors. This lack can be rendered particularly acute when it is located in the Ministry of Foreign Affairs and subject to regular staff rotation. Moreover, many non-DAC donors, especially outside the OECD, lack essential capacity to compile or report aid statistics. The Secretariat aims to strengthen its capacity to process non-DAC statistics and to facilitate additional reporting from a growing number of non-DAC donors. There is interest at country level in better data statistics on aid flows and results. UNDP are working with the DAC Secretariat and the

Development Gateway on aid management systems to improve transparency and linking this to DevInfo as a tool to monitor MDG progress. An example of an immediate output of support to an emerging donor was referred to with the recent report by Thailand on its progress and contribution towards MDG8, which was compiled with the help of UNDP, covering aid data, as well as debt and trade. The EC had made extensive use of DAC and non-DAC data to produce its EU Donor Atlas. The session concluded with a strong call to reach out to donors to convince them to start reporting on their ODA.

Building effective donor institutions and aid programmes

Background

33. The objective of the session was to share experience of what have been found to be key elements of today's approaches to the delivery of aid, with a view to stimulating discussions on the experience of managing aid programmes. The session also aimed to provide insights how experience of DAC donors could most usefully be shared with non-DAC donors.

34. Emerging donors have a wealth of experience to pass on to partner countries, not least by drawing on their often impressive recent and lasting development and transition process. At the same time, their experience of sharing their knowledge, expertise, or funds and the challenges that go along with this, is comparatively more limited. While the issues paper touched on some general findings, the introductory presentation offered a concrete example from the perspective of the management of an aid agency, in this case Irish Aid.

Key issues

- Every donor does have a comparative advantage for development co-operation. This should be consciously spelled out and reflected, e.g. in an overarching policy statement.
- The discussions focused on six key areas: (1) an effective institutional structure; (2) independent oversight; (3) accountability mechanisms; (4) government and public ownership; (5) alliances, including with NGOs; and (6) recruiting and retaining quality staff.
- Non-DAC donors expressed the need for donor capacity development. Explicit reference was made to the areas of (1) aid effectiveness (Korea); (2) trilateral co-operation; and (3) building relation and co-ordination with NGOs (both Turkey) – one point of contact with regard to the latter might be the Informal Network of DAC Heads of Information hosted by the Development Centre.
- Further with regard to the question of demand from emerging donors, collective guidance was said to be welcome for trilateral co-operation, given repeated expressions of interest in this area.
- The desirability of a better overview and information on the kinds of assistance that are or have been offered was stressed. Increasing interest in joint co-operation and dialogue carries an opportunity cost that can be comparatively high given the overall limited resources of most non-DAC donors. An appeal was therefore made for a more consolidated approach from established donors wishing to support non-DAC donor capacity development in aid delivery.

35. An overarching policy statement is important for establishing key orientations and objectives of an aid programme that can guide the management and implementation efforts. A specific development co-operation law is a further feature found in many donor countries, although it is not necessary. DAC Peer Reviews help assess the continuing relevance of the policy orientations, and may stimulate modification and reform. For non-DAC donors, special reviews modelled on the DAC Peer Reviews should also offer a good opportunity to take stock of remaining requirements and areas of demand of non-DAC donors, in country specific but also more general terms. Such reviews can also offer very strong arguments in internal

debates. Beyond this, a generic benefit of DAC membership exists in the close contacts with the major donors, with a chance to be more active in and contribute to the international debate on development assistance.

36. Whereas there was agreement on the importance of all the six key areas mentioned in the second tiret above, the importance of personnel issues resonated particularly strongly with participants. The wider question of the need of generalists versus experts came up, and how to take this into account where Ministries, notably Foreign Affairs, have operational responsibilities for aid delivery. Moreover, it was also observed that changing aid implied changing requirements for staff. Some donors no longer need thematic experts, which are sufficiently available in developing countries, but are increasingly seeking staff with experience in tasks like institution building and public financial management. At a different level, a key element for staff performance is aligning employee objectives and incentives with institutional objectives. One option to do this can be to integrate institutional objectives in the personal objectives of staff performance plans.

37. Another essential aspect for retaining effective aid management capacity is clear budget responsibility. A political responsibility for ODA was seen as an important aspect of a budget structure, as well as lead budget control. Moreover, clear multi-year budgets are precious assets, ideally including 'firewalls' against reallocations. Conversely, where this was absent, and/or the co-ordinating agency manages only a fraction of the overall ODA budget, coherence and a sense of direction become increasingly difficult to maintain.

38. Regarding alliances with civil society, some very positive experience was related, such as NGO contributions of R&D input used for policy formulation. However, there were also calls to be careful, e.g. in the design of funding arrangements, and to avoid notions of automatic entitlement. Donors should have a clear understanding of the nature of the relationship with NGOs, including differentiation between partnership and alliances. However, emerging donors can face the problem that NGOs are often small, weak, and unable to compete. This was the case e.g. in the EU context, and was also seen as a problem for competition of private business in European procurement.

39. The objective of non-DAC donors to improve the effectiveness of their aid prompted the question of the degree to which ownership is absolute. In consultations with non-DAC donors, recipients have indicated in several instances a preference for 'independent', meaning unaligned, aid. A situation like this requires a pragmatic approach and a focus on clearly defined and mutually supported results is a way to respond. The publication 'Managing Aid: Practices of DAC member countries' contained examples on how donors have approached the ownership principle. Another reference is the 'Sourcebook on Managing for Results'.

Conclusion

40. The conclusions reiterated the welcome resources, new experience and opportunities for development brought by emerging donors.

41. The recurring emphasis on complementarity and comparative advantage in the various sessions suggested that these were key concerns for non-DAC members, as well as the DAC. There was, moreover, a clear recognition that the poverty focus had to be matched with a comparative advantage of donors. Aid modalities were also discussed in some length, on the understanding that the original issue is effectiveness, and not inherent preferences of any modalities.

42. At the same time, effectiveness is also linked to the question of scale, and a development model based solely on projects will soon reach its limit if rapidly scaled up. Overall, aid effectiveness remains a challenging agenda for all donors, and it is clearly a medium term objective. With regard to the question of

donor visibility in implementing the Paris agenda, donors were encouraged to address this issue from a results perspective. If results are rightly specified, this might be the best way to show the flag for donors.

43. Effective capacity development was seen as the best contribution that can be made to development. It was recognised that technical co-operation can be an important contributor to this process, and that emerging donors can, in many contexts, offer technical co-operation that is of direct relevance to the needs of partner countries, and often more economical than that of established donors. There are clear opportunities for niche markets, which may also offer options for trilateral co-operation.

44. Statistics have an important role including in relation to management and policy setting. They link policy work to reality, and are a powerful tool for (1) internal management and formulation of policy and objectives; (2) public accountability and information; and (3) measuring results.

45. Overall, the challenges of aid management proved to be very similar for DAC and non-DAC donors. Special reviews as modelled on DAC Peer Reviews were therefore seen as a particular useful tool. They will likely yield insights not only on country specific issues, but also on general priority concerns for non-DAC donors, whether or not they are on a path to DAC Membership. Peer review observership offered a further option with strong learning potential for non-DAC donors.

46. Yet, while there was consensus that links and co-operation between DAC and non-DAC donors offer substantial scope for mutual learning, there is also a need to be mindful of capacity constraints of many non-DAC donors and high opportunity costs. In view of this, and beyond the options of Special Reviews and observership in DAC Peer Reviews, further reflection on the most useful options for collaboration should be pursued. There was support for using already existing opportunities to tune the dialogue of the inreach group more strongly into ongoing workstreams of the DAC, where their participation will allow them to experience, learn about, and contribute to shape issues as they evolve.

47. The pre-SLM meeting on 5 December should offer an opportunity to discuss how to take the outcome and experience of the Istanbul meeting forward. This should be done in view of an offer by Korea to host a next meeting in 2007, and also consider options for taking into account the need of other donor groups.

48. The DAC Chair, the Secretariat, as well as participants expressed their deep appreciation and thanked to Turkey for having hosted this policy dialogue meeting.

49. Turkey took the occasion of the conclusion of the meeting to emphasis again its intention to deepen the co-operation with the DAC towards DAC membership.

ANNEX I

**POLICY DIALOGUE
with non-DAC Members of the OECD**

**hosted by the
Turkish International Cooperation Agency (TIKA) in collaboration with the OECD**

**ISTANBUL, 12-13 OCTOBER 2006
OECD ISTANBUL CENTRE**

DRAFT PROGRAMME

The event will provide a setting for frank dialogue among participants. A focus will be on offering the most possible time to discussions and interventions of participants, after short opening remarks. With specific regard to the perspectives of non-DAC OECD Members, discussions in general are foreseen to evolve around questions of possible convergence between the development assistance of DAC and non-DAC Members, and any challenges this may imply for the DAC, emerging donors and establishing international good donor practice.

12 October

14:30 - 15:00 **Registration**

15:00 - 15:15 **Welcome**

Hakan Fidan, TIKA President

15:15 - 17:00 **The DAC, emerging donors and scaled up global aid**

Chair: Mustafa Şahin, Head, Department of Education, Cultural and Social Cooperation, TIKA

In recent years, emerging donors have become an increasingly visible and active part of the donor community. How do DAC and non-DAC donors see the role of the DAC, and the evolution of the dialogue? What does a roadmap to DAC Membership look like? What are other options to facilitate a dialogue for and among OECD non-DAC donors, including those not currently contemplating DAC membership? What are the key concerns of the DAC and of non-DAC members?

At a general level, rapid scaling up of ODA through DAC and non-DAC donors suggests the need for greater co-ordination to ensure sustained aid effectiveness against concerns of inefficient allocation or risk of "Dutch disease". What is the overall development assistance outlook, and what the implication for non-DAC donors? How should donors respond to key challenges that go along with increasing aid?

Opening remarks:

Richard Manning, Chair, Development Assistance Committee

17:00 - 18:30 **Partner country selection: A different perspective of emerging donors?**

Chair: Hana Sevcikova, Director, Department for Development Co-operation and Humanitarian Aid, Ministry for Foreign Affairs, Czech Republic

As many factors enter into the selection of recipients, aid policy requires a strategic approach. Working from a model based on partner country ownership, and its own context and strategy for development is an important principle. How do non-DAC donors envisage a country-based approach to development in the evolution of their aid programmes? Beyond such key considerations, many important questions remain: When defining the range of partner countries, how broad or narrow should be the focus? Where can the comparative advantage as a donor be used most effectively, and where is there similarity of experience? And importantly, how to improve co-ordination with other donors to avoid the problem of inefficient allocation and the phenomenon of donor orphans?

Opening Remarks

Luca Barbone, Director, Poverty Reduction Group, World Bank

19:00 - 21:00 **Dinner reception hosted by TIKA**

13 October

09:00 - 10:30 **The Aid Effectiveness Agenda**

Chair: Tim Williams, Head, Donor Policy and Partnerships Team, Department for International Development, United Kingdom

The Paris Declaration sets out ambitious objectives and commitments on Aid Effectiveness. 100 donors and partner countries - including 29 OECD members - and 26 international institutions have signed up to this key priority to which a major amount of energy and conscious effort is being dedicated. Where does the development community stand 1½ years after the Paris Declaration? What does it mean for the way donors organise and deliver their aid, and what are the main challenges ahead? Are there differences between DAC and non-DAC donors with implications for the aid effectiveness work; and if so, what are they?

Opening Remarks

George Carner, US Delegate to the DAC and DAC Vice-Chair

10:30 – 10:45 Coffee Break

10:45 - 12:00 **Technical Co-operation – its role in Capacity Development**

Chair: Suk-bum Park, Director General for International Economic Affairs, Ministry of Foreign Affairs and Trade, Korea

Technical co-operation still accounts for a substantial share of ODA, but over the years its role and functioning are perceived differently by development practitioners and policy makers. A key question against which technical co-operation is assessed is the contribution it can make to capacity development in partner countries. How does technical co-operation deliver value in the form of development impact and lasting capacity? What have been the lessons and adjustments of donors in the face of the changing vision of technical co-operation?

Opening Remarks

Ben Dickinson, Head of Governance, Peace and Security Unit, Policy Co-ordination Division, OECD Development Co-operation Directorate

12:00 – 13:00 **Statistical capacity: A tool for policy analysis and management**

Chair: Michael Roeskau

The compilation of ODA Statistics does far more than simply measuring individual and collective donor efforts. A comprehensive reporting capacity provides a quantitative overview of what donors deliver and a complete picture of different areas and aspects of donorship. This is a basic prerequisite for informed decisions and performance assessment in all areas of policy – and not least the reason of the general importance of statistical capacity building in developing countries. Statistics facilitate evaluative processes, such as Peer Reviews and informing parliaments and publics on the results achieved through aid programmes. They also play an institutional role in deciding on policy priorities and contributing to aid effectiveness. How can this power of statistics best be used? How can statistics be integrated into institutional processes to support enhanced aid effectiveness?

Opening Remarks

*Brian Hammond, Head, Statistics and Monitoring Division
OECD Development Co-operation Directorate*

13:00 – 15:00 **Lunch hosted by TIKA**

15:00 – 16:30 **Building effective donor institutions and aid programmes**

Chair: Richard Manning

Emerging donors have an impressive wealth of experience to pass on to partner countries, not least by drawing on their often impressive recent and lasting development and transition progress. At the same time, their experience of sharing their knowledge, expertise, or funds and the challenges that go along with this, are comparatively more limited. What are key lessons for building effective institutions for delivering assistance and managing an aid programme? What role has the mutual sharing of experience among donors had in this? What forms of assessment have proven useful and hold promise, given the context of individual donors?

Opening Remarks

Ronan Murphy, Director General, Development Co-operation Ireland

16:30 – 17:00 **Conclusion**

Mustafa Şahin, Richard Manning, Michael Roeskau

ANNEX II

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