The text in paragraph 21 has been revised and now reads:

"In partnership with the European Commission, the DAC will also help to build the development co-operation capacity of EU members that are not OECD members, bearing in mind the objective of future admission once the accession criteria have been fulfilled."

Contact:
Talita Yamashiro Fordelone - Tel: +33 1 45 24 95 94 - E-mail: talita.yamashirofordelone@oecd.org

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I. Introduction

1. In a dynamic and increasingly interconnected global economy, a growing number of countries and organisations have rising influence over poverty reduction and sustainable growth worldwide. The past decade saw the beginning of a significant re-alignment of the world economy, when OECD non-member economies drove global economic growth and markedly increased their share of global output. In 2010 they accounted for nearly half of the world’s gross domestic product, compared to 40% in 2000, and this trend is likely to continue. As a result of increasing wealth, several emerging economies have developed into global decision-makers, increased their presence in developing country markets and taken on new responsibilities for international development co-operation and the global economy.

2. Developing countries beyond the emerging economies are taking greater ownership of their own development paths and donors are increasingly supporting their leadership role, prompted by a commitment to make their aid more effective. They are also increasingly collaborating among themselves to share experiences and solutions to common development challenges, giving new momentum to south-south and triangular co-operation initiatives.

3. Other key development stakeholders include international organisations, the private sector, private foundations, and civil society organisations (CSOs). International organisations provide financial support and technical expertise to reduce poverty and promote sustainable development in developing countries. Even in times of financial instability, the private sector remains the engine of growth, without which sustainable development is not possible. Many private foundations provide important amounts of concessional finance and expertise to support developing countries’ development, sometimes at levels comparable to DAC members. CSOs also make a fundamental contribution: they deliver services to poor people and promote transparency and accountability in public and private sector activities in developed and developing countries.

4. Dialogue with non-member economies is in the DAC’s nature, since its role is to support development of countries beyond its membership. The DAC has been reaching out to non-member economies for decades, maintaining regular dialogue with major non-DAC donors between the 1970s and the 1990s. Already in Shaping the 21st Century: The Contribution of Development Co-operation (1996), the DAC clearly recognised the need for a partnership approach to development beyond the circle of the Committee’s membership.

5. Interactions with non-member economies diminished at the beginning of the 2000s, but dialogue was reignited in the mid-2000s. Guided by its outreach strategy, the DAC promoted greater participation of OECD non-DAC members in the Committee’s activities, re-launched a regular dialogue with Arab donors, established contacts with emerging economies at various levels, and saw an increased number of non-members reporting on their aid flows to the OECD Development Co-operation Directorate (OECD/DCD).

6. The DAC is now committed to stepping up its efforts to engage with actors beyond its membership. The DAC Reflection Exercise [DCD/DAC(2009)23/FINAL], concluded in 2009, called for deepening the “inclusion of key development stakeholders” in all areas of the DAC’s work, including providers of development co-operation, developing countries, international organisations, private sector actors and funds, and CSOs. In July 2010, the OECD Council encouraged Committees to deepen

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relationships with non-member economies, particularly the OECD enhanced engagement countries (EE5)\(^3\) \([\text{C(2010)100/REV2}]\). Finally, in April 2011, the DAC welcomed the “contribution of all providers of development co-operation resources and expertise”, and expressed its hope “to forge new relationships with these new partners through open dialogue without preconditions” \([\text{DCD/DAC(2011)10/REV1}]\).

7. These developments spurred the Committee’s decision to adopt a new global relations strategy. This strategy responds to the DAC mandate \([\text{C(2010)123}]\) and goes beyond previous DAC outreach strategies, aiming to strengthen participation of non-member economies in the Committee and promote collaboration with a larger group of development stakeholders. It corresponds to OECD Council guidelines on participation of non-member economies in OECD Committees\(^4\) and takes into account the Framework for an OECD Strategy on Development \([\text{C/MIN(2011)8}]\).

8. The DAC global relations strategy establishes objectives, priority partners and instruments for engaging with key development stakeholders beyond the DAC membership. It also emphasises enlarging DAC membership and the participation of non-member economies and organisations in the Committee. Annex I presents a revision of the Aide Mémoire on the Accession of New DAC Members and Full Participants, and Annex II lists target partners, eligibility criteria, and the rights and obligations for full participants, regular and ad hoc observers to the DAC.

9. This global relations strategy will be implemented through annual work plans defining specific deliverables in line with the biennial programme of work and budget. At the end of two years of implementation, the DAC will take stock of the results achieved and will review this strategy. This will precede and inform the preparations of the programmes of work and budget.

II. Overall objectives

10. This global relations strategy will guide the effort of the DAC and its subsidiary bodies to engage with non-member economies and organisations, in order to ensure the quality, inclusiveness and impact of the Committee’s work. Its overall objectives are:

1. To enrich policy dialogue and knowledge sharing on development co-operation by:
   - Sharing views on development and development co-operation challenges and goals – and the best means of addressing them – with key development stakeholders.
   - Enhancing dialogue with developing countries and reflecting their views in the DAC and its members’ policies and practices.
   - Integrating lessons from the development experience of key emerging economies.

2. To ensure the DAC decision-making and dialogue processes are more inclusive by:
   - Encouraging bilateral providers of development co-operation that fulfill DAC accession criteria to apply for membership or full participation.

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\(^3\) They are: Brazil, China, India, Indonesia and South Africa.

• Broadening and deepening relations with key development stakeholders, including by inviting them to observe DAC meetings and activities.

3. To strengthen the DAC’s contribution to a more effective development co-operation architecture by:

• Engaging in policy dialogue with key development stakeholders, fostering joint action on development co-operation and other policies that contribute to sustainable development.

• Sharing its expertise on development co-operation management and statistics with other bilateral providers of development co-operation.

III. Priority partners and specific objectives

11. To achieve the objectives stated above, the DAC will focus on the following groups of partners: countries beyond the DAC membership that provide support for development; developing countries; international organisations; private sector; private foundations; and CSOs.

a. Types of partners

Bilateral providers of development co-operation

12. An increasing number of countries beyond the DAC membership are strengthening their development co-operation activities. The following groups of countries provide expertise, financial and/or in-kind resources in support of developing countries:5

1. Donor countries, including:

• OECD countries that are not members of the DAC.

• Arab donors (Kuwait, Saudi Arabia, United Arab Emirates, among others).

• European Union (EU) member states not members of the OECD.

2. Donor and recipient countries: middle-income countries that are still eligible to receive Official Development Assistance (ODA)6 and provide south-south development co-operation.7 This group includes:

• Major emerging economies providing south-south financial and technical co-operation to other developing countries.

• Other middle-income countries focusing on south-south technical co-operation.

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6 According to the DAC list of ODA recipients: www.oecd.org/dac/stats/daclist

7 South-South co-operation includes a variety of instruments, some of which are similar to ODA (e.g. technical co-operation, concessional loans, debt relief) and others that go beyond ODA definition (e.g. non-concessional finance, preferential trade agreements, and investment schemes).
International organisations

13. Multilateral organisations working on development are natural partners for the DAC, and several of them already participate as observers in the work of the Committee and its subsidiary bodies. They share the DAC’s objective of supporting developing countries to reduce poverty and promote sustainable development. Many of them are also important providers of development finance, mobilising large sums of capital on international markets for lending to developing countries and channelling funds provided by DAC and non-DAC countries. Regional organisations also play an important role in formulating and implementing regional programmes and policies. Increased dialogue with these partners can foster joint action and mutual learning on development co-operation and other policies that contribute to sustainable development.

Developing countries

14. Through increased dialogue with the DAC, developing countries can help improve the quality and impact of the Committee’s work. They can provide feedback on donors’ policies and help identify good practices in development co-operation and other policies that affect their social and economic welfare.

Private sector

15. Sustainable growth and development is powerfully influenced by the activities of the private sector in developing countries. While the state has the legitimacy and ultimate responsibility for determining and implementing development strategies, the private sector is the engine for economic growth. Therefore, while providers of development co-operation need to continue directing support to governments of developing countries, it is equally important for them to help these countries to promote an enabling environment for local private sector development and for attracting foreign private investment.

Private foundations

16. Private foundations also support developing countries’ development, and some of them provide amounts of concessional development finance comparable to ODA levels of many DAC members. Private foundations and donor governments already work together in a number of initiatives, but there have been few opportunities for policy dialogue and joint actions between these two groups at the international level. The DAC could explore ways of enhancing collaboration with such organisations.

Civil society organisations

17. CSOs are another group of key development stakeholders. They receive and channel significant levels of ODA, and are important development actors in their own right. Through the implementation of development projects and programmes, they deliver services to poor people, promote advocacy and accountability, and act as watchdogs on the impact of public and private sector activities.

b. Prioritising partners and tailoring approaches

18. Given the number and diversity of development partners listed above, the DAC will prioritise partners according to their:

i) Status in the OECD, paying special attention to OECD countries that are not DAC members, and aligning with the Organisation’s priority for membership and enhanced engagement.
ii) Volumes of concessional development finance, giving priority to governments and organisations providing more than USD 100 million in total annual ODA or other types of concessional development finance or, in the case of countries, 0.20 percent of gross national income.

iii) Role as global or regional players.

19. Based on these criteria, the DAC will pursue specific objectives in its engagement with the following groups of partners:

i) **Bilateral providers of development co-operation**: the DAC will prioritise collaboration with bilateral providers of development co-operation, encouraging them to participate in the Committee as members, full participants, regular observers or ad hoc observers, as appropriate. The DAC will focus on OECD non-DAC members, major emerging economies (with priority to Brazil, China, India, Indonesia, Russia and South Africa), EU member states not members of the OECD and Arab donors. The DAC will aim to share experiences and views on development and co-operation with these countries, share expertise on development co-operation management and statistics, increase information exchange regarding activities and financial flows, and engage in policy dialogue on the global development co-operation architecture and a post-MDG development framework.

ii) **International organisations**: the DAC will collaborate with international organisations aiming to improve the efficiency and effectiveness of the global development co-operation system. It will also increase information exchange with these organisations, including the reporting of development finance flows. Finally, the DAC will foster co-operation with major regional organisations which can facilitate policy dialogue and knowledge sharing with specific groups of countries.

iii) **Developing countries**: the Committee will strengthen dialogue with developing countries, taking their views into account in its decision-making processes and including them in specific work of DAC subsidiary bodies and activities.

iv) **Private sector**: the DAC will engage in an open and action-oriented dialogue with representatives of the private sector. This dialogue will aim to share experiences, to promote good practices in the area of public-private co-operation for development, and to foster a more effective and catalytic role of aid in support of country-led development. Among other instruments, the DAC will reach out to private sector through DAC subsidiary bodies and joint work with other OECD Committees.

v) **Private foundations**: The DAC will strengthen policy dialogue and knowledge sharing with private foundations, and will continue to track their concessional development finance.

vi) **Civil society organisations**: the DAC will collaborate and exchange information with CSOs on development-related topics. It will consult major international NGOs annually and continue to dialogue on specific policy areas through DAC subsidiary bodies and joint work with other OECD Committees.
IV. Participation in the DAC

20. The DAC and its subsidiary bodies will invite major providers of development co-operation to join the DAC as members or full participants, and relevant non-member economies and organisations to participate as observers in its work.

a. Membership and full participation in the DAC

21. The DAC will encourage countries that fulfil the accession criteria to join the Committee, independent of their status as ODA recipients. For the timeframe of this strategy, particular attention will be paid to OECD members and major emerging economies (particularly Brazil, China, India, Indonesia, Russia and South Africa). In partnership with the European Commission, the DAC will also help to build the development co-operation capacity of EU members that are not OECD members, bearing in mind the objective of future admission once the accession criteria have been fulfilled. OECD countries may express their interest in DAC membership and non-OECD economies may express interest in full participation in the Committee, in accordance with the Council Resolution Concerning the Participation of Non-Members in the Work of Subsidiary Bodies of the Organisation [C(2004)132/FINAL] and other relevant OECD Council decisions. Countries’ admission as members or full participants will be assessed according to the Aide Mémoire on the Accession of New DAC Members and Full Participants (Annex I).

b. Observership to the DAC

22. The DAC and its subsidiary bodies will invite key development actors to observe its meetings and activities. OECD countries that are not members of the DAC are already entitled to participate in all meetings of the Committee as observers, as recognised in the DAC mandate [DCD/DAC(2010)34/FINAL]. Alongside these countries, the Committee will offer regular observerships to non-member economies and international organisations that are relevant stakeholders in international development co-operation and can contribute to the achievement of the DAC mandate. Ad hoc participation will be offered to non-members, international organisations, and CSOs that can contribute to topics covered in specific meetings and activities.

23. Annex II clarifies the forms of non-member participation in the DAC and sets out target partners, eligibility criteria, as well as the rights and obligations for full participants, regular observers and ad hoc observers. The proposed rights and obligations take account of the OECD Rules of Procedure, the Council’s Resolution Concerning the Participation of Non-Members in the Work of Subsidiary Bodies of the Organisation [C(2004)132/FINAL], and the Council’s Guidelines to Committees for Deepening Enhanced Engagement [C(2010)100/REV2].

V. Instruments

24. The DAC and its subsidiary bodies will use a variety of instruments to deepen engagement with key development actors at the policy, technical and analytical levels. These instruments will be applied to objectives set out in annual work plans, which will follow the priority areas specified in the programme of work and budget. The DAC will capitalise on collaboration with other OECD Committees, the Development Centre and other members of the Development Cluster to further engage with non-member economies and organisations.

a. Policy dialogue

25. The DAC will strengthen policy dialogue with development partners beyond its membership, aiming to share experiences and promote mutual understanding on shared international goals and how to achieve them. Dialogue will target areas of common interest jointly identified with partners, giving due
attention to issues defined in the OECD Strategy on Development. The DAC will explore opportunities for policy discussions in its official meetings and through partnerships with key partners. The DAC will also conduct policy dialogue through its subsidiary bodies and joint initiatives with other OECD Committees, the Development Centre and other members of the Development Cluster.

26. Aiming to promote dialogue, including through DAC subsidiary bodies and in partnership with other OECD Committees, the DAC will:

- Facilitate the participation and representation of relevant development partners in the activities of its subsidiary bodies. Subsidiary bodies already collaborate with a number of non-member economies and organisations, and they should continue investing efforts to involve these partners. Other examples of policy dialogue fora include the Working Party on Aid Effectiveness and the International Dialogue on Peacebuilding and Statebuilding.

- Participate in joint initiatives with other OECD Committees, the Development Centre and other members of the Development Cluster with a view to reaching out and engaging with non-member economies and organisations. The OECD Global Forum on Development is an example of an important tool for dialogue on specific policy issues.

27. In addition, the Committee will engage with key development partners through the DAC Senior and High-Level Meetings. It will invite non-DAC OECD members, as well as OECD accession and enhanced engagement countries, to participate in both meetings, and consult them in advance to identify issues of common interest to be discussed in specific sessions.

28. The DAC will pursue engagement with a selected number of non-member economies and organisations through bilateral and regional partnerships as well as policy dialogue meetings. It will seek to establish partnerships with a small number of priority countries, particularly the major emerging economies, which can comprise a number of different instruments or activities. With this purpose, the DAC will build on the relationships developed in the past years (e.g. through the China-DAC Study Group and with the Arab Coordination Group Institutions). The DAC will also pursue opportunities to strengthen dialogue and collaboration with regional organisations. In order to reach out to these partners, the DAC will encourage its members to act as “champions” for promoting closer collaboration with priority countries and organisations. The Committee will look for opportunities to organise policy dialogue meetings with selected non-member economies and regional organisations, aiming to exchange views and identify priorities regarding international development co-operation.

29. Finally, the DAC will seek further dialogue with private sector entities, private foundations and CSOs, organising consultations with each of these stakeholders on relevant development-related topics.

b. Collaboration on development co-operation management and statistics

30. The OECD/DCD will pursue collaboration at a technical level in the areas of development co-operation management and statistics by:

- Monitoring the concessional and non-concessional development finance flows from public and private actors, particularly the official development co-operation flows of major non-member economies and organisations.
economies, and supporting the efforts of full participants and regular observers (upon the DAC agreement) to establish and improve their statistical collection and reporting systems.

- Promoting development co-operation management and statistics seminars, special reviews, and participation as observers in DAC members’ peer reviews to OECD members and other DAC observers and, upon the Committee’s agreement, a selected number of emerging economies and developing countries.

c. Analytical work

31. The OECD/DCD will produce analytical work, at the request of the DAC, on the development co-operation activities of non-member economies (i.e. country profiles, issues briefs, papers).
ANNEX I

AIDE MÉMOIRE ON THE ACCESSION OF NEW DAC MEMBERS AND FULL PARTICIPANTS

Introduction

1. The Development Assistance Committee’s overarching objective 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.”

2. Since it was founded in 1961, the Development Assistance Committee (DAC) has grouped the world’s main donors and established itself as the forum of reference for knowledge sharing, policy dialogue and identification of good practices in development co-operation. However, the development co-operation landscape is changing fast and many economies beyond the DAC membership are becoming significant providers of development co-operation. In this context, the DAC will reach out to these countries in an effort to be more inclusive. Through this, the Committee will strengthen its role as the primary global forum for providers of development co-operation and ensure the relevance and impact of its policies in the years ahead. DAC membership and full participation should be seen as indicative of a commitment to an effective contribution to the international development effort.

3. In its effort to forge a comprehensive system of development co-operation leadership, the DAC will use the following to guide future membership applications from countries that are already members of the OECD, independent of their status as ODA recipients. Non-OECD members can express interest in becoming full participants and will be evaluated according to the same criteria. In addition, they should meet OECD-wide criteria for non-member participation in OECD Committees, as established in the Council Resolution Concerning the Participation of Non-Members in the Work of Subsidiary Bodies of the Organisation [C(2004)132/FINAL]. This Aide Mémoire will be revisited by the DAC every five years to ensure that it reflects current realities, is still an appropriate instrument of Committee operations and takes into account the implications for its operating budget and management.

Process

4. A country seeking to join the DAC shall address a brief letter to the OECD Development Co-operation Directorate (OECD/DCD) announcing its interest in becoming a member or full participant and asking that appropriate procedures be initiated.

5. The OECD/DCD will then undertake a preliminary analysis of this application and, if deemed appropriate, visit the candidate’s development co-operation headquarters and possibly one field mission, the funding for which will be covered by the applicant. The OECD/DCD will produce a report, with a recommendation to the DAC, for discussion and action. This will include assessing the candidate member against:

- The existence of appropriate strategies, policies and institutional frameworks that ensure capacity to deliver a development co-operation programme.
• An accepted measure of effort (e.g. ODA/GNI ratio over 0.20% or ODA volume above USD 100 million).

• The existence of a system of performance monitoring and evaluation.

6. In light of the Secretariat report and any other relevant information, the DAC will decide whether the country should be invited to become a member (in the case of OECD members) or a full participant (in the case of non-OECD members). If the decision is positive and if the candidate country is an OECD member, the country will write to the OECD Secretary-General, setting out the candidate country’s wish to formalise its membership in the DAC and a pledge to fulfil the obligations of DAC Membership, namely:

• To implement forthwith the Recommendations adopted by the DAC since its inception and to commit to use DAC guidelines and reference documents in formulating national development co-operation policies.

• To provide the annual submission of required ODA statistics which meet DAC requirements.

• To maintain the capacity to participate in all meetings of the DAC and at least one of its subsidiary bodies.

• On request, provide summary information to be included in the Development Co-operation Report.

• To submit to a regular Peer Review of its development co-operation, undertaken by the DAC and the OECD/DCD, and to serve as an examiner in reviewing other member programmes.

7. Once the DAC has established that a country that is not an OECD member meets the criteria for participation (as listed above in paragraph 5), the DAC can recommend to the OECD Council that the country becomes a full participant in the Committee. Upon Council approval, an invitation letter will be issued and the government of the candidate country should respond with a letter confirming its wish to become full participant in the DAC and pledging to fulfil the obligations of DAC Members (as listed above in paragraph 6). The country should also commit to pay the relevant fees for full participation.
ANNEX II

FORMS OF NON-MEMBER PARTICIPATION IN THE DAC

1. The Development Assistance Committee (DAC) and its subsidiary bodies will invite non-OECD member economies and organisations that can contribute to achieving its mandate to participate in its meetings and activities. OECD countries that are not members of the DAC are already entitled to participate in all meetings of the Committee as observers, as established in the DAC mandate [DCD/DAC(2010)34/FINAL]. In addition, non-OECD member economies or organisations can be invited to become full participants in or observers to the DAC, at the initiative of the Committee or upon request from non-members.

2. In line with its global relations strategy, the DAC will encourage major bilateral providers of development co-operation that are not OECD members and fulfil the DAC accession criteria to become full participants in the Committee. Priority will be given to Russia (OECD accession candidate) as well as Brazil, China, India, Indonesia and South Africa (OECD enhanced engagement countries). The DAC accession criteria are established in the Aide Mémoire on the Accession of New DAC Members and Full Participants.

3. In accordance with the Council Resolution Concerning the Participation of Non-Members in the Work of Subsidiary Bodies of the Organisation [C(2004)132/FINAL], full participants take part in the work of OECD Committees on the same basis and with the same rights and obligations as members, with the exception that full participants do not participate in decisions on the accession of new members to the OECD and may be excluded from discussions concerning the relations of the Organisation with non-members (see Annex I, paragraph 8 of C(2004)132/FINAL). Full participants will be required to contribute resources to the Organisation’s budget. Their contributions are determined according to the rules set out in the resolution of Council concerning fees for non-member participation in subsidiary bodies of the Organisation [C(96)223/REV4/FINAL].

4. The DAC will also invite non-member economies and organisations to observe its work. It will propose:

- **Regular observership** to major bilateral providers of development co-operation that are not OECD members and international organisations that are major global or regional players and can contribute to the achievement of the DAC’s mandate. It will prioritise the major emerging economies, particularly Russia (OECD accession candidate) as well as Brazil, China, India, Indonesia and South Africa (OECD enhanced engagement countries).

- **Ad hoc observership** to countries (providers and/or recipients of development co-operation), international organisations, and CSOs. Ad hoc invitations will be issued depending on the objectives and scope of the meeting or activity, and the contribution that non-member economies and organisations can bring.

5. Non-OECD members invited as regular and ad hoc observers will have the following rights and obligations, in accordance with the Council Resolution Concerning the Participation of Non-Members in the Work of Subsidiary Bodies of the Organisation [C(2004)132/FINAL]:

- **Rights:**
  - Access to meetings and activities of the DAC and its subsidiary bodies.
  - Opportunity to make statements and contribute to discussions.
  - Access to reports and other relevant documentation.

- **Obligations:**
  - Make a financial contribution to the Organisation’s budget.
  - Comply with the rules and procedures established by the DAC.
  - Abide by the decisions and recommendations of the DAC and its subsidiary bodies.

- **Restrictions:**
  - May not participate in decisions on the accession of new members to the OECD.
  - May be excluded from discussions concerning the relations of the Organisation with non-members.

- **Meeting participation:**
  - Regular observers will have full access to all meetings and activities.
  - Ad hoc observers will participate in meetings and activities on a case-by-case basis, as invited by the DAC.
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<tr>
<th>Rights</th>
<th>Regular observer</th>
<th>Ad hoc observer</th>
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</thead>
<tbody>
<tr>
<td>Participation in the DAC and subsidiary bodies</td>
<td>• 2-year renewable invitation to the DAC and subsidiary bodies or only to specific subsidiary bodies • Cannot propose items on the agenda nor vote on its adoption</td>
<td>• Upon Committee’s invitation</td>
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<tr>
<td>Voting right</td>
<td>• No</td>
<td>• No</td>
</tr>
<tr>
<td>Speaking right</td>
<td>• Yes, at discretion of the DAC Chair</td>
<td>• Yes, at discretion of the DAC Chair</td>
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<tr>
<th>Obligations</th>
<th>Regular observer</th>
<th>Ad hoc observer</th>
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<tr>
<td>Accept DAC recommendations and guidelines</td>
<td>• Not mandatory, except if observer expressly agrees</td>
<td>• Not mandatory</td>
</tr>
<tr>
<td>Accept conclusions, proposals, and decisions</td>
<td>• Not mandatory, except if observer expressly agrees</td>
<td>• Not mandatory</td>
</tr>
<tr>
<td>Financial contribution</td>
<td>• Yes, as established by Resolution C(96)223/REV4/FINAL • Exceptions: international organisations do not pay fees</td>
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