CONFLICT PREVENTION AND PEACE BUILDING: WHAT COUNTS AS ODA?

A secure environment is fundamental to long-term growth, sustainable development and poverty reduction in developing countries. The work of the OECD Development Assistance Committee (DAC), including its document *Security System Reform and Governance: Policy and Good Practice* in 2004 and the results of a recent Senior Level Forum in Fragile States co-sponsored with EC, UNDP and the World Bank, emphasises that OECD countries need to apply whole-of-government approaches that respond to the needs of partner countries and their populations.

Within such an approach, resources come from a variety of government budgets, notably those for defence, diplomacy and development. It is therefore important to have clarity on what activities should qualify as development spending internationally. This is determined by the DAC, which is responsible for the definition of Official Development Assistance (ODA) – a measure of donor flows that are for 'the promotion of the economic development and welfare of developing countries.' The directives that cover what can be reported as ODA exclude the supply or financing of military equipment or services and use of military personnel to control civil disobedience. These exclusions remain.

In an 18-month process, culminating in the DAC High Level Meeting of Ministers and Heads of Aid Agencies on 3 March 2005, the DAC has been examining the existing references in the directives to expenditure relating to conflict prevention and peace-building to see if they can be clarified, in particular explicitly to cover improved civilian control over the security system, civilian peace-building, child soldiers, and small arms.

In its review, the DAC was guided by the need to preserve the credibility and integrity of ODA statistics and the understanding that only certain specific activities in the areas of security and development will be ODA eligible or will come from ODA/aid budgets. Consensus has been reached on technical co-operation and civilian support for six items:

1. **Management of security expenditure** through improved civilian oversight and democratic control of budgeting, management, accountability and auditing of security expenditure.

2. **Enhancing civil society's role in the security system** to help ensure that it is managed in accordance with democratic norms and principles of accountability, transparency and good governance.

3. Supporting legislation for preventing the recruitment of **child soldiers.**

4. **Security system reform** to improve democratic governance and civilian control.

5. **Civilian** activities for **peace-building, conflict prevention and conflict resolution.**

6. Controlling, preventing and reducing the proliferation of **small arms and light weapons.**

The Ministers and Heads of Aid Agencies also discussed two other items - training the military in non-military matters, such as human rights, and extending the coverage of peacekeeping activities. (For the latter, and only in specific circumstances, incremental costs of the deployment of military personnel from DAC member countries are reportable as ODA.) While everyone accepted that effective support in these areas helps to promote peace and security, many did not consider that training the military in non-military matters, such as human rights, and extending the coverage of peacekeeping activities were an appropriate use of ODA budgets. They also noted that, unlike the six items agreed on which expenditures are relatively modest, these items currently involve large sums, mostly from defence budgets. It was agreed, however, to assess members' positions on these two issues again in 2007.

3 March 2005

Further information on the agreed texts, together with details of the current wording of ODA directives and statistics can be found on the DAC website on www.oecd.org/dac. Questions to dac.contact@oecd.org.