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DEVELOPMENT ASSISTANCE COMMITTEE

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DAC GLOBAL RELATIONS STRATEGY

This document was APPROVED at the DAC meeting of 17 June 2016.

The original DAC Global Relations Strategy [DCD/DAC(2011)36/FINAL] was approved by the DAC on 3 November 2011. This revised version up-dates terminology and references and removes redundancies, without changing the substance.

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I. Introduction

1. In a dynamic and increasingly interconnected global economy, a growing number of countries and organisations influence the pace of poverty reduction and sustainable growth worldwide. The first decade of the 2000s saw a significant re-alignment of the world economy, when OECD non-members drove global economic growth and markedly increased their share of global output. By 2010, OECD non-members' gross domestic product surpassed that of OECD members (in purchasing power parity terms).¹ As a result of their increased 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. For this reason, the Secretary-General's strategic orientations for the OECD for 2016 stress the importance of the organisation continuing to enhance its global reach and impact. According to these orientations, the principle of inclusiveness should apply to the way the OECD works with non-members, so strengthening the OECD's relationship with emerging economies and developing countries should continue to be a central priority.

2. Developing countries are also taking greater ownership of their own development paths and their external partners are increasingly supporting this leadership role, prompted by a commitment to make their development co-operation more effective. In addition, developing countries are 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 development stakeholders promote development in developing countries as well, including 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. The private sector is the engine of growth without which sustainable development is not possible. Many private foundations provide large amounts of concessional finance and expertise to support developing countries' development, sometimes at levels comparable to that provided by members of the OECD Development Assistance Committee (DAC). CSOs also make a substantial contribution: they deliver services to many poor people and promote transparency and accountability in public and private sector activities in developed and developing countries.

4. For its part, the DAC has been reaching out to non-member economies for decades. Already in *Shaping the 21st Century: The Contribution of Development Co-operation* (1996) [DCD/DAC(96)15/FINAL], the DAC recognised the need for a partnership approach to development beyond the circle of the Committee's membership.

5. From the mid-2000s, the DAC's interactions with non-member economies were guided by its outreach strategies² through which the DAC promoted greater participation of OECD members that are not members of the DAC in the Committee's activities. The DAC also re-launched a regular dialogue with Arab providers of development co-operation, established contacts with emerging economies at various levels and saw an increased number of providers of development co-operation reporting their concessional flows for development co-operation to the OECD Development Co-operation Directorate (OECD/DCD).

6. The DAC is committed to stepping up its efforts to engage with development stakeholders beyond its membership. In 2010, the OECD Council encouraged committees to deepen relationships with non-member economies, particularly the OECD Enhanced Engagement countries – now referred to as the

1. OECD (2014), *Perspectives on Global Development 2014: Boosting Productivity to Meet the Middle-Income Challenge*, OECD Publishing.

2. [DCD/DAC\(2005\)18/REV1](#) and [DCD/DAC\(2008\)22/REV1](#).

OECD Key Partners [C(2010)100/FINAL]. In 2011, the DAC released a statement welcoming the “contribution of all providers of development co-operation resources and expertise” and expressing the Committee’s hope “to forge new relationships with these new partners through open dialogue without preconditions” [DCD/DAC(2011)10/REV1].

7. These developments spurred the Committee’s decision to adopt a new global relations strategy (originally in 2011 and now up-dated in 2016). This strategy responds to the DAC Mandate [C(2010)123 and C(2015)73] and goes beyond previous strategies by aiming to strengthen participation of non-member economies in the Committee and promoting collaboration with a larger group of key development stakeholders. It corresponds to OECD Council guidelines on participation of non-member economies in OECD Committees³ and takes into account the *Framework for an OECD Strategy on Development* [C/MIN(2011)8]. These stipulate that OECD Committees are expected to develop pro-active global relations strategies which provide a framework for the participation of OECD non-Members in their work.

8. The DAC Global Relations Strategy goes beyond this formal OECD requirement by providing a framework for the participation of the full range of development stakeholders, i.e. bilateral providers of development co-operation, whether or not they are members of the OECD, international organisations, developing countries, the private sector, private foundations and CSOs. It sets out the objectives, priority partners and instruments for this engagement. Annex I presents an *Aide Mémoire on the Accession of New DAC Members and Associates* while Annex II summarises the rights and obligations of the different categories of development stakeholders that may be invited to attend meetings of the DAC and its subsidiary bodies.

9. The DAC Global Relations Strategy is implemented by the committee, its members and the OECD Development Co-operation Directorate through the biennial programme of work and budget. Implementation can be monitored through the regular up-date reports prepared for the DAC on implementation of the biennial programme of work and budget. The strategy will be up-dated as necessary to take stock of the results achieved and inform the preparations of the programmes of work and budget.

II. Overall objectives

10. This global relations strategy will guide the work of the DAC and its subsidiary bodies to engage with non-member economies, whether or not they are members of the OECD, and other development stakeholders to improve the quality, relevance and impact of the Committee’s work. Its overall objectives are:

- i. To enrich policy dialogue and knowledge sharing and strengthen the DAC’s contribution to a more effective development architecture 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 emerging economies.

3. Cf. *Council Resolution on Enlargement and Enhanced Engagement* [C/MIN(2007)4/FINAL]; *Council Guidelines to Committees for Deepening Enhanced Engagement* [C(2010)100/FINAL]; *Revised Resolution of the Council on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL].

- ii. To ensure that the DAC decision-making and dialogue processes are more inclusive by:
- Encouraging bilateral providers of development co-operation that fulfill the DAC accession criteria to apply to join the committee as a Member, in the case of OECD members, or an Associate, for other countries, some of which may prefer to become a DAC Participant as a first step⁴.
 - Broadening and deepening relations with key development stakeholders, including by inviting them to DAC meetings and encouraging them to contribute to DAC activities.

III. Priority partners and specific objectives

11. To achieve the objectives stated above, the DAC will work with the following groups of partners: countries beyond the DAC membership that provide development co-operation; developing countries; international organisations; private sector; private foundations; and CSOs.

a. Bilateral providers of development co-operation

12. An increasing number of countries beyond the DAC membership are strengthening their development co-operation activities.⁵ The DAC will encourage bilateral providers of development co-operation to join the Committee as Members (in the case of OECD members) or Associates (for other countries)⁶ or to engage in the Committee as Participants or Invitees, as appropriate and in accordance with the provisions of the *Revised Resolution of the Council on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL]. The DAC will focus on OECD members that are not members of the DAC, OECD accession countries, the OECD Key Partners, European Union member states that are not members of the OECD and Arab providers of development co-operation. The DAC will exchange views on development and co-operation with these countries, share experience 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 the 2030 Agenda for Sustainable Development.

b. International organisations

13. International organisations working on development are natural partners for the DAC. Six of them are Observers and participate in the work of the Committee and its subsidiary bodies.⁷ Other specialised international organisations participate in the work of some of the DAC subsidiary bodies. These organisations 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 both DAC members and other economies. Regional organisations also play an important role in formulating and implementing regional programmes and policies. The DAC will collaborate with international organisations with the aim of improving the efficiency and effectiveness of the global

4. Annex II summarises the rights and obligations of Associates, Participants and the other categories of development stakeholders that may be invited to attend meetings of the DAC and its subsidiary bodies.

5. See: "Development Co-operation by Countries Beyond the DAC: Towards a more complete picture of development finance", OECD, 2015.

6. Annex I presents an *Aide Mémoire on the Accession of New DAC Members and Associates*.

7. These are the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations Development Programme and the World Bank.

development co-operation system. It will also increase information exchange with these organisations, including through the reporting of their 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.

c. Developing countries

14. Through increased dialogue with the DAC, developing countries can help improve the relevance and impact of the Committee's work. They can provide feedback on the policies of external partners and help identify good practices in development co-operation and other policies that affect their social and economic welfare. The DAC will strengthen dialogue with developing countries, taking account of their views in its decision-making processes and including them in specific work of the DAC and its subsidiary bodies.

d. Private sector

15. Sustainable growth and development is powerfully influenced by the activities of the private sector in developing countries. While governments have 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. The DAC will engage in an open and action-oriented dialogue with representatives of the private sector. This dialogue will aim to share experiences, promote good practices in the area of public-private partnership for development, and to foster a more effective and catalytic role of development co-operation in support of country-led development.

e. Private foundations

16. Private foundations support developing countries' development, and some of them provide amounts of concessional development finance comparable to the ODA levels of many DAC members. Private foundations and DAC members 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 will strengthen policy dialogue and knowledge sharing with private foundations, and will continue to track their concessional development finance.

f. 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 help to deliver services to many poor people, promote advocacy and accountability, and act as watchdogs on the impact of public and private sector activities. The DAC will collaborate and exchange information with CSOs on development-related topics. It will consult major international CSOs periodically and continue to dialogue on specific policy areas.

18. Given the number and diversity of development partners listed above, the DAC will prioritise engagement with major bilateral providers of development co-operation, paying special attention to OECD members that are not members of the DAC and engagement with the OECD Key Partners, in line with the Organisation's priorities.

IV. Participation in the DAC

19. There are several ways that economies, organisations and individuals can engage in the DAC and its subsidiary bodies. Annex II summarises the rights and obligations of the different categories of development stakeholders that may be invited to attend meetings of the DAC and its subsidiary bodies.

a. Members and Associates

20. The DAC will encourage countries that fulfil the accession criteria to join the Committee, independent of their status as ODA recipients. Particular attention will be paid to OECD members that are not members of the DAC, OECD accession countries, major emerging economies and Arab providers of development co-operation. The DAC will also help to build the development co-operation capacity of European Union member states that are not OECD members, bearing in mind the objective of future membership once the DAC accession criteria have been fulfilled. OECD members may express their interest in DAC Membership and OECD non-members may express interest in becoming an Associate of the Committee, in accordance with the *Revised Resolution of the Council on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL].⁸

b. Observers, Participants, Invitees and Experts

21. The DAC and its subsidiary bodies will invite key development stakeholders to participate in their meetings and activities. OECD members that are not members of the DAC are already entitled to participate in all meetings of the DAC and its subsidiary bodies in areas of mutual interest, as provided for in the DAC mandate [C(2010)123 and C(2015)73]. With the approval of the OECD Council, the Committee will offer observerships to international organisations that are relevant stakeholders in international development co-operation and can contribute to the achievement of the DAC mandate⁹. The DAC will also encourage non-member economies that meet the criteria set out in the *Revised Resolution of the Council on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL] to become DAC Participants, i.e. it should serve the interests of both the economy concerned and the DAC and does not impact on the efficient functioning of the committee. Depending on the topic discussed, the DAC may invite, on a case-by-case basis, representatives of OECD non-members, international organisations, CSOs and experts to participate in specific meetings or contribute to specific activities of the Committee or its subsidiary bodies.¹⁰

V. Instruments

22. The DAC and its subsidiary bodies will use a variety of instruments to deepen engagement with key development stakeholders at the policy, technical and analytical levels. In order to reach out to these partners, the DAC will encourage its members to act as “champions” for promoting closer collaboration with priority partners. The DAC will also capitalise on its collaboration with other OECD Committees and the Development Centre and other members of the Development Cluster to implement its global relations strategy.

8. Requests to be admitted to the DAC as a Member or an Associate will be assessed according to the *Aide Mémoire on the Accession of New DAC Members and Associates* (see: Annex I).

9. Such invitations are consistent with the OECD Rules of Procedure (rules 9 and 10) [C(2007)14/FINAL; C(2009)118; and C(2010)115].

10. The process for economies to become Participants and Invitees of the DAC is set out in the *Revised Resolution of the Council on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL].

a. Policy dialogue

23. The DAC will share experiences with key development stakeholders and promote mutual understanding on shared international goals and how to achieve them. Dialogue will target areas of common interest jointly identified with these partners. The DAC will explore opportunities for policy discussions in its official meetings and through partnerships with priority partners.

24. The DAC will also work through its subsidiary bodies and in partnership with other parts of the OECD to promote dialogue. To do so, the DAC will:

- Facilitate the participation and representation of relevant development stakeholders in the activities of DAC subsidiary bodies. Subsidiary bodies already collaborate with a number of non-member economies and international organisations, and they should continue investing efforts to involve these partners.
- Participate in joint initiatives with other OECD Committees and the Development Centre and other members of the Development Cluster with a view to reaching out and engaging with non-member economies and international organisations. The OECD Global fora, including the Global Forum on Development, are important tools for dialogue on specific policy issues.

25. In addition, the DAC will engage with key development stakeholders through the DAC Senior and High-Level Meetings. It will invite OECD accession countries and the OECD Key Partners to participate in both meetings, and consult them in advance to identify issues of common interest to be discussed in specific sessions.

26. Other examples of fora for policy dialogue that enable the DAC to dialogue and interact with the full range of development stakeholders include the Global Partnership for Effective Development Co-operation, the International Dialogue on Peacebuilding and Statebuilding and the Effective Institutions Platform:

- The Global Partnership, created at the Busan High-Level Forum on Aid Effectiveness, aims to ensure high-level political support for the implementation of internally agreed development effectiveness principles through: i) inclusive policy dialogue and mutual learning to build synergies and substantive complementarity between development actors; and ii) accountability via a periodic review of progress in implementing these principles. The Global Partnership brings together all actors with a stake in development, namely recipients and providers of development co-operation (bilateral and multilateral), civil society organisations, parliamentarians and local governments as well as foundations and business stakeholders.
- The International Dialogue is a forum for political dialogue that brings together conflict-affected and fragile countries, international partners and CSOs to catalyse successful transitions from conflict and fragility.
- The Effective Institutions Platform is a partnership of over 60 countries and organisations (multilateral and bilateral development agencies, civil society, think tanks) which aims to support developing country needs and expectations in strengthening their public sector institutions.

27. 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

28. On behalf of the DAC, the OECD Development Co-operation Directorate (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 supporting the efforts of Associates, Participants and major bilateral providers of development co-operation to establish and improve their statistical collection and reporting systems.
- Conducting seminars on development co-operation management and statistics, special reviews and facilitating participation, as observers, in DAC peer reviews.

c. Analytical work

29. The OECD Development Co-operation Directorate (OECD/DCD) will produce analytical work, at the request of the DAC, on the development co-operation activities of non-member economies (for example issues briefs, papers, a section in the annual Development Co-operation Report and work on triangular co-operation).

ANNEX I

AIDE MÉMOIRE ON THE ACCESSION OF NEW DAC MEMBERS AND ASSOCIATES

Introduction

1. The Development Assistance Committee's (DAC's) mandate states that the 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 DAC has grouped the world's main providers of development co-operation 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 has changed and many economies beyond the DAC membership have become 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. By joining the DAC as a Member (in the case of OECD members) or an Associate (for other economies), bilateral providers of development co-operation demonstrate a commitment to contribute to the international development effort.

3. In its effort to forge a comprehensive system of development co-operation leadership, the DAC will use this *aide mémoire* to guide future membership applications from countries that are OECD members, independent of their status as recipients of official development assistance (ODA). OECD non-members can express interest in becoming Associates 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 *Revised Council Resolution on Partnerships in OECD Bodies* [C(2012)100/REV1/FINAL]. This *Aide Mémoire* will be revisited by the DAC as necessary¹¹ to ensure that it reflects current realities, is still an appropriate instrument for the Committee's 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 Chair of the Committee, via the OECD Development Co-operation Directorate (OECD/DCD), announcing its interest in becoming a Member (in the case of OECD members) or Associate (for other countries) and asking that the appropriate procedures be initiated.

5. To help the DAC reach a decision on the application, the OECD/DCD will prepare a report, with a recommendation to the DAC, that will include an assessment against the following criteria:

- The existence of appropriate strategies, policies and institutional frameworks that ensure capacity to deliver a development co-operation programme.

11. The main elements of this *aide mémoire*, which the DAC agreed on in 2004 [DCD/DIR(2004)15], are based on provisions originally set out in 1995 [BW(95)383].

- An accepted measure of effort (for example an 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 applicant should join the Committee as a member (in the case of OECD members) or an Associate (for other economies).

7. If the DAC's decision is positive and if the applicant is an OECD member, the DAC Chair will communicate this decision in writing following which the country should write to the OECD Secretary-General indicating the country's wish to formalise its membership in the DAC and pledging 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, to 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.

8. If the DAC's decision is positive and if the applicant is not an OECD member, the DAC can recommend to the OECD Council that the applicant become an Associate in the Committee. Upon Council approval, the OECD Secretary-General will communicate this decision in writing following which the candidate country should respond in writing confirming its wish to become an Associate in the DAC and pledging to fulfil the obligations of DAC Members (as listed above in paragraph 7), including a commitment to pay the annual fee for Associates – EUR 20 400 in 2016 (and indexed annually in accordance with the French inflation rate). Associates should also take into account the provisions of OECD legal instruments that relate to development co-operation and fall within the competence of other OECD committees (notably on environmental sustainability and anti-corruption).

ANNEX II
FORMS OF NON-MEMBER PARTICIPATION IN THE DAC

| | OECD members that are not members of the DAC | Economies that are not members of the OECD | | | Observer (for international organisations) | Expert (for CSOs) | Expert (for individuals) |
|--|---|---|--|---|---|---|---|
| | | Associate | Participant | Invitee | | | |
| Rights | | | | | | | |
| Participation in the DAC and DAC subsidiary bodies | Entitled to participate in meetings of the DAC and its subsidiary bodies in areas of mutual interest. | Entitled to participate in meetings of the DAC and its subsidiary bodies. | Entitled to participate in meetings of the DAC and its subsidiary bodies (except on confidential items). | Upon invitation, can participate in individual meetings of the DAC or DAC subsidiary bodies (except on confidential items). | With approval from the OECD Council and upon the committee's invitation, can participate in meetings of the DAC and its subsidiary bodies (except on confidential items). | Upon the committee's invitation, can participate in meetings of the DAC and its subsidiary bodies (except on confidential items). | Upon the committee's invitation, can participate in meetings of the DAC and its subsidiary bodies (except on confidential items). |
| Participation in decision-making processes | No. | Yes, except on OECD accession. | No. | No. | No. | No. | No. |
| Can serve as Chair or Vice-Chair | No. | Yes. | No. | No. | No. | No. | No. |
| Obligations | | | | | | | |
| Accept DAC recommendations and guidelines | No. | Yes. | Not mandatory. | Not mandatory. | Not mandatory. | Not mandatory. | No. |
| Accept conclusions, proposals, and decisions | No. | Yes. | Not Mandatory. | Not Mandatory. | Not mandatory. | Not mandatory. | No. |
| Financial contribution | Yes, through their assessed contribution to the OECD. | Yes, annual fee set by the OECD. | Yes, annual fee set by the OECD. | No. | No. | No | No. |