

DAC GLOBAL RELATIONS

Joining the Development Assistance Committee (DAC)

What is the DAC?

The OECD Development Assistance Committee (DAC) is the leading international forum for bilateral providers of development co-operation. Its main objective is to promote development co-operation and other policies so as to contribute to sustainable development. The Committee monitors development finance flows, reviews and provides guidance on development co-operation policies, promotes sharing of good practices and helps shape the global development architecture. The DAC has developed a reputation for objectivity, neutrality and quality work.

Since its establishment in 1961, the DAC has taken key decisions on and set standards for development co-operation. The DAC defines official development assistance (ODA) and periodically updates the list of ODA recipients. It has set standards on the financial terms and conditions of aid and agreed to untie most development assistance to the least-developed and heavily indebted poor countries.

The DAC also helps to shape the international development agenda by developing policy guidance in many areas, including poverty reduction, gender equality, harmonisation of donor practices, policy coherence for development or evaluation of development assistance. In 1996, the DAC formulated the International Development Goals, which evolved into the Millennium Development Goals (MDGs). The Committee has also promoted dialogue on how to make aid more effective, which led to the creation of the Global Partnership for Effective Development Co-operation.

As a standard setter and watchdog of development co-operation, the DAC remains relevant, not only for its members but also to the development community more generally.

Why join the DAC?

Advanced and emerging economies have considerable experience to share and belong in the DAC. Accession to the DAC confirms a country's commitment to promoting international development. As they have grown and developed, many countries have set DAC membership as an objective. Ireland completed the accession process in 1985; Spain in 1991; Luxembourg in 1992; Greece in 1999; Korea in 2010; Iceland, the Czech Republic, the Slovak Republic, Poland and Slovenia in 2013; and Hungary in 2016. For European Union Member States, being in the DAC helps to develop an efficient system for development co-operation that is conducive to implementing the European Union's vision of development. It is consequently a strategic objective for the European Commission that European Union Member States join the DAC.

The current DAC members are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, the European Union, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States. All other OECD members participate in the DAC as observers, as do the World Bank, the IMF, the UNDP, the African Development Bank, the Asian Development Bank and the Inter-American Development Bank.

Joining the DAC brings with it many advantages. It gives providers of development co-operation an opportunity to: enhance their international credibility and broaden their influence; benefit from advice on managing their development co-operation systems through peer reviews; improve the collection and reporting of their statistics on development co-operation flows; participate in the development of DAC policy guidance; vote on decisions taken by the Committee; and fill positions and take seats at the table in international processes traditionally filled by DAC members.

How does the DAC accession process work?

The DAC encourages providers of development co-operation beyond its membership to join the Committee, independent of whether they receive official development assistance. Many non-DAC countries already fulfill the Committee's accession criteria, or are well on the way to meeting them. Nothing stops these countries from expressing their interest in joining the DAC and setting their sights on acceding to the Committee.

Countries are not spontaneously invited to join the DAC. Rather, a country addresses a brief letter to the OECD announcing its interest in becoming a Member (in the case of OECD countries) or an Associate (in the case of other countries) of the DAC. If a preliminary analysis deems it appropriate, the OECD will conduct an accession review and prepare a report making a recommendation on the country's readiness to join the DAC. Based on this report, the DAC makes a decision. If positive, the candidate country is invited to join the Committee. To formalise its accession, the candidate country writes to the OECD Secretary-General accepting the invitation and pledging to fulfil the obligations of a DAC member (see next section).

For OECD countries, DAC membership has no additional cost. They already contribute to the Committee's core budget through their contributions to the OECD. **Associates pay an annual fee** (EUR 20 400 in 2016). Since the DAC works on a range of important issues beyond those covered by its core resources, the OECD also welcomes additional financial contributions, on a voluntary basis, to carry out all the activities mandated by the Committee.

What happens after joining the DAC?

When they join the DAC, Members and Associates pledge to fulfil some obligations. These include implementing DAC recommendations (on untying aid and on the terms and conditions of aid), following DAC guidelines and policy statements when formulating their own policies, reporting development co-operation statistics (many non-DAC countries do so already), participating in DAC meetings and at least one of the DAC's subsidiary committees, and undergoing peer reviews of their development co-operation programme and reviewing others. These obligations are far from a burden; they help DAC Members and Associates to manage their taxpayers' money well and improve their contributions to reducing global poverty and promoting sustainable development.

The DAC is by no means an exclusive club. Many countries in the DAC face similar challenges to those faced by bilateral providers of development co-operation outside the Committee. To address these challenges, the DAC encourages its Members and Associates to make continuous efforts to maintain and up-grade their policies, instruments and practices. By joining the DAC, countries have more opportunities to participate in these processes and to share experiences and learn from each other.

What are the criteria for joining the DAC?

The DAC is open to countries that:

- Have appropriate strategies, policies and institutional frameworks for development co-operation.
- Have an accepted measure of effort (*e.g.* ODA/GNI ratio over 0.20% or ODA volume above USD 100 million).
- Have established a system of performance monitoring and evaluation.

For more information: www.oecd.org/dac/dac-global-relations