

RELEASE IN FULL

Statement by J. Brian Atwood

Reflections on the Future Role of the DAC

I was privileged to represent a DAC member nation as the director of a major donor agency for over 6 years in the 1990s. These were productive years for the DAC as we established development goals for the 21st Century, enhanced partner-nation ownership, confronted the challenge of tied aid and began to develop a consensus on the indicators that would enable results measurement. I benefited greatly from the insights and analyses of my counterparts, and from the creative and professional support of the DAC Secretariat. The global development community was a much less complex structure in that period, but even then the challenges represented by political and economic change were beginning to bring new issues and actors onto the stage.

In the intervening period, I have followed the evolution of development thinking and the contributions of the DAC in creating and encouraging adherence to the sound principles contained in the Paris Declaration and the Accra Agenda for Action and in continued support for the Millennium Development Goals. I have appreciated the excellent contributions made by DAC Chairs Jean-Claude Faure, Richard Manning and Eckhard Deutscher as they have sought to advance the agenda of effective development cooperation.

Despite all the DAC has contributed to development thought, the organization today stands at a crossroads. It risks losing influence unless it can define its place in a dynamic and growing assistance environment that includes new donors, "vertical" single-issue initiatives, new nation-state groupings such as the G-20, a multiplicity of private actors and a diversification of development finance. As our colleague Jean Michel Severino has written, the sum of all this "hyper-collective action" does not add up to the results impact it should achieve. Few of the new players adhere to standards of development policy that the DAC has promulgated and espoused. Developing nation partners are also finding wide-ranging partnerships outside the DAC rubric. As the number and kinds of participants in development cooperation expand, the DAC goal should be to encourage and yet inform the evolving relationships.

These are formidable challenges requiring something more than business as usual at the DAC. The reflection exercise recently undertaken addressed this circumstance, describing the problem well. However, the challenge is to move the organization to the next level as a vital part of the new environment, to focus on its strongest attributes, and to effectively communicate and implement its principles. This will require the active participation of the leadership of DAC member states, acting as often as possible in concert at the policy level. Policy initiatives should, in turn, be backed by sound research and quality analysis based on empirical evidence.

The Need for Consensual Leadership

The DAC carries great weight as a source of objective information and analysis based on best practice. It is the conscience of a large and growing community concerned about the implications, moral and otherwise, of poverty. While it does not itself carry out programs, the DAC can incubate new ideas and test their merit. Some of these innovations will become best practices, in turn enhancing the prospect that the Millennium Development Goals will be attained. These breakthroughs then become institutionalized knowledge and lead, as they have in the past, to the refinement of sound development principles.

Dialogue with emerging donors has begun and this activity should be accelerated. Emerging donors may or may not wish to formalize their relationship with the DAC in the immediate future, but this should not inhibit the mutual understanding that can come through the sharing of experiences. These donors are injecting impressive amounts of new resources into partner nations. Many bring to their efforts recent experiences of their own development, which can helpfully inform the policies and practices of DAC members. Gaining a better appreciation of this and the impact of remittances is vitally important in comprehending the full scope of the development resources in play.

Whether any party, sovereign or not, changes its operational behavior after being informed by principles promulgated by the DAC, is a function not only of the merit of the principle, but also the effectiveness of the communication. It is vital that the DAC as an institution create the capacity and the will to influence – and also learn from – the thinking of political leaders who possess the authority to affect change. This can only be achieved if there is a strong consensus among the members and a willingness to give a clear voice to global development policies and goals. As Chair, I would seek to build consensus among the members, promote the DAC's work in relevant forums, and bring the DAC's collective knowledge to a wider audience.

The DAC's Comparative Advantage

In this dynamic global environment, the DAC should strive for selectivity. I am confident that the organization can continue to be the intellectual leader of the development community if it chooses its platforms wisely and effectively communicates its substantive message.

Development thought that embraces concepts such as sustainability, partner ownership, good governance and civil society participation have passed through the crucible of ground truthing and scholarship. There is no better repository of the accumulated knowledge of development practice.

The principles and action plans of the Paris Declaration and Accra Agenda are reflections of this knowledge base. Focusing in particular on the principles of ownership and mutual accountability will ensure that the DAC has a seat at the table whether the topic is the global financial system, gender equality, world hunger, infectious disease, innovations in science and technology, or post-conflict security. The Paris/Accra principles and development thinking in general should be considered and applied in the broader policy context.

The upcoming High Level Forum on Aid Effectiveness in Busan, South Korea is an excellent platform for advancing these principles. This broadly attended gathering represents a global learning moment, an opportunity to engage representatives of partner nations, new donors, related ministries and directors of narrower sector programs, along with representatives of civil society, to grapple with tested concepts of development. This forum is only one step in a process that should substantially strengthen globally-accepted standards of better management of the universe of aid assets and a deeper understanding of the remaining obstacles to implementation of the principles. The success of this meeting relates in part to our capacity to achieve consensus policy positions among DAC leaders on effectiveness issues.

The Importance of Policy Coherence

Development ministries and agencies can play an important role in helping their respective nations achieve a greater degree of policy coherence. Finance, trade and environmental policies, for example, when informed by and formulated in conjunction with development strategies, can contribute to economic growth and sustainable development.

Armed with the collective knowledge provided by collaboration within the DAC and partnership field programs, development ministries can influence thinking within their own governments, multilateral organizations and partner states. The policy impact of individual ministers and agency leaders is enhanced when they are advocating a position that is strongly supported by DAC colleagues. Development cooperation to achieve economic growth objectives is linked inextricably to global finance and trade policies.

As the challenge of poverty becomes even more salient among high-level policymakers, there is much more demand for the expertise DAC-member institutions can provide. Partnering with other OECD committees and directorates will assure that there is a more synergism between development and related policy areas.

The Achievement of Development Goals

The Millennium Development Goals, an outgrowth of the DAC's work, continue to have broad support across the spectrum of new and traditional donors and partners. The MDGs represent the world's commitment to poverty alleviation through development cooperation. These goals, in my view, impose a moral obligation: to their dedicated pursuit, and to the use of the most effective means to measure the impact of our progress. This will require the application of sound principle and innovation. And, just as the DAC had an important role in establishing the current goals, it can provide a valuable contribution to the identification and development of plans for achieving post-2015 development objectives.

As is the case with even the most compelling international agreements, the MDGs and the Paris/Accra principles are more easily formulated and stated than implemented. We have all experienced the political obstacles and pressures that can stand in the way:

- Explaining the detrimental effect of directives from capitals on the ability of field missions to respond to country needs is easier than removing them.
- Gaining an appreciation of the imposition of multiple reporting requirements on the ministries of a partner government is easier than changing the methods of donor agency auditors and inspectors general.
- The merit of making local purchases is easy to explain, but difficult to implement when aid programs are promoted on the basis of donor-country sources for purchases.
- Acquiring empirical evidence and measuring results has become a publicly-supported mandate, but refining systems so that they are cost effective and inform policymakers in a timely fashion is a difficult challenge.

During my tenure at USAID, we introduced broad development goals, established strategic-objective teams at the mission level, developed indicators by sector and introduced systems to measure results and evaluate programs. The development community has made great progress in these areas, but there are still political hurdles to overcome. The gathering of empirical evidence even when goals and indicators are well defined is difficult. These issues are worthy of further study. The organizational relationship (or relative independence) of an evaluation unit to an aid agency is also an issue for further review.

Mutual Accountability

A key challenge for the DAC and its members is to promote more transparency and mutual accountability when critical analysis can be used as a rationale for budget cutting. Yet, there is no real choice. Citizens and political leaders are demanding that programs produce results.

A deeper appreciation of what transparency and accountability can achieve is essential. For example, a particular intervention arguably could be counter productive in broader sustainability terms even if its purpose is humanitarian in nature. Such an intervention could be rationalized and redirected in light of details about the impact of the intervention on the overall development objective (country-wide or sector-wide). A recent analysis of global health data showed that external assistance for a particular disease likely resulted in overall reductions in government allocations for primary care and infrastructure. This revealed tendency to divert external assistance should lead to the creation of criteria that would preserve sustainability and enhance mutual accountability.

The pursuit of the mutual accountability goal will lead to more emphasis on the capacity of partner countries to plan, execute, and collect accurate data and make targeted investments. This will, in turn, require more scrutiny of the full range of relationships between partner nations and bilateral and multilateral donors. Better data and transparency is needed on both sides of the partnership. The OECD can play an important role here.

I note, for example, that the DAC, the Fiscal Affairs Committee and the Center for Tax Policy have begun to collaborate on tax policy. This is not only important in the effort to create a more equitable formal economy with predictable revenue streams; it can lead to more transparent and accountable budgetary allocations, thereby reducing the potential for diversions of ODA. This type of analysis may lead also to more harmonization and consistency in the data-collection systems used by multilateral organizations.

Peer Review and ODA Volumes

Given the need to pursue Paris/Accra principles with more vigor, the peer review process should look into these issues even more deeply with an eye toward helping DAC members and others to better accommodate these objectives, and, if necessary, overcome any lingering resistance within governments. I welcomed the critical analysis of my DAC colleagues when I directed USAID and was able to leverage the good advice within my government. The same is true of the DAC's traditional role of tracking the volume of ODA. Timely, accurate and well-publicized annual volume reports can help to mobilize support for the growing aid volumes that will be essential for the development results we all seek.

Post-Conflict Assistance

The role of transitional assistance in post-conflict scenarios and participation by development agencies to prevent state failure in weak and fragile nations remain important topics. The work of various commissions on aspects of post-conflict transitions has been instructive. These would include the UN Secretary General's Peace Operations Panel on which I served and the International Network on Conflict and Fragility (INCAF) which has developed useful OECD principles for engagement in fragile states. The relationship among humanitarian relief, transitional assistance and long-term development—the phases of a post-conflict continuum—requires continued study to create and preserve institutional knowledge.

Concluding Comment

It is the responsibility of the DAC Chair to serve the member states and to enhance the contribution they can make individually and collectively to the development mission. I recognize that ministerial-level leaders wish to be engaged in policy deliberations of global import, and that they are very busy people. Our primary task will be to understand their interests and to create a compelling action agenda. Doing this well can have the effect of better positioning the DAC within a dynamic global environment. I will endeavor to consult widely, both to inform myself and the organization, and to build consensus. I believe that my experience as a diplomat, a politically-appointed government official, and dean of a prominent academic institution will enable me to marry the worlds of scholarship and political action to advance the development mission. I would welcome this challenge.

September 28, 2010