



News and ideas from the OECD Development Assistance Committee (DAC) Secretariat

May 2010

New roads to development

The DAC is expanding its partnerships to deepen its impact on development. This reflects not only the increasing complexity of the challenges involved, but also the incredible richness of experience and insights that are available. This issue of DACnews focuses on several of these new "roads to development" and how they are making a mark on the way the DAC works.

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Jon Lomøy named Director of DCD

Jon Lomøy joined the OECD as Director of the Development Co-operation Directorate (DCD) in April. He took over from Richard Carey, who retired from the OECD after 30 years of dedicated work in the Development Co-operation Directorate.

A Norwegian national, Jon Lomøy has devoted his professional career to development.

From 1989 to 1996, he held senior positions at the Norwegian Agency for Development Co-operation (NORAD), where he was responsible for the management of bilateral development co-





operation with Africa. He also initiated a major reorganisation to decentralise programmes and enhance work on general policy issues.

From 1996 to 2000, Jon Lomøy was Norway's Ambassador to Zambia, where he managed bilateral development programmes on education and governance, among others. He returned to NORAD from 2001 to 2004 as Director of the Southern Africa Department, where he implemented, in Malawi, the first country-wide "silent partnership" between Sweden and Norway. In 2004, he joined the Ministry of Foreign Affairs as Deputy Director General of the Department for Africa, Asia, Latin America and the Middle East; he was responsible for the overall management of the Norwegian bilateral assistance programme. During this period, he initiated the Oil for Development Programme; with the World Bank, he also led a review of multi-donor trust funds in post-conflict countries.

From 2007, Jon Lomøy was Ambassador of Norway to Tanzania, managing one of Norway's largest bilateral aid programmes with a particular focus on translating global policy initiatives – such as climate change, UN reform and the Partnership for Reduced Maternal and Child Mortality – into country-level activities.

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Aid effectiveness going South?

When it comes to making headway in development, partners in Southern countries have much to offer. At a meeting on [South-South Co-operation and Capacity Development](#), hosted by the Government of Colombia in Bogota (24-25 March), a task team presented [110 case stories](#) from 133 developing countries, highlighting their experiences in working together to make aid work.

What is South-South co-operation? In a nutshell, it refers to developing countries sharing knowledge and experience in a wide range of development arenas and topics – from budgeting to the provision of infrastructure, to the promotion of regional or interregional trade. In Bogota, the cases offered living examples of the lessons that can be gathered from this experience.

The task team responsible for pulling these stories – and the Bogota event – together comprises developing countries, donors, civil society, academia, and regional and multilateral agencies. The next step is to deepen the learning and analysis of these cases so as to provide sound evidence for policy recommendations.

The conference offered a vital occasion to discuss the role of developing countries in building a Southern agenda that can contribute to more inclusive and effective development partnerships. The meeting also confirmed the relevance to South-South co-operation of the principles outlined in the [Paris Declaration and the Accra Agenda for Action](#).

The Bogota event brought together more than 400 high-level representatives from over 150 countries, multilateral and regional organisations, civil society, parliamentarians and academia. The opening address was delivered by President Alvaro Uribe of Colombia, who stressed "the potential that resides in exchange of knowledge, experiences and lessons learned among developing countries, as well as traditional donors, through South-South and Triangular co-operation.

The event culminated with the presentation of the [Bogota Statement](#), a set of recommendations on South-South co-operation designed to promote – in the context of aid effectiveness – more inclusive and effective development partnerships. This Statement will help to build momentum in the lead-up to the Fourth High Level Forum on Aid Effectiveness in Korea in 2011.

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Modernising multilateralism

For nearly 50 years, the DAC has been a hub for multilateralism in development co-operation. But as globalisation advances, the donor community has expanded to include many non-DAC members, and forms of co-operation have diversified. Russian Federation Deputy Prime Minister Alexey Kudrin and World Bank President Robert Zoellick have referred to this broadening of the global development community as an opportunity to “modernise multilateralism.”

This subject was at the centre of the Moscow [International Conference on New Partnerships in Global Development Finance](#), held on 17-18 February. New and long-standing providers of development assistance, partner countries and a range of multilateral organisations shared views on the modalities, strategies and motivations behind development finance.

Conference participants highlighted areas where concrete progress can be made in boosting effectiveness and co-ordination in development finance. For instance, sharing information on the role each partner plays enables financing to be complementary, rather than competitive and fragmented. In the [Chairman’s Summary](#), the OECD DAC was invited to share its experience with development statistics and peer review to help build capacity and promote peer learning among new development partners.

Participants agreed to take advantage of existing fora, such as the meeting on South-South co-operation in Bogota (see above article) and other ongoing aid effectiveness processes that will culminate in the High Level Forum in Korea in 2011. Participants also encouraged new development partners to join the OECD-hosted Informal Network of Development Communicators, which promotes exchange of experiences to strengthen public support for development co-operation.

Participants recognised that new development partners should be active in setting the policy framework for multilateral channels. They can help address pressing concerns on the global development agenda, and identify new ways of working together to achieve shared objectives – such as the Millennium Development Goals, the delivery of global public goods, and effective response to global crises.

More information about the DAC’s engagement with new partners is available at www.oecd.org/dac/opensdoors.

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DAC Senior Level Meeting (SLM)

The DAC's evolving role in addressing current development finance challenges was high on the agenda at the recent DAC Senior Level Meeting. The DAC is well placed to support greater coherence in global development financing, in particular through its well established role of tracking commitments on official development assistance (ODA) and their fulfilment.

In the future, the DAC will also apply its statistical expertise to help present a coherent overall picture of development finance flows in general, and, in particular, how these relate to ODA. Accustomed DAC roles will be complemented by exploring opportunities to create and promote other flows, such as private and voluntary flows, private-public engagement and domestic resources.

The active engagement of new and emerging development partners is essential to these tasks, and the DAC will draw on the experiences of new development partners while sharing the lessons from its own experience.

Another item high on the SLM agenda was recovery in Haiti. In a special session, participants focused on taking stock of the collective response to date and on efforts to "build back better" (see [February edition of DACnews](#)). A representative from Haiti, providers of South-South co-operation, representatives of UNDP, the Inter-American Development Bank, the World Bank and others took part in these discussions.

Only a week prior to the SLM, the [International Donors' Conference Towards a New Future for Haiti](#) (UN Headquarters, 31 March) mobilised considerable financial support – some USD 5.3 billion – for Haiti's recovery, reconstruction and development. The preface of the [Action Plan for National Recovery and Development of Haiti](#) notes: "...as the Secretary-General of the OECD and the Chairman of the Development Assistance Committee have pointed out, we must find new ways to co-operate, based on the principles of the Paris Declaration and those pertaining to operations in Fragile States, particularly by making the strengthening of the state central to our action."

Discussions at the SLM further recognised the need to move away from emergency action towards key issues such as: ensuring coherence between short- and long-term objectives; fostering – not undermining – national leadership; working creatively to overcome capacity deficits; promoting jobs and growth; and reaching beyond the capital city. The DAC agreed to follow up with a similar debate in about six months.

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Fragile states speak up

The participation of the "g7+" group of fragile states¹ in a recent meeting in Dili, East Timor, marked a profound change in the way development issues are discussed. During a closed-door session (8 April), the g7+ asserted that failure to break out of vicious circles of weak government, corruption and conflict may in large part be due to domestic conditions, but is also a result of the way aid is given.



The Prime Minister of Timor-Leste, Kay Rala Xanana Gusmão, and the Minister of Planning of the Democratic Republic of the Congo, Olivier Kamitatu Etsu, at the Dili International Dialogue, 10 April.

The g7+ meeting helped set the stage for the [Dili International Dialogue on Peacebuilding and Statebuilding](#) (9-10 April), where participants exchanged experiences on dealing with conflict and explored methods of developing capable, accountable and responsive states. "Building capacity is not one-size-fits-all," said Natty Davis, Minister of State in Liberia. "States themselves need to begin to define some of their own priorities."

Fragile states are the ones falling furthest behind in efforts to meet the Millennium Development Goals (MDGs). Participants in the [Dili International Dialogue](#) – including more than 100 delegates from 40 countries, as well as representatives from the United Nations, the Regional Development Banks, the World Bank and the OECD – agreed to work together to correct this situation. They produced the [Dili Declaration – A New Vision for Peacebuilding and Statebuilding](#), which identifies seven goals as stepping stones to achieve the MDGs in conflict-affected and fragile states.

The Dili Declaration targets issues such as security and justice, inclusive economic development, reconciliation, regional stability and government accountability. It also focuses on very familiar development issues – such as capacity development, aid delivery, planning processes and political dialogue – but approaches these from the perspective of fragile states.

Kay Rala Xanana Gusmão, the Prime Minister of Timor-Leste, concluded: "Walking together, fragile states and their development partners can minimise the suffering that results from conflict and extreme poverty."

The Dili International Dialogue was hosted by the Government of Timor-Leste with support from the OECD-based Secretariat of the International Dialogue on Peacebuilding and Statebuilding. This unique international partnership adds a crucial voice in the lead-up to the UN MDG Review Summit in September 2010, and will present concrete deliverables and recommendations to the fourth High Level Forum on Aid Effectiveness in Korea in late 2011.

(1) The g7+ is an open group of countries experiencing conflict and fragility. It was established

in 2008 and comprises the following countries: Afghanistan, Burundi, Central African Republic, Chad, Côte d'Ivoire, the Democratic Republic of Congo, Haiti, Liberia, Nepal, the Solomon Islands, Sierra Leone, South Sudan and Timor-Leste.

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Feature Article

More effective aid is key to a "Better Ghana"

*Effective aid matters to developing countries, as it can enable them to move beyond aid dependence and reach development effectiveness. **Ghana's Minister of Finance and Economic Planning, Hon. Dr. Kwabena Duffuor**, shares his perspective on how DAC members can help in providing aid more effectively to ensure Ghana reaches its own development goals, including achieving middle-income status by 2020.*

The Government of Ghana has committed to build a "Better Ghana" for growth, equity and sustainable development for all. To this end, the 2010 Budget Statement and Economic Policy outlined a programme focused on a growth and stability framework to reach the country's development goals. More effective aid is one of the cornerstones of this framework – without it, we risk jeopardising the delivery of social programmes that target poverty reduction on a sustainable basis. The Working Party on Aid Effectiveness (WP-EFF) and the OECD DAC have a strong role to play in supporting these efforts.

Aid constitutes an important resource for Ghana. It accounts for almost 20% of the total annual government budget and 10% of GDP (USD 9.6bn between 2000 and 2008). These external resources have funded various projects/programmes such as the construction/rehabilitation of roads (highways, feeder roads), hospitals (regional, district) and schools, as well as potable water systems at both the regional and district levels, institutional strengthening of key organisations, including governance institutions – to give a few examples. There is therefore a strong need to ensure that aid is managed effectively in line with Paris Declaration commitments, to contribute to the overall development efforts of the country.

Over the years, Ghana has experienced various challenges that arise from ineffective aid. They include the country's inability to plan effectively because of the unpredictability of aid. There is also the weakening of the government's capacity to manage its own development priorities because of the creation of parallel implementation structures by Development Partners. On the other hand, there are great opportunities and positive changes in the way our Development Partners support Ghana's development goals, particularly in the context of the Multi-Donor Budget Support (MDBS) arrangement.

Continuing to strengthen the partnership with our Development Partners is one of Ghana's key priorities. The effectiveness of aid will increase by developing stronger policies of engagement with our Development Partners. There is the need to be able to hold each other to account for our commitments. To this end, our Development Partners should try to reduce transaction costs, consider using our country systems, and improve the predictability of their funds. Ghana, on its part, will improve domestic accountability

by strengthening the public finance management systems, the Controller and Accountant-General's Department and the Audit Service. We will also initiate regular dialogue on key strategic, technical and policy issues that will assist in achieving the development goal of building a "Better Ghana" for all.

The Working Party on Aid Effectiveness (WP-EFF) and the OECD DAC have a key role to play in supporting Ghana in reaching these goals. The commitments enshrined in the Paris Declaration and the Accra Agenda for Action provide the framework for achieving these goals. With only a few months left until the Paris Declaration runs its course, it is time to show real progress on effective aid for development in Ghana.

Ghana is making good progress towards attaining a number of the Paris Declaration commitments, although in some areas progress is stalling. The 2008 Survey on Monitoring the Paris Declaration shows clearly that Ghana has increased the quality of its public financial management systems. Despite this progress, however, the Survey results show a drop to 51% from 62% in the proportion of aid using country public financial management (PFM) systems. The Global Partnership on Country Systems, a sub-body of the WP-EFF, is assisting the country to better understand the reasons for this slippage. This will assist the country to identify areas where incremental gains in our efforts to strengthen our country systems (public financial management, audit, procurement, and others) can be made.

To make Ghana's Development Partners use its country systems, we are taking a number of steps to further strengthen the PFM systems. The country is in the process of setting up the Ghana Integrated Financial Management Information System (GIFMIS) to improve budget processes and financial accounting methods. Ghana has also established the Ghana Revenue Authority through the integration of the three revenue agencies (Customs, Excise and Preventive Service; Internal Revenue Service and Value Added Tax Service) to further improve domestic tax and customs policy administration. These two key initiatives complement the country's efforts to enhance the procurement system, as well as audit processes. The sharing of experiences from African and OECD countries on how to strengthen local institutions, in this regard, is particularly useful.

In conclusion, it must be stated that, with the support of our Development Partners, Ghana has made progress in ensuring that aid is more effective in Ghana. The modest successes the country has achieved in this regard are vital in helping to build a "Better Ghana" for all. It is only through the resolve and sustained commitment of the people of Ghana and Ghana's Development Partners in tackling the aid challenges that we can restore the economy to a higher and sustained growth path and eliminate poverty.

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News in Brief

G8 Development Ministers Meeting

Accountability and effectiveness in international assistance were priority issues at the recent G8 Development Ministers Meeting in Halifax, Nova Scotia (26-28 April). The OECD's Chief Economist and Deputy Secretary-General, Pier Carlo Padoan, was the lead speaker on this issue, accompanied by Stephen Groff, Deputy Director of the Development Co-operation

Directorate.

At the meeting, OECD was mandated with: reporting on progress and challenges related to aid predictability in advance of the December 2010 DAC High Level Meeting; prioritising its work on development outcomes and reporting on the issue at the next meeting of G8 Development Ministers; and working with donors to improve the tracking of investments related to maternal and under-five child health.

Launch of the 2011 Survey on Monitoring the Paris Declaration

The exercise of gathering evidence for the 2011 High Level Forum on Aid Effectiveness has been launched. The [Working Party on Aid Effectiveness](#) has invited all of the countries that endorsed the Paris Declaration on Aid Effectiveness to take part in the third – and final – survey of progress on the targets donors and partner countries agreed to when they endorsed the Paris Declaration. The 2011 Survey will determine whether these targets – set to be reached by 2010 – have been met.

OECD and Brookings Institute event: Aid, the Crisis, and the MDGs

Faced with huge deficits, can donors afford to spend more on aid? How credible are today's commitments by donors who have not kept past promises? These and other questions on the future of aid took centre stage at a joint OECD-Brookings Institute event in the context of the annual meetings of the IMF's International Monetary and Financial Committee and the joint World Bank-IMF Development Committee. Kemal Dervis opened the event. DAC Chair Eckhard Deutscher and DCD Director Jon Lomøy joined Brookings Senior Fellow Homi Kharas in leading the discussion, which was kicked off with the presentation of the latest OECD data on [aid levels in 2009](#) and [projections for 2010](#). Looking at these figures in the context of longer-term trends, the group examined how donors can square their optimistic development commitments with difficult fiscal realities.

Building a coherent approach to evaluating the Haiti earthquake response

There will be strong pressure to account for the results of the massive aid efforts currently underway in Haiti. Evaluation of the earthquake recovery efforts, if done right, can contribute to learning and support accountability for the results on the ground. On 18-19 May, the [DAC Network on Development Evaluation](#) joined forces with the United Nations Evaluation Group (UNEG) and [Active Learning Network for Accountability and Performance in Humanitarian Action](#) (ALNAP) to ensure a coherent approach to evaluation in Haiti.

First Roundtable on International Support for Elections: Effective Strategies and Accountability Systems

For electoral assistance to be more effective, the international community is learning that both technical and political approaches are needed. At this Roundtable (March 1), speakers from the Electoral Commissions of Sierra Leone, Zambia, and the Democratic Republic of Congo and the Southern African Development Community (SADC) made concrete recommendations on ways to improve support for electoral processes and institutions. Building on collective efforts, the meeting offered a unique opportunity to raise these discussions to a more strategic level.

Participants developed a set of Draft Strategic Principles for International Support for Elections. They also agreed on an action plan to refine these principles so as to integrate them into policy messages and guidance on aid and domestic accountability.

The Roundtable was organised by the [OECD DAC Governance Network](#) (GOVNET) together with the UN Electoral Assistance Division, UNDP, the European Commission, the UNDP-EC Task Force on Electoral Assistance, International IDEA and DFID.

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Publications

[Development Co-operation Report 2010](#)

The *Development Co-operation Report* is the key annual reference document for statistics and analysis on trends in international aid. The task of reaching the Millennium Development Goals has become even more challenging given the economic, food and climate change crises of recent years. The 2010 report describes how the DAC has responded swiftly, putting the development dimension of these crises firmly on the political agenda and keeping the development community focused on providing more aid, and delivering it more effectively.

[Quality Standards for Development Evaluation](#)

The *DAC Quality Standards for Development Evaluation* provide a guide to good practice in development evaluation. They are intended to improve the quality of evaluation processes and products and to facilitate collaboration. Built through international consensus, the Standards outline the key quality dimensions for each phase of a typical evaluation process: defining purpose, planning, designing, implementing, reporting, and learning from and using evaluation results.

[The State's Legitimacy in Fragile Situations](#)

This report looks at the central role of state legitimacy in transforming power into authority and providing the basis for rule by consent rather than by coercion. It specifically focuses on the challenges to state legitimacy in fragile situations: a lack of legitimacy undermines constructive relations between the state and society, and thus compounds fragility; in addition, multiple sources of legitimacy often compete and conflict, leaving the state unable to impose the ultimate rules of the game.

Other products:

[Development Aid at a Glance 2010: Statistics by Region](#) highlights specific features and main trends in aid delivery to recipient countries as a whole, and to Africa, America, Asia, Europe and Oceania specifically.

[2010 Edition of the OECD International Development Statistics CD-ROM](#) is a unique source of up-to-date comparative statistics and information on international development.

[Gender Equality Aid at a Glance \(2007-2008\)](#) focuses on ODA for gender equality and women's empowerment, including coverage of the gender equality policy marker, top ten recipients, and a breakdown by sector.

[GENDERNET Practice Notes](#) bring together material prepared and published in recent years by members of the [DAC Network on Gender Equality](#) (GENDERNET), providing readily useable

information on how to address gender equality and women's empowerment in development co-operation, and how to integrate a gender equality perspective into a wide range of activities.

[Ensuring Fragile States Are Not Left Behind 2010](#) presents salient facts on aid flows to fragile states, giving specific consideration to the impact of the triple food, fuel and financial crises and calling for a whole-of-government response.

[Evidence from the Ground on the Quality of International Engagement in Challenging Contexts](#) emerging from the first Monitoring Survey of the Fragile States Principles highlights the quality of international engagement across diplomacy, development and security. Based on national consultations with Afghanistan, the Central African Republic, Democratic Republic of the Congo, Haiti, Sierra Leone and Timor-Leste, the results are published in the form of one Global Report and six Country Reports.

[Aid to Environment at a Glance](#) tables and charts (2007-2008) summarise statistics on the environmental focus of aid extended by each DAC member, including coverage of the environment marker, top ten recipients, and a breakdown by sector of environment-focused aid.

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OECD DAC countries' ODA in 2009
USD 119.6 billion up 0.7% in real terms and
0.31% of DAC members' combined GNI

OECD [DAC Statistics](#) including Aid at a Glance charts for [DAC members](#), [recipient countries](#), and [by region](#).

About Us

The [OECD DAC](#) is the main global forum where bilateral donors, alongside multilateral donors, work together to achieve real development progress for poorer countries.

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