

FEATURE ARTICLE by Erik Solheim

Erik Solheim took the lead of the DAC in January 2013, a position to which he was unanimously elected. From 2007 to 2012 he held the combined portfolio of Norway's Minister of the Environment and of International Development; he also served as Norway's Minister of International Development from 2005 to 2007. During his time as Minister, Mr. Solheim regularly emphasised the importance of conflict prevention, highlighted capital, taxation and business as engines of development, and sought to integrate development assistance into overall foreign policy.

In a changing world, five key challenges for the DAC



I am extremely proud to have been selected as Chair of the DAC. This Committee has been at the forefront of development for decades, setting important standards and providing essential co-ordination of development assistance. We can be certain that these efforts represent a huge service to humankind – and in particular to the very poor of this world.

Yet we can also be certain that the DAC will have to change. The world around us is changing and if an institution does not adapt to a changing world, it becomes irrelevant.

Let me point out a few of the most obvious areas where I see changes in the world happening that will impact our activities.

First, our world, which was once bi-polar – or even mono-polar – is becoming increasingly multi-polar. Agreements on major issues today and in the future must involve a growing number of nations; unless we can broadly agree on issues such as trade and climate change, or on conflicts such as those in Syria or Mali, nothing will be achieved. In this new, multi-polar world, there are many nations beyond the DAC that provide important development assistance – and the DAC must engage with them.

Second, the global middle class is larger than ever before, comprising billions of people, and the world by and large is becoming richer. Yet more than one billion people are still living in absolute, extreme poverty – many of them in fragile states. This is inadmissible – we have to make a special effort to identify the specific policies that will make a difference in the lives of these poor. Our aim should be for everybody to be in the middle class with a life expectancy in the 70s or 80s.

Third, the threat to the environment is much clearer and more tangible than in the past. The poor are not the cause of this threat; they may deplete their immediate environment, but this has little impact on global environmental degradation. We should also remember that a number of developing nations are doing a lot to combat climate change and environmental degradation. It is the OECD nations – the rich nations – and to some extent emerging powers who are responsible for threats to species and climate change. So it is for the DAC to respond, but again, in broad, global co-operation.

Fourth, we all know that aid is not the most important financial flow for most developing nations. Granted, for a number of nations – many of them in Africa – it is still of vital importance. Yet for most, aid is just one of a mix of capital flows that includes private investment, trade, remittances, illicit flows, and others. The obvious conclusion is that we should find ways of using development assistance to leverage other capital flows – I think most agree on this in principle. Nonetheless, to find ways of doing this in practice we need to strike true and full partnerships with the private sector, building these from the ground up.

The fifth area where the world is changing is in the development community itself, where the focus has shifted from intentions, or money spent, to results – to real changes on the ground. To date, the statistical systems we have developed have focused on intentions. We have to move rapidly, building systems that are much better at measuring and evaluating results, because this is what counts for the poor people of the world.

What does this mean in practical terms?

To begin with, the DAC must intensify work with the rest of the OECD system, in particular on three key areas:

1. Taxation, which is at the forefront of the domestic resource mobilisation debate. Taxation is a core OECD competence and this expertise can be most beneficial when applied to developing country situations.
2. Education – in particular, the Programme for International Student Development (PISA). The PISA program has been highly successful in OECD countries, and while you cannot not take a blueprint from Finland or Korea and translate it to Malawi or Mali, the principles and ideas that drive PISA can make a real difference in developing nations.
3. Environment, with a focus on green growth. OECD has been at the forefront of the global push for green economic development and the DAC is working to ensure that this knowledge is made relevant to developing nations.

There are certainly many other areas, but these are three key areas where we can and are reaching out.

We also need to increase the number of members in our Committee. To begin with, there are 11 OECD nations that are not members of the DAC; we are making efforts to change this, with encouraging results. In the future we hope that when a nation applies to join OECD, membership in the DAC will be an integral part of that accession procedure.

Yet at the same time, we need to reach out to major nations of the world that may not be – or wish to become – OECD or DAC members, but are or could be key partners in development: countries like Brazil, China, India, Indonesia and South Africa. The development topics discussed by the DAC should be discussed with a wide audience and open to inputs and contributions from these key partners.

I look forward to working with a diverse set of stakeholders to ensure that the DAC finds and holds its place in this rapidly changing environment, and that it fulfils its obligation to the poor in the new and challenging, but also fascinating and promising world of the 21st century.

THE DAC AT A GLANCE

DAC members by year of membership

1960	Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Portugal*
1961	European Commission, United Kingdom, United States
1962	Norway
1963	Denmark
1965	Austria, Sweden
1966	Australia
1968	Switzerland
1973	New Zealand
1975	Finland
1985	Ireland
1991	Portugal*, Spain
1992	Luxembourg
1999	Greece
2010	Republic of Korea

*Portugal joined the DAC in 1960, withdrew in 1974 and re-joined in 1991.



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The Development Assistance Committee's Mandate

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The Development Assistance Committee (DAC)

Formerly known as the Development Assistance Group, the DAC was created by Ministerial Resolution of 23 July 1960.

The overarching objective of the DAC for 2011-2015 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.

In order to achieve this overarching objective, the Committee shall:

- monitor, assess, report, and promote the provision of resources that support sustainable development, as specified above, by collecting and analysing data and information on ODA and other official and private flows
- review development co-operation policies and practices, particularly in relation to national and internationally agreed objectives and targets, and promote mutual learning
- provide analysis, guidance and good practice to assist its Members and the expanded donor community to enhance the quality and effectiveness of development assistance, particularly regarding pro-poor economic growth and poverty reduction
- analyse and help shape the rapidly evolving global development architecture to optimise development results
- promote perspectives on global public goods and policy coherence for development in coordination with other policy communities in OECD
- engage or invite non-Member countries - in particular those with major development cooperation programmes - international organisations, private sector organisations, and civil society representatives, so as to assure the relevance and inclusiveness of DAC's work.

[Read the full official document](#) (pdf, 111 kB)

The DAC has also established working parties, task forces and networks, in which DAC Members are generally represented by specialists.

OECD countries that are not Members of the DAC are entitled to participate in all meetings of the DAC and its Subsidiary Bodies in areas of mutual interest.

Related Documents

[Development Assistance Committee \(DAC\)](#)