Putting the 'D' into the OECD – The DAC in the Cold War Years

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Abstract

This chapter charts the DAC's Cold War history. During this period the DAC established much of the institutional and intellectual scaffolding of international development cooperation. Moreover, participation in the DAC also orchestrated a quiet revolution in the identities of its members, forging them into an imagined community of donors in which the supply of development assistance came to be seen as a routine function of modern industrialised states. Although the Cold War provided the overarching backdrop, the chapter also teases out some of the other key features of the landscape inhabited by the DAC and how they constrained and enabled its influence. These include the North-South orientation of North-South development cooperation, the hegemonic role of the United States, disagreements amongst member states, and the DAC's relationship with other component parts of the OECD.

Keywords: OECD; DAC; Cold War; ODA

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Contents

Abbreviations

DAC	Development Assistance Committee (OECD)
DCD	Development Cooperation Directorate
EEC	European Economic Community
GNP	Gross National Product
HLM	High Level Meeting (DAC)
IMF	International Monetary Fund
MDG	Millennium Development Goals
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USSR	Union of Soviet Socialist Republics

1. Introduction

That governments of more advanced states should supply official development assistance to their less fortunate counterparts was, by the end of the Cold War, a widely accepted international norm. By 1990, the field of international development cooperation was likewise characterised by shared definitions about what constitutes development aid (and what does not), agreed principles about how much aid government should provide, to whom and on what terms, common systems to measure, compare, and evaluate aid-giving by states, and surveillance systems to assess whether states were complying with their international aid obligations. In 1960, none of this existed. That the post-Cold War world was bequeathed such sophisticated aid architecture owed a substantial debt to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

The DAC's "role (along with that of the Bretton Woods institutions) in establishing and consolidating the international development field is undisputed" (Esteves & Assuncao, 2014, p. 1777). Yet surveys of global development governance have tended to neglect or downplay the DAC. Barring a recent renaissance of interest (see for example Ruckert, 2008; Schmelzer, 2014, 2016; Hongler, 2017; Mahon, 2017), there were few serious studies of the DAC in the Cold War period beyond those commissioned by the OECD or written by sympathetic insiders (Rubin, 1966; Esman & Cheever, 1967; Ohlin, 1968; Fuhrer, 1996). Even specialist texts on the OECD have, with some creditable exceptions (see Mahon & McBride, 2008; Carroll and Kellow, 2011, 2017; Schmelzer, 2016; Leimgruber & Schmelzer, 2017; Woodward, 2021), marginalised discussion of the 'D' in 'OECD'.

This chapter charts the DAC's Cold War history and teases out some of the underlying factors conditioning its influence and performance. Unlike its more illustrious counterparts, such as the World Bank and the International Monetary Fund (IMF), the DAC did not possess an operational mandate. Instead its main achievement in the Cold War era was establishing the institutional and intellectual scaffolding of international development cooperation. At the start of the Cold War, debates about bilateral development assistance were in their infancy. As one of the first international organisations on the scene, and the only one devoted specifically to development *assistance*, the DAC wielded appreciable influence over the nascent field of international development cooperation. In its inaugural decade, debates in the DAC promoted converging views among members about the nature of the development problem and the role of international development cooperation in addressing it. This common front permitted the DAC to become a caucusing group for so-called Western interests in broader international meetings. The DAC's perspectives were underpinned by the elaboration, refinement, and dissemination of a shared language to understand, and statistical norms to quantify, aid, most notably Official Development Assistance (ODA). Steps were also taken to ensure that the DAC's abstract and theoretical knowledge translated into concrete action to enhance the effectiveness of development assistance. Formally, this involved adopting guidelines, standards and benchmarks against which the performance of each member's development assistance programmes would be judged through ongoing surveillance and regular peer review. As the testimony of senior figures reveals, however, it was by virtue of the everyday process of officials applying lessons learnt from their counterparts in Paris that the DAC's doctrines leached into national and international policymaking (Flood, 2011). Collectively these developments orchestrated a quiet revolution in the identities and imaginations of member states and their societies. By the end of the Cold War, participation in the DAC had forged its members into a donor community where the supply of development assistance was seen as a routine function of modern industrialised states (Schmelzer, 2014).

Although it provided the overarching backdrop, Soviet competition was not the only feature of the landscape the DAC inhabited. First, the DAC embodied the predominantly 'North-South' organisation of international development cooperation. Despite some engagement with non-DAC donors, most notably the Union of Soviet Socialist Republics (USSR) (Hynes & Trzeciak-Duval, 2015) and the Arab world (Hynes & Carroll, 2013), the DAC customarily talked about rather than to non-members, not least those to whom aid was disbursed. Second, despite undergoing a relative economic decline, the United States played a hegemonic role in the DAC. The most outward manifestation of this was the DAC chair, a position bankrolled by the US and held throughout until 1999 by a US national. In addition, the DAC was the only OECD committee with a full time chair who was not under the OECD Secretary-General's administrative supervision. The DAC chair was also permitted to present their views without the OECD Council's prior approval, prompting one observer to quip that the incumbent was "in but not quite of the OECD" (Rubin, 1966, p. 80). This, together with a membership at variance with that of the OECD including, uniquely, the European Union (EU) as a full member (Orbie & Verschaeve, 2015) highlights a third feature: the DAC's intra-organisational relationships. Many of the OECD's development-related undertakings occur outside the DAC. Similarly, many of the themes explored in the DAC, including trade, agriculture, taxation, public governance and the environment, intersect with or impinge upon the territories of other OECD Committees.

2. DAC's first decade - Putting the 'D' in the OECD

As Gerardo Bracho's contribution to this volume demonstrates (Chapter xx), the DAC emerged against a backdrop of intensified Cold War enmity. Spearheaded by the United States, the desire to insert a 'D' into the newly instituted OECD arose out of anxieties about the 'Soviet economic offensive' (Thorp, 1957). The OECD would secure Western economic growth by coordinating its reactions to the business cycle. Meanwhile, to offset the expansion of Soviet and Chinese assistance, the DAC was to boost Western aid volumes to dissuade developing countries from drifting into the communist orbit. By the end of the 1950s, however, the limits of US hegemony were becoming apparent. The building of the postwar liberal international economic order had subsidised their allies' recovery. Nonetheless the costs involved were sapping American preponderance and contributed to the emergence of a budget deficit that threatened the long-term viability of the Bretton Woods system of international monetary management. The United States saw the DAC as a venue where these issues could be confronted simultaneously. Through the DAC, the United States hoped to inspire developed countries to share the burdens of international economic management by elevating their assistance to developing nations. Helpfully, this would also have the effect of increasing the capital exports of surplus countries such as Germany and Japan thereby alleviating the US balance of payments position and the strains on the Bretton Woods system.

At the fourth meeting of what was, at this point, still the Development Assistance Group in London in March 1961 the then members (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Portugal, the United Kingdom, the United States and the European Economic Commission) endorsed the Resolution on the Common Aid Effort. Deriving from the DAC's mandate (OECD, 1960), this document neatly encapsulates the agenda pursued by the DAC during the Cold War years. Specifically, the resolution notes that members commit to "make it their common objective to secure an expansion of the aggregate volume of resources made available to the less-developed countries and to improve their effectiveness" and agree that such assistance would be most beneficial if "provided on an assured and continuing basis". Accordingly, members agreed "that the common aid effort should provide for expanded assistance in the form of grants or loans on favourable terms", to "periodically review together both the amount and the nature of their contributions to aid programmes", and to enunciate "principles on which governments might most equitably determine their respective contributions" (OECD, 1961a).

Despite US support and a consensus adopted in the Common Aid Effort about the overarching agenda, the DAC's initial outlook was inauspicious. The DAC's external environment was poisoned by institutional jealousies and disagreements. The World Bank, for example, had concerns that this upstart organisation would trespass on its agenda. Elsewhere the United Nations (UN) Secretary-General, reflecting the disillusion of developing countries, inveighed against the location of the centrepiece of international development cooperation at what was perceived as a rich countries' club (Therrien, 2002). There was also dissension inside the OECD. Neutral states including Switzerland and Sweden were anxious about the entanglement of development with the Cold War. Greece and Turkey, two OECD members who at this point were aid recipients, were irritated by their exclusion from the DAC. These sores were ultimately soothed by the OECD becoming a venue for defusing East-West tensions and the agreement to set up aid consortia for Greece and Turkey within the OECD framework. Divergence among members about the DAC's purpose also plagued its formative years. Whereas most members envisaged a DAC that would deal with, and possibly syndicate loans to, individual countries, the former colonial powers, France, Belgium and the United Kingdom, pushed for a narrow donors' club. Eventually this latter view prevailed, and the DAC became an exclusive forum where Western donors could coordinate their views about development problems, nurture best practices to solve them, and present a united front in the other international organisations charged with stimulating development.

The need for a place where Western donors could harmonise their posture assumed greater importance following the first United Nations Conference on Trade and Development (UNCTAD) in 1964. At this meeting, the OECD countries were ambushed by demands from developing countries for reforms to the global trade regime and greater benevolence in development assistance. The unity of the developing countries stood in stark contrast to the deep divisions among the OECD members, especially on questions of trade (Garvini, 2002, pp. 30-44). UNCTAD was a bruising experience for the OECD but, in anticipation of further showdowns with the newly assertive developing world, injected fresh impetus into the DAC as a forum where donors could iron out their differences (Ohlin, 1968). The DAC had created a working party on UNCTAD issues but, as Hongler's (2017) archival research reveals, this body convened only three times prior to the conference and produced vague results. In the aftermath of UNCTAD, the working party became the fulcrum of DAC efforts to counteract the proposals from developing countries by brokering consensus among DAC members so as to allow them to speak with one voice in future confrontations. The fallout from UNCTAD also highlighted the impediments arising from the dispersal of development issues across OECD directorates and the incongruence between OECD and DAC membership. Many of the topics broached at UNCTAD related to trade and fell within the purview of the OECD Trade Committee rather than the DAC. Almost from the outset the DAC members had been asked to "consider how the relationship of trade to aid can best be dealt with and in what forum" (OECD, 1962b, p. 29) but in practice the need to ponder them jointly posed strains on the OECD bureaucracy. In particular the Trade Committee was generally the preserve of officials from trade ministries and frequently promoted views, for example on trade preferences and export credits, at variance with those possessed by their colleagues responsible for development. At times the discrepancies between the membership of the DAC and the OECD impaired the working group's effectiveness because not all parties to the Western Group in UNCTAD participated in the DAC (US State Department, 1965). Nevertheless, the OECD's superior research capacity and its flair for nurturing consensus played an important role in subduing subsequent attempts by developing countries to advance alternative development blueprints (Toye, 2014).

3. Defining the D in the OECD

In addition to the haggling over the DAC's overall direction and an increasingly inhospitable international environment, the incipient institution faced other pressing problems. Before the DAC could seriously engage with its brief of coordinating attempts to expand, enhance the effectiveness of, and ensure an equitable burden of international aid it first had to confront some important preliminary puzzles. Specifically, the DAC needed to hammer out a consensus on the nature and meaning of development, a shared vocabulary to describe and comprehend development issues, and mathematical methods to measure development assistance and render it internationally comparable.

Taking its lead from the OECD Convention's injunction to "contribute to sound economic expansion in member as well as non-member countries in the process of economic development" (OECD, 1961b), economic growth was a common denominator in the DAC's definition of development throughout the Cold War. Reflecting the tenor of the times, in the 1960s the DAC largely conceived development in terms of rising per capita income levels deriving from economic growth. Like the other international development institutions, the DAC was in thrall to modernization theories touting industrialisation as a prerequisite for economic growth. The traditions and primitive institutions of pre-modern societies were viewed as serious impediments to industrialisation. The transition to industrial modernity would require enormous capital injections but it was recognised that that private financial markets alone "could not adequately serve all of the needs of handicapped countries" (OECD, 1985, p. 13). As well as narrowing the yawning chasm in the flow of resources needed, in the Cold War context subsidised financial assistance from DAC members could be used to anchor developing states to Western routes to modernity grounded in capitalism and democracy. Towards the end of the 1960s modernization theory came under attack within and without the OECD from those who posited that economic growth was not delivering improvements in human welfare. From the mid-1970s, the DAC flirted with the basic needs approach, which paid greater attention to poverty alleviation. Nonetheless, as the communiqué to the 1977 DAC high level meeting (HLM) made clear, the underlying premise was unaltered, with members emphasising "that concern with meeting basic human needs is not a substitute for, but an essential component of, more economic growth which involves modernisation, provision of infrastructure and industrialisation" (OECD, 1977). Spurred especially by the United States and the United Kingdom, the DAC became an outrider for the neo-liberal insurgency of the 1980s, providing empirical support for the work of the World Bank and prioritising assistance aimed at strengthening enterprise and providing institutions for the market. Adopted under the rubric of the Washington consensus, the extension and intensification of privatisation, liberalisation and marketization signified a discernible change in policy prescription. Yet, the ultimate purpose of these policies was unchanged. The 1989 "Development Cooperation Report", published less than one month after the fall of the Berlin Wall, highlights the centrality of "improved economic growth as the indispensable basis for broader achievements" (OECD, 1989).

Whatever the definition of development, financial resources would be essential. Reflecting the OECD's faith in market-oriented solutions the DAC was keen to stress the private sector's role in endowing these resources. Equally the DAC was mindful that private capital was no panacea and, in certain circumstances, may exacerbate underdevelopment. To reflect the extra risks, private investors would demand higher interest rates to support schemes in developing countries. These risks are most pronounced in the poorest and least developed countries. Concomitantly they would be denied access to affordable private finance or, where it was forthcoming, face crippling debt service costs. Private investors looking to maximise their returns likewise have little incentive to support vital public infrastructure projects. Indeed, the profit motive may induce them to back ventures that are socially, environmentally and financially unsustainable. Development assistance was regarded as a "catalytic and supplementary resource" (OECD, 1985, p. 32): catalytic because it would 'crowd in' private finance by ameliorating and sharing the risks of developing country investment and supplementary insofar as it would bridge the gap between the financial needs of developing countries and what private lenders would supply.

Concurring that expanded financial assistance was necessary was only the starting point, however. To ensure its effectiveness and equitable burden sharing, the DAC first had to concoct a uniform definition of what constituted development aid. Elsewhere Hynes and Scott (2013; see also this volume Chapter xx) have dissected the sometimes tortuous process by which the DAC, in 1969, settled on the definition of ODA that confines it to those financial flows which possess a primarily developmental motivation, official character and are awarded on concessional terms. The DAC's definition of ODA soon acquired wider acclaim when in 1970 the UN, upon the recommendation of the Pearson Commission appointed by World Bank President Robert McNamara, adopted a target, applying DAC ODA definitions, that donors should provide aid equivalent to 0.7 per cent of their gross national product (GNP).

Most of the DAC's members acquiesced in the UN target, but meeting quantitative goals could not guarantee that aid would contribute effectively to development. To this end, through its many working groups and member submissions, the DAC distilled the collective experiences and perspectives of its participants into a suite of best practice guidelines and standards. All of the DAC's guidelines take the form of 'soft law', in other words mechanisms that are not legally binding, but which members feel constitute a strong moral imperative to follow, of varying levels of formality. By the Cold War's conclusion only four DAC benchmarks had been codified into official OECD legal instruments; the remainder took the form of principles, codes of conduct, databases and policy statements. Collectively these declarations form a doctrine of development assistance that has exerted a subtle discipline over the trajectory of global development governance.

These standards find their way into national policy through a mixture of peer learning and peer pressure. The DAC's various meetings and working groups repeatedly brought together bureaucrats responsible for development assistance at the national level. These encounters allowed officials to glean lessons about the practical implementation of development assistance policies through exchanging information and experiences with their foreign counterparts. These interactions, alongside the regular publication of comparative statistics about the benevolence (or otherwise) of national aid efforts, equipped them with the ammunition required by domestic aid ministries to safeguard and preferably augment national aid allocations. Nonetheless, the peer review process is the most renowned mechanism through which the DAC seeks to induce members to apply its corpus of norms and standards. Galvanised by its aspiration to secure a more equitable distribution of development assistance, the United States provided much of the impetus behind the proposals, ratified in January 1962, to institute an annual aid review (OECD, 1962a). The peer review process entails the systematic evaluation of a donor's assistance programme in the light of DAC's goals and benchmarks. Beyond identifying aspects of state practice that depart from agreed goals and expectations and generating pressure to rectify them, the peer reviews were another opportunity to pinpoint best practice, share know-how and reinforce aid coordination. As the Cold War progressed, the peer reviews expanded thematically and diminished in regularity in response to the DAC's growing membership and compilation of visions, indicators and benchmarks. After peaking at 0.54 per cent of GNP in 1961, the proportion of ODA drifted steadily downwards to around 0.33 per cent of GNP throughout the 1980s (OECD, 2011). The palpable failure of the DAC and the majority of its members to attain the 0.7 per cent target elicits questions about the potency of the peer review process. Still, the members did gravitate towards some of their other targets. For instance, members worked hard to soften the terms of aid to developing countries, setting a target in 1972 of giving 84 per cent (increased to 86 per cent in 1978) of ODA in the form of grants rather than loans. By the end of the 1960s, grants had dropped to around 60 per cent of aid but these targets were, collectively at least, being met by the Cold War's end. Moreover, those close to the process insist that peer reviews provided a crucial conduit through which DAC pronouncements, often requiring onerously won reforms that were otherwise vulnerable to sacrifice, became hard-wired into the circuits of domestic development institutions and policy (Manning, 2008). All the same, achieving serious progress required the stars to align with the most promising constellations, entailing peer reviews interacting with pre-existing domestic reform agendas.

Arguably, the failure of the DAC or its members to reach numerical targets or rid countries of the scourge of underdevelopment was less important than the fact that they glimpsed this as something they *ought* to be doing. As the 1985 "Development Cooperation Report" noted "official development cooperation was conceived as a temporary, transitional feature of international relations a quarter-century and more ago. Today it is established as a regular function of governments…..generally accepted as an indispensable expression of humanitarian concern and collective responsibility" (OECD, 1985, p. 32). Networking at the DAC had abetted the transformation of a loose coalition of countries making nebulous pledges above benevolence towards the less fortunate into "a community of aid donors, sharing a more or less coherent doctrine on aid questions" (Schmelzer, 2014, p, 172; see also OECD, 1985, p. 32).

The emergence of an imagined community devoted to development had important practical repercussions. In particular, the DAC expedited the constitution of a host of new actors in the field of development cooperation. When the DAG commenced operations, development assistance was a fringe activity whose administrative structure was rudimentary and scattered across many government departments. By the early 1970s, all DAC members had a dedicated ministry or department responsible for aid administration. DAC membership was instrumental in this rationalisation of domestic aid infrastructures. The exigencies of the DAC peer review process forced states to formulate a coherent national aid policy to defend in an international forum. Through this process, and the considerable cross-departmental coordination it necessitated, states were educated about the rationale for housing the aid bureaucracy in a single location. This, in turn, bolstered the hand of these officials in petitioning for additional development assistance (see Schmidt, 2003). Beyond the state apparatus the DAC's effects percolated into their wider societies. By increasing the visibility of development issues, the DAC also helped to constitute a range of other actors and constituencies that would lobby for development cooperation. Domestic actors were an important secondary audience for the DAC's outputs. Parliamentarians and civil society organisations seized upon DAC reports and peer reviews to highlight ways in which governments were departing from international norms and best practices. Indeed, this ability to 'shame' governments ultimately gave the DAC's surveillance some purchase. Increasingly it is recognised that states' behaviour is governed, at least in part, by a logic of appropriateness that obliges them to align their behaviour with the conventions and expectations prevailing in the community to which they purport to belong. To conserve their reputation as virtuous community members, states are anxious to avoid criticism by the DAC. The claim is not that this miraculously promoted a scrupulous adherence to the DAC standards, but rather that the conduct of states is tempered by their perception of what constitutes legitimate donor behaviour.

4. Enlargement

As the Cold War progressed, the DAC's membership and remit swelled steadily, bringing fresh opportunities and challenges. The accessions of Norway (1962), Denmark (1963), Sweden (1965), Austria (1965), Australia (1966), Switzerland (1968), New Zealand (1973), Finland (1975), and Ireland (1985)) almost doubled the DAC's membership. The DAC nevertheless remained a close-knit community bound by a common mission. For most of these countries, which were already OECD members, the path to DAC membership was relatively straightforward. The exceptions were Australia who, emulating Japan, used the DAC as a stepping stone to enter the wider organisation and New Zealand whose engagement with the DAC and the OECD grew until it joined both simultaneously. Whereas most OECD members, the United States especially, could see the value of binding Japan into the Western bloc they were less enthused about Australia and New Zealand (Carroll, 2017). In addition to fears that their applications for OECD membership might lead to a slew of other such requests, Australia had not always toed the Western line in UNCTAD, much to the United States' chagrin. For their part, the two Australasian countries equivocated about OECD membership, hoping instead to steer a middle way between the 'rich country club' and the developing world. When this position proved unsustainable, not least as most developing states perceived them as developed countries, Australia and New Zealand started to take a keener interest in OECD membership.

Internal fissures within the government made Australia's route to OECD membership a protracted affair. While the Treasury and the Department of External Affairs broadly supported an Australian application to the organisation, the prime minister and the Department of Trade were against it. Those opposing membership feared that it would lead to pressure on Australia for unwelcome policy changes, including in the realm of development assistance. In particular, Australia had concerns about coming under pressure to escalate its aid flows and that Asian countries which were the targets of its exports might dislike its OECD affiliation (Carroll & Kellow, 2017, pp. 50-60, 156-57). Despite persistent ministerial disagreements about whether OECD membership was in Australia's national interest the Cabinet granted permission for an application to the DAC in 1965. This decision reflected a number of practical and policy considerations. Firstly, Australia's aid performance outshone that of many DAC members, both in scale and concessionality. Secondly, the DAC's importance as a venue for coordinating aid policy had been heightened by UNCTAD and Australia wanted its interests represented in any future Western consensus. Thirdly, DAC membership would serve to raise the profile of Australia's aid programme and enable it to coordinate its assistance with other aid donors. Finally, Australia's officials would be inculcated into the OECD way of working, gaining valuable insights for any prospective application for full membership. As Carroll and Kellow (2017) have demonstrated, participation in the DAC revealed to Australian officials the primitive nature of their aid infrastructure and furnished them with ideas about how to bring development assistance into the mainstream of economic policymaking. Australia's generally positive experience in the DAC liquidated the remaining domestic resistance to full OECD membership, which it acquired in 1971.

New Zealand's journey to DAC and then full OECD membership followed a similar track. Internal divisions within the government again featured prominently. For the Treasury and the Department of Agriculture and Commerce, associating with the OECD had obvious benefits, not least that it would facilitate stronger relationships with countries, especially those of the European Economic Community (EEC), where the bulk of New Zealand's exports were destined. Initially these arguments were outweighed by the anxieties of the Departments of External Affairs and Industry and Commerce who feared that this would burn their bridges with UNCTAD and the G77. Again, the rift between the developed and developing world after UNCTAD tilted the balance in favour of aligning with the OECD with which New Zealand started to build an ad hoc relationship. The DAC, which a representative of New Zealand's Paris embassy had been attending as an observer since 1962, was a key part of this. Seeing that Australia had not been forced into a drastic overhaul of its aid policies removed some of the last obstacles to New Zealand's application and it joined both the DAC and the OECD in 1973.

While the enlargement of DAC membership slowed in the 1970s the same could not be said of its remit. As the previous section details, the DAC initially concentrated on scoping out aid concepts, contriving statistical frameworks and conventions to render member performances internationally comparable, and elucidating systems to monitor and review the efficacy of national aid efforts. Although these would remain the apotheosis of the DAC's work, it nevertheless started to pay greater attention to a broader range of development cooperation policies and issues, a fact reflected by changing the nomenclature of the Development Assistance Directorate to the Development Cooperation Directorate (DCD).

Aid effectiveness was integral to the DAC's mission from the outset (OECD, 1962b, p. 41) but the growing attention paid to aid quality in the 1970s brought it to the fore. The DAC's own evaluation of development assistance noted that too often aid was well-intended but ineffective in the sense that projects did not deliver their intended outcomes or had unforeseen side effects (OECD, 1972, 1980, Chapter III). For example, precious aid was wasted on poorly conceived public infrastructure projects and competition among donors for attractive projects, while the dissemination of new technology often exacerbated income disparities by concentrating gains in the hands of those most able to exploit it. Practical experience demonstrated that ODA was only as effective as the institutional and administrative milieu in which it operates. Unleashing the full power of ODA required the administrative and institutional shortcomings of developing states to be surmounted. Therefore, often at the behest of the HLM, the DAC dwelt on identifying the conditions for aid effectiveness. The result was a compendium of good practices for areas including aid coordination with developing countries, project appraisal, technical cooperation, programme assistance, women in development, assessing the environmental impact of development projects, procurement practices, evaluating development assistance and tied aid (OECD, 1992).

The DAC also delved more deeply into affairs, including agriculture, energy, education, health, fertility, migration, ecology, and public administration, which were the terrain of other OECD committees. This reflected the aid effectiveness agenda but also calls from the OECD Council for the organisation to take a more holistic view of development cooperation. The DAC was asked to identify pertinent development issues and invite other competent bodies of the OECD to investigate development matters falling with in their remit. Nonetheless such interdisciplinary work brought additional challenges, not least the insertion of ideas from policymakers for whom development was not the primary concern. For instance, almost from the outset the DAC had engaged with the topic of tied aid, the provision of loans and grants conditional on goods and services being procured from the donor. This issue swiftly became entangled with the supply of export credits, subsidised financial support given by governments to entice foreign buyers to purchase goods from their domestic firms. Advocates claimed that blending tied aid and export credits brought commercial benefits to rich nations and developmental benefits to their poorer counterparts by reducing the costs of buying goods, thus allowing aid budgets to stretch further. Critics meanwhile suggested that this was nothing more than a predatory form of trade finance that reduced the real cost of aid to the donor and distorted development objectives. Within the DAC these matters were first the preserve of the Working Party on Terms of Aid and, from 1964, the Working Party on Financial Aspects of Development Assistance. Rather than officials from the domestic aid bureaucracy, representatives from finance and trade ministries, who prioritised commercial success over aid and development, often populated this working group. In any case, the main responsibility for export credits in the OECD has since 1963 lain with the Trade Committee's Expert Group on Export Credits and Credit Guarantees, again "bringing into play in the development aid arena a wider range of actors from domestic trade departments, treasuries and export credit agencies" (Carroll & Kellow, 2017, p. 171). As the Cold War progressed, development did become a permanent part of the agenda of almost all OECD committees and directorates. Equally, although this issue remains under-researched, the different communities of influence that swarmed around the different committees undeniably complicated the DAC's mission.

5. Conclusion

Throughout the Cold War, the DAC "provided a forum for coordination of all matters related to development cooperation" (de Renzio & Seifert, 2014, p. 1861). When the Berlin Wall fell in November 1989 the field of international development cooperation was replete with references to the ideas, statistics, standards, and solutions pioneered by the DAC. By acting as a hub for national and international aid agencies and personnel it fuelled the emergence of a community of states and societies devoted to boosting official development assistance. In some respects, the most important legacy of the DAC's Cold War activities was that it had instigated a community which regarded an aid-giving as, in the words of the first OECD Secretary-General Thorkil Kristensen (1962, quoted in Schmelzer, 2016, p. 227), "a normal and stable function of an industrial state". In short, during the Cold War the DAC, in conjunction with a wider ensemble of international development organisations, prescribed the prevailing development paradigm. Furthermore, with the DAC country share of ODA regularly exceeding 90 per cent and seldom dropping beneath 75 per cent, they had the financial wherewithal to realise it.

The enlargement of the DAC's membership and agenda had little effect on its outlook and character. While the DAC began to rove over a wider area, its fundamental philosophy was consistent and drew upon that prevailing within the OECD as a whole. Namely, the solution for underdevelopment lay in sustainable economic growth underpinned by a commitment to democratic and market modes of governance. Furthermore, well-designed and coordinated ODA could play a crucial role in hastening these outcomes in countries where they could not otherwise be attained by private sector resource flows alone.

Undoubtedly the DAC's Cold War influence was at its zenith during the 1960s, when its role in defining development and the budding field of development cooperation was arguably as important as more renowned institutions such as the World Bank and the United Nations Development Programme (UNDP). Thereafter the DAC receded into the background such that by 1975 Camps (1975,p. 29) asserted that the World Bank was providing "much of the necessary research, coordination, setting of standards, goals etc that came mainly from the DAC a decade ago". Nevertheless, the foundations laid during DAC's inaugural decade, plus its ongoing research and surveillance, preserved its status as an authoritative development actor. Indeed, it was this authority that would, in the 1990s, become the basis for the DAC's biggest post-Cold War achievement: providing the founding vision and articulation of what would become the UN Millennium Development Goals (MDGs), resetting the prevailing global frame of reference on development from the Washington Consensus to human development-based poverty reduction, leaving no one behind, and the preservation of environmental sustainability (see Chapter 9).

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