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Abstract

Soviet, later Russian, relations with the OECD, notably its Development Assistance Committee (DAC), have oscillated over the decades, along with profound shifts in the world economic balance and in the relative strength of the Russian economy. During the Cold War, the Soviet Union rejected Marshall Aid but later sought to join the OECD. While the OECD could have been a place to pursue East-West economic interests and mutual benefits, political tensions limited the scope for collaboration. Towards the end of the Cold War, the Soviets sought increasing co-operation and this continued into the 1990s when the OECD played a key role in supporting the Former Soviet Union countries, especially the Russian Federation, and aiding their transition to a market economy. The Russian Federation has since become an accession candidate to the OECD, though this process has now been postponed because of political tensions related to Ukraine. This postponement does not preclude stronger collaboration in the area of development co-operation.

Development co-operation has been an area of both competitive and collaborative relations between the Russian Federation and OECD members. The Development Assistance Committee of the OECD has its origins in the United States inspired attempts to counter the perceived threat of Soviet communist influence through aid by expanding and improving the collective aid effort of the West. The DAC collected statistics on Soviet bloc development assistance, the accuracy of which was always disputed, and succeeded in promoting only limited in-country co-ordination between the Soviets and Western donors. During the late 1980s, this began to change as the Soviets struggled to maintain their development programmes and sought ever more co-operation. Thereafter DAC members became donors to the Former Soviet Union. Twenty years later, the Russian Federation straddles a unique middle ground between developed and developing countries and has a re-emerging aid programme. This paper reviews Soviet/Russian-DAC co-operation and suggests a twenty-first century Russian-DAC relationship that will enhance development outcomes, at long last keeping a re-emerging donor out of the cold.

Key words: Development co-operation, development assistance, aid, ODA, DAC, emerging donors, Soviet aid, Russian Federation, East-West, Cold War, Ukraine

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Glossary Abbreviations and Acronyms

APF	Africa Partnership Forum
BRICS	Brazil, Russia, India, China, South Africa
CCEET	Centre for Co-operation with European Economies in Transition, OECD
CCET	Centre for Co-operation with Economies in Transition, OECD
CCNM	Centre for Co-operation with Non-Members, OECD
CEEC	Central and Eastern European Countries
CIA	Central Intelligence Agency, United States
CIS	Commonwealth of Independent States
CMEA	The Council for Mutual Economic Assistance
CPE	Centrally Planned Economies
COMECON	Same as CMEA (see above)
CRS	Creditor Reporting System, OECD
DAC	Development Assistance Committee, OECD
DCD	Development Co-operation Directorate, OECD
DAG	Development Assistance Group
DEV	Development Centre, OECD
DfID	Department for International Development, United Kingdom
DRS	Debtor Reporting System, World Bank
EBRD	European Bank for Reconstruction and Development
FSU	Former Soviet Union
G8	Group of 8 (Canada, France, Germany, Italy, Japan, Russian Federation, United Kingdom, United States)
G20	Group of 20 (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russian Federation, Saudi Arabia, South Africa, Turkey, United Kingdom, United States and the European Union)
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
IBRD	International Bank for Reconstruction and Development
ILO	International Labour Organisation
IDS	Institute of Development Studies
IMF	International Monetary Fund
NEPAD	New Partnership for Africa's Development
NIS	New Independent States of the Former Soviet Union
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OEEC	Organisation for European Economic Co-operation
ONE	Campaigning and advocacy organization taking action to end extreme poverty and preventable disease, particularly in Africa
OPEC	Organisation of the Petroleum Exporting Countries
UAE	United Arab Emirates
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USD	United States dollars
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organisation

1. Introduction

On 30 September 1961, the Organisation for European Economic Co-operation (OEEC), created to administer the Marshall Plan¹, went out of existence to be replaced by the Organisation for Economic Co-operation and Development (OECD). All original OEEC European members plus Canada and the United States – and Japan three years later -- became OECD members. Economically, within ten years OECD countries produced two-thirds of the world's goods and accounted for more than 80 per cent of world trade. Politically, the OECD “stood as a colossal... challenge to Soviet and Chinese Communism” (Sullivan, 1997).

The OECD's founding Convention of 1961 laid out the broad aim of effective engagement with non-members, including developing countries, industrialised countries, other international organisations and interest groups, especially in the pursuit of economic development. The nascent inter-governmental Organisation, with its committee structure linked to key areas of government policy-making, provided a propitious context for the integration of the Development Assistance Committee (DAC) and coincided with the priority accorded to development by newly elected US President Kennedy². At the time, France, the United Kingdom and the United States accounted for 85 per cent of Western aid³ and wider burden-sharing⁴ was desirable. This was soon achieved with rising contributions especially from Germany and Japan and DAC members' share of official development assistance (ODA) rose to more than 90 per cent of the global total.

Surprisingly, the Soviet Union expressed an interest in joining the OECD during the Geneva Foreign Ministers Conference on disarmament in April 1960. The French felt that, as the Soviets were not members of the OEEC, and not wanting to discriminate against the rest of the world, they could not accept Soviet membership. Furthermore, they considered that the Soviets did not play the trade game under the same rules as Western countries. The United States largely concurred with this assessment considering Soviet policy aims incompatible and suspecting that their motive for joining appeared to be “deliberately to obstruct the attainment aims of the organisation” (State Department, 1960). Even if the USSR was acting in good faith, according to the United States, the Soviet economic system in theory and practice precluded genuine co-operation based on common principles and purposes of economic activity. For the time being, the door to the OECD -- although not necessarily to the DAC -- was closed to the Soviets.

The DAC has a long record of constructive engagement. It has attempted to expand the flow of resources to less developed countries from its members as well as non-members, to improve the terms and conditions of aid and to increase its developmental effectiveness (OECD, 1985). In its 50-plus years of existence the DAC has made significant progress on

¹ The Marshall Plan was the short name of the European Recovery Programme, the United States' initiative to help Europe rebuild after World War II and curb the spread of communism. It was named after US Secretary of State George Marshall and his Harvard address of June 1947. Marshall Aid was the economic and technical assistance given by the United States to Europe under the Marshall Plan.

² The perceived economic prowess of the Soviet Union in the early 1960s and the challenge this posed to the West's dominance in aid were critical factors that gave rise to the Common Aid Effort of the DAC's predecessor, the Development Assistance Group (DAG), set up on 13 January 1960. It became the DAC within the newly established OECD in September 1961.

³ Aid is a voluntary transfer of resources from one country to another. Aid can be bilateral or multilateral. It encompasses various forms such as official development assistance (ODA), official aid and other official flows.

⁴ Burden-sharing refers to a country's relative contribution to overall ODA volume, usually assessed on the basis of its ODA/GNI ratio and taking account of its per capita income.

these core objectives. Its members together with the Chair⁵ and Secretariat have over time fashioned a process that, without trying to force common policies, promotes them, and considers broad as well as regional and sectoral development issues, with members candidly critiquing one another and the Secretariat joining in, evaluating members' assistance programmes individually and jointly (OECD, 1985).

The history of the Committee reveals useful experiences in interacting with non-members. It shows that the DAC, or at least certain members, have generally been open to outside perspectives, whether it was analysing the particular problems of developing countries or engaging non-DAC members including the Soviet Union and Arab donors and more recently the Chinese through the China-DAC Study Group⁶. Often there were efforts to reform the DAC to include the views of developing countries, though with varying results. As recognised by Mason and Archer (1973), "In terms of equality between recipient and donors, the DAC led the way when it invited Thai officials to all sessions of the country meeting on Thailand in 1962". In contrast, in the 1970s, members strongly rebuffed Chair Maurice Williams' suggestion of three peer reviewers for peer reviews – two from the DAC and one from a developing country. It seemed that the DAC was not ready to accept Third World review of members' aid programmes.

What the OECD today calls "engagement" has always been at the heart of the DAC's work. Indeed the very establishment of the DAC was about spreading the burden of assistance, through the common aid effort, to new donors – especially Germany and Japan at that time (Wheeler, 2013). By spreading the aid effort, the rationale, at least for the United States at the time, was also to counter Soviet bloc influence in the Third World. Throughout its history the DAC has succeeded in widening participation in the aid effort cutting across political and geographical lines.

Engaging the Soviet Union in the aid effort posed particular challenges. The Cold War impeded serious co-operation until the 1980s when a growing openness from the Soviet Union created opportunities for collaboration. Later, the Former Soviet Union became an aid recipient before the emergence of the Russian Federation and the gradual return of the Russian aid programme. Reviewing Russian-DAC engagement informs current efforts to engage non-DAC donors and highlights the limitations of global level collaboration in development while indicating where progress on specific issues can be made.

This paper is based on recently de-classified archival material from the OECD and in particular draws on the personal files and interviews of Jürgen Bartsch and Ruth Stock, formerly of the Secretariat. It also connects this rich primary information with the recollections of Richard Carey and other OECD officials who were involved in non-DAC donor work at OECD.

The paper reviews the limited but still revealing interaction over the years between the DAC, the OECD Secretariat and former Soviet, later Russian, providers of aid. It discusses the connections established between the DAC and non-members and illustrates the rise, fall and renewal of engagement. It highlights that engagement, including with the Russian Federation today, must be based on a substantial agenda like statistical co-operation, genuine mutual

⁵ As of 2014, the DAC has had 14 Chairs. For the first 38 years, all Chairs were from the United States ; the first non-US Chair, nominated by France, was elected in 1999, followed by Chairs from the United Kingdom, Germany, the United States and Norway. Unlike virtually all other OECD Committee Chairs, DAC Chairs serve full time and reside in Paris.

⁶ The China-DAC Study Group was formed in 2009 to share knowledge and exchange experiences on promoting growth and reducing poverty in developing countries, including how international assistance can be effective in supporting this objective. Facilitating mutual learning on poverty reduction is the Study Group's key principle. See: www.oecd.org/dac/povertyreduction/the-china-dacstudygroup.htm

learning, co-financing of projects, sharing of country-level appraisals, and joint evaluations, and that the Secretariat has a useful role to play in informing and sustaining co-operation, provided the membership mandates such a role. The paper suggests the experience with the Soviet Union and the Russian Federation can inform today's efforts to engage China, India and other emerging actors, as shifting wealth and economic gravity stimulate new flows and types of development co-operation. It also suggests that DAC members' interest in non-DAC donors is fickle and has tended to wane as non-DAC flows became less significant: this calls for the DAC to adopt a strategic perspective and greater continuity in future engagement efforts. Finally, the paper posits that stronger co-operation between the Russian Federation and DAC donors would enhance development outcomes: the DAC is a useful vehicle to achieve that goal.

2. DAC-Soviet Relations

2a. Competition and Co-operation 1948-88

During the Cold War, tensions between the East and West seemed to make co-operation and co-ordination on development assistance unlikely. In fact sharp differences emerged over the world's first major aid programme. The Soviet Union rejected Marshall Aid partly because of the provision of economic assistance to Germany. The Soviets had concerns about the influence of aid on the domestic affairs of other countries and urged greater transparency about the amounts provided to the different European countries. The United States ignored these concerns and began providing Marshall Aid in 1948. The Organisation for European Economic Co-operation (OEEC) was established to administer the assistance, and promote intra-European trade and European integration, and was the forerunner of the OECD.

Competition in the field of development co-operation intensified in the 1950s. John Foster Dulles, US Secretary of State, supported a long-term aid programme to "counter Soviet penetration of the Middle East and South Asia" (Schmidt, 1956). The US State Department estimated that Soviet aid was small relative to the volume of its own assistance. While the US provided USD 20.3 billion to less developed areas between 1954 to 1959, they estimated the Chinese-Soviet bloc provided just USD 3.8 billion (State Department, 1960). However there was increasing competition and the Soviet-bloc aid to less developed countries was increasing and reaching into new areas such as Africa and Latin America, "establishing beachheads in Western Spheres of Influence" (New York Times, 1960)⁷. Some countries, including Burma, found the cost of Soviet bloc goods high and the quality poor. Nevertheless, the US ushered in a new era of economic co-operation among the Western powers through the formation of the OECD and in the sphere of development through the Development Assistance Group. The objective of the new DAG was to increase the volume and effectiveness of Western aid.

⁷ In the early 1960s it was believed that Soviet economic prowess challenged the West's dominance in aid. Despite early successes Soviet aid was "reduced and more pragmatic" through the sixties and seventies as DAC donors scaled up. In fact some estimates suggest that Soviet aid peaked in 1960. For the Soviets the instability of post-colonial regimes made economic aid an increasingly risky investment (Lawson, 1988). Lasky (1966) in a largely anecdotal account claimed that Soviet aid was about as ineffective as the American programme and beset with many similar difficulties. Others like Goldman (1965) offered partial support for Soviet aid, indicating that the Soviets had learned much in the early days of their programmes and by the mid-1960s were moving away from "economically useless stadiums and hotels and wherever possible encouraging projects which have more economic rationality, including some that are financed on purely commercial terms". By the 1970s, the commercial interest of Soviet aid was apparent and used, according to the CIA to "protect their commercial and long-term economic interests". This included the formation of joint industrial and commercial ventures with LDCs. For instance, this commercial motivation for economic aid was highlighted by the large Communist credits to Argentina, intended to correct the imbalance in Soviet and East European trade with Argentina (CIA, 1974).

The United States and other Western powers co-operated on aid issues through the DAG. But the exact nature of that co-operation was debated. Within the US government, the Kennedy State Department favoured a serious co-ordination of aid policies and programmes *via* Consortia⁸. The Treasury was more conservative and opposed a Committee, which would discuss particular problems or particular areas. The State Department felt that this position limited the activities of the DAG to a “sterile discussion as to which countries should make a greater effort” (Kennedy Administration Papers, 1961). The Kennedy Administration moved quietly to reverse these limitations. The OECD would be useful in cases where it was necessary for the Western powers to take large-scale actions to counter the aid efforts of the Communist powers – the Aswan Dam was an example where efforts by the Western Consortia might have proved useful.

The DAC did not become an instrument in co-ordinating the Western aid effort but ultimately converged around a narrower set of objectives focused on monitoring aid statistics and encouraging more effective aid practices. Nevertheless, the widespread recognition of the DAC’s pre-eminence in these activities was a good basis for engaging new donors. When the United States considered asking the Soviet Union to collaborate in the co-ordination of aid in the OECD, this was again rejected. The OECD Secretary General Kristensen commented that the two systems (capitalist and communist) were so radically different that he did not see “any possibility of the Eastern-bloc countries joining in the aid efforts” (Jones, 1963). However, he did say that if the systems of the two areas became more similar over the next decade, there might be a possibility of joint efforts.

Some countries were uneasy about the role of the DAC as an instrument in the Cold War. Sweden and Switzerland initially refused to join the DAC for fear it would contravene their neutrality. These fears eventually subsided and, in the mid-1960s, as part of a US initiative, the OECD sought to be a place where cold-war tensions could be defused with East-West co-operation on issues such as trade, technology and tourism⁹. Yugoslavia had observer status from the creation of the OECD until the dissolution of the country and two COMECON members, Romania and Czechoslovakia, investigated the possibility of attaining associate status.

While the DAC kept track of Soviet donor activities, it also fostered some in-country co-operation between Soviet and Western programmes in a few places such as Pakistan and Afghanistan (Martin, 1988). In the late 1960s, the foreign ministries of some DAC member countries were eager to explore informal cooperation between the DAC and the USSR and/or Eastern European countries. DAC Chair Martin discussed this suggestion with the Americans in February 1968. He did not have formal arrangements in mind, but wished to use the DAC as an intermediary with Soviet and/or Eastern European countries who might be interested in co-operation on development in specific countries, such as Indonesia. US officials thought it might be worth pursuing in the framework of an “East-West bridge-building exercise” (US State Department, 1968). The Prague Spring¹⁰ later that year brought detente in Europe to an end and with it, DAC-Soviet co-operation.

Tracking Soviet aid

This meant that the DAC was limited to tracking Soviet aid statistics and related analytical

⁸ An aid consortium is a group of aid donors that co-ordinate their assistance to a project, programme or country.

⁹ Indeed a 700 page report was published on Soviet technology policy by the Industry Committee. The Soviets showed an interest in the Organisation’s staff work on technology. The OECD report suggested increasing incentives for scientific development but cautioned that centralised planning imposed limits on the efficiency of Soviet research.

¹⁰ The Prague Spring refers to the brief period in 1968 when the government of Czechoslovakia under party leader Alexander Dubcek sought greater democracy and freedom from Moscow’s domination. The Prague Spring ended with a Soviet invasion, toppling Dubcek and curbing reforms.

work. This was a difficult task with no formal communication between Soviet authorities and the OECD Secretariat. The DAG was asked by its members to collect “materials on the financial aid received from Soviet bloc countries” (DAG, 1961). The OECD estimated Soviet bloc aid throughout the 1960s, 70s and 80s. In 1968, the OECD’s Development Centre¹¹ issued a report, which detailed Soviet aid based on Soviet Statistical Yearbooks. The report contended that aid was linked with a policy of foreign trade expansion and less attention was paid to development than to the optimisation of trade exchanges (Vassiliev, 1968). The study suggested that during the 1960s, commitments drawn from Soviet sources were lower than those estimated by the Americans.

Data on loan commitments and disbursements did not give an adequate overall view of the transfer of resources for a number of reasons. Figures were based on the International Bank for Reconstruction and Development (IBRD) Debtor Reporting System (DRS)¹², which contained reporting by some 90 recipient countries. Grants were not included. For example, 1973-4 food aid by the USSR to India of 2 million tonnes worth about USD 350 million was not reported. Similarly, China’s aid to Chad in 1973 of USD 50 million was also not reported. Cuba and the Democratic Republic of Vietnam did not report to the DRS. “Although the precise volume of assistance to these two countries is not known it is believed to amount to several hundred million dollars per annum.” Furthermore, since Cuba was a Member of Comecon¹³ the USSR did not any longer consider it as a developing country. The Democratic Republic of Vietnam had always been classified as a centrally planned economy country and no distinction was being made inside this group between advanced and lesser developing countries. Among the other developing countries that do not report under the DRS, Laos and the Arab Republic of Yemen have received modest amounts of aid from the centrally planned economies (OECD, 1975).

The largest donor among centrally planned economies (CPEs) was the USSR, which provided between half and two-thirds of the total. China rapidly increased the volume of its aid which by 1974 almost equalled that of the USSR. CPE countries had in common the “almost exclusively bilateral character of their aid programmes, the tying of assistance¹⁴ and the fact that repayments are usually made in the form of local goods” (Bartsch, 1975). They never took part in talks on development assistance in the UN and never accepted any international aid target because they considered that “assistance is a matter for the market-economy countries who are ‘responsible’ for under-development in the Third World.” So, they did not accept comparison with DAC countries and they did not supply official figures on their aid flows. By the mid-1970s, there were signs of an apparent slackening of interest by CPEs in development assistance. Nonetheless, as of 1976, the USSR had concluded economic and trade agreements with over 50 developing countries (OECD, 1977). Significant effort was devoted in the 1970s to find methodologies to arrive at comparable figures due to the above factors and other conceptual differences described below, as well as due to major currency misalignments linked to the old CPE system of fixed exchange rates.

At an informal DAC-CMEA aid review in February 1981 -- ten years after it was originally

¹¹ The Development Centre was established as part of the OECD on 23 October 1961 and came into operation in 1964. It was created broadly to stimulate contacts and the exchange of information and ideas among the industrialised and less-developed countries, and to increase knowledge about and help achieve economic growth in the less-developed countries (See Chapter 13, “Origins of the OECD Development Centre” by Carl Keyser in *Development is Back*, Development Centre Studies, 2002. OECD Publishing).

¹² The Debtor Reporting System (DRS) is the World Bank external debt reporting system, created in 1951 and based on submissions by debtor countries.

¹³ COMECON or CMEA was the Council for Mutual Economic Assistance (1949-1991), an economic organisation of Eastern bloc countries under the leadership of the Soviet Union.

¹⁴ Tying assistance refers to tied aid or the practice by which the allocation of official grants or loans by the recipient of resources is restricted. Loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all developing countries constitute untied aid.

proposed -- most delegations felt that OECD countries should continue to press the CMEA countries to participate more constructively in the international aid effort (without great expectations, however, that this would lead to a major increase). They also insisted on pointing out shortcomings in their aid programme, especially developmental quality (e.g. absence of rural development projects), the highly political orientation of the programme, the geographic concentration on a few recipients, the rather harder terms and the almost total absence of multilateral aid¹⁵. It was considered they should be urged to increase multilateral contributions to assume their international responsibilities, provided the contributions were in convertible currency (Bartsch, 1981).

Much of the discussion focused on the problem of USSR support to Cuba in the form of subsidised prices. This type of economic support, which is not regarded as ODA, corresponded to 0.23% of Russian GNP in 1980, but its existence has to be kept in mind in considering the size and nature of Soviet aid¹⁶. The USSR paid “lip service to the Western concept of aid” (Bartsch, 1989a). Support was in the form of loans on favourable terms, payments for the services of Soviet specialists, training and the transfer of Soviet technology and equipment, and also in the sphere of foreign trade, typically through large scale industrial and energy projects, for example steel works, where the recipient would repay the USSR in the commodity as repayment for its loans. The Russians did not guarantee the equipment they provided and through the 1980s, there were concerns about reliability. The UK Foreign and Commonwealth Office in a 1982 note on aid to the developing world cited examples of Soviet projects including a Soviet built tin volatilisation plant in Bolivia which took 10 years to complete and cost ten times the original estimates. A trial run in 1981 filled the atmosphere with toxic fumes. There was also dissatisfaction with fishing rights which the Soviet fishing fleet had in Africa – in fact Angola and Mozambique looked to diversify their economic relations by 1985-90 were taking part in the Lomé Convention¹⁷. There were also equipment failures in Helwan in Egypt, and Bhilai and Bakano in India.

Commodity subsidies, commodity aid and balance of payment support comprised approximately 65% of Soviet aid in 1981. At the DAC meeting on CMEA aid in February 1981, the DAC opposed the inclusion of subsidies in ODA but such support was valuable to recipient countries especially those with balance of payments problems and represented a real burden for the USSR (OECD, 1987). Comparing DAC aid efforts with those of the CMEA countries raised difficult conceptual and measurement problems.¹⁸

In the 1980s the Soviets expressed interest in the DAC’s aid statistics and sought closer co-operation to improve reporting. A Soviet study of the mid-eighties compared DAC statistics to a “banker’s account totalled up to the last penny with the utmost accuracy, including even administrative cost”. DAC provided estimates of Soviet aid, significantly lower than Soviet

¹⁵ As early as the 1960s, OECD experts observed that “Soviet economists appear to be little concerned with development problems, and concentrate almost exclusively on the optimisation of trade exchanges and the prospecting of foreign markets” (Vassiliev, 1969).

¹⁶ The commercial motivation for economic aid was highlighted by the large Communist credit to Argentina, intended to correct the imbalance in Soviet and East European trade with Argentina. The CIA estimated that total flows between 1954 and 1974 drawn by less developed countries were USD 5.3 billion with an average of USD 1.5 billion per year between 1954 and 1964 and considerably less thereafter.

¹⁷ The Lomé Convention is a trade and aid agreement including political aspects between the European Community (today’s European Union) and 71 African, Caribbean and Pacific countries, first signed in February 1975 in Lomé, Togo. There have been three successive agreements, Lomé II, III and IV, with the latter agreement for a period of ten years (1990-2000). They were replaced in 2000 with the Cotonou Agreement, which entered into force in April 2003.

¹⁸ These included 1.) CMEA donors did not report their aid on a comparable basis. Estimates were collected by the Secretariat from a variety of sources; 2.) The nature of aid given differed in important respects from that of DAC aid. General support for countries with close relationships, as distinct from broadly-based development support, absorbed a much larger proportion of CMEA than of DAC aid; 3.) Burden-sharing comparisons were difficult because of the different nature of donor economies involved and their place in the world economy (Bartsch, 1981).

claims but despite “repeated requests from both OECD countries and the Group of 77 in UNCTAD meetings” it did not receive a breakdown of Soviets’ “figures by individual recipients and forms of aid” (OECD, 1985:118). Bartsch described the nature of the statistics collected from a broad range of sources. He collected information from the USSR Statistical yearbooks, other Soviet records, the German Friedrich Ebert Stiftung, newspapers and various other sources. Bartsch holds a degree in Russian and had studied one year in Moscow. The team “put together a story and nobody looked behind it too much since [they] did not use official sources” (Bartsch, 1990). Neither Bartsch nor Stock was convinced about the accuracy of the figures; however, the CIA did provide information on Soviet Aid and when relations broke down between the Secretariat and CIA, information was sourced from the British Department of Defense, which continued to receive CIA updates.¹⁹ Despite active Secretariat engagement efforts, the data quality issue was never satisfactorily resolved and more clarity on the accuracy of the numbers was achieved after the Cold War ended.²⁰

A cautious, competitive mind-set was a critical backdrop for both DAC and CMEA policy making throughout the Cold War period. Cold War competition remained a major motivation for DAC members to support OECD Secretariat work on the Soviet Aid. As a representative of the UK Department of Defence noted, Western economic aid was “the soundest form of bulwark against further Soviet infiltration of the LDCs” (Lawson, 1983:6). As later put by former World Bank President Robert McNamara, “For forty years the foreign policy and defence programmes of Western nations have been shaped largely by one major force: fear of, and opposition to, the spread of Soviet-sponsored communism” (McNamara, 1990).

2b. Closer Co-operation and Potential Partnership

A milestone in the contacts between the OECD and the USSR occurred in 1988 through a conversation between Jürgen Bartsch and Sergei Lavrov, then Deputy Director, Department of International Economic Relations. A note of December 1988 summarises the conversation. The opening point attributed to Lavrov reads: “The developing countries are no longer a field of competition between the USSR and the West, but an area where we should join forces.” He cites then Foreign Minister Shevardnadze in expressing the USSR’s desire to enter into joint or co-financing with other donors. With the approval of then OECD Secretary-General Jean-Claude Paye, Bartsch continued his personal contacts with the Soviet government primarily through the Paris embassy but also later through a visit to Moscow. While Bartsch had established personal relationships within the Soviet government, he was unable to invite the Soviets to take part in meetings with non-DAC donors (Bartsch, 1989b).

In 1989 a delegation from the Soviet Union visited the OECD for what they described as a mutually beneficial exchange of information – the USSR “wanted to be a partner, not a petitioner” (OECD, 1989). The purpose was also to “explain themselves” to an Organisation with which they had had “no contact since 1960”. They wanted to “find an approach and recognise that the best thing is to start at the expert level”. “We want to be closer, to act closer. We want advice on how to proceed” (Llewellyn, 1989). However some in the OECD, namely the Secretary General’s Office, judged it preferable to keep the development issue out of discussions. Even in DCD, one of Führer’s own senior officials did not feel “aid mentality” or experience would be helpful or relevant - “I cannot see the assistance fraternity

¹⁹ The problem with CIA data was that if anything was scrutinised, a comma or a potential faulty number, the CIA could not comment because it was drawn from confidential sources.

²⁰ In the late 1980s, Bartsch travelled twice to Budapest to establish relations and collect information. In 1990, just before the reunification of Germany, he also visited East Berlin and obtained useful information, but after the unification, the Germans asked the OECD Secretariat not to use these figures until they had verified the data. They asked the Secretariat to “take out what we had written on East German Aid”. On investigating the numbers, the Germans were concerned about the accuracy of the DAC figures. A Russian consultant was hired to correct the Russian figures in 1990, however, according to Ruth Stock, the consultant had no links with the Russian government and was looking to immigrate to Europe. She brought no new information.

with its sometimes rather conditioned reflexes being very useful” (Wahren, 1989). Others, like then DCD Deputy Director Richard Carey, sought to keep development an integral part of the discussions.

On development assistance, the USSR itself “did not know the exact amount of its aid”. Part of the reason for this was the difficulty in distinguishing between economic and military assistance. The Soviets once again voiced their problems with the ODA definition and the exclusion of trade subsidies and proposed a “jointly agreed definition of aid”. The Russians confirmed DCD’s assumption that the volume of their ODA was likely to shrink in view of USSR’s large internal financial needs but they pledged to attempt to achieve improved aid quality and development effectiveness (Llewellyn, 1989). Around this period, the USSR began to attend international aid meetings, *e.g.* a World Bank-UNDP Chaired Donor Meeting on Guinea-Bissau in May 1989, and their subsequent participation in World Bank consultative groups and UNDP Round Tables can be considered a notable policy shift in terms of Soviet interest in aid coordination (McEvers, 1989).

Other CMEA donors were transitioning – from donor to recipient – as the Cold War ended. Poland and Hungary requested the DAC to add them to the List of Recipients and Bulgaria requested support from the OECD. Writing in 1990, Bartsch noted that “my guess is that Soviet aid will go down very fast” reflecting changing relations with Vietnam and Cuba – the largest recipients. Arab aid had also rapidly declined because of repayments and changing relationships. Saudi Arabia was still considered to have a lot of available resources for economic assistance for countries in the region but it had stopped reporting to the OECD. As outgoing DAC Chair Joseph Wheeler stated in a note to his successor, Raymond Love, “the whole business of non-DAC aid is very much up in the air” (Wheeler, 1991).

The fall of the Berlin Wall signalled the end of one model of co-operation and the birth of another²¹. Development aid shorn of its Cold War underpinnings and freed from the “struggle for spheres of influence” (Kozyrev, undated²²) searched for a new rationale and the DAC entered a new phase “with ever more serious budgetary constraints, with many new claimants for aid coming on the scene, with new types of global challenges calling for international co-operation and also, as a positive achievement, with some dynamic economies emerging from the status of developing countries” (Führer, 1996) The specific lessons of DAC engagement with the Soviets on development co-operation unfortunately were quickly forgotten; the Soviet aid programme was suspended and Russia became an aid recipient. Yet some of the broader lessons inform DAC engagement to this day. For instance, much like the Russian experience, attempts are made to foster relationships at the technical level, building confidence and trust before advancing to a higher political level.

3. Emerging Role of the Russian Federation

OECD established in 1990 the Centre for Co-operation with European Economies in Transition (CCEET)²³, headed by Assistant Secretary-General Salvatore Zecchini and Jean-Pierre Tuveri, to channel advice and assistance for a wide range of activities to Central and Eastern European Countries (CEECs) and soon after, the Former Soviet Union (FSU), and to

²¹ In a memo to Führer in August 1992, Bartsch said that contact had been lost with aid administration officials in Moscow, following the sudden dissolution of the Soviet Union.

²² Andrei Kozyrev was deputy chief of the International Organisations Administration in the Soviet foreign ministry. Among other quotes from his opinion piece, Kozyrev wrote that “The majority of developing countries already adhere to or tend toward the Western model of development and they suffer not so much from capitalism as from a lack of it”. His opinions were considered to carry the imprimatur of top officials, including Foreign Minister Shevardnadze.

²³ Later, the word “European” was dropped and the name “Centre for Co-operation with Economies in Transition” was adopted, enabling the CCET to extend co-operation to countries beyond Europe.

organise an economic policy dialogue with these countries.²⁴ In 1992, the United States called a conference of donors to co-ordinate assistance to the New Independent States (NIS) of the Former Soviet Union. Follow-up conferences took place in May in Lisbon and in October in Tokyo. At the Washington and Lisbon conferences the OECD was mandated to collect through its “CCEET Register”²⁵ information on technical assistance, food aid and other emergency assistance to the NIS, with a view to improving co-operation and co-ordination among all actors.

In 1992, the DAC explored the need and feasibility of adapting the ODA concept and the DAC List of Developing Countries²⁶ to the changing aid scene, especially the emergence of new aid recipients in Eastern Europe and the Former Soviet Union, new aid needs related to democratic development, global environment, refugees and peace-keeping and growing diversity among the traditional developing countries. These latter countries rightly feared a significant diversion of interest and funding from South to East. The first comprehensive report on aid to CEECs/NIS was issued by OECD on the basis of DAC Members' submissions to the Secretariat.²⁷ Total net aid to these countries in 1991 was USD 7.5 billion including debt cancellation, the largest donors being Germany and the United States, accounting for 60 per cent of the total.

Simultaneously, the OECD itself became a provider of assistance in nearly all policy areas but that of development co-operation. An OECD–Russia programme was launched in 1992 and “conducted work across a wide range of areas of relevance to Russia’s economic liberalisation reforms” (Caroll and Kellow, 2011:98). By 1997, the country programme with Russia was by far the largest and represented a significant percentage of the total CCET programme.²⁸ While the “Register” for tracking international assistance closed with effect from 31 December 1995 (OECD, 1995), Russia’s collaboration with the OECD has continued ever since.²⁹

The exclusion of development co-operation from OECD’s outreach efforts with the Russian Federation and other partners was confirmed in a policy decision. While outreach runs through the core policy areas of the Organisation and are “considered and treated as an integral part of the core work”.....“Development issues, co-operation with non-members is

²⁴ Both Salvatore Zecchini and Jean-Pierre Tuveri participated in the joint EBRD, IMF, OECD, World Bank *A Study of the Soviet Economy* prepared at the request of the G7. A summary of the report was provided to the G7 Houston Summit of 1990 and the full 3-volume study was published the following year. This landmark report launched significant development co-operation between major international organisations and the FSU. It was notable also as a significant joint analytical effort by four major international organisations (EBRD at the time was in a formative stage).

²⁵ The CCEET Register was the on-line database of donor efforts in the areas of technical assistance, food aid and other emergency assistance to the central and eastern European countries (CEECs) and New Independent States of the Former Soviet Union (NIS); it was constituted to provide a clearinghouse function in support of the international effort to co-ordinate assistance to the NIS.

²⁶ The DAC List is a list of aid recipient countries. Since 2005 there has been a unified DAC List of countries and territories eligible to receive ODA. From 1993 to 2005 there was a two-part list, the second consisting of countries in transition eligible to receive Official Aid, which had the same definition as ODA except for the eligible destination countries. Most Eastern European countries were only eligible for Official Aid.

²⁷ Co-operation developed between DCD and CCEET on collecting data on aid to the CEECs and NIS. The 1993 OECD budget provided for the funding of the equivalent of one existing ‘A3’ DCD post (the equivalent to that of a professional policy analyst).

²⁸ It accounted in 1997 for “over 30 per cent of the overall Part 1 OECD budget for non-member activities” (OECD, 1997).

²⁹ At the instigation of Turkey, the DAC jointly with the Turkish International Co-operation Agency (TICA) held two aid management seminars for the Newly Independent States (excluding Russia) in Antalya in January 1994 and September 1995. They included CCET officials. One of the messages from the NIS participants, as reported in internal Secretariat correspondence, was to encourage the OECD to support the reform process in Russia in order to establish the best possible basis for future NIS relations with “their former master”. Despite the apparent success of such seminars, CCET officials opposed their continuation mainly to avoid any duplication with the UNDP and World Bank, which were better positioned to co-ordinate assistance on the ground.

designed to be distinct from the OECD's activities on development co-operation. While the dividing line must be somewhat arbitrary, the distinction is operationally useful” (Tuveri, 1997). With hindsight, this policy interpretation, whatever the reasoning behind it, represented a lost opportunity for mutually beneficial collaboration between Russia and the DAC in the field of development co-operation. Indeed, none of the major agreements between Russia and the OECD (*e.g.* Declaration on Co-operation between the Organisation for Economic Co-operation and Development and the Russian Federation of June 1994; Protocol between the Russian Federation and the Organisation for Economic Co-operation and Development on the Establishment of the Liaison Committee between the Russian Federation and the OECD of 1997) makes any mention of the area of development co-operation. Later, the World Bank and the Institute of Development Studies (IDS) funded by the UK’s Department for International Development (DfID) stepped in to fill the void through the “Russia as a Donor Initiative”, involving the OECD Secretariat to a limited extent at their discretion.

In 1996, the Russian Federation made an official request for OECD membership through a letter dated 20 May 1996 from then Prime Minister Chernomyrdin and has been an observer since then in several Committees. In 1997, OECD members formally acknowledged that the accession of the Russian Federation as a full member of the OECD is a shared ultimate goal of their co-operation. The OECD Council at Ministerial level adopted a resolution on 16 May 2007 to open discussions with the Russian Federation for its membership of the Organisation. On 30 November 2007, the OECD Council approved the “roadmap to accession” for the Russian Federation. Despite the longstanding informal ties between the DAC/DCD and FSU/Russia, the accession roadmap did not include development co-operation.³⁰ “Further to a meeting of its governing Council on 12 March 2014, the OECD has postponed activities related to the accession process of the Russian Federation to the OECD for the time being” (OECD 2014).

In 2002, Russian authorities made an informal reference to their interest in obtaining observer status at the DAC in the context of a request for a technical mission to Russia concerning data collection of Russian official development assistance (ODA). The letter from the Russian embassy to then Director of the OECD Development Co-operation Directorate, Michael Roeskau, sought to “establish permanent contact between the Ministry of Finance of Russia and DAC and create initial conditions for further accession of our country to DAC and the OECD as a whole” (Pozdnyakov, 2002). A technical mission took place in March 2003 to advise Russia on data collection on ODA. Russia’s direct aid amounted to about USD 50 million, disbursed mainly through multilateral agencies (as DAC members had recommended decades earlier). Russia had also gained title to former Soviet debt under the arrangements for the dissolution of the Soviet Union, estimated, depending on the valuation method, at up to USD 100 billion. The remainder of the meeting and follow-up conversations in June and October 2004 were given over to detailed discussions of data and the appropriate methods for counting debt rescheduling as ODA.

Russia’s motivation for seeking to strengthen co-operation with the DAC stemmed from G8 activity, notably upon the decision of the 2002 Summit in Canada to extend closer co-operation to Russia in all respective areas, not least development assistance. Although throughout the 1990s and early 2000s, Russia played a recipient role it later signalled its intention to reverse this trend. Although Russia as a G8 member made no commitment to increase development assistance to Sub-Saharan Africa at the 2005 Gleneagles Summit, it made significant commitments on debt relief, which were updated at the 2006 St. Petersburg Summit under Russian presidency (ONE, 2010).

Russian interest in development co-operation and a dialogue with the DAC intensified against the background of Russia’s G8 presidency in 2006. In light of the prominence of the

³⁰ The accession roadmap is the same for five accession countries including the Russian Federation.

development theme and related issues on the international agenda, the Russian Federation felt that it needed to develop its capacity in this area, and was concerned to do so as expeditiously as possible (OECD, 2006a). The stellar success of the Gleneagles Summit in taking decisions about aid commitments, notably increasing annual aid volumes by US\$50 billion by 2010 with half going to Africa, made the stakes particularly high. Anxious about its ability to carry off the segments of the G8 process pertaining to Africa, the Russian Ministry of Foreign Affairs decided to back the Africa Partnership Forum (APF)³¹ by creating a Support Unit (to provide the APF secretariat) hosted by the OECD. The Russian Federation provided over half a million dollars to get the Support Unit running. In the event, the first APF meeting with the Support Unit as secretariat was held in Moscow in October 2006 as part of the Russian G8 presidency.³²

The Russian Federation's official return as a donor was signalled in June 2007 in a Concept paper, approved by President Putin, "Russia's Participation in International Development Assistance", which refers several times to the policies of OECD members, ODA levels and definitions and the Paris Declaration on Aid Effectiveness and commits to reporting development assistance to the DAC. Analysis by prominent Russian scholars also credits Russia's 2006 G8 presidency with having motivated and defined its development assistance policies as expressed in the 2007 Concept paper (Larionova, Rakhmangulov, Berenson, forthcoming). It appears that Russia wishes to become a donor in line with its G8 peers, rather than to be cast "as a member of the global South". In analysing Russia's position at the end-2011 4th High Level Forum on Aid Effectiveness in Busan, Eyben and Savage (2013) highlight Russian officials' defence of multilateralism and the self-image of the Russian Federation as simultaneously including itself as a BRIC and excluding itself from "an imagined geography of emerging powers" (North-South). During the same period, Russia's geopolitical initiative in launching the BRICS Summits as a new global governance process while hosting the G8, shows its ability to strategically straddle two major global forces (Carey and Li, forthcoming). Its "unique... middle-ground position between the developed and the developing world" gives Russia a potentially important role in shaping future development policies (Brehneva and Ukhova, 2013). However, Russia tends to link provision of aid flows with the assertion of power rather than an equality based partnership.

Russia's re-emergence as a donor is generally viewed positively by partners and the public. The late Ethiopian President Meles said that "Africa welcome[d] back Russian economic engagement with an open heart". Donors have also welcomed back Russia to the international development scene. A World Bank survey highlighted that donors welcomed the prospect of Russia as an increasingly important player in the global arena. While there was scepticism about possible motivations, the weakness of the Russian economy, the lack of openness with civil society and the media, and the likelihood that support could be sustained for ODA, these concerns were minimal when considering that all nations have geo-political strategic interests. Furthermore, Russian development co-operation has some support at home, with evidence that seventy-five per cent of the Russian public found Russia's humanitarian operations and development aid work "favourable," according to a 2011 poll supported by the World Bank³³.

As evidenced in the Russian Federation's own most recent "The Russian Federation ODA National Report" (2012), the 2007 concept paper remains the strategic framework for Russia's development co-operation, grounded in commitments made in the Paris Declaration

³¹ The Africa Partnership Forum was established after the G8 Evian Summit in 2003 to broaden the dialogue between the G8 and the New Partnership for Africa's Development (NEPAD) to include other African institutions and Africa's major bilateral and multilateral development partners.

³² The then head of NEPAD, Professor Mucavele, was incensed that Russian money had gone to establish a unit in Paris instead of to the NEPAD Secretariat, causing tense relations between the two secretariats for some years ahead.

³³ <http://www.devex.com/en/news/blogs/poll-russian-public-largely-supports-country-s-development-efforts>; accessed 17 July 2013.

and the Busan Partnership for Effective Development Co-operation as well as the G8. The ratio between Russia's bilateral and multilateral ODA remains at 60 to 40 per cent³⁴, with a regional concentration of assistance on Eastern Europe and Central Asia and strong sectoral commitments in health and food security. Although as early as 1994 Yeltsin envisaged the creation of a single institution for international co-operation and development, no such agency has yet been put into place. Most observers and analysts highlight Russia's lack of institutional capacity and unity – with no single agency responsible for development – as a significant impediment in establishing an effective development co-operation programme (Gray, 2011; Maximova, 2012; Brehneva and Ukhova, 2013). Raising public awareness and support is also frequently cited as needing greater attention.

Russia participates in the various fora and mechanisms for international cooperation (G8, G20, BRICS, High-Level Forums on Aid Effectiveness), and is also an OECD accession candidate, although activities related to the accession process have been postponed for the time being. In December 2012, Russia officially became the G20 chair and in 2014 will hold the BRICS (Brazil, Russia, India, China and South Africa) summit³⁵, allowing Moscow to consolidate and harmonise the international development agenda, taking account of its capabilities and priorities. While its interaction with the DAC has thus far been limited, Russia is the first of the BRICS to report its ODA flows to the OECD. In 2010 and 2011, Russia provided almost half a billion USD in aid. Russia's co-operation in reporting to the DAC and its ongoing accession process to the OECD, even if temporarily postponed, provide an ideal opportunity to enhance its relationship with the DAC.

4. Contemporary DAC engagement and why history matters

The DAC continues to play an important role in international development co-operation efforts. It remains the only comprehensive and regular source of development aid statistics, embracing data from all possible sources. The membership of the DAC continues to expand, with smaller donors particularly benefiting from the store of knowledge and expertise, as shown by expansion to 29 members today. Inclusion in DAC statistics legitimates the aid efforts of non-DAC donors on the world stage – with the Russian Federation as well as the UAE having recently started reporting to the OECD on their Official Development Assistance. Of course increasing membership is not costless – consensus is harder to achieve, commitments become weaker, and donor heterogeneity increasingly threatens the coherence of the Committee's priorities. But the benefits probably outweigh the costs in strengthening the donor community on the international stage and better reflecting shifting centres of economic power. In addition, countries outside the DAC can be substantively involved in the Committee's work without the need for formal membership. Keeping open the channel to the DAC is recognised as a constructive way to learn from DAC donors' experience, picking and choosing what is relevant and avoiding repetition of their mistakes³⁶.

³⁴ In April 2014 a policy reversal was indicated by Konstantin Kosachev, the head of Rossotrudnichestvo, a Russian agency that promotes international assistance. Kosachev told reporters at a meeting of the Global Partnership in Mexico City that the Russians intend to channel more of their aid bilaterally principally to the Commonwealth of Independent States (CIS): "The plan is to switch from the multilateral to predominantly bilateral format and weigh our geographic priorities... We are now mulling target projects and programs that could be carried out under the Russian banner so that we could keep track of how money and technologies are allotted. In this way, our effort will be acknowledged and serve the interests of our country to a greater extent than just a concerted humanitarian mission." They also raised the long running issue of commodity support (in this case gas price subsidies to Ukraine) not being counted as ODA. (RIANOVOSTI, 2014).

³⁵ The 2014 G8 Summit to have been hosted by the Russian Federation in June will no longer take place. Instead a meeting of the G7 will be hosted by the EU in Brussels and Russia will not be invited to participate. G7 leaders suspended the Russian Federation from the G8 on 24 March 2014. ("Russia is ousted from Group of 8 by US and Allies", NYTimes.com, 24 March, accessed 9 April 2014)

³⁶ In relation to the same point applied to the wider OECD, see for example Besharati (2013): "Nonetheless, Brazil, China, India, Indonesia and South Africa still see the benefits of engaging with the OECD, learning and drawing from its vast experience, knowledge and resources... While there could be political repercussions in becoming an official member of the Paris-based organisation, South Africa and the other K5 countries have

The uncertainty about the overall donor commitment to financing for development in light of the economic downturn triggered by the 2008 financial crisis has caused the DAC to look beyond its core business of Official Development Assistance (ODA), and beyond its membership, to capture the totality of the development effort. In 2011 the DAC launched a Global Relations Strategy and invited other development actors to engage with it. The objective of the Strategy was to “strengthen participation of non-member economies in the Committee and promote collaboration with a larger group of development actors” (OECD, 2011a). This was necessary, the Strategy maintained, in order to ensure the “quality, inclusiveness and impact of the Committee’s work”. This rationale was intentionally broad and gave little reason why non-members should engage, as it was meant to signal an open, non-threatening basis for co-operation. Other objectives included the need to enrich policy dialogue and promote “a more effective development co-operation architecture”. The DAC was not just aiming to work with emerging economies but also to “reach out” to a wide range of partners including: “Bilateral providers of development co-operation, European Union member states not members of the OECD, and Arab donors, international organisations, developing countries’ private sector, private foundations and civil society organisations”.

The DAC Global Relations Strategy noted that “dialogue with non-member economies is in the DAC’s nature” and that “the DAC has been reaching out to non-member economies for decades, maintaining regular dialogue with major non-DAC donors between the 1970s and the 1990s” (OECD, 2011a). From the original group of eleven members in 1960, the Committee added six members in the 1960s and six more between 1973 and 1999 (OECD, 2006b)³⁷. Most recently, Korea joined the DAC to become its 24th member effective 1 January 2010, followed by Iceland, the Czech Republic, the Slovak Republic, Poland and Slovenia in 2013, bringing the membership to 29 out of 34 OECD members. The DAC includes international organisations, the IMF, the World Bank and UN system, in its meetings and has done since the 1960s. Other organisations like the UNEP and specialised NGOs in environment, WTO in trade, and ILO in poverty reduction have regularly participated in networks and groups. Developing country officials and experts are invited with increasing frequency to working group and network meetings. Staff from non-DAC donor countries and developing country partners have joined the Secretariat at various times to enrich its development perspectives and legitimacy, as well as to share in Secretariat knowledge and approaches.

The DAC issued a welcoming statement in April 2011 – stating the Committee’s belief that “development co-operation, from providers from the North or the South, public or private, would gain from collaboration among all actors, no matter their economic status or particular development tradition”. The nature of the envisaged collaboration is generic, with the engagement effort focused on three objectives: to enrich policy dialogue and knowledge-sharing on development co-operation, to ensure the DAC decision-making and dialogue processes are more inclusive, and to promote a more effective development co-operation architecture. But what is the virtue of such an approach? Why should other actors engage with the DAC? Beyond broad and generic information sharing, what is the objective and how would both the DAC and other development actors benefit? The history of past engagement efforts with the USSR, later the Russian Federation offers some clues, some lessons and some pitfalls, which may be of relevance today, especially in light of shifting global economic

realised that they can still reap the benefits of the work of the OECD without necessarily becoming part of the organisation.” As for the relationship with the DAC, while explicitly excluding Russia from his group of emerging donors, Besharati argues: “At the very least emerging donors can ensure they do not repeat the same mistakes that traditional donors encountered in the evolution of their development co-operation. This is why it would be useful for Southern partners to keep channels to the OECD-DAC open, learning from decades of experience by traditional donors, and picking and choosing what is of relevance to their context.”

³⁷ Portugal joined the DAC in 1960, withdrew in 1974 and re-joined in 1991 (OECD 2006).

power.

Experience with OPEC aid, for example, hints at why engagement may ultimately fail unless an agenda goes significantly beyond the sharing of information. Carroll and Hynes (2013) concluded that DAC's engagement efforts in relation to Arab donors were not the result of a process of systematic planning aimed at clear objectives. In the 1970s they sprang from the fears engendered by the two oil crises, as a largely *ad hoc* response to very challenging circumstances, with limited, though active support by a few DAC members and a severely limited budget. In the 2000s the DAC engagement effort with Arab donors re-emerged more slowly, initially in the absence of major crisis, and again without much in the way of a planned, systematic effort, as measured by the lack of detailed plans and the limited extent of participation by DAC members. This approach, when carried mainly by the Secretariat with insufficient involvement from the members, provides little incentive for the non-DAC donors to engage.

5. Conclusions

For over 50 years, the OECD has had a mixed record in engaging the Russian Federation and the Soviet Union before it in the work of the Organisation. While the merits of stronger economic co-operation between the Russian Federation and OECD countries are clear, politics have often impeded progress. In spite of the suspension of the accession process, there remains much scope for forging closer links.³⁸ Collaboration on development co-operation issues between the DAC and the Russian Federation has been a long-standing objective. Despite their first mover advantage and close interaction with the Russian Federation in the late 1980s, joint activities have been limited to statistical co-operation and occasional meeting attendance.

The Russian Federation will likely expand its development programmes in the years to come and occupies an important middle ground between developed and developing countries. It is more comfortable with the DAC than some other non-member countries (Kragelund, 2008). This makes it a potential ally for the DAC in strengthening global development co-operation. There are also many opportunities for Russia in improving the administration, monitoring and evaluation of their aid, enhancing coordination with other donors and sharing knowledge about a range of development policy issues. Members of the DAC however, are sometimes ambivalent about engagement with non-DAC donors – yet successful engagement requires preparation, patient and persistent efforts with the opportunities and responsibilities clear to all parties.

In view of recent political tensions related to Ukraine and looking to the future, several lessons are apparent. Development co-operation offers a potential terrain of mutual interest, learning and collaboration that can transcend political tensions. The Busan Partnership for Effective Development Co-operation led to diverse emerging economies embracing an agenda for international development co-operation based on common goals and shared principles while “recognising openly the important differences between different types of actors and different forms of development co-operation”, as expressed in the Busan Outcome Document (OECD, 2011b). For the DAC, engagement with non-member countries is becoming more important but it is essential that in pursuing engagement, current opportunities are seized, past links are built on, and lessons of previous efforts, learned. In the case of the Russian Federation and the DAC, there is a choice: either revive Cold War tensions, driving a donor back into the cold -- or, rekindle and enhance a twenty-first century development partnership.

³⁸ Already there have been a number of economic policy studies and other policy reviews of Russia by several OECD committees.

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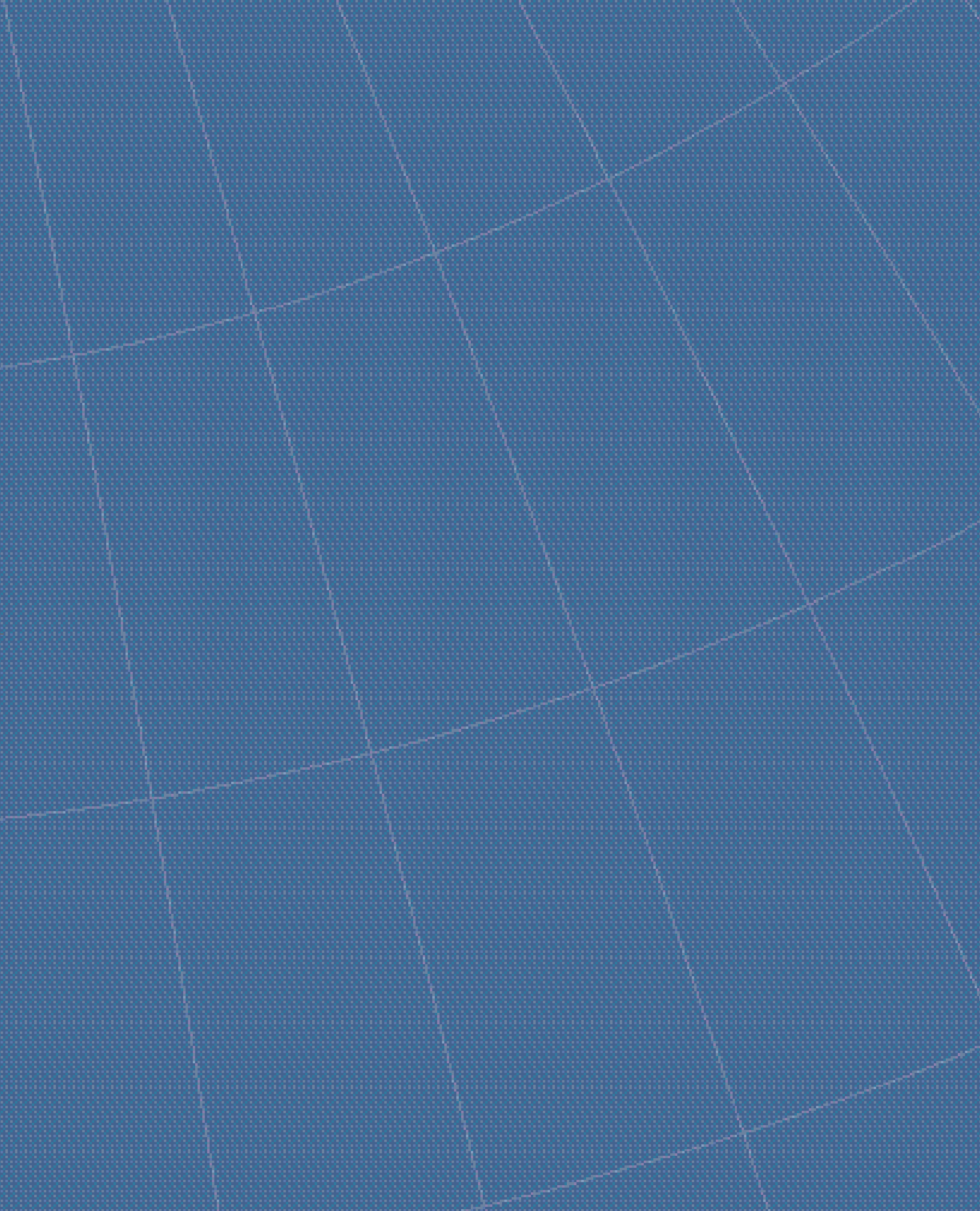
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Institute for International Integration Studies

The Sutherland Centre, Trinity College Dublin, Dublin 2, Ireland

