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Organisation de Coopération et de Développement Économiques  
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11-Jun-2010

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE

DAC/CHAIR(2010)3  
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Office of the DAC Chair

DAC CHAIR FINANCING AND SELECTION REFORM

DAC Meeting, 28 June 2010

*This document is submitted for INFORMATION under Item 8 of the Draft Annotated DAC Agenda [DCD/DAC/A(2010)13].*

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English - Or. English

11 June 2010

Dear Delegates,

### **DAC Chair Financing and Selection Reform**

I am writing to you with regard to the reform of the financing mechanism and selection process of the DAC Chair.

I regret to inform you that neither the survey carried out by the Secretariat on the equal shares option or 30/70 option (as described in their e-mail message dated 26 May 2010), nor the bilateral discussions I have had with several Committee members on their preferences, have given rise to a consensus for the financing arrangements. The attached table in the Annex sets out the positions of DAC members regarding the two financing proposals and the scope for joining a consensus. It is evident that we are at a deadlock that cannot be resolved in the near future.

As shared financing of the DAC Chair is a condition *sine qua non* for the reform of the selection process, discussion on a modified selection process would be meaningless in the absence of an agreement on the financing arrangements. It is simply not reasonable to expect an *individual* member country to cover completely the costs of a chair that the responsible government has not vetted, cleared and proposed. Given the substantial efforts invested in this process, many of you will undoubtedly be unhappy not to have concluded the reform in time for my successor. Much as I understand and share this disappointment, the interest of the Committee now requires the selection process for the next DAC Chair to be launched as soon as possible, particularly before the summer break. Any further delay would compromise the scope for identifying a group of strong candidates, carrying out a high-quality selection process and ensuring a smooth transition to the next DAC Chair.

This means that the process used at the occasion of my candidacy and selection in 2007, together with the ensuing financing arrangements (i.e. costs fully covered by the incoming Chair's country), will apply. I understand that transparency throughout this process is of the highest concern to you and will therefore have to be guaranteed. In this regard, I am pleased with the clear procedure laid out by my predecessor in *Selecting the DAC Chair* [DAC/CHAIR(2007)4/REV1]. Given that this process was endorsed at the DAC High Level Meeting only three years ago, and in view of the fact that consensus on a more fundamental reform has not been reached, and that the time schedule for selecting a new Chair is extremely tight, I believe that implementing the procedure for the selection of the next Chair laid out in this document is very much appropriate.

In line with the approach set out, the window for nominations of candidates will remain open until mid-September to ensure that all members have sufficient time to identify a potential candidate. I anticipate that interviews will take place in October/November and that a consensus will emerge in November/December with the objective of the new Chair being in place by early 2011. The Secretariat will issue further guidance on the timetable following the 28 June DAC meeting.

While circumstances now dictate the present course of action for the selection of the next DAC Chair, I would like to emphasise that this should not be viewed as the end of our objective of seeking reform for financing and selection. Given the consensus around the need to carry out a reform and agreement around a few options for a financing mechanism, I believe the Committee should continue to pursue the process at an appropriate time when those members that have indicated inflexibility may be prepared to reconsider. I would encourage the Committee to consider creative and co-operative ways to advance this agenda further in the years to come.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Eckhard Deutscher', with a large, stylized flourish at the end.

Eckhard Deutscher

**Annex  
Survey Results**

| Member         | Question I: What is your preference? |                  |             | Question II. Can you join an emerging consensus for the option that will not be your preference? |          |             |
|----------------|--------------------------------------|------------------|-------------|--|----------|-------------|
|                | (a) equal shares                     | (b) 30/70 shares | (c) abstain | (a) yes  | (b) no   | (c) abstain |
| AUSTRALIA      |                                      | X                |             | X  |          |             |
| AUSTRIA        |                                      | X                |             |  | X        |             |
| BELGIUM        |                                      |                  | X           |  |          | X           |
| CANADA         | X                                    | X                |             | X  |          |             |
| DENMARK        |                                      | X                |             | X  |          |             |
| EUROPEAN UNION | X                                    |                  |             |  |          | X           |
| FINLAND        |                                      | X                |             |  | X        |             |
| FRANCE         | X                                    |                  |             | X  |          |             |
| GERMANY        | X                                    |                  |             | X  |          |             |
| GREECE         |                                      | X                |             |  | X        |             |
| IRELAND        | X                                    |                  |             | X  |          |             |
| ITALY          | X                                    |                  |             | X  |          |             |
| JAPAN          | X                                    |                  |             |  | X        |             |
| KOREA          |                                      | X                |             | X  |          |             |
| LUXEMBOURG     |                                      | X                |             | X  |          |             |
| NETHERLANDS    | X                                    | X                |             | X  |          |             |
| NEW ZEALAND    |                                      | X                |             | X  |          |             |
| NORWAY         |                                      | X                |             | X  |          |             |
| PORTUGAL       |                                      | X                |             |  |          | X           |
| SPAIN          | X                                    |                  |             | X  |          |             |
| SWEDEN         |                                      | X                |             | X  |          |             |
| SWITZERLAND    |                                      | X                |             | X  |          |             |
| UNITED KINGDOM | X                                    | X                |             | X  |          |             |
| UNITED STATES  | X                                    |                  |             |  | X        |             |
|                |                                      |                  |             |  |          |             |
| <b>TOTAL</b>   | <b>11</b>                            | <b>15</b>        | <b>1</b>    | <b>16</b>  | <b>5</b> | <b>3</b>    |

**Notes:**

Members that indicated their support for either option are marked in (a) and (b) for Question 1.

Many members indicated that their position on the financing and any flexibility thereof is contingent on the reform of the selection procedure.