

**Unclassified**

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Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

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**English - Or. English**

**DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE**

**DCD/DAC(2010)27  
Unclassified**

**DAC CHAIR FINANCING**

**DAC Meeting, 19 May 2010**

*This item is FOR DISCUSSION at the DAC meeting on 19 May. The Draft Annotated DAC Agenda is [DCD/DAC/A(2010)9].*

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## **I. State of Play**

1. At the DAC meeting of 16 March, a document that elaborated two options on financing the DAC Chair's position was tabled: the equal shares option proposed by the United Kingdom and the 30/70 shares proposed by Belgium [DCD/DAC/RD(2010)2/RD6/REV1]. The DAC Vice-Chair (Mr. Bert van Geel) presented the results of his informal consultation on the two options. He informed that, to date, there were nine Members who preferred equal shares with two Members unable to join a consensus on the 30/70 shares and 13 Members who preferred the 30/70 shares with three Members unable to join a consensus on equal shares. The Chair requested the Secretariat to take this issue forward again.

2. Since this meeting, it has now become clear that at least four Members (Austria, Belgium, Finland, and Portugal) cannot join a consensus on the equal shares option while three Members (Canada, Japan and the United States) cannot join a consensus on the 30/70 option. Japan's main preference is the status quo and the United States is further exploring with other Delegations a compromised option. As the Chair mentioned at the meeting, this issue has been discussed for two and a half years, taking up substantial time and resources of the Committee, Members and the Secretariat (see the attached table for chronology of events). It is therefore proposed that if there is no consensus on the financing modality before the DAC meeting of 28 June 2010, the issue shall be considered closed. In other words, an impasse implies that there will be no reform and the status quo will be maintained.

3. The status quo applies to both financing and the selection of the DAC Chair. While the original intention was to reform the selection process so as to widen the pool of qualified candidates, this cannot be carried out unless the selected candidate can be financed by the whole Committee—by reforming the financing mechanism—as the two reforms go hand in hand. Needless to say, even if there is no reform, each Member is free to widen the pool of its own national candidates through, for example, more extensive advertising before submitting a candidate to the Committee.

## **II. Question for the DAC**

- Does the Committee agree that unless a consensus is reached by 28 June, the case shall be considered closed, thereby maintaining the status quo in terms of the DAC Chair selection process and financing mechanism?

### Chronology of Events

#	Date	Action	Reference
1	20-21 May 2007	HLM endorses the current procedure of DAC Chair Selection, proposed by the former Chair, Mr. Richard Manning	DCD/CHAIR(2007)4/REV1 DCD/DAC/M(2007)5/FINAL
2	8 Nov 2007	Mr. Eckhard Deutscher writes a letter to the DAC indicating his intention of a Reform upon taking up the Chair's post.	DCD/DIR(2007)21
3	22 Jan 2008	DAC discusses the Chair's letter and requests the Bureau to consult members	DCD/DAC(2008)3, DCD/DAC/M(2008)1/FINAL
4	4 Mar 2008	DAC agrees to the timeline proposal up to SLM approval in Dec 2008.	DCD/DAC(2008)14
5	18 Apr 2008	Secretariat issues a draft survey for DAC discussion. Delegates propose amendments.	DCD/DAC(2008)25 DCD/DAC/M(2008)4/FINAL
6	16 Sep 2008	Secretariat informs the DAC that the survey will be issued after having had incorporated comments to the draft.	DCD/DAC/M(2008)7/FINAL
7	24 Sep 2008	Survey is issued.	Email of Stephen Groff
8	23 Oct 2008	A document summarising the survey was tabled. There was a clear preference for reforming both the financing and selection, except for Japan.	DCD/DAC/RD(2008)12/RD4
9	18 Nov 2008	The Secretariat tabled further questions to the DAC based on survey results. On financing, most Delegates agreed to a consensus on not requiring the Chair's home country to carry a larger share and not financing through weighted contributions. However, there was a split over Part I or mandatory equal shares. Japan clarified its preference for status quo.	DCD/DAC(2008)56 & CORR DCD/DAC/M(2008)10/FINAL ECO/EDR/DIV/M(2008)26 C(2008)205
10	9-10 Dec 2008	At the SLM, preference for Part I or equal/weighted contributions varied. The Chair proposed to talk to the Japanese Ambassador and to set up a small working group.	DCD/DAC(2008)56/REV1 DCD/DAC/M(2008)11/FINAL
11	10 Mar 2009	The Chair reported to the DAC on his meeting with the Japanese Ambassador who promised to revisit Japan's position with Tokyo.	DCD/DAC/M(2009)3/FINAL
12	21 Apr 2009	The Chair informed the DAC that Japan has indicated its readiness to advance the reform process of equal shares with certain conditions.	DCD/DAC/M(2009)4/FINAL Attachment to ED(09)35
13	25 May 2009	The Chair issues a letter to the DAC informing that the Vice Chairs shall report back to the Committee before the SLM.	EC(09)35
14	30 Jun 2009	The Vice Chair (M. Bert van Geel) presented an update based on consultations, proposing the equal shares option. As several Members expressed preference for weighed shares, the Chair concluded that this needed to be discussed further.	DCD/DAC/RD(2009)10/RD4 DCD/DAC/M(2009)7/FINAL
15	3 Nov 2009	The discussion was postponed, pending receipt of position papers by Belgium and the Netherlands.	DCD/DAC/M(2009)9/FINAL
16	16 Mar 2010	The Vice Chair presented results of consulting Members on the two options of equal shares, proposed by the United Kingdom, and 30/70 shares, proposed by Belgium. He informed that there were three Members unable to join a consensus on equal shares and two on the 30/70 proposal. The Chair asked the Secretariat to assist in reaching a consensus.	DCD/DAC/RD(2010)2/RD6/REV1 DCD/DAC/M(2010)3