

5 January 2005

Dear Ambassador,

This letter is to formally advise you and, through you, your authorities that I will not seek renewal of my mandate as Secretary-General of the OECD. I will step down in May 2006.

It is important that my successor be selected as soon as possible in order to facilitate a smooth transition. I benefited greatly from the fact of being selected 18 months before assuming office on June 1st, 1996. During those months, I enjoyed much co-operation and support from my predecessor, Jean-Claude Paye, which enabled me to gain in-depth knowledge of both the operations and substance of this unique and complex Organisation. I would hope to extend the same courtesy and support to my successor. That is why an early selection would be highly desirable.

You should be aware that the terms of three Deputy Secretaries-General will also expire in 2006. I recommend that only one be filled so as to reduce a top-heavy, expensive management structure, while maintaining representation from the Asia-Pacific, America and Europe through the Secretary-General and two Deputies. I will provide a more detailed rationale for this suggestion when I bring forward recommendations for structural changes in the governance of the OECD.

Yours sincerely,

Donald J. Johnston