Council

APPOINTMENT OF THE CHAIRMAN OF THE ECONOMIC AND DEVELOPMENT REVIEW COMMITTEE AS A COUNCIL EXPERT
Background

1. The Economic and Development Review Committee (EDRC) was created on 30 September 1961. Its mandate is to “examine on a regular basis and make comments and country-specific recommendations on the macroeconomic and structural policies of Member countries and selected non-Member economies, and the interaction of these policies in raising economic performance”.

2. Following the Council decisions of 2004 to reconsider the mandates of all committees on a regular basis, Council agreed in 2006 to revise and renew the Mandate of the Economic and Development Review Committee as set out in the Annex to document C(2008)20 until 31 December 2013 [see C/M(2008)7].

3. The Committee’s officers are elected annually and the Committee elects a Chair and two Vice-Chairs. Since 2000, Mr. Niels Thygesen has been Chair of the EDRC. In this context, the fees, travel and accommodation costs for Mr. Thygesen were borne by the Government of Denmark.

4. Following Mr. Thygesen’s indication that he did not wish to seek re-election beyond the end of 2008, the EDRC discussed a number of issues related to the selection of a new Chair. These discussions centred particularly on funding, selection and tenure of the Chair.

5. In December 2007, a majority of the EDRC came to the view that while the current arrangements have worked well, there was a need for a more robust method of funding with three desirable features. First, and most important, nationals of countries unable or unwilling to provide funding should not be prevented from seeking election as Chair. This would enable the Committee to appoint ‘the best person for the job’ by widening the pool of talents. Second, the Committee should be protected against the withdrawal of funding by a government for reasons unrelated to the EDRC and requiring a scramble for another sponsor. Third, since country reviews are published on the responsibility of the EDRC, the Chair must be – and be seen to be – strictly independent from his/her government, which is not helped by financial dependence on the Chair’s government, and from the OECD Secretariat. During the course of 2008 other Member countries coalesced around this majority position.

Funding

6. In the light of the above elements, the Secretary-General proposed, in his submission of the Programme of Work and Budget for 2009-2010 [see document C(2008)164 dated 31 October 2008], a sum of €100,000 to support financially the EDRC Chair.

7. As a result of further discussions, including in Council, Japan agreed to join the consensus on the basis that a common understanding on the following points be reached and explicitly included in a Council decision:

   i) the funding from Part I of the EDRC Chair shall not crowd out the substantive output and budget of ECO and other important works of the OECD; and shall not exceed the amount of €100,000; and

   ii) the funding shall be considered as highly exceptional in view of the uniqueness of the EDRC, and in no case shall it set a precedent resulting in the proliferation of funding for other chairs.
Appointment of the EDRC Chair as a Council expert

8. On 6 November 2008, the EDRC agreed, in accordance with the selection procedure it had established, to designate Mr. William White as its next Chair [see excerpt of ECO/EDR/DIV/M(2008)26 reproduced in the Annex]. Mr. White has been informed by the EDRC bureau of this consensus decision. He is expected to assume the Chair at the first EDRC meeting in 2009 (scheduled on 26 January 2009 to consider the draft economic survey of Estonia).

9. On the basis that the new Chair will receive fees and his travel expenses and daily subsistence allowances from Part I, the EDRC considers that, taking into account the nature of the mission of the Chair, it would be desirable that he be appointed ‘Council Expert’. Council Experts are appointed for a specified period of time by, or in pursuance of, a Resolution of the Council and they are responsible to the Council for the performance of their tasks. Such an appointment would serve the policy purposes envisaged by the EDRC and was already used on several instances in the past, including for EDRC Chairs.

Terms and conditions of Mr. White’s appointment

10. Within the limit of €100,000 per year, Mr. White will be entitled to:
    - fees in relation to his functions as Chair of the Economic and Development Review Committee, for an amount of €70,000; and
    - reimbursement of travel costs and payment of the applicable daily subsistence allowances, in accordance with the rates applicable to OECD officials on mission.

Proposed Action

11. In the light of the preceding, the Council is invited to adopt the following draft conclusions:

    THE COUNCIL

    a) noted document C(2008)205;

    b) decided to appoint Mr. White as a ‘Council Expert’ for the duration of his tenure as EDRC Chair, with the understanding that the two points set out in paragraph 7 of document C(2008)205 are part of this decision;

    c) invited the Secretary-General, subject to the adoption of the 2009-2010 Programme of Work and Budget, to take the necessary measures for the implementation the decision set out in b) above.
ANNEX


1. The agenda was adopted.

2. Selection of a new EDRC Chairman.

The Chair opened the meeting and indicated that he hoped that the Committee could move towards a consensus decision on a new Chair. Before doing so, he had been requested to let the Japanese delegate intervene.

Mr. Murayama (Japan) indicated that Japan would be ready to join in finding a consensus on the selection of a new EDRC Chair if a common understanding of the following points concerning the funding of the EDRC Chair from the Part I budget could be reached and put on record:

(1) The funding from Part I of the EDRC Chair shall not crowd out the substantive output and budget of ECO and other important works of the OECD. It shall not exceed the amount of 100,000 Euros.

(2) The funding shall be considered as highly exceptional in view of the uniqueness of the EDRC, and in no case shall it set a precedent resulting in the proliferation of funding for other chairs.

He indicated that Japan would want these two conditions mentioned to the Secretary General when informing him of the election of the new Chair and also that they be mentioned in the 2009-10 budget decision. Following the Japanese intervention, the Chair remarked that the Committee had already reflected a common understanding on the two points raised by Japan and expressed them in its letter to the Secretary-General of 14 December 2007.

The Chair then asked for the vice chairs to explain the results of the questionnaire for which there were responses from 25 countries. Mr. Pesendorfer (Austria) then went through those results and the floor was opened for discussion. This initial discussion did not establish a consensus candidate and the meeting was then adjourned till the session planned for the following day.

The session the following day managed to establish a consensus around the candidacy of Dr. William White and he was then elected as the new Chair of the EDRC as of January 2009.

The committee members asked that their thanks be conveyed to all of the fine field of candidates and asked the bureau to contact them about the outcome. The committee also asked that it be put on record that they were very appreciative of the professional and personal support that had been given to the Committee over many years by Val Koromzay.

The Chair indicated that he would follow up on the appointment of Dr. White and would recommend to the Secretary General that he should be appointed as an Expert of Council with Part I financing to be made available subject to Council decision and the conditions mentioned by the Japanese delegate.