



DEVELOPMENT ASSISTANCE COMMITTEE / COMITÉ D'AIDE AU DÉVELOPPEMENT

Secretary-General
Secrétaire Général

Chairman
Le Président

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Dear Head of State,

At this time of deep financial and economic crisis I know that heads of state are faced with many domestic economic and social challenges involving the welfare of their people.

But we are also seeing how closely interdependent economies across the world have become and how important coherent collective actions are in managing this global challenge. In this context we must work to ensure that the effects of this crisis on investment and growth in the emerging and developing countries are limited and that we take action to offset any impacts. Such efforts make good macroeconomic sense at a time when we face a serious global slowdown. In the coming days, the OECD will present an action plan to our members that addresses the key interconnected policy and regulatory issues raised by the crisis – areas in which we have ample experience.

As Secretary-General of the OECD and as Chair of the Development Assistance Committee (DAC), we have repeatedly expressed concern over the last year that the aggregate commitments to ODA levels for 2010 and beyond are becoming increasingly out of reach. With the crisis, development aid budgets will be under enormous pressure as donor countries invest in restoring stability to their financial systems and in boosting their sagging economies. Unless we act decisively now, we may not be able to prevent the financial crisis from generating an aid crisis.

Let us not repeat the mistakes we made following the recession of the early 1990s when many OECD governments let aid efforts decline, with the consequent impacts on developing countries in such areas as agricultural production, infrastructure, social welfare and political stability. Declining aid budgets in the years ahead would exacerbate pressures that food and energy prices are already inflicting on these countries and constrain our ability to help them adapt to climate change. Action is essential to avoid a deepening poverty crisis, and we know that poor countries face heightened possibilities of conflict in times of economic and social stress.

(Head of State)

Cc: Finance Minister
Aid Minister



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It is critical that we reinforce our support for and our commitment to the MDGs and the provision of development assistance that heads of state have articulated since the Monterrey Conference on Financing for Development. Just recently in Ghana, our governments joined together with developing countries in an unprecedented global consensus on how to improve the effective delivery of aid. The Accra Agenda for Action represents a further example of a true collective effort to provide good global governance. Just as it is crucial to maintain our commitment to open trade and to completing the Doha Development Round of trade negotiations, as well as to ensure that the post 2012 climate change agenda is advanced to a new stage at the Copenhagen meeting at the end of 2009, we must ensure that our aid commitments and the corresponding aid flows are maintained.

At its meeting in Washington on 12 October, the Development Committee stressed in its communiqué that aid volumes need to be consistent with existing commitments and called for full compliance with these commitments. At the Development Committee meeting, we jointly proposed that DAC donors provide an "Aid Pledge", similar to the "OECD Trade Pledge" of the mid-1970s which was designed to stop the trade system from unravelling in the midst of a recession. And now United Nations Secretary General Ban Ki Moon has called on all states to reaffirm and strengthen their commitments and pledges for development and humanitarian assistance.

Against this background, we propose that governments belonging to the Development Assistance Committee reaffirm their aid commitments and refrain from any budgetary action that is inconsistent with such commitments.

This Aid Pledge will also be an important element in ensuring that the Monterrey Follow-up Conference on Financing for Development, to be held in Doha beginning on 29 November 2008, is successful and contributes to strengthen confidence in the global governance system.

Yours sincerely,

Angel Gurría

Eckhard Deutscher