



SECRETARY-GENERAL'S REPORT TO MINISTERS 2014

Secretary-General's Report to Ministers

2014

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The OECD at a glance

www.oecd.org/aboutoecd

The OECD provides a forum in which governments work together to seek solutions to common problems, share experiences and identify best practices to promote better policies for better lives.

For more than 50 years, the OECD has helped forge global standards, international conventions, agreements and recommendations in areas such as governance and the fight against bribery and corruption, corporate responsibility, development, international investment, taxes, and the environment, to mention a few. Co-operation, dialogue, consensus and peer review drive

the OECD as it seeks to fulfil its vision of a stronger, cleaner, fairer world economy and society.

The OECD supports policy makers in identifying challenges and address them through appropriate policies. It is also a source of advice on almost all areas of policy making and implementation, and one of the world's largest and most trusted sources of comparable statistical data on economics, trade, employment, education, health, social issues, migration, the environment and many other fields. It carries out its mission thanks to more than 200 committees and working groups of national experts and decision

makers, and a high-quality permanent Secretariat.

The OECD includes 34 member countries and is in accession talks with Colombia, Latvia and the Russian Federation¹. In 2015 the Council will decide on opening accession discussions with Costa Rica and Lithuania. Brazil, the People's Republic of China, India, Indonesia and South Africa are OECD Key Partners. The OECD also collaborates with more than 100 other economies, many of which participate in its committees and adhere to its instruments. Additionally, the OECD hosts the secretariat of several international programmes. ■

1. The activities related to the accession process of the Russian Federation to the OECD are postponed for the time being.



OECD Member countries: Ambassadors* and year of accession

www.oecd.org/membercountries

Australia	His Excellency Mr. Chris Barrett	1971
Austria	Her Excellency Ms. Marlies Stubits-Weidinger	1961
Belgium	His Excellency Mr. Yves Haesendonck	1961
Canada	Her Excellency Ms. Judith A. LaRocque	1961
Chile	Mr. Luis Petit-Laurent (<i>Chargée d'affaires, a.i.</i>)	2010
Czech Republic	His Excellency Mr. Pavel Rozsypal	1995
Denmark	His Excellency Mr. Klavs A. Holm	1961
Estonia	His Excellency Mr. Marten Kokk	2010
Finland	His Excellency Mr. Okka-Pekka Salmimies	1969
France	Her Excellency Ms. Pascale Andréani	1961
Germany	His Excellency Mr. Hans-Juergen Heimsoeth	1961
Greece	His Excellency Mr. George Prevelakis	1961
Hungary	His Excellency Mr. István Mikola	1996
Iceland	Her Excellency Ms. Berglind Ásgeirsdóttir	1961
Ireland	His Excellency Mr. Michael Forbes	1961
Israel	His Excellency Mr. Nimrod Barkan	2010
Italy	His Excellency Mr. Carlo Maria Oliva	1962
Japan	His Excellency Mr. Kazuo Kodama	1964
Korea	His Excellency Mr. Sihyung Lee	1996
Luxembourg	His Excellency Mr. Paul Dühr	1961
Mexico	His Excellency Mr. Dionisio Pérez-Jácome	1994
Netherlands	His Excellency Mr. Noé van Hulst	1961
New Zealand	Her Excellency Ms. Rosemary Banks	1973
Norway	His Excellency Mr. Tore Eriksen	1961
Poland	His Excellency Mr. Pawel Wojciechowski	1996
Portugal	His Excellency Mr. Paulo Vizeu Pinheiro	1961
Slovak Republic	Her Excellency Ms. Ingrid Brocková	2000
Slovenia	His Excellency Mr. Iztok Jarc	2010
Spain	His Excellency Mr. Ricardo Diez-Hochleitner	1961
Sweden	Her Excellency Ms. Annika Markovic	1961
Switzerland	His Excellency Mr. Stefan Flückiger	1961
Turkey	His Excellency Mr. Mithat Rende	1961
United Kingdom	His Excellency Mr. Nicholas Bridge	1961
United States	Ms. Jeri Guthrie-Corn (<i>Chargée d'affaires, a.i.</i>)	1961
European Union	Her Excellency Ms. Maria Francesca Spatolisano	1961

* As of 2 April 2014

Candidate for accession

www.oecd.org/accession

Colombia
Latvia
Russian Federation

Key Partners

www.oecd.org/globalrelations/keypartners

Brazil
China, People's Republic of
India
Indonesia
South Africa

Secretary-General's Strategic Orientations

Executive Summary

My strategic orientations set out how the OECD will continue to support member and partner countries in addressing the four main legacies of the global financial crisis – low growth, high unemployment, declining trust and rising inequality – by providing timely, targeted, evidence-based advice on the design and implementation of “better policies for better lives”.

To effectively fulfil this role, the OECD needs to continuously upgrade its analytical framework and to better incorporate into its recommendations the inter-linkages, trade-offs and synergies that are the defining feature of the current policy landscape. This was the main motivation behind the launching of the New Approaches to Economic Challenges (NAEC) initiative, the initial findings of which will be presented at this year's Ministerial Council Meeting.

Global Outlook

The “four cylinders” of the global economy are still running at half

speed, leaving the recovery weak, uneven and fragile. Despite some recent signs of improvement in trade and investment, credit growth and activity in emerging markets have yet to regain their pre-crisis dynamism.

This challenge is compounded by policy makers' limited room for manoeuvre. Expansionary fiscal policy has been accompanied by a surge in public debt in OECD economies, while highly supportive monetary policy is showing diminishing marginal returns and should be gradually normalised. For leaders in advanced and emerging economies alike, productivity-enhancing structural reforms remain the best avenue for pursuing robust long-term growth.

But stronger growth alone is not enough! We need growth that is balanced, inclusive and green, built on resilient national institutions and effective international co-operation. Structural reforms must aim to increase productivity, but also to reduce inequality, improve well-being, protect the environment

and help rebuild public trust. In this regard, the OECD's approach to “go structural, go social, go green, go institutional, and go national” remains as pertinent as ever.

Growth and Jobs

NAEC is already delivering a multi-dimensional policy analysis framework that is expected to permeate across the Organisation. We need to build on this effort and create and preserve a “NAEC state of mind”, to continuously upgrade our capabilities, benefit from the insight of Members and experts, and promote further horizontality in how we approach policy analysis and how we target policy recommendations.

Going forward, the focus of our work will be on promoting more inclusive growth, fostering economic activity that aims to improve both people's material living conditions and their quality of life, while at the same time considering the distribution of well-being outcomes.

Again, building on the results of NAEC, we are developing a comprehensive inclusive growth initiative that will result in an enhanced analytical framework and actionable policy recommendations.

We should explore policies that generate more and better quality jobs and address the needs of the most vulnerable members of society. Efforts should centre on training, skills, labour and product market reforms, as well as on complementary policies that favour inclusiveness and promote a competitive business environment. These should take into account the impact of long-term demographic changes, notably in health, pensions and fiscal policies.

We will also continue to promote labour market activation strategies to reduce unemployment, especially among young people, through our Action Plan for Youth. Our work on resilience will also focus on the risk of poverty and inequality in old age and the challenges faced by ageing societies.

The search for new sources of growth is essential and we will build on the second phase of the Knowledge-Based Capital (KBC) project to intensify our work around innovation, science and technology; promote a better understanding of the implications and challenges of the digital economy; deepen our work on entrepreneurship, employment and productivity dynamics; and

look at the potential drivers of a “new industrial revolution”. We will also work with member and partner governments to explore optimum policy mixes and new investment opportunities as economies transition to “greener” growth models.

There is a need to better understand the risks of climate change and the choices to mitigate and manage its consequences, to offer Members solid advice about the mix of policy instruments that can support a clear, long-term pathway leading to the net elimination of fossil fuel emissions to the atmosphere during the second half of the century in line with the agreed goal of limiting the increase in



Angel Gurría, OECD Secretary-General meeting with Prime Minister Shinzo Abe of Japan, Tokyo, April 2014

the average global temperature to 2°C. This will include exploring complementary measures to support the transition towards low-carbon economies, incentivising the necessary technological change, and addressing the distributional consequences of this economic transformation. These efforts will support discussions leading to the UN Climate Summit (New York); and the COP 20 (Lima) and COP 21 (Paris) climate conferences.

Trust and Tax Policy

We will support governments' efforts to build more effective, transparent and open institutions to help restore public trust. Starting with delivery on our commitments with respect to the Anti-bribery Convention, we will launch a comprehensive effort to promote integrity and anti-corruption measures; collect better data on public

trust; improve the effectiveness of policy formulation and implementation in areas where trust is particularly relevant (e.g. budgeting); and help governments strengthen the inclusivity, transparency and credibility of their policy-making processes.

We plan to focus our tax work on the distributional impact of taxation: to complete the Base Erosion and Profit Shifting (BEPS) Action Plan; to deliver the Automatic Exchange of Information (AEOI) framework; to develop effective beneficial ownership rules to help Members combat tax evasion, tax crimes and other illegal activities; and to explore the links between tax, trade and investment agreements. Through our Tax and Development Programme, we will continue to work with developing countries to enhance domestic resource mobilisation, benefitting from the OECD's work in areas including transfer

pricing, combatting tax crimes and improving the global transparency of tax information.

Trade, Investment, Development and International Co-operation

We will continue to support the strengthening of the multilateral trade system and the international investment regime through our work on global value chains (GVCs), and by developing and expanding our Services Trade Restrictiveness Index (STRI) and Trade in Value Added (TiVA) databases, and exploring the relationships between value added, investment, development, innovation and jobs.

We will promote sustainable long-term investment, developing together with the G20 recommendations on incentives, for long-term investment financing from both governments



Joe Hockey, Australian Treasurer, and Angel Gurría, OECD Secretary-General, February 2014



Angela Merkel, Chancellor of the Federal Republic of Germany, and OECD Secretary-General Angel Gurría during the Chancellor's official visit to the OECD, February 2014

and private sources; explore how to ensure competitive neutrality whenever state-owned enterprises are involved; and promote Responsible Business Conduct (RBC) and better corporate governance. We will also develop new statistics for capturing foreign direct investment (FDI), promote policy frameworks for green investment, and expand our work on financial education and financial consumer protection.

We will continue to support and shape the international development agenda, including efforts to support the post-2015 global development framework.

We will mainstream development across all our work; promote greater policy coherence for development and inclusive knowledge sharing; enhance our contribution to the global development architecture, including through Multi-dimensional Country Reviews and thematic Policy Dialogue Networks (e.g. Natural Resources); and work to promote better quality aid and development finance.

We will further strengthen our role in global policy making as an international standard setter and by leveraging our work

through the G8, the G20 and other international co-operation efforts. We will step up efforts to better integrate Key Partners into the OECD's work and reinforce the regional components of our work through targeted regional and country programmes.

Ultimately, the true test of our governments, our institutions and the OECD itself, is the ability to improve the daily lives of the greatest number of people, to bring about shared prosperity and widespread well-being. Our shared aim remains "better policies for better lives" and our work has just begun! ■

Secretary-General's Strategic Orientations

Main Section

This note sets out my Strategic Orientations for the Organisation for Economic Co-operation and Development. Reflecting the main challenges faced by member and key partner countries, these priorities build on the outcomes of the 2013 Ministerial Council Meeting (MCM), and draw on my discussions with leaders, senior government officials, ambassadors, and representatives from the private sector and civil society.

Consistent with the OECD's goal to promote "better policies for better lives", my Strategic Orientations are organised firstly around the policy responses that can help governments address the legacies of the global crisis – high unemployment, rising inequality, declining trust and low growth – and, secondly, on the OECD initiatives and projects that can help promote stronger, more balanced, more inclusive and greener growth; support greater international co-operation; strengthen the multilateral trading system and roll back protectionism; confront global challenges ranging from climate change to migration issues; and foster development.

Building on our "Go structural, social, institutional, green, and national" approach to policy analysis, and drawing on the lessons of the New Approaches to Economic Challenges (NAEC) initiative, the OECD

will continue to upgrade its analytical framework to provide policy makers with more timely, targeted, and impactful policy advice that better captures the interconnectedness, heterogeneity and complexity of policy challenges, and also focuses on implementation issues.

Rethinking Policy Solutions Around Stronger, More Resilient, and More Inclusive Growth

In the aftermath of the worst financial and economic crisis in living memory, governments must address their enduring legacies, while trying to kick-start sustainable economic growth amidst an increasingly constrained policy space marked by budgetary pressures, growing social demands, low levels of public trust, and diminished multilateral co-operation once the global economic emergency has passed.

The Global Outlook and Policy Challenges

The crisis is estimated to have reduced aggregate OECD-wide potential output by 3%. Global demand remains relatively weak while key drivers of economic activity have yet to recover their pre-crisis levels: credit growth remains subdued as a result of deep and widespread deleveraging and investment continues to grow below trend. This in turn has a knock-on effect on trade, which shows a muted trend, despite some recent improvement. Slower factor accumulation, weaker commodity prices and subdued demand from developed countries have resulted in a general slowdown in growth in many emerging markets.

The OECD's "go structural" approach is particularly relevant at this time, as the crisis and ensuing recession have limited governments'

room for manoeuvre on fiscal and monetary policies. There is an urgent need for further reforms aimed at lifting potential growth, raising labour utilisation, regaining price competitiveness and restoring fiscal sustainability. The Organisation is well placed to help governments design, implement and assess comprehensive reform programmes for jobs and growth. Through our *Going for Growth, Better Policies, and Getting It Right* series, and the OECD *Economic Surveys*, we can help member governments tackle unemployment, combat social exclusion, enhance product-market competition, improve innovation efforts, reinforce the quality of education, and in general undertake structural reforms that are essential for economic prosperity and well-being. Indeed, the OECD's expertise on structural policy reforms constitutes one of the Organisation's comparative advantages, and represents a major contribution to the G20 Mutual Assessment Process (MAP).

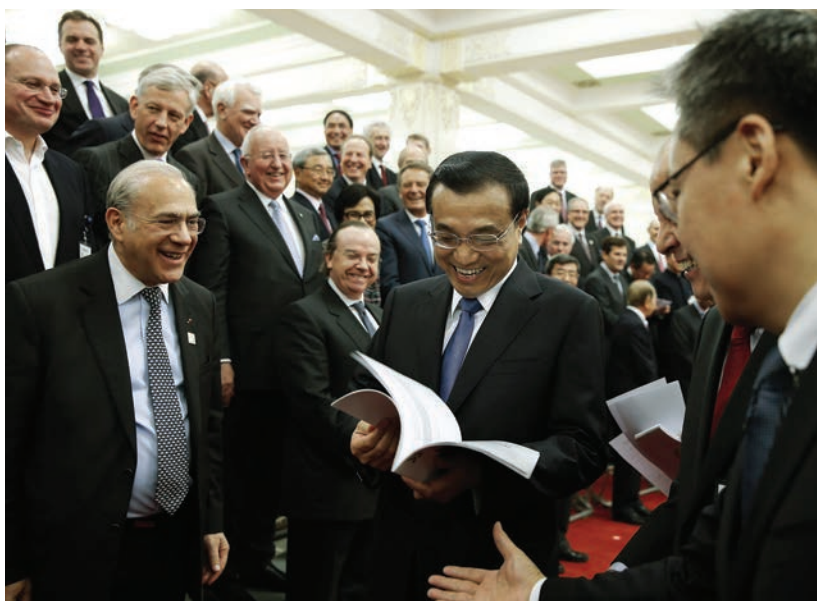
The global economic landscape is characterised by a number of "mega-trends", notably shifting wealth away from advanced economies, growing middle classes in emerging economies; demographic shifts and urbanisation; migration; increasingly scarce traditional natural resources, coupled with newly exploitable resources like shale gas; climate change; innovation and technological change; all of which have significant economic, social and environmental implications. Several of these global trends

are interconnected, creating new challenges, which can in turn feed into and accelerate underlying trends. This means that countries must adopt a multi-dimensional approach to economic, social and environmental challenges, taking into account trade-offs, and exploiting synergies and complementarities between policy objectives.

Over the coming year, we will more closely centre our work on structural reforms consistent with the 2014 MCM theme of promoting resilient economies and societies, and explore synergies between pro-growth and pro-resilience policies. More broadly, we will identify structural reforms that are not only conducive to long-term growth but also play a key macroeconomic stabilising role. For example, adaptable labour and product market regulations that facilitate business creation

and support long-term growth by reducing the persistence of shocks and fostering a more effective resource re-allocation. Also, social protection has proven to be an effective mechanism for improving equity and supporting resilience to shocks, making it a key element in poverty reduction and inclusive growth. We will continue sharing good practices, including with developing and emerging economies, to support their objective of building comprehensive social protection systems to address multi-dimensional vulnerabilities.

The OECD's work will be increasingly horizontal and reflect a multi-dimensional approach that will help member and partner countries attain the highest sustainable economic growth, employment and living standards, while maintaining financial stability,



Chinese Premier Li Keqiang smiles as he flips through OECD's report *China: Structural reforms for inclusive growth* given by OECD Secretary-General Angel Gurría, while meeting participants of the China Development Forum inside the Great Hall of the People in Beijing, March 2014

and contributing to sustainable global development. We will also respond to the growing policy interconnectedness by expanding our contact beyond governments and engaging a broader range of stakeholders (i.e. parliamentarians, civil society, academics, social partners and citizens); developing and collecting more comprehensive and meaningful comparative statistics; and helping to forge international consensus through greater use of the OECD's peer reviews and collaborative working methods.

Promoting a “NAEC State of Mind”

The global economic and financial crisis was a wake-up call to review the effectiveness and adequacy of our analytical framework and policy assumptions. In the first phase, through the NAEC initiative, the

OECD engaged in an organisation-wide reflection about the roots of and lessons from the crisis. Around these efforts, we have constructed an organising structure that can effectively scan for future challenges and assess relevant policy trade-offs and complementarities, including institutional and governance issues, to stimulate a process of continuous improvement of the OECD's analytical framework.

The NAEC Synthesis Report will deliver to the 2014 MCM the first results of its various projects and identify directions for taking the work forward. These results will help deepen our understanding of the interconnectedness, heterogeneity and complexity of policy challenges; promote a more systematic approach when looking at data, including “micro data” and “big data”; and encourage the sharing of knowledge more effectively

across the OECD. NAEC has evolved into an organising concept that can help us identify the most innovative, forward-looking and relevant issues across the work of committees and facilitate the mainstreaming of new knowledge. The NAEC governance and discussion platform allows for new policy ideas to be debated and enriched by ongoing work streams from other OECD bodies. These efforts now form part of the “whole-of-OECD” approach to improve the Organisation's analytical capabilities, and to develop a dynamic process for organising and mainstreaming new knowledge. Over the next year we will propose to extend this “NAEC approach” to other cross-cutting issues, building on the initiative's three pillars, which focus on: i) horizon scanning; ii) policy trade-offs and complementarities; and iii) institutions and governance.



Angel Gurría, OECD Secretary-General, with François Hollande, President of France, OECD headquarters, Paris, April 2013



Arne Duncan, United States Secretary of Education, OECD Secretary-General Angel Gurría and Amanda Ripley, journalist and author, Washington, DC, December 2013

Inclusive Growth

The OECD will also deepen its efforts to build an inclusive agenda for growth and well-being. The crisis and its immediate aftermath have had a detrimental effect on our societies. Inequality grew faster between 2007 and 2010 than during the previous 12 years, contributing to political disaffection and anti-market sentiment. Ordinary citizens increasingly feel that they are losing out while a small percentage of the population capture most of the gains from economic growth. It is critically important for governments to ensure that the economic recovery is more broadly shared, so as to improve social cohesion and restore trust in our institutions.

Reflecting its “NAEC State of Mind”, the OECD is pioneering a multi-dimensional inclusive growth framework that explores new ways of combining strong growth with a better distribution of benefits. The framework will enhance policy makers’ understanding of the adverse effects of rising inequality, and help turn inclusiveness into a driver of strong economic growth. The focus will be on promoting economic activity in a way that improves people’s material living standards, while also considering the distribution of outcomes – in areas that matter for people’s well-being such as in health and education – among different social groups with a view to developing an actionable policy programme. As part of this effort, we will also explore policies that generate more and better rewarded jobs

and address the needs of the most vulnerable members of society. Efforts will centre on training, skills, labour and product market reforms; on complementary policies that favour inclusiveness while promoting a competitive environment; and on the need for coherence between economic and environmental sustainability objectives. This work will also be relevant in the context of the OECD’s work on development and will contribute to supporting the post-2015 development framework.

As part of our efforts to build an agenda for inclusive growth, and building on the OECD’s leadership in the field, we will also pursue our work on financial education and financial consumer protection issues to help reinforce trust

in the financial systems and ensure that economic growth benefits the population at large, including vulnerable segments such as youth, women and migrants. These activities will encompass the development and expansion of international benchmarks on financial literacy for youth (through PISA financial literacy) and adults, based on methodologies endorsed by the G20. We will also work with member and partner countries to provide guidance on how to implement these principles.

The Legacies of the Crisis: Unemployment, Inequality, Loss of Trust and Slow Growth

While the global economic outlook is improving, growth remains weaker than before the crisis and productivity has decelerated. Unemployment remains high and vulnerable groups are in danger of becoming locked out of the labour market. The trend of increasing inequality that pre-dated the crisis has accelerated and now threatens social cohesion and economic growth: people have lost confidence in the ability of their leaders to chart a path to shared and sustainable prosperity and overall trust in public and private institutions remains notably low.

Unemployment

Many developed countries remain plagued by persistently high unemployment, increasing incidences of long-term unemployment and growing



Erna Solberg, Prime Minister of Norway, and Angel Gurría, Secretary-General of the OECD, OECD headquarters, February 2014

concerns about structural unemployment. The crisis has deepened inequality in labour market incomes and led to very weak growth in earned income for many households. Consistent with its “Go national” approach, the OECD will continue to provide member and partner countries with targeted support to tackle unemployment, including advice on structural reforms in labour markets, as well as education and training policies. There will be a particular focus on the removal of barriers to the creation of more and better jobs.

The Organisation will help governments tackle weak labour market adaptability and

inadequate skill development, which are the two key drivers of poor labour market outcomes for vulnerable groups and a potential source of inequality. Through the *Employment Outlook* we will also continue to monitor labour market development, identify key policy challenges and review labour market and training policy responses, in preparation for the Labour and Employment Ministerial Meeting in 2015.

Youth Unemployment

The OECD’s Action Plan “Giving Youth a Better Start” represents a first response to address the sharp increases in youth unemployment and

underemployment, and to help governments eliminate the long-standing structural obstacles that impede a successful transition from school to the labour market, which is critical for improving well-being, fostering greater social cohesion, boosting potential growth, and limiting future social expenditures. The results of the PIAAC survey on adult skills have provided further insights into the difficulties some youth face in successfully making school-to-work transitions. We will help countries implement their Youth Action Plans. An initial evaluation of the progress achieved will be presented to ministers this year and discussions will serve to scope out a more detailed project of which the results would be presented at a later MCM.

Inclusive Labour Markets

The OECD will work with member and partner countries to foster more inclusive labour markets and enhance employment prospects for all, but particularly for under-represented groups such as youth and older workers, people with disabilities and mental illness, women with young children, ethnic minorities and immigrants.

Current demographic changes mean that migration flows will become increasingly relevant for policy makers, as international competition for talent increases, and access to the right mix of skills impacts growth and development prospects. Through better evaluation of migration policies, the OECD will identify the levers that can maximise the

economic potential of migration while limiting adverse effects. Deepening the understanding of the determinants of successful social and economic integration, and identifying best practices in this area will remain one of the top priorities to support inclusive growth strategies. The OECD will also work on international migration issues through the wider dissemination of relevant policy recommendations, the development of migration databases, and through the improvement of policy evaluation tools of migration and integration policies.

Education and Skills

Education and skills are critical to restore long-term growth, tackle unemployment, address inequality and promote



Angel Gurría, OECD Secretary-General, and Ban Ki-moon, Secretary-General of the United Nations, New York, February 2014



Enda Kenny, Taoiseach (Prime Minister) of Ireland, Angel Gurría, OECD Secretary-General, and Eamon Gilmore, Tánaiste (Deputy Prime Minister) and Minister of Foreign Affairs and Trade of Ireland, during an official visit to the OECD, February 2014

competitiveness. The economic crisis and deteriorating social conditions have amplified the impact of skills on employment and social outcomes. High unemployment affects educational aspirations, while better skills are essential to improve both employability and the prospects for upward economic mobility. Success in converting skills into jobs and growth will depend on developing a better understanding of those skills that drive strong and sustainable economic and social outcomes. The OECD will promote a robust measurement framework through the *OECD Survey of Adult Skills* and the PISA programme, but our work will extend beyond measurement and rankings to support knowledge that empowers people and favours employment. For example, through *PISA for Development* we will facilitate developing countries' use of PISA assessments for monitoring progress towards nationally-set targets. We will also continue to

support efforts to help displaced workers find jobs through skills training programmes.

Consistent with its “Go national” approach, the OECD will use its international comparative knowledge base to provide country-specific support. We will continue to implement our *Skills Strategy*, engaging with Members and Partners to design and implement national skills strategies. The *OECD Education GPS Platform* and *Policy Outlook* series will provide country reviews with evidence on education policies and practices. The OECD will also conduct *School Resources Reviews* to help countries achieve their education objectives, and focus on the nexus of employability, skills and economic development.

Meeting the Challenge of Inequality

Income inequality was already on the rise before the crisis started, and the trend has been accelerating since then.

While welfare transfers have mitigated the effects on income inequality, sluggish jobs growth and budgetary pressures have contributed to increased inequalities and reduced disposable household incomes. The result is that the most vulnerable groups in society have been hurt the most. Inequality has also resulted from the increasing specialisation of skills and the resulting widening distribution of wages and salaries.

Ageing Unequally

As part of the Inclusive Growth initiative, the OECD will analyse the risk of poverty and inequality in old age. Inequality in incomes, wealth, health status and other areas of well-being which, when compounded over the life-cycle, can result in growing numbers of older people in poverty and destitution. A growing divide in the well-being of older people will not only put existing welfare systems to the test, but also compromise the effectiveness of recent reforms in labour markets, pension systems and long-term care arrangements. The OECD will prepare an Ageing Equally Action Plan, which will build on our extensive analysis of social protection and health systems, labour market and migration policies, and take into account intergenerational aspects, with the aim of reducing inequalities and promoting stronger and more balanced growth. We will also explore the vulnerabilities of social protection systems and assess their effectiveness. This work will also focus on gender issues, as older women are often the most vulnerable among the elderly.

The Well-Being Agenda

The OECD has been working to identify ways to measure well-being, moving beyond GDP and exploring the areas that matter most for people's lives. As part of the Organisation's mission to promote better policies for better lives, we launched the OECD Better Life Initiative. This well-being framework resulted in the report *How's Life?*, featuring 11 dimensions of human well-

the post-2015 and Sustainable Development Goals agendas. In addition, the OECD actively promotes the interactive web application, the Better Life Index, which builds on the framework to facilitate a dialogue with citizens on what they consider to be the most important determinants of well-being.

In promoting inclusive growth and well-being, we will look for policies that address all types of

apparent as socio-economic inequalities, among other factors, complicate policy design and flaws in co-ordination result in poor quality and excessively expensive care. The OECD will support governments' efforts to move beyond a simple cost-cutting agenda to a more strategic understanding of how to get the best out of new technologies and improve productivity and quality of care. This work will be a major input into the Health Ministerial Meeting to be held in 2016.



Juan Manuel Santos, President of Colombia, welcomes Angel Gurría, OECD Secretary-General, in Bogota, October 2013

being. The framework is also used in the *Multi-dimensional Country Reviews* (MDCRs) to inform the analysis of economic and social development in emerging and developing economies. This analysis has shown that a given level of economic development can be consistent with widely differing levels of well-being, and hence that policy priorities need to consider issues beyond pure economic growth. Work is also underway on the alignment of the well-being framework with

discrimination, whether based on gender, age, social class, disability and/or sexual orientation.

Reducing Inequality through High-performing Health Systems

Governments face a challenge in maintaining the best possible access to quality health care, while at the same time reducing public spending despite continued growth in demand. In OECD countries, the scale of the challenge becomes more

Rebuilding Public Trust, Fighting Corruption, and Ensuring Government Transparency

For many years, maintaining trust in government and institutions has been a neglected component of public policy making. People have been losing faith in governments' ability to address what matters to them, resulting in overall low levels of trust in institutions. The crisis and the ensuing recession have accelerated this trend. Transparency, responsibility and accountability are cornerstones of public trust and a healthy business environment and responsible business conduct are good for the economy and for society. Public trust has also been eroded by the absence of adequate and effective regulation to prevent money and influence from undermining the policy-making process. As identified by ministers during the 2013 MCM, governments need better data on the level of public trust to support decision making and improve policy formulation and implementation in areas in which



Angel Gurría, OECD Secretary-General, and Pedro Passos Coelho, Prime Minister of Portugal, OECD headquarters, Paris, May 2013

trust is particularly relevant to policy effectiveness (e.g. regulations, tax, and the budget).

Consistent with its “Go institutional” approach, the OECD will focus on improving measurements and identifying ways to restore trust in our social and governance institutions. This will involve identifying innovative policies and instruments to reinforce the relationship between citizens and their government through greater openness and transparency. The OECD will focus its work on strengthening the measurement and empirical analysis of both trust and public service quality and developing a comprehensive approach to address the risk of undue influence by powerful groups. We will also disseminate the results from the Observatory on Public Sector Innovation, identify

good practices that better align government objectives with resources and offer in-depth analysis of governments’ medium-term expenditure frameworks. We will continue to support the work on open government to promote transparency, increase citizen participation in public affairs, fight corruption and harness new technologies to strengthen governance.

Corruption, and the perception of corruption, erodes trust in governments, businesses and markets. Beginning with delivery on our existing commitments with respect to the Anti-bribery Convention, the OECD will launch a more comprehensive effort to promote integrity and anti-corruption measures, including in support of the G20 agenda. Among other initiatives, we plan to develop a compendium

of good practices on public procurement and work to close gaps in high-risk sectors (like natural resources) and to organise major events on issues like conflict of interest, lobbying and political finance. Building on the OECD Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance we will work on areas such as criminalising bribery, business integrity, public procurement, and whistleblower protection. Through its CleanGovBiz initiative the OECD will continue to identify potential areas for co-operation and collective action with other international institutions and stakeholders engaged in anticorruption and integrity efforts, upgrade its Integrity Scan toolkit, and undertake country reviews.

As part of the OECD Trust Strategy, the OECD will support member countries in strengthening the rule of law and good governance, focussing on the contribution of justice institutions to public policy performance and quality public service delivery. We will explore with Members the possible creation of an OECD network of judicial institutions, to address, among others, the improvement of their functioning, the quality of access to justice, and their role in contract enforcement and dispute settlement mechanisms. In reaching out to judicial institutions, we will capitalise on the Organisation’s convening power, expertise in data collection and the multi-disciplinary nature of our advice.

Strengthening the integrity, inclusiveness, transparency and credibility of the policy-making process must be a priority for governments seeking to build citizens' trust. Elections must be – and must be seen to be – fair and fully transparent, with no perception of “democracy for the highest bidder”. The OECD will launch a global policy dialogue on the key drivers of open, informed and fair policy making, covering issues related to: a) political finance; b) trust; c) lobbying; d) the revolving door; e) openness and inclusion; f) illicit financial flows and political finance; g) local governance and political finance; h) politics and public service. These efforts will form part of, and will complement, the OECD Trust Strategy.

Tax Policy

The perception that multinational companies do not pay their fair share of tax in any jurisdiction undermines the legitimacy of our tax systems, further complicating the political economy of fiscal consolidation. It also undermines the efforts of developing countries to mobilise domestic resources for development and reduce their dependency on aid. To tackle this phenomenon, the OECD has mobilised political momentum at global level to restore integrity to the international tax system through its Base Erosion and Profit Shifting (BEPS) initiative. We will continue working with member and partner countries to successfully deliver the BEPS Action Plan.

The 2013 MCM called on all jurisdictions to move towards



OECD Secretary-General Angel Gurría on the large screen, G20 summit, St Petersburg, September 2013

the Automatic Exchange of Information (AEOI). The OECD has developed a standard, consisting of a Model Competent Authority Agreement (CAA) and a Common Reporting and Due Diligence Standard (CRS) for the automatic exchange of financial account information, and will begin working on the technical modalities for its application and operation to enable all jurisdictions, including developing countries, to meet this objective. Going forward, we will continue to produce tax statistics and cross-country analysis and offer sound tax policy advice to member and partner countries, including on the economic impact of VAT policies, and build on the AEOI progress to support international co-operation efforts in fighting tax crimes and financial wrongdoings and analyse beneficial ownership issues.

Regulatory Policy

Regulatory reform is a key pillar of the OECD's work to improve governance and the functioning

of markets. Consistent with its “go institutional, go structural” approach, the OECD will lead the way in scrutinising policies that impose unnecessary burdens – fiscal or administrative – and hinder economic growth or create additional budgetary pressures. We will develop tools for governments to identify value for money policies that are supportive of economic growth, contribute to social priorities and protect the environment. New work will be aimed at identifying best practices in *ex-ante* policy evaluation and focus on cost-benefit analysis.

The Organisation will also work closely with governments to improve regulatory frameworks, to push for reform in challenging policy environments, and to better assess the benefits of reform. We will support a dynamic market analysis of the impacts of regulatory policies and promote a multi-disciplinary approach that considers the political economy aspects of future reforms.



Pio García Escudero, President of the Spanish Senate, Soraya Sáenz de Santamaría Antón, Vice-President of the Spanish Government, Minister of the Presidency and Spokesperson, and Angel Gurría, Secretary-General of OECD, Madrid, July 2013

Avoiding the “Low-Growth Trap”

The global economy remains sluggish, heightening concerns that there has been a structural downshift in growth rates compared with pre-crisis levels. These concerns, already prevalent among advanced OECD countries for some time, now encompass emerging-market economies. A return to growth is an indispensable condition to increase employment and further wealth creation.

New Sources of Growth

The OECD will identify and promote a better understanding of the new sources of growth in the 21st century. Responding to changing patterns of production, employment, and entrepreneurship, the Organisation will seek to understand the future of manufacturing and identify the potential drivers of a “new industrial revolution”. Also,

building on the second-phase of the Knowledge-Based Capital (KBC) project, the Organisation will intensify its work on science, technology and innovation, to reinforce the evidence on the economic value of intellectual assets. The continued rise of the Internet economy represents another opportunity for the OECD to leverage its comparative advantage on privacy and security issues to promote a global framework for dynamic e-commerce that incorporates appropriate safeguards and ensures the free movement of data across borders without diminishing the protection of personal data. We will also work to foster entrepreneurship and productivity growth, and promote the upgrading of firms in GVCs. We will seek to strengthen the functioning of the labour, product and financial markets so resources can flow to innovative firms. We will also analyse young businesses and their contribution to net job creation. More broadly, we

will explore policies that enable firms to experiment with new ideas and business models that facilitate their growth, including by lowering barriers to entry, supporting their expansion, and allowing for an orderly cessation of activities.

KBC and Information and Communication Technologies (ICT) are important sources of growth that can have strong spill over benefits across the economy. To make the most of them the OECD will advise countries on policy packages to foster investment in basic research, facilitate organisational change, and strengthen intellectual property rights. We will also analyse the role of the Internet in boosting economic growth, trade, investment and in addressing societal challenges; and promote effective Internet governance that fosters trust, transparency and promotes the participation of business, consumers and governments in digital activities. Another important focus of the

Organisation's work will be on the impact of science, technology and innovation on economic growth and social welfare. Our work on converging technologies will also inform the Science and Technology Ministerial Meeting to be held in Korea in 2015.

Consumers are the driving force of the global economy, accounting for over 60% of GDP in the OECD area. During 2015 and 2016, we will focus our attention on areas where the international dimension of consumer policy is most pronounced and linked to new sources of growth, namely e-commerce and enhanced product safety. This work will provide governments with a better understanding of the challenges consumers face and ways in which these can be best addressed. Given the link between tourism and sustainable growth, we will continue our work in this area.

New and emerging technologies in food production, including biotechnologies and nanotechnologies, hold promise for improving nutritional outcomes and resource sustainability, while reducing waste. These technologies present both opportunities and challenges for food and environmental safety. The OECD can help governments and industry respond to these challenges, including using technology to improve data gathering on production processes; dynamic labelling information; improving quality of food choices; and strengthening food traceability.

Supporting the Engine of Global Growth

The four “cylinders” of the global growth engine – trade, investment, credit and emerging markets – are not yet running

at full speed, raising the global spectre of a protracted period of low growth. The financial system has not yet been fully repaired and further reforms are needed to reactivate bank and capital market financing for productive investment. While some of these weaknesses reflect the economic cycle and prevailing uncertainties, stronger structural policy settings could go a long way to increase investment levels, foster trade flows, facilitate access to credit and kick-start emerging markets growth.

Strengthening the Multilateral Trading System and the International Investment Regime

Multilateral co-operation, not least through the WTO, can contribute to a trade environment that is conducive to sustainable growth in value adding trade, avoiding “beggar thy neighbour” policies and reducing unnecessary trade costs at, and behind, borders. In this context, continuing to resist protectionism and rolling back trade-restrictive and distorting measures introduced to date is crucial. The success of MC9 in Bali is a concrete demonstration of the benefits of multilateralism. For instance, the full implementation of the WTO Trade Facilitation Agreement can reduce trade costs by up to 15% for developing countries. But much more needs to be done to re-engage multilateral trade negotiations. Going forward, trade discussions should further deliver on the Doha Development Agenda (DDA) and, at the same time, reflect the new realities of the global



OECD Secretary-General Angel Gurría and Dipu Moni, Minister of Foreign Affairs of Bangladesh, Paris, June 2013



Laura Chinchilla, President of Costa Rica, and Angel Gurría, OECD Secretary-General, OECD headquarters, November 2013

trade landscape, such as the development of GVCs. Growing interest in “mega-RTAs” and pluri-lateral negotiations highlight the continued interest in opening markets. However, more could be done, including through the non-negotiating environment of the G20, to recognise trade and investment openness as one element of structural policy reform necessary for strong, sustainable and balanced growth. In this regard, the level of ambition of the G20 Australian Presidency is very encouraging.

OECD work on Trade in Value Added (TiVA) and global value chains (GVCs) is changing

the way policy makers think about trade policy, underlining the importance of trade in services, “behind the border” regulations, investment policy, and competitive neutrality. Besides deepening its work on global value chains and working to ensure countries at all stages of development can seize the opportunities of GVCs, the OECD will expand its Trade in Value Added (TiVA) database and examine scenarios that facilitate further service sector reforms. The OECD Initiative on Global Value Chains and Economic Transformation, bringing together policy makers from member and partner countries will be an

important platform to advance mutual understanding and promote peer-learning.

The OECD is finalising its work on identifying, collecting, cataloguing and verifying regulatory barriers to trade in services. This database will provide comparable data on services trade policies across 17 sectors and sub-sectors, and 40 countries that include Members and Key Partners. The Services Trade Restrictiveness Index (STRI) database is being released during the 2014 MCM and covers: regulations enacted, rather than the GATS or RTA commitments; all trade-related domestic regulation; source documents (law, regulation, rule, administrative decision); verified measures “peer reviewed” by all countries; updates of current measures to reflect regulatory reforms; and explanations and definitions of each measure included in the database.

Investment rates in most advanced economies have not yet recovered their pre-crisis levels, particularly for infrastructure, plant, machinery and equipment, as well as for intangible assets such as research and development, new business processes and workforce training. In several emerging-market economies, infrastructure investment is not nearly sufficient to support high rates of industrialisation and urbanisation underway, creating bottlenecks and hampering potential growth. Going forward, higher investment rates are needed to sustain a higher trend growth rate. The OECD will also step up its work on long-term investment

– including by analysing how to unlock investment in green technology and infrastructure – and mobilising investment for development, as well as updating our Policy Framework for Investment (PFI).

Building on the OECD leadership on long-term financing issues, we will work with other organisations and the G20 to analyse and develop policy recommendations to promote government and private sources of financing, including banks and institutional investors. We will also strengthen our co-operation with relevant stakeholders and facilitate the implementation of the G20/OECD High-level principles for Long-term Investment Financing by Institutional Investors.

Building on the OECD treaty database, we will shed new light on the investment treaty framework and the strengthening of the international principles that underpin it. International investment law provides rules that help improve investor

confidence, while promoting long-term investment and greater growth. A better understanding of evolving approaches and the objectives of countries in relation to international investment rules would benefit all economies. The final report will address investment treaty law and investor-state dispute settlement issues, and reflect shared emerging positions on transparency and arbitrator ethics.

There is a need to expand our knowledge of the economics of cross-border investment. The crisis showed that investment globalisation is not always upward trending, as flows collapsed to half their value between 2007 and 2009 and have yet to recover their pre-crisis levels. As part of this “economics of investment” initiative, the OECD will work on the “next generation” of foreign direct investment (FDI) data to provide governments with a more accurate picture of “real” FDI, which better captures today’s highly internationalised investment chains and better

reflects domestic content of inward FDI and the foreign content of outward FDI. These measures will account for the effects of “artificial” and “circular” FDI, and serve to inform policy debates on competitiveness, as well as GVCs and protectionism. This work will also look at how countries and firms benefit from international trade, by extending our accounting framework so as to better understand how benefits are accrued through investment flows.

Enhancing the Business Climate through Increased International Co-operation

Our 2011 update of the OECD Guidelines for Multinational Enterprises (MNEs) has closely associated this instrument to the promotion of Responsible Business Conduct (RBC). The Guidelines have inspired national policies in the field of Corporate Social Responsibility (CSR), and served as a reference for RBC clauses in international investment agreements. The OECD will improve the governance and functional equivalence of National Contact Points to implement RBCs on a global scale, and work with member countries to reinforce their role. As part of this work we will also promote responsible supply chain management, which is relevant to key sectors such as textiles and agriculture; further develop the guidelines for stakeholder engagement in extractive industries; promote due diligence to combat illicit production and trade of minerals; and, in general, boost transparency in the key extractive sectors.



OECD Secretary-General Angel Gurría and Federico Rampini, journalist and writer, at the Festival dell’Economia, Trento, June 2013



OECD Secretary-General Angel Gurría and Henk Kamp, Minister of Economic Affairs of the Netherlands, March 2014

Responsible business conduct is an essential part of an open international investment climate and the Guidelines offer the most comprehensive set of government-backed recommendations in existence today. In co-operation with Members, we will continue to encourage positive contributions by MNEs to sustainable development and promote respect for high standards of business conduct, and discourage conducts that neglect these principles and standards in an attempt to gain undue competitive advantage, particularly in countries where the regulatory, legal, and institutional frameworks are underdeveloped or fragile.

Currently, state-owned enterprises (SOEs) and other companies with significant government investment account for more than 14% of the world's 2 000 largest enterprises. SOEs are increasingly active in the global marketplace, through trade,

investment and competition in third markets. In order to ensure a level playing field between privately and publicly owned businesses, the OECD will continue examining the changing role of SOEs, identifying key challenges and options for policy makers. A report will be presented at the 2014 MCM presenting further evidence on trade, investment and competitive neutrality practices.

To ensure their continuing high quality, relevance and usefulness, we will conduct an in-depth review of the OECD Principles of Corporate Governance taking into account recent developments in the corporate sector and capital markets. The reviewed Principles will provide policy makers, regulators and other rule-making bodies with a sound benchmark for establishing an effective corporate governance framework. The review is expected to last one year.

Increased international co-operation in enforcing competition law can promote economic growth. Presently, competition agencies assess cross-border cases only for their effects on the domestic market. Businesses considering a global merger must file in multiple jurisdictions, sometimes in as many as 60 places, and there are no mechanisms for governments or competition agencies to resolve differences in approach or reach common solutions. In 2014 the OECD will deliver a major piece of empirical analysis on the problems caused by this fragmented approach, with future work aimed at scoping out

possible institutional or treaty-based solutions.

Reinforcing the Financial Sector; Improving Credit Availability

The OECD is revisiting the relationships between finance, growth and inequality, and analysing their implications for economic policy, while focusing on the role of finance for the economic stability of individual households and firms. Deeper financial markets, financial innovation and cross-border financial integration have traditionally been associated with greater efficiency and stronger economic growth. However, the global financial crisis has shown that these phenomena can also give rise to greater volatility in economic output and, due to the inter-linkages with the real economy, serve as a propagation mechanism for financial vulnerabilities. The OECD is currently analysing issues relating to access to finance for SMEs – particularly young firms – given the role they play as generators of employment and income. The Organisation is also conducting work in relation to banking sector reform and analysing leverage and capital adequacy ratios to identify more comprehensive measures of bank vulnerability.

Kick-Starting Emerging Market Growth

Emerging markets (EMs) enjoyed a decade of strong growth prior to the crisis, on the back of intensive factor accumulation, strong commodity prices and relatively loose monetary policy

in developed economies. Further accommodative monetary policy in the aftermath of the crisis ensured that EMs remained important drivers of global growth. However, trends underpinning strong EM growth have slowed, stopped or reversed, while the normalisation of monetary policy poses further challenges. Productivity growth has slowed and EMs are now faced with an urgent need to adopt structural reforms. The OECD is well positioned to support Key and other relevant Partners in the design and implementation of reform programmes to enhance the resilience of their economies.

Accession and Key Partner Countries: the Role of Regional and Country Programmes

Consistent with the OECD 50th Anniversary Vision Statement, we will continue to integrate key partner countries (Brazil, China, India, Indonesia and South Africa) into the OECD's work and enhance our co-operation with other relevant Partner economies. In particular, we will strengthen our engagement with China, pursuing the strategic relationship we have developed at different levels in the government and with key Chinese institutions. We will also reinforce the regional component of our work, particularly with Southeast Asia and the MENA region, and strengthen our initiatives with Africa, Eurasia and Latin America. During 2014 we expect to roll out Country Programmes with Kazakhstan, Morocco, Peru and Thailand, to share OECD's standards and best practices and support their reform efforts. The

accession processes of Colombia and Latvia will each proceed at their own pace; the activities related to the Russian Federation accession process are postponed for the time being.

At the 2014 MCM we will formally launch the OECD Southeast Asia Regional Programme, to bring

Programme, we will collaborate with and benefit from the expertise and support of other regional organisations (e.g. ERIA, APEC, ADB, and UNESCAP).

The Organisation's engagement with members and observers of the Pacific Alliance (PA) has been steadily increasing: Mexico and



OECD Secretary-General Angel Gurría welcomes Dalia Grybauskaitė, President of Lithuania, to the OECD, November 2013

participating countries closer to OECD standards and practices and facilitate their access to OECD expertise, while promoting their adherence to its instruments. Following the high-level regional event on 25-26 March 2014 in Bali, Indonesia, we plan to select co-chairs and define the work programmes of the six Regional Policy Networks that will be created under the Programme. These efforts will be underpinned by the OECD Economic Outlook for Southeast Asia, jointly produced with the ASEAN Secretariat, and the associated platform for regional macroeconomic monitoring. In implementing the

Chile are Members, Colombia is an accession country, Costa Rica participates in an intensified co-operation programme, Uruguay is undergoing a MDCR and Panama has recently joined the Development Centre, bringing the number of its members to nine from the LAC region. Building on ongoing co-operation with PA members and observers, a more formal link could be developed, involving the establishment of joint policy networks that focus on issues related to regional integration (e.g. investment, trade, tax, SME policy, and regulatory reform). This would enable PA members and observers to

become more closely aligned with OECD standards and strengthen the impact of the Organisation in the LAC region. The OECD-LAC initiative, and the analytical work and policy dialogue underpinning the Latin American Economic Outlook, could support and complement these efforts.

The OECD has been working with the Middle East and North Africa (MENA) region since 2005, through the MENA-OECD Initiative, the SIGMA programme and, more recently, the G8 Deauville Partnership. Going forward, the MENA-OECD programme could co-operate more closely with the countries from the Gulf Co-operation Council (GCC) through a sub-regional initiative, encourage longer-term trade and investment flows, and help to generate sustainable private sector-led growth. We will continue to engage MENA countries through initiatives, like the Governance Programme Training Centre of Caserta, aimed at building capacity, improving the efficiency and effectiveness of public institutions, to promote investment and good governance in the region.

The OECD has longstanding relations with Sub-Saharan Africa through the work of the Development Centre and initiatives such as the New Partnership for Africa's Development (NEPAD) and the Sahel and West Africa Club (SWAC). The time is ripe to take this collaboration forward and encourage Sub-Saharan countries to move closer to OECD standards, *inter alia*, by exploring the possible creation of a regional programme in co-operation with sub-regional groups, including the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS).

Following the request received from and the latest exchanges with Ukrainian authorities, the OECD will strengthen its co-operation with Ukraine to help the government address the country's pressing policy challenges, including on longstanding co-operation issues like governance, investment, competitiveness and business environment. Building on the existing Action Plan for 2013-16, we will support authorities' efforts to work

closer with committees and to enact the necessary policy reforms. Membership in the OECD Development Centre could also be explored, given Ukraine's expressed interest.

Enhancing the Global Dimension of the OECD's Work

In an increasingly interconnected global economy it is important to continue strengthening international policy co-ordination. Since the Heiligendamm Summit in 2007, the OECD has been at the forefront in providing analytical support and policy advice to the G8. As the crisis unfolded, and as policy makers deal with its aftermath, the OECD has become an indispensable partner of the G20, participating at all levels in the Group. Over the past five years, the OECD has deepened its analytical contributions to the G8 and G20, working closely with the troika presidencies to help shape their respective agendas, and providing evidence-based policy analysis to support their work. The result has been increased visibility of OECD work and a greater impact on the debates and policy making of both groups.

The OECD's Role as a Global Standard Setter

A critical element of the OECD's mission is to promote and disseminate norms, standards and best practices. We plan to conduct a broad review of our guidelines, instruments and codes to determine where there



Daniel Kablan Duncan, Prime Minister of Côte d'Ivoire, at the OECD Africa Forum, October 2013

is a need to update, supersede or further disseminate them. Over the coming years, the OECD will further strengthen its role as an international standard setter and will also work on developing new standards on emerging issues, like investment, corporate governance, and Internet governance.

2°C. In collaboration with the IEA, NEA, and ITF, we will build on our work on carbon pricing, fossil fuel subsidies, tax exemptions and regulatory and investment policy to explore ways to align policies in support of a clear, long-term pathway to tackle climate change. We will also explore complementary measures to

Investment Policy Reviews, as well as the Green Cities Programme. The challenge is to go a step further, so that a green growth framework permeates all levels of the Organisation's work.

The number of urban dwellers is projected to reach 6 billion by 2050. Globally, urban areas contribute significantly to national growth goals, and serve as hubs in global trade and innovation networks: "Getting cities right" is a big step towards addressing global social, economic and environmental challenges. We will continue to develop our extensive evidence database on regional development and multi-level governance, and disseminate best practices across levels of government. In particular, we will offer policy guidance and tools in the area of public governance and investment, emphasising a "whole-of-government" approach that addresses the roles of different levels of government in the design and implementation of critical and shared responsibilities. The Recommendation on Effective Public Investment across Levels of Government, endorsed by the TDPC Ministerial meeting on 5-6 December 2013 and adopted by the Council on 12 March 2014, will inform ministers' discussion at the 2014 MCM.

Disaster Risk Management and Financing

Recognising the increasing prevalence and severity of natural and man-made disasters, we will promote the Recommendation on the Governance of Critical Risks, working with governments



OECD Secretary-General Angel Gurría and Valdis Dombrovskis, Prime Minister of Latvia, OECD headquarters, November 2013

Transitioning to a Low-Carbon Future

The OECD can make a key contribution to better understanding the risks of climate change and identifying the policies needed to mitigate and manage these risks. Leveraging its 20 years of experience, the Organisation can offer Members solid policy advice to elaborate a mix of policy instruments that can lead to the net elimination of emissions to the atmosphere from fossil fuels during the second half of the century, in line with the internationally agreed goal of limiting the increase in average global temperature to

accelerate technological change and address the distributional consequences of the necessary economic transformation. These efforts will support climate change discussions in view of the upcoming COP meetings in Lima (2014) and Paris (2015).

The OECD will also continue working to mainstream "green growth", as well as to better integrate environmental considerations into its economic projections and horizon scanning exercises. Significant efforts are already being made and include relevant chapters in the *Economic Surveys*, *Environmental Performance Reviews*, *Innovation Reviews* and

to implement comprehensive risk management and mitigation systems, and taking an “all hazards” approach to risk management. We will work on disaster risk management and financing to help communities “bounce back” from disaster, stronger and more dynamic than before. The OECD Tohoku School project, launched following the 2011 Great East Japan earthquake, will continue to provide a powerful illustration of how innovative education and skills policies can have a transformative impact on communities as a whole.

The Strategy on Development: Shaping the post-2015 Development Landscape

We will leverage our expertise across the entire Organisation and its constituencies to support the post-2015 framework and its financing. Aid remains a critical element for many countries, particularly least developed countries and fragile states. OECD work on development finance will reflect this, while exploring new measures of support for development that reflect the evolving development landscape.

The Global Partnership for Effective Development Co-operation will provide an opportunity for an inclusive range of actors to collaborate and partner in new ways to identify how to best support the implementation of post-2015 targets. We will engage with the different policy communities to improve the relevance, value added and impact of major international processes, and share



OECD Secretary-General Angel Gurría and Benjamin Netanyahu, Prime Minister of Israel, December 2013

our policy design experience, methodologies and tools to better understand the inter-linkages between development and economic growth, environmental concerns, human well-being and poverty eradication. The OECD will also contribute to the post-2015 development discussion through its work on identifying, monitoring and mobilising financing for development, and by improving the quality of our measurement of development co-operation and the design and effectiveness of interventions. We will also continue our work on Aid for Trade.

The OECD Strategy on Development has fostered a more focused, issues-based approach to policy coherence for development. Key actors among advanced, emerging and developing economies are engaged and work also addresses common challenges such as improving framework conditions for achieving food security and combatting illicit financial flows.

The Strategy recognises the importance of fostering comprehensive, multi-dimensional and inclusive approaches to development to unleash transformational change and strengthen global resilience. Future OECD efforts will be guided by ministers' discussions of the *Looking Ahead to Global Development Beyond 2015: Lessons Learnt from the Initial Implementation Phase of the OECD Strategy on Development* and the *2014 Report on the Implementation of the OECD Strategy on Development*, to be presented at this year's MCM.

The Knowledge Sharing Alliance (KSA) is an integral part of the OECD Strategy on Development. The KSA, created in January 2013 with the support of Korea and the German Ministry for Economic Co-operation and Development, aims to leverage the OECD's multi-disciplinary expertise and engage emerging and developing economies, working closely with bilateral and multilateral organisations that

have implementation capacities on the ground.

The OECD will continue to enhance inclusive knowledge sharing and an effective engagement with developing countries, capitalising on its Multi-Dimensional Country Reviews and Policy Dialogue networks. In this respect, the Initiative on Global Value Chains and Economic Transformation and the Policy Dialogue on Natural Resource-based Development will continue to play a crucial role in promoting exchange of good practices and peer learning among countries at different levels of development.

Delivering the OECD's Corporate Products Efficiently and Effectively

Cognisant of Members' prevailing challenging budgetary situation, the OECD has launched a corporate effort to continue delivering high quality outputs, while doing more with the resources provided and working smarter to provide even better value for money for Members. The Value for Money (V4M) project involves a comprehensive stock-taking of costs and processes, aiming to improve production processes and efficiencies. It will encourage innovative ideas and promote the sharing of good practices linked to efficiency gains and embed a culture of cost consciousness within the Organisation. Linked to this, we will continue to develop new and improved ways to share information and create knowledge and facilitate

working collectively across the Organisation.

Horizontality in the Programme of Work

Analysing issues in a "horizontal" and cross-cutting way is increasingly the approach followed by the OECD, driven by the need to address the increasing complexity, multi-dimensionality and interconnectedness of the policy challenges faced by Members and Partners. This approach also draws on the expertise of directorates, as well as on the accumulated experience of the Organisation and of member and partner countries, across a wide spectrum of policy areas. The OECD has been working for some time on policies related to climate change, long-term investment, new sources of growth, inequality and demographic shifts. I believe the time is right to raise the profile of this work and emphasise collaboration among different parts of the Organisation.

Therefore, we will look to raise the visibility and better connect efforts around three initiatives: a) the transition to a low carbon economy; b) promoting long-term investments; c) ageing unequally. The OECD will also continue to work on other cross-cutting issues (e.g. innovation, green growth, skills), capitalising on its ability to address inter-linked policy challenges. Horizontality will gradually become the norm in delivering our programme of work.

Expanding the OECD's Strategic Foresight

We will reinforce the Organisation's forecasting and strategic foresight capacity, developing an "horizon-scanning network" to offer Members and Partners a better understanding of potential threats and opportunities. This work will also capitalise on the OECD *Perspectives on Global Development*, which pioneered the analysis of shifting wealth and the



Aloizio Mercadante, Minister of Education, Brazil, and Angel Gurría, Secretary-General of the OECD, October 2013

interactions between the OECD, emerging and developing economies. We will also review our forecasting processes to develop our capacities for scenario analysis and provide real-time crisis management and advice. As part of these efforts, the OECD could establish a surveillance mechanism to analyse the vulnerabilities and resilience of economies against shocks, including by developing early warning indicators, in co-ordination with other international efforts and building on the OECD's country review process. The Organisation could also explore relaunching the International Futures Programme (IFP) with a view to promoting a better understanding of large system changes, transformation, and transition management, through multi-stakeholder dialogues that help us scale up our knowledge and capacities.

Leveraging the OECD's Leaders Programme and Sharpening Communications

We will continue to develop high impact platforms for delivering timely, targeted policy advice to the highest-level officials, the *Leaders Programme* and *Better Policies* series will be instrumental in this regard. Through the Leaders Programme, we will consolidate the OECD as the nexus where leaders can obtain real-time, targeted and comprehensive policy analysis and offer a place to convey important messages to the international community. We will also expand our *Better Policies Series* to develop new

ways to present our work in a more targeted and timely way. In tandem, we will explore how to bring together our collective knowledge through a virtual "OECD Institute" portal.

The OECD relies on the dissemination of its work to ensure that its analysis and findings have a broad impact on policy makers, policy shapers, and society at large, making its communication strategy a critical element to maximise its capacity to influence the public debate and shape policy challenges. Our communication work will rely on careful planning, while at the same time preparing for the unforeseen. Over the coming years a number of major events will contribute to shaping the headlines. In some cases, these events will offer opportunities for the OECD to capitalise on media attention; in others, they will require redoubling our efforts to ensure the coverage and visibility of the Organisation's outputs. Among the events that the OECD will take into account for its communication planning will be the elections in 11 OECD and key partner countries (and the European Parliament); the G20 presidencies of Australia and Turkey; China chairing APEC; Myanmar chairing ASEAN; the UN SG Leaders' Summit on Climate Change; the World Economic Forum in Davos; and the Forum of the Americas; as well as a host of other events that will attract global media attention. The OECD's Global Parliamentary Network will continue to be a core pillar of the OECD's dissemination work. This will be further strengthened in the coming years,

to become increasingly targeted along both thematic and national lines.

In deploying its communications strategy the OECD will aim for: global reach, reflecting the growing diversity of its membership and increasing interaction with partner countries; competitive, unbiased and authoritative analysis and data; technological *savoir faire*, offering increasingly efficient and effective ways to engage with all the OECD's audiences; openness and accessibility, offering publicly available analytical content free of charge; coherence and efficiency, ensuring the maximum possible impact in the dissemination of its content.

In pursuing these objectives we will build on our collective expertise and working methods, while improving the relevance, effectiveness and efficiencies of our committees' work. We will also continue to support Members' efforts to reach a successful conclusion of the OECD's governance review.

My Strategic Orientations aim to support member and partner governments' ability to improve the daily lives of the greatest number of people, and to bring about shared prosperity and well-being, consistent with our goal of promoting "better policies for better lives". Our work has just begun! ■

Secretary-General's Activity in 2013

Overview

During 2013 the OECD Secretary-General continued his very intense programme of stakeholder engagement, both in Paris and abroad, in order to advance the relevance and visibility of the Organisation. The principal focus of the Secretary-General in 2013 was on providing timely and targeted policy advice and support to member and partner countries in their efforts to confront the enduring social and economic legacies of the global financial crisis and ensuing recession.

The Secretary-General carried out 49 trips abroad in 2013 to promote the work of the Organisation. This included his participation in the main international summits that took place throughout the year, particularly the G20, where the OECD contributed very actively. In the course of 2013, the Secretary-General held 40 meetings with heads of state and government, 16 meetings with Heads of international organisations and 238 meetings with ministers, not to mention his numerous informal interactions with leaders by phone and in the margins of the international fora he attended. He also met with top representatives from other branches of government, the business community, unions and civil society, totalling close to 1 000 bilateral meetings over the course of the year.

While carrying out his regular management and strategic duties, activities undertaken by the Secretary-General in Paris during 2013 also increased, both quantitatively and qualitatively. The Leaders Programme has continued its development, with 14 heads of state or government visiting in 2013, firmly establishing the OECD as a “go-to-place” for them while in France. In addition to the Secretary-General's bilateral engagement, the wider OECD community

– the Secretariat and delegations – have also benefitted from these visits through a programme of public lectures, addresses to members of the OECD Council and interactive policy seminars.

The Organisation's media presence and coverage has also remained consistently high following the peak reached during the 50th Anniversary in 2011, which was an exceptional year in terms of visibility. In 2013, the Secretary-General was quoted in over 1 100 articles and author of 19, up sharply from only 6 articles authored in 2012. He launched 40 outlooks and flagship publications (up from 29 in 2012) and gave 259 speeches (up from 220 in 2012) and marking a steady year-on-year increase from only 84 in 2007.

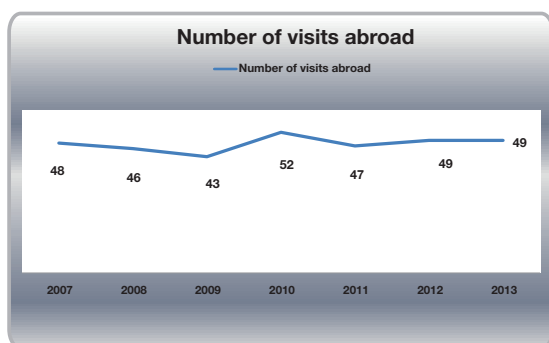
The Organisation's visibility took a number of significant steps forward again in 2013. Total dissemination of OECD content increased by more than 38% to 16.6 million instances across all publishing platforms (iLibrary, Google books, etc.). Visits to the OECD website reached 16.4 million for all of 2013, the final four months of the year registering a 23% increase in traffic compared to the same period in 2012. The Organisation's presence in social media channels also increased considerably through Twitter, YouTube and Facebook, as well as Sina Weibo, the largest social media platform in China.

Activity abroad

Of the Secretary-General's 49 visits abroad, the same as in 2012, 36 were to OECD countries, 4 to key partner countries, 6 to accession countries (5 of which were to the Russian Federation, mostly related to Russia's presidency of the G20) and 3 to other non-member countries. This means that the Secretary-General made an average of almost one trip every week.

During every visit, the Secretary-General presented relevant OECD work and was regularly received by leaders and key members of government. The main purpose of this activity was to advance the OECD's advisory role in member countries, launch relevant OECD work, increase the Organisation's profile in key partner economies and represent the Organisation at the highest political level in important international summits and conferences.

Figure 1. Secretary-General's visits abroad



Visits to Member countries

During 2013, the Secretary-General made 36 visits to member countries, i.e. 74% of his total trips were abroad. Throughout the year, he visited nearly two thirds of the OECD membership. The Secretary-General also visited Brussels three times during the year, where he attended high-level meetings with the European Commission and Parliament. He visited Austria, Germany, Italy, Mexico, Switzerland, the United Kingdom and the United States on more than one occasion, and Canada, Chile, Finland, Greece, Iceland, Ireland, Israel, Japan, Korea, the Netherlands, Norway, Spain, Sweden and Turkey once.

These visits provided an opportunity to strengthen the role the OECD plays in advising member governments on dealing with the legacies of the crisis. In some cases, the visits took place at the request of governments to help move forward their structural reform agendas. In other cases, they offered an opportunity to present economic surveys and other thematic reviews. In particular, six *Better Policies* series brochures were presented by the Secretary-General in 2013, coinciding with his visits and meetings with leaders.

The Secretary-General also represented the OECD and presented the Organisation's latest work at important international events hosted by member countries, including the annual World Economic Forum in Davos, the IMF/World Bank meetings held in Washington and Tokyo, the G8 Summit in Lough Erne (for which the Organisation supported the UK presidency in all priority areas of tax, trade and transparency), the St Petersburg International Economic Forum and World Water Week in Stockholm.

Better Policies Publications in 2013

- France: *Redresser la compétitivité*, November 2013
- The People's Republic of China: *Avoiding the middle-income trap – Policies for sustained and inclusive growth*, September 2013
- Portugal: *Reforming the State to Promote Growth*, May 2013
- The Russian Federation: *Modernising the Economy*, April 2013
- Slovak Republic: *Fostering an inclusive job-rich recovery*, April 2013
- Finland: *Fit for the Future*, February 2013

During his visits, the Secretary-General met with key ministers of all countries, as well as with leaders, including: Austrian Chancellor, Werner Faymann; Chilean President, Sebastián Piñera; Finnish Prime Minister, Jyrki Katainen; Greek Prime Minister, Antónis Samarás; Icelandic Prime Minister, Sigmundur Davíð Gunnlaugsson; Irish Taoiseach, Enda Kenny; Israeli Prime Minister, Benjamin Netanyahu; Italian Prime Minister, Enrico Letta; Japanese Prime Minister, Shinzo Abe; Korean President, Lee Myung-Bak; Mexican President, Enrique Peña Nieto; Turkish Prime Minister, Recep Tayyip Erdoğan; Chinese Premier, Li Keqiang; Colombian President, Juan Manuel Santos; Costa Rican President, Laura Chinchilla Miranda; Lithuanian Prime Minister, Algirdas Butkevičius; Panamanian President, Ricardo Martinelli; and Russian President, Vladimir Putin.

The Secretary-General met regularly with members of parliament in the countries he visited, and attended the Parliamentary Assembly annual debate of the Council of Europe's in Strasbourg. He also met with representatives from the private sector, trade unions and civil society during his trips abroad. Most of his visits featured public events in which the Secretary-General had an opportunity to address broader audiences and share the OECD's main messages with the general public. During 2013, the Secretary-General was also awarded the Gwangwha Medal for Diplomatic Service by Korea and the Medalla Rectoral by the University of Chile

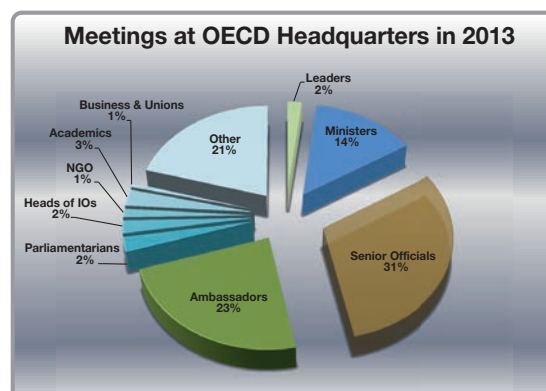
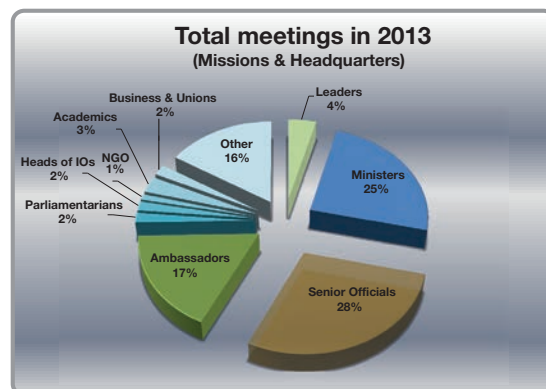
Visits to Accession and Partner countries

The country the Secretary-General visited the most was the Russian Federation, given the Russian Presidency of the G20. In 2013, the OECD strengthened its ties with the G20 further, having participated actively in concrete deliverables and preparatory activities organised by the Presidency. The Secretary-General was invited to participate in all high-level G20 meetings, including the four meetings of finance ministers and Central Bank Governors, a joint G20 meeting of the Finance and labour ministers, the B20 Summit, and the G20 St Petersburg Summit held on 5-6 September 2013. During 2013, the Secretary-General also made 4 trips to key partner countries: Brazil, People's

Republic of China (twice) and South Africa. To support the Secretary-General's activities, the Deputy Secretaries-General also visited Russia and the key partner countries on a number of occasions. During his visits, the Secretary-General presented specific work carried out by the OECD on these economies, including economic surveys, regulatory reviews and *Better Policies* brochures. As well as his annual participation at the China Development Forum from 22-26 March, the Secretary-General returned to China from 4-6 June to launch the OECD-FAO Outlook for 2013. He also visited Colombia, Costa Rica, Lithuania and Panama.

Activity in Paris

Figure 2. Secretary-General's bilateral meetings



Leaders and high-level visitors to the OECD

During 2013, the Secretary-General continued to consolidate the OECD's position as the "go-to place" for leaders and relevant stakeholders while in Paris 14 leaders visiting in 2013. These visits now span the full year, not only during OECD Week, which in 2013 featured both the Prime Minister, Jens Stoltenberg and Crown Prince Haakon of Norway, the MCM Chair, as well as 5 deputy prime ministers and 65 ministers, deputy ministers, and state secretaries from OECD member and partner countries. Other leaders welcomed to the OECD in 2013 included French President, François Hollande; Icelandic President, Ólafur Ragnar Grímsson; Israeli President, Shimon Peres; Slovakian Prime Minister, Robert Fico; Portuguese Prime Minister, Pedro Passos Coelho; Andorran Prime Minister, Antoni Martí; Costa Rican President, Laura Chinchilla; Ivoirian Prime Minister, Daniel Kablan Duncan; Kazakhstani Prime Minister, Serik Akmetov; Latvian Prime Minister, Valdis Dombrovskis; Lithuanian Prime Minister, Dalia Grybauskaitė; and Russian First Deputy Prime Minister Igor Shuvalov.

Regular meetings at the OECD

A great part of the Secretary-General's activities during 2013 was devoted to the regular exercise of his management and strategic direction duties within the Secretariat, as well as his chairing of the OECD Council and interaction with delegations. During the course of the year, the Secretary-General held 168 bilateral meetings with OECD ambassadors. He chaired 18 sessions of the OECD Council, 4 meetings of OECD heads of delegation, 5 meetings of the MCM Bureau and 10 meetings with ambassadors and chairs of standing committees. The Secretary-General also delivered keynote remarks and participated in the most important events hosted at the OECD, including various conferences, global fora and high-level committee meetings.

Communication and visibility

The OECD continued to expand its traditional and social media presence during 2013, with the

timing and nature of press events and publication launches frequently timed to complement major international events, capitalising on the worldwide media attention. Launching the *Interim Economic Assessment* just ahead of the G20 Leaders' Summit, for instance, resulted in a 44% rise in coverage compared with the previous autumn assessment. The Secretary-General was at the forefront of these enhanced outreach efforts. During 2013, the Secretary-General delivered 259 speeches, authored 19 articles or op-eds, and presented 40 OECD outlooks and flagship publications. The Secretary-General was quoted in over 1 100 articles and gave 129 in-depth interviews throughout the course of the year. He gave 48 interviews for the audio-visual media (radio, TV, satellite feeds, webcasts, live coverage) from the OECD studios and 81 interviews with national media while on mission, of which 45 were audio-visual and 36 with newspapers or news agencies. He also did a large number of *ad hoc* interviews.

The Organisation published a total of 517 titles during 2013, 377 of which were reports, and 138 statistical compilations. The number of press releases increased to 245, compared with 226 in 2012. Around 50 press conferences were organised in Paris and abroad, mainly designed to launch OECD publications and reports. Overall, media coverage for selected flagship publication launches grew on average 81% compared with 2012, the *Migration Outlook* and *Health at a Glance* registering particularly marked increases. Besides such flagship publications, the Secretary-General also presented the economic surveys of many member countries in their respective capitals, including Austria, Chile, Greece, Ireland, Israel, Italy, Japan, Switzerland and the UK, as well as in Key Partners Brazil and China.

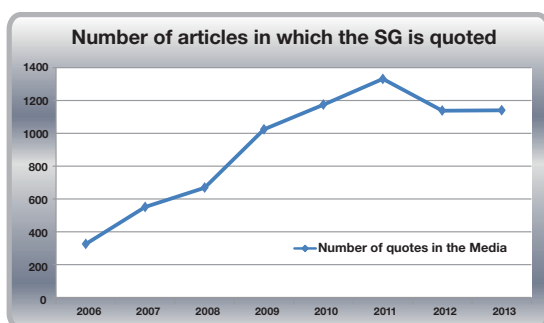
Dissemination of OECD content continued to grow in 2013, with 16.6 million users accessing OECD content through all publishing platforms compared to 12 million in 2012. The number of institutions accessing the OECD iLibrary now exceeds 6 000 from 139 countries. OECD.org received 16.4 million visits* and 51 million page views in 2013. There were 3 significant peaks

* This number includes an estimate of the traffic on OECD.org for the period of January to May 2013.

during the year: OECD Week in May; the launch of PIAAC (*Skills Outlook*) in October; and the launch of PISA Results in December. During the last 4 months of 2013 there was a 23% increase over 2012, mainly due to the launch of PISA. On the PISA study launch day, there were a record 612 000 visits to OECD.org (10 times the average) and more than 2 million page views. The OECD also continued to work on the implementation of the Accessible, Open, Free publishing reform (Delta Programme), with a view to launching the OECD Data Portal in June 2014.

presence on Sina Weibo, the largest social media platform in China. The OECD's Weibo account was boosted by our collaboration with Xinhua and the Development Centre during the Africa Economic Forum in October. In July 2013, the OECD started posting on LinkedIn, and had already gained 29 500 followers by end 2013. ■

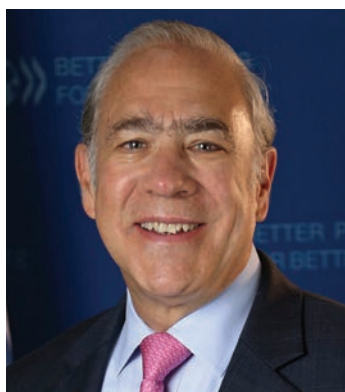
Figure 3. Presence in traditional media



The Better Life Index expanded its reach through the new Russian and Spanish language versions. The BLI site has also been made accessible to mobile devices. Increased reach and accessibility brought 1.7 million visits last year, increasing traffic by 134% from 2012.

The OECD's reach and influence on social media also grew, with a 150% increase of OECD corporate Twitter followers, and an increase in the number of key opinion formers spreading OECD content on social media platforms: "Likes" on the OECD's Facebook accounts increased by 50% over the course of 2013, from 81 000 to 122 000. The OECD's Twitter accounts together reached 355 000 followers by end 2013, up from 272 000 in 2012. The corporate Twitter account also ranks fairly high in terms of number of followers (135 000 at end 2013): we are 37th highest in Paris, 196th in France and rank 11 607th of all Twitter accounts in the world. In terms of international organisations, we have been rated in the top 20 out of 100 for number of followers. In May 2013, the OECD began piloting its

Secretary-General's Cabinet



OECD Secretary-General since June 2006, **Angel Gurría** has reinforced the OECD's mission of promoting "better policies for better lives". He is fostering an open and inclusive Organisation, which is responsive to Members' and Partners' needs in the current difficult context. He has opened the door to new members and deepened links with emerging economies. Secretary-General Gurría has strengthened the role and impact of the OECD as a supporter of best practices and policy reform. He has launched major high-profile initiatives to promote higher productivity and inclusiveness such as the OECD strategies on Innovation, Green Growth, Gender, Development, Skills and Water. Most recently, Mr. Gurría has launched the New Approaches to Economic Challenges initiative, with the aim of catalysing a process of continuous improvement of OECD analytical frameworks and policy advice.



Deputy Secretary-General **Yves Leterme**, formerly Prime Minister of Belgium, was appointed in December 2011. He is in charge of Health, Social and Welfare Policy, Education, Governance and Entrepreneurship, and Gender Equality, including gender mainstreaming in the Organisation. He oversees a number of horizontal projects, including Ageing Unequally or Youth Unemployment. He is also active in strengthening the relationships with other International Organisations, parliamentarians and civil society (BIAC/TUAC), and works to foster stronger links with the European Union. He also co-ordinates, together with the Office of the Secretary-General, the preparations of the annual Council meeting at ministerial level.



Deputy Secretary-General **Rintaro Tamaki**, formerly Vice-Minister of Finance for International Affairs at the Ministry of Finance in Japan, was appointed in August 2011. His portfolio includes Environment, Green Growth, Development, Financial Affairs and Taxes and the OECD horizontal Strategy on Development. Since March 2014, he also oversees the Trade and Agriculture Directorate and macroeconomic issues, serving as Acting Chief Economist and G20 Finance Deputy.



Deputy Secretary-General, Ambassador **William Danvers**, former Deputy Chief of Staff for the Secretary of State in the United States, took up his duties in September 2013. In addition to the OECD's regional initiatives in Southeast Asia, the MENA region, Latin America and Africa, he oversees the accession processes of candidate countries. He also further develops OECD work on investment, competition and the fight against corruption, as well as on innovation, science and technology, corporate affairs and private sector development.



Mr. Pier Carlo Padoan was Deputy Secretary-General from June 2007 to February 2014, when he left the Organisation to become Finance Minister of Italy. Since December 2009 he also acted as Chief Economist. Mr. Padoan was the G20 Finance Deputy for the OECD and led the strategic response to the financial and economic crisis, as well as the Green Growth and Innovation Strategies. He also oversaw Statistics, Trade and Agriculture.



Gabriela Ramos is Chief of Staff of the OECD and OECD Sherpa. Since 2006, Mrs. Ramos has been advising and supporting the Secretary General's strategic agenda. She co-ordinates the contributions of the Organisation to international governance bodies such as the G20 and G8 and, along with DSG Leterme, she oversees the preparations of the Ministerial Council Meeting. Since 2012 she supervises the New Approaches to Economic Challenges initiative.

2013 Ministerial Council Statement



Family photo of the OECD Ministerial Council Meeting 2013

On the occasion of the 2013 OECD Ministerial Council Meeting (MCM), we¹ have assembled under the Chairmanship of Norway and the Vice-Chairmanship of Australia and Estonia.

Over five years into the most severe economic crisis of our lifetimes, the recovery continues to face a number of challenges in our countries and the social consequences are grave. Our common goal remains to achieve sustainable and inclusive economic growth

acknowledging the need for structural reforms and taking into account social aspects in our countries, notably the urgency to reduce unemployment, address inequalities and rebuild trust. We will act together, and with the assistance of the OECD, to put our economies on the path to a strong, sustainable and balanced recovery. We welcome the initial steps taken in developing the New Approaches to Economic Challenges initiative (NAEC), and look forward to substantive progress, including targeted

policy proposals, to be presented at our next meeting in 2014. We welcome the role of the Secretary-General in proposing new initiatives, including in his Strategic Orientations for OECD for 2013 and beyond.

Unemployment is the biggest challenge in many of our countries. We underline the importance of social dialogue and strengthening the social policy response to the crisis. As the crisis has hit youth particularly hard, we commit

1. Ministers and Representatives of Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and the European Union.

today to an OECD Action Plan for Youth. Labour market activation strategies, including for SMEs, are needed to help people into work. In addition, ensuring people have the right skills is important for employability, and we look forward to the Skills Outlook and the first OECD analysis of Adult skills (PIAAC-study) to be launched this coming October. We also recognise the need for greater inclusion of all parts of our populations, including migrants, in labour markets.

We recognise the importance of addressing inequalities in our societies, including their implications for economic growth. Key to this is providing equal access to opportunities and appropriate social protection systems. We adopt the OECD Council Recommendation on Gender Equality in Education, Employment and Entrepreneurship, and commit to deliver progress on gender equality. We, furthermore, encourage the OECD to strengthen its work on inequalities under the NAEC initiative.

We reaffirm our commitment to rebuilding trust in governments, markets and institutions, strengthening financial regulation, combating corruption, promoting open government, and ensuring transparency in policy making. We welcome the forward looking agenda of the OECD in this regard.

We welcome the OECD's analysis and advice in the field of new innovative sources of growth, notably knowledge-based capital and green growth, to better

sustain and create high-quality jobs in our countries.

We underscore the importance of effective, efficient, fair and transparent tax systems. We are committed to countering the erosion of tax bases and also avoiding the risk of double non-taxation. We adopt a Declaration in support of the OECD's important work on Base Erosion and Profit Shifting (BEPS) – together with Argentina, Brazil, Indonesia, the Russian Federation and South Africa. We encourage all jurisdictions to join the multilateral Convention on Mutual Administrative Assistance in Tax Matters. We call on all jurisdictions to move towards automatic exchange of information and to improve the availability, the quality and the accuracy of information on beneficial ownership, in order to effectively act against tax fraud and evasion.

We reaffirm our commitment to a rules-based, open trading and investment system, expanding markets and resisting

protectionism in all its forms, which is necessary for sustained global economic recovery, jobs and development. We underscore our commitment to achieving significant and substantive outcomes at the 9th World Trade Organization (WTO) Ministerial Meeting later this year so as to create momentum towards concluding the Doha Round negotiations. We share the objective that the Bali package should encompass a trade facilitation agreement and agreement on some elements of agriculture and development, including issues of interest to Least Developed Countries. We note that these negotiations are, as yet, not on a path that provides confidence of success and we call on all WTO members to work with flexibility and realism to achieve this goal.

We welcome the OECD's work on Global Value Chains (GVCs) and on measuring Trade in Value Added terms. GVCs are a powerful driver of growth and productivity and support job creation. We note that trade facilitation measures



Sigbjørn Johnsen, Minister of Finance, Norway, Chair of the 2013 OECD Ministerial Council Meeting, and Angel Gurría, OECD Secretary-General



Angel Gurría, OECD Secretary-General, Johann N. Schneider-Amman, Head of the Federal Department of Economic Affairs, Education and Research, Switzerland, and Philipp Rösler, Federal Minister of Economics and Technology, Vice-Chancellor of Germany

would better allow both developed and developing countries to take advantage of GVCs. Services are key to the efficient operation of GVCs, giving services liberalisation greater importance. We look forward to the results of the OECD's work on services trade restrictiveness, to be presented at the 2014 MCM. We call on the OECD to do further analysis of the relationship between GVCs and jobs and income as well as how to make GVCs accessible to all.

We welcome the progress that has taken place since we endorsed the Development Strategy in strengthening and mainstreaming development aspects into the work of the Organisation. We welcome the OECD's efforts to ensure, through its multidisciplinary work, that broader policies contribute to equitable and sustainable economic development in the world, recognising the importance

of coherence for development as a global challenge. We look forward to the upcoming analyses on illicit financial flows and food security as important areas under the strategy in the coming year, and the substantive report on the implementation of the strategy to the 2014 MCM.

We will continue to deepen our relations with our Key Partners (Brazil, China, India, Indonesia and South Africa), and welcome the Framework Agreement signed with Indonesia. We launch the new regional programme for Southeast Asia and ask the Secretary-General to report back on progress at our next meeting. We welcome the role the OECD is playing at the global and regional level, including in the context of the G8 and the G20.

We reiterate our desire to see the Russian Federation complete its accession in line with the terms,

conditions and process set out in its Accession Roadmap.

We welcome the interest expressed by a number of countries to accede to the OECD; this shows the continuing relevance and impact of the Organisation's work and its importance as a global and flexible policy network. We welcome the important decision set out in the Council Resolution on Strengthening the OECD's Global Reach to open accession discussions with Colombia and Latvia. We will review the situation in due course, with a view to taking a decision to open accession discussions with Costa Rica and Lithuania in 2015, and in the intervening period, we will work closely with these countries to prepare for their future accession processes. We invite the Secretary-General to inform other countries whose applications were reviewed by the Council that their applications for accession shall be further considered individually.

We call upon the Council to carry out a review of the governance of the Organisation to meet the challenges of an enlarged OECD with a more global and diverse membership, as set out in the Council Resolution on Strengthening the OECD's Global Reach.

Given the challenging budgetary situation for Members, we particularly welcome the Secretary-General's commitment to providing value-for-money for Members and maximising impact, while delivering efficiencies, and his commitment to open, free and accessible data. ■

Ministerial Council Meeting 2013

Chair's summary

Ministers from OECD countries, joined by Ministers and representatives from the Russian Federation and from Brazil, the People's Republic of China, India, Indonesia and South Africa, met under the Chairmanship of Norway and the Vice-Chairmanship of Australia and Estonia on 29-30 May 2013 under the title "It's All About People: Jobs, Equality and Trust".

Ministers highlighted the still challenging global economic environment. They stressed the urgent need to address the social impact of the crisis and to put people at the centre of their policy efforts. Although conditions vary across countries, many face important challenges, such as the urgent need to restore growth and competitiveness, to reduce unemployment, in particular among the youth and long-term unemployed, to rebuild confidence, to address inequalities and to boost job quality. They also underlined the importance of addressing a number of global challenges, including the further deepening of globalisation, poverty, rapid population ageing, migration, climate change, growing natural resource scarcity and a global economy based on knowledge and skills.

It's All About People: Jobs, Equality and Trust

Ministers welcomed OECD analysis and policy recommendations in relation to Jobs, Equality and Trust and highlighted the important role of social partners and dialogue in tackling the social aspects of the crisis. To boost employment, they called for the Organisation

to continue to pursue and strengthen work on structural reforms, activation policies and targeted support for the most vulnerable in the labour market. They agreed that such a strategy would not only need to focus on job creation, but also job quality. In order to avoid the risk of a lost generation, they committed to an Action Plan, "Giving Youth a Better Start",



Angel Gurría, OECD Secretary-General, and Jens Stoltenberg, Prime Minister of Norway



His Royal Highness Crown Prince Haakon of Norway and Angel Gurría, OECD Secretary-General, at the 2013 OECD Forum

which includes concrete policy recommendations to strengthen education and Vocational Education and Training systems, ensure a better transition to work, introduce targeted support for the most vulnerable youths and facilitate access to training and employment. They called on the OECD to report back on progress to the MCM 2014. They also emphasised the important role of skills and called on the OECD to build on the Skills Strategy through the ongoing development of skills strategies at the national and local levels, the Skills Outlook (including the Programme for the International Assessment of Adult Competencies, PIAAC) and

the launch of the next round of the Programme for International Student Assessment (PISA).

Ministers called on the OECD to continue to pursue its analysis on inequality to promote inclusive growth. They emphasised the urgent need to tackle growing income and social inequalities. Ministers asked the OECD to strengthen its efforts to look at the interactions between macroeconomic, labour market and social policies. This would support the development of policies to promote the creation of productive and rewarding jobs and adequate protection for low-income families and other vulnerable people. In this

context, Ministers committed to the policy recommendations on the Social Policy Responses to the Crisis and asked for more work on designing policy approaches to address both immediate social and fiscal concerns in the context of longer-term structural challenges. Ministers underlined the importance of promoting equal opportunities for all. They discussed the importance of promoting gender equality and adopted the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship.¹ They agreed to monitor and benchmark progress with respect to implementation of the Recommendation and report back as foreseen.

1. The Russian Federation and Latvia also adhered.

As governments seek to restore long-term growth potential and to address the social impact of the crisis, they also face a significant challenge to restore the trust of citizens and markets in the ability of governments to address current challenges and implement reforms that will deliver fair and resilient growth. Ministers discussed the urgent need to build more effective, transparent and open institutions to regain the trust of citizens. They welcomed the agenda on “Trust in Government: Evidence, Policies and Decision Making” and called on the OECD to strengthen its efforts in this area, building on existing OECD work on integrity and governance. Ministers underlined that a “smart” state, open government, transparency and cohesive societies are all important aspects. Ministers also highlighted the importance of work to build confidence and trust in the private sector, including in the areas of corporate governance, long-term investment, SME finance, consumer policy, and

efforts to combat corruption and foreign bribery.

Ministers highlighted the importance of restoring fairness and confidence in tax systems, including by acting against tax fraud and evasion. Ministers welcomed recent work on Base Erosion and Profit Shifting (BEPS) and adopted a Declaration on BEPS, along with the Russian Federation, as well as Brazil, Indonesia, South Africa and Argentina, that calls on the OECD to develop a comprehensive Action Plan to revise the international tax rules to prevent companies from artificially shifting profits to locations where they are subject to more favourable tax treatment. Working with the G20, the OECD will develop a comprehensive Action Plan to provide countries with the information, the analysis, the best practices, recommendations and international instruments needed to adapt their tax systems to the business practices of the 21st century. In this context, Ministers

also welcomed a number of OECD and non-OECD countries signing or depositing their instruments of ratification to the Convention on Mutual Administrative Assistance in Tax Matters and encouraged those countries that had signed the Convention to move quickly to ratify it. Ministers called on all jurisdictions to move towards automatic exchange of information and to improve the availability, the quality and the accuracy of information on beneficial ownership, in order to effectively act against tax fraud and evasion.

The Secretary-General's Strategic Orientations and New Approaches to Economic Challenges

Ministers welcomed the Secretary-General's Strategic Orientations and progress made on the New Approaches to Economic Challenges (NAEC) initiative. They highlighted the important role the Secretary-



Angel Gurría, OECD Secretary-General, and Yoonsun Cho, Minister of Gender Equality and Family, Korea

General is playing in increasing the impact of the OECD and promoting inclusiveness and implementation. They called on him to further harness the multidimensional nature of the organisation to better support members and Key Partners. Ministers emphasised the central role of the OECD in providing tailored policy analysis and advice, in particular in the area

Strategy and the Innovation Strategy. Ministers called on the Secretary-General to help countries build more effective and transparent institutions to rebuild confidence and trust in government, including through a focus on making reform happen and continued work on anti-corruption. They applauded the progress made by the OECD to become a “more effective and

draw lessons from the crisis and update its analytical frameworks to help policy makers confront the new economic realities and the long-term challenges ahead. They also highlighted the need for NAEC to promote a broader notion of growth – one that does not neglect the need to resume growth but at the same time considers other important outcomes such as well-being, inclusiveness, and environmental sustainability. Ministers highlighted the importance of dealing with competing policy objectives and trade-offs and of exploiting policy synergies. They also stressed the importance of institutions and governance and the policy challenges posed by long-term global trends. They called for the process to be open, inclusive and focused. As outlined in the governance framework, the Economic Policy Committee has a central role in this undertaking but, considering its multi-disciplinarity, its success crucially depends on the strong ownership and participation of other committees, which is the case today. They looked forward to substantive progress, including targeted policy proposals to be presented at the next Ministerial Meeting in 2014.



Karl Viktor Erjavec, Minister of Foreign Affairs of Slovenia, and Angel Gurría, OECD Secretary-General

of structural reforms. They highlighted the importance of analysis on new innovative sources of growth, such as green growth, knowledge-based capital and global value chains, and new ways of addressing tax issues, including through the initiative on Base Erosion and Profit Shifting (BEPS). Furthermore, they called on the Organisation to strengthen its horizontal projects, including the Skills Strategy, Development Strategy, Green Growth

inclusive global policy network”, highlighting, in particular, the OECD’s strong track record in providing support to the G20.

Ministers welcomed the Interim Report on the New Approaches to Economic Challenges (NAEC) initiative and congratulated the Secretary-General on the progress made. Ministers noted that NAEC is a very timely and important initiative and an important opportunity for the OECD to

Trade: Making Global Value Chains Accessible to All

Ministers reaffirmed their commitment to a transparent, rules-based multilateral trading system. They reaffirmed their commitment to expanding markets, and to resisting trade and investment protectionism

in all its forms, including through standstill and roll back commitments so as to achieve global economic recovery, jobs and development. Ministers welcomed the new OECD report on “Interconnected Economies: Benefiting from Global Value Chains (GVCs)”, and expressed strong support for ongoing OECD work measuring Trade in Value Added Terms (TiVA). They underscored the policy implications from this work and highlighted the importance of further liberalisation of trade in goods and services, the implementation of trade facilitation measures, the promotion of investment, and the convergence of regulatory standards which will better allow both developed and developing

countries to take advantage of GVCs. In this context, they also underlined the role of a more open and transparent environment for trade and investment as part of effective structural and regulatory reforms for strong, balanced and sustainable growth. Ministers highlighted the considerable benefits resulting from trade facilitation and strongly endorsed the OECD's work in this area, which also highlights the practical actions that countries, both developed and developing, can take to realise available benefits. Ministers highlighted the importance of Aid for Trade in this area to help countries to undertake relevant reforms regarding trade facilitation and to better integrate global value chains.

Ministers underlined the importance of efficient services sectors and the further liberalisation of trade in services as exemplified by the GVC work, and reiterated their keen interest in the results of the OECD's work on services trade restrictiveness (STRI), to be presented at the 2014 MCM. Furthermore, they emphasised the role of the OECD in promoting an open global trade regime.

Ministers underscored their commitment to significant and substantive outcomes at the WTO Ministerial Meeting in Bali in December 2013. They shared the objective that the Bali package should encompass a trade facilitation agreement and agreement on some elements of agriculture and development, including issues of interest to Least Developed Countries. They expressed concern that these negotiations are, as yet, not on a path that provides confidence of success. They called on all WTO members to work with flexibility and realism to achieve this goal. Ministers also discussed the relationship between regional trade agreements and the multilateral trading system, and highlighted the need to prepare for multilateralism while negotiating regional agreements.

Ministers stressed the importance of promoting responsible business conduct, including through the effective implementation of the OECD Guidelines for Multinational Enterprises. Ministers agreed that the OECD is well placed to promote responsible business conduct and called on the organisation to use the first Global



Maria Fekter, Minister of Finance, Austria, and Angel Gurría, OECD Secretary-General



Angel Gurría, OECD Secretary-General, and Eamon Gilmore, Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade, Ireland

Forum on Responsible Business Conduct in June 2013 to discuss these issues further.

OECD Partners and Strategy on Development

Ministers welcomed progress made on the implementation of the OECD Strategy on Development and appreciated the efforts to strengthen co-operation with developing countries by capitalising on the OECD's wide-ranging policy expertise. They acknowledged progress on mainstreaming development in core work such as trade and investment, green growth, education and tax policy, among others, and stressed the importance of further addressing jobs, equality and trust in partner countries. Ministers also welcomed the new impetus for policy coherence for development, particularly on major challenges such as food security and illicit

financial flows and stressed its relevance for all countries to promote sustainable and inclusive growth. They encouraged efforts to provide targeted policy advice, including through the multi-dimensional country reviews and welcomed the new Knowledge Sharing Alliance and other innovative instruments for policy dialogue in a spirit of equality and mutual benefits. This includes work on global value chains and natural resource-based economies. Ministers called on the OECD to continue contributing to international efforts such as the Busan Global Partnership for Effective Development Co-operation, the post-2015 development framework, and the G20. Ministers asked the OECD Secretariat to develop robust indicators and further strengthen its monitoring and evaluation efforts and to present a substantive report on the implementation of the strategy at the next MCM in 2014.

Ministers reiterated the importance of making the OECD a more effective and inclusive global policy network, as outlined in the OECD 50th Anniversary Vision Statement, by further expanding its global reach, policy impact and relevance. They welcomed the increased engagement and dialogue with Key Partners (Brazil, China, India, Indonesia and South Africa) in OECD policy work and committees, including the Programme for International Student Assessment (PISA), the Policy Framework for Investment (PFI) and other OECD instruments, as well as horizontal OECD projects such as the Green Growth Strategy. They called on the Organisation to make co-operation more systematic and institutionalised, including through more formal arrangements. In this regard they welcomed the Framework Agreement with Indonesia and encouraged other Key Partners



Angel Gurría, Secretary-General of the OECD, and Yannis Stournaras, Minister of Finance of Greece, May 2013

Latin America, the MENA region, Sub-Saharan Africa, Eurasia and Central and Eastern Europe.

Ministers reiterated their willingness for the Russian Federation to become a member of the OECD. They welcomed their increased engagement with the OECD and called for them to further their efforts to close the still substantial gaps between OECD standards and Russia's laws, policies and practices. In this context, Ministers stressed the importance of maintaining all OECD standards and values.

to follow the same structured approach. Furthermore, Ministers expressed appreciation for the increased engagement of a larger number of countries in OECD Forums and OECD instruments such as the BEPS Declaration and the Global Forum on Transparency and Information Exchange for Tax Purposes. They welcomed the Framework for the Establishment of Country Programmes and encouraged a dialogue with partner countries to frame priorities based on mutual interests.

Ministers launched a new regional programme for Southeast Asia, which is a region of strategic interest and priority, as outlined in the 2007 MCM Resolution. They welcomed that this programme will offer a renewed and targeted OECD effort to work with countries and regional organisations in this region, to exchange policy perspectives and develop common understandings of joint policy challenges as well as promoting OECD standards

in this important region. They asked the Secretary-General to report back on progress at the MCM in 2014. They also encouraged the Secretariat to strengthen other OECD regional initiatives, including those with

Ministers welcomed the decision to embark on a new round of accessions as set out in the Council Resolution on Strengthening the OECD's Global Reach. They welcomed this carefully crafted Resolution



Luc Frieden, Minister of Finance, Luxembourg, and Angel Gurría, OECD Secretary-General

inviting Colombia and Latvia to begin accession discussions this year, and agreed to review the situation in due course, with a view to taking decisions to open accession discussions with Costa Rica and Lithuania in 2015. They also agreed that the other applications reviewed shall be further considered individually. Ministers called for the OECD to now work on roadmaps to advance this process and recalled that all relevant committees will

have their say. At the same time, Ministers called on the OECD to begin a governance review and report on progress at the next MCM in 2014.

Ministers reaffirmed the OECD's role as a global standard-setter. They called on the Organisation to proactively update and upgrade its existing standards and respond to any gaps in global standard setting where appropriate. They highlighted the need to further

open its standards to non-member countries, including through their participation in OECD bodies, and consider the views and experiences of emerging economies in their development.

Ministers welcomed the OECD's contribution at the regional and global level, including in the context of the G8, the Deauville Partnership and the G20, which covers a range of issues including tax, trade, transparency, anti-corruption, investment and development. They underscored that this constitutes an important part of the work of the OECD as it leverages OECD analysis and advice to the mutual benefit of Members and Partners and to support international policy co-ordination. They commended the Secretary-General for his tireless and effective efforts in ensuring the relevance of OECD work in these and other international fora. Ministers also encouraged the OECD to continue to contribute to other international processes, such as the UNFCCC negotiations, and asked for an update on the OECD's work on climate finance and investment at the 2014 MCM.

Ministers looked forward to Japan's Chairmanship of the Ministerial Council Meeting on 6 and 7 May 2014 on the occasion of its 50th Anniversary as a member of the OECD. ■

More information about the OECD's Ministerial Council Meeting 2013 is available at: www.oecd.org/mcm



Angel Gurría, OECD Secretary-General, and Ildefonso Guajardo, Minister of Economy, Mexico, during the Minister's official visit to the OECD, November 2013

Organisation chart

www.oecd.org/organisationchart

GENERAL SECRETARIAT



SPECIAL BODIES



* Mr. Magwood will take up his duties on 1st September 2014.

May 2014

DIRECTORATES

Development Co-operation Directorate <hr/> Jon Lomoy Director	Economics Department <hr/> Rintaro Tamaki Acting Chief Economist	Directorate for Education and Skills <hr/> Andreas Schleicher Acting Director	Directorate for Employment, Labour and Social Affairs <hr/> Stefano Scarpetta Director	Centre for Entrepreneurship, SMEs and Local Development <hr/> Sergio Arzeni Director
Environment Directorate <hr/> Simon Upton Director	Executive Directorate <hr/> Anthony Rottier Director	Directorate for Financial and Enterprise Affairs <hr/> Carolyn Ervin Director	Directorate for Public Governance and Territorial Development <hr/> Rolf Alter Director	Directorate for Science, Technology and Industry <hr/> Andrew Wyckoff Director
Statistics Directorate <hr/> Martine Durand Director	Centre for Tax Policy and Administration <hr/> Pascal Saint-Amans Director	Trade and Agriculture Directorate <hr/> Ken Ash Director		

SPECIAL ENTITIES

Africa Partnership Forum <hr/> David Batt Director	Financial Action Task Force <hr/> Rick McDonnell Executive Secretary	International Transport Forum <hr/> José Viegas Secretary-General	Multilateral Organisation Performance Assessment Network <hr/> Björn Gillsäter Head of Secretariat	Sahel and West Africa Club <hr/> Laurent Bossard Director
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KEY ACTIVITIES



“Go horizontal” – OECD projects and themes to better respond to interconnected policy challenges

Co-operation across different policy areas is increasingly a defining feature of the OECD's work, with Directorates and Committees regularly exploring possible linkages to strengthen planned deliverables and to reinforce expected outcomes. The Secretary-General has consistently encouraged this trend and sought to strengthen collaboration to produce analysis and policy recommendations that offer a “whole-of-OECD” approach. Member countries have welcomed this new emphasis on “horizontality”, recognizing the contributions that the multidisciplinary nature of the OECD can bring to help them address the policy challenges they face.

Even as “horizontality” becomes a staple feature of the OECD's work, our expectation is that the number of horizontal projects active at any time will remain stable – between two and four during any given year – reflecting ongoing prioritization efforts across the Organisation. At the same time, we will continue to work on previously mainstreamed horizontal projects and other cross-cutting initiatives, with outputs being delivered across the entire Programme of Work.

New Approaches to Economic Challenges (NAEC)

NAEC Unit

E-mail: naec@oecd.org

The New Approaches to Economic Challenges (NAEC) initiative was launched at the 2012 Ministerial Council Meeting as an Organisation-wide reflection process to draw lessons from the crisis, with the aim of catalysing a process of continuous improvement of OECD analytical frameworks and policy advice.

The ultimate objective of NAEC is to develop a strategic agenda for inclusive and sustainable growth. To do so, NAEC has first reflected on the lessons from the crisis, identifying areas where our analytical frameworks need to be adjusted and examining the potential for mainstreaming new economic tools and approaches. Second, NAEC recognises the importance of economic growth as a means, rather than as an end, of policy making, by focusing on well-being. Third, NAEC aims to improve our understanding of the complex and interconnected nature of the global economy and find better ways to deal with policy trade-offs and synergies. Fourth, NAEC supports governments in identifying, prioritising and combining reforms to support sustainable, green and inclusive growth. This involves upgrading regulatory and institutional capacities, as well as rebuilding trust in governments.

The co-ordination of the initiative is ensured by the NAEC Co-ordinator in the Office of the Secretary-General (OSG), under the supervision of the Chief of Staff, but the work engages all areas and committees in the house. The NAEC Group comprises representatives from OECD member and partner countries, policy committees, as well as the Business and Industry Advisory Committee (BIAC) and Trade Union Advisory Committee (TUAC), and is chaired by the OECD Secretary-General.

A NAEC Seminar Series discusses progress and results in NAEC projects as well as new innovative research that can provide inspiration for developing new approaches. A new public website informs the public and NAEC stakeholders about progress and deliveries from the NAEC projects. An interim synthesis report highlighting emerging policy recommendations from NAEC projects and providing guidance for OECD work going forward will be discussed at the 2014 MCM. ■

For more information, see: www.oecd.org/naec

■ Key publications

- NAEC framework paper and NAEC mandate, May 2012
- Background note for the first meeting of the NAEC Group on 24 October 2012
- Interim Report to Ministers, May 2013
- MCM 2014 Synthesis, May 2014

■ Key events

- First meeting of the NAEC Group, Paris, 24 October 2012
- Second meeting of the NAEC Group, Paris, 11 February 2013
- Third meeting of the NAEC Group, Paris, 5 December 2013
- Fourth meeting of the NAEC Group, Paris, 7 February 2014

Inclusive Growth

The OECD Inclusive Growth (IG) Initiative was launched in 2012 and builds on the OECD's work on well-being, income distribution and pro-growth structural reforms.

As part of NAEC, the IG Initiative is about better understanding the distributional consequences of structural policies, as well as identifying synergies and trade-offs among policy actions that can promote growth and ensure a better distribution of its benefits among social groups. IG is also about dealing with the multi-dimensional nature of growth so that the effects of policies can be gauged, not only in terms of greater material prosperity but also in terms of outcomes for the various aspects of life that matter for people's well-being, such as health and jobs. In other words, the IG Initiative is three-pronged: it is multi-dimensional, focused on distributional consequences of pro-growth policies, and policy-actionable.

The Initiative is being led by the Office of the Secretary-General, but the work engages the full range of OECD directorates and bodies, the Business and Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC), as well as an informal Advisory Group of leading international experts.

Over the last year, international conferences and regional/national consultations took place in Paris and New York, in co-operation with the Ford Foundation; in Chile, in co-operation with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC); and in China, in co-operation with the National Development and Reform Commission (NDRC). A meeting of the informal Advisory Group was held in Paris, and various technical seminars, including as part of the NAEC seminar series, were organised.

In order to provide information to the public, the Inclusive Growth website informs interested parties about the Initiative's progress and the concrete achievements it has delivered thus far. See www.oecd.org/inclusive-growth. ■

■ Key publications

- *All on Board: Making Inclusive Growth Happen*, May 2014
- *The OECD Framework for Inclusive Growth*, May 2014
- Session, opinion and summary notes for Inclusive Growth consultations (April 2013, November 2013, December 2013, February 2014, March 2014), available online: www.oecd.org/inclusive-growth

■ Key events

- First OECD/Ford Foundation Workshop on Inclusive Growth, Paris, 3 April 2013
- OECD/ECLAC Regional Consultation on Inclusive Growth in Latin America and the Caribbean, Santiago, 14-15 November 2013
- First Meeting of the Informal OECD Advisory Group, Paris, 13 December 2013
- Second OECD/Ford Foundation Workshop on Inclusive Growth: "Changing the Conversation on Growth: Going Inclusive", New York, 27 February 2014
- OECD/NDRC Seminar: "Urbanisation and Inclusive Growth in China", Beijing, 24 March 2014

The Strategy on Development

Development has always been at the core of the OECD mission. In 2012 ministers endorsed the OECD Strategy on Development, mandating an even more comprehensive approach to development. The Strategy is evolutionary in nature and recognises the need for the Organisation's work on development to be more responsive to global realities. It aims to support Members and Partners in identifying effective solutions and creating the conditions and capacities for sustainable and inclusive growth and development.

The first two years of the Strategy's implementation have laid the foundation for a more collaborative approach across the Organisation. It has focused on: executing the initial projects and deepening work on the cross-cutting areas as set out in the annex to the Strategy; fostering coherence for development and more inclusive knowledge sharing; and enhancing the OECD's contributions to global processes and partnerships.

In line with the Strategy, policy dialogue and knowledge-sharing activities with countries at different levels of development have been strengthened to promote more effective engagement. Innovative initiatives such as the Multi-dimensional Country Reviews (MDCRs), the Policy Dialogue networks on global value chains and development and on natural resource-based development, and the Knowledge Sharing Alliance, have been launched. They will support OECD's efforts to deepen understanding of major global trends, support partner country reform efforts and contribute to adapting OECD's analytical frameworks and tools.

The Strategy promotes a broader approach to policy coherence for development (PCD). Applying a "PCD lens" to work on global food security, illicit financial flows and green growth shows that greater coherence at different levels (local, national, regional, global) is critical for dealing with systemic conditions that constrain development. It also shows the importance of involving a wide range of stakeholders (governments, private sector, CSOs) to identify synergies across economic, environmental and social policy areas to create conditions conducive to development.

With regard to global processes, the Organisation is contributing to the UN-led deliberations on a post-2015 development agenda by leveraging its multidisciplinary expertise. As the traditional guardian of statistics on Official Development Assistance (ODA), the OECD is also contributing to the post-2015 process through its work on modernising the definitions and measurement of external development finance.

Together with the UNDP, the OECD is supporting the post-Busan Global Partnership for Effective Development Co-operation. The Global Partnership offers a new model that can contribute to the implementation of the post-2015 framework.

As the OECD moves to the next phase in the implementation of the Strategy, the new monitoring framework will assess to what extent the Strategy's approach to development is being mainstreamed and helps to engage OECD committees and directorates to identify knowledge gaps and new development-relevant areas, such as BEPS and the data revolution.

The Strategy on Development is overseen by DSG Tamaki.

For more information, see: www.oecd.org/development/oecd-strategy-on-development.htm

The Knowledge-based Capital Project

Today, ageing populations, the lengthy global economic crisis, weak labour markets and burgeoning public debt have added urgency to the search for growth. Phase 1 of this horizontal project culminated in the publication titled *Supporting Investment in Knowledge Capital, Growth and Innovation*. It explored the fact that many innovating firms do not invest in research and development alone, but in a wider range of intangible assets, or “knowledge-based capital” (KBC). KBC includes assets like data, software, designs, organisational processes and firm-specific skills.

Phase 1 also provided evidence of KBC's value as a source of growth. In some countries, business investment in KBC now exceeds investment in physical capital. Growth accounting studies show that business investment in KBC can contribute 20-34% of average labour productivity growth. And during the global crisis, investment in KBC has been resilient.

Furthermore, Phase 1 identified many policy challenges that could be examined in future work. Phase 2, now in progress, focuses on three forms of KBC that are not thoroughly understood, that offer the greatest potential for generating growth and might need improved policies.

Intellectual Property: IP rights are increasingly important for growth. They preserve incentives to invest in KBC and to disclose innovation-related information. IP also enables markets to fund innovation. Its economic impact has expanded from a few main sectors to economy-wide prominence. However, not all facets of IP frameworks may be suited to this more pervasive role and some regimes may not have kept pace with technological change and globalisation. Current work will provide new insights on IP's role in economic performance while addressing the implications for IP systems of greater connectivity, globalisation, and the digitisation of creative works.

Data and data analytics: A convergence of technological, social and economic trends is generating huge streams of data, or “big data”. Creating value from big data is at the leading edge of business innovation. Companies that base key decisions on data and analytics outperform other firms. Governments can capitalise by implementing sound data governance frameworks, promoting better access to data, encouraging investments in information and communication infrastructures, and improving data-related skills for new jobs in the data-driven economy.

Economic competencies, such as organisational capital and managerial capabilities, have been somewhat overlooked in policy discussions. This work examines the role of economic competencies in enhancing growth, productivity and job creation. It also studies organisational and process changes and their complementarity with other productivity-enhancing factors, e.g. investments in information and communications technology. The work focuses on non-technological innovations, including in previously neglected sectors such as services and low-technology manufacturing.

Phase 2 of the Knowledge-based Capital project is co-ordinated by the Directorate for Science, Technology and Industry and overseen by DSG Danvers.

For information, see: www.oecd.org/sti/ind/newsourcesofgrowthknowledge-basedcapital.htm

The Green Growth Strategy

The Green Growth Strategy is driven by the premise – mandated by the June 2009 Ministerial Council Meeting – that “green” and “growth” must go hand-in-hand. It aims to support governments’ efforts to foster economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To combat climate change, help prevent costly environmental degradation and better manage natural resources, governments must catalyse investment and innovation in clean technologies and infrastructure. Such measures will help underpin sustained growth and give rise to new economic opportunities.

Effective green growth strategies require an economy-wide transition, and the OECD Green Growth Strategy aims to help governments identify policies to achieve the most efficient shift to a greener growth path across all relevant work areas reflected in the OECD work programme. The OECD has made good progress in mainstreaming green growth into its work, including its routine country policy surveillance exercises: *Economic Surveys*, *Environmental Performance Reviews*, *Innovation Reviews* and *Investment Policy Reviews*. The Organisation has extended its analysis to address the particular challenges and opportunities faced by developing countries. Conscious efforts are being made to ensure that key committees are working together so that recommendations on investment and finance, taxation, reform of fossil fuel support measures, trade and, across key sectors such as energy, transport, agriculture and water, deliver a consistent green growth message. Examples of work to be undertaken in the year ahead include:

- Analysis of the distributional impacts of green growth policies, including labour and skills impacts.
- Work on the relationship between environmental policies and economic outcomes.
- Work on energy system transformation and policy and regulatory incentives needed to reinforce carbon pricing.
- Work on optimising green value chains through good practices in designing incentives for green investment.
- Green growth and agriculture work including the role of advisory services as a driver behind innovation processes.

Work also continues on the development of green growth indicators, including at the sectoral level, to help governments monitor progress in the transition. An update to the 2011 publication *Towards Green Growth: Monitoring Progress – OECD Indicators* was released in the second quarter of 2014.

A green growth synthesis report, building on the 2011 strategy publications *Towards Green Growth* and *Tools for Delivering Green Growth*, as well as on the 2013 OECD green growth synthesis paper titled “What have we learned from attempts to introduce green-growth policies?” will be released in 2015. The report will provide an assessment of four years of green growth policy implementation and how governments are tracking in their efforts to implement green growth.

The Green Growth Strategy is co-ordinated by the Green Growth Unit and overseen by DSG Tamaki.

For more information see: www.oecd.org/greengrowth

The Innovation Strategy

Investing in new sources of growth and strengthening innovation performance continues to be of key importance on the road out of the crisis. It is a way to achieve stronger growth, improve international competitiveness, and can help address a range of social and environmental challenges. However, in the current context of budgetary restraint, the design of policies for innovation is crucial. It remains important to invest in research, skills, knowledge infrastructure and policies that help strengthen innovation capabilities, but such policies should be well designed and meet their goals as efficiently as possible. At the same time, making the structural reforms – in product, labour and financial markets – that can help unleash innovation and entrepreneurship is more important than ever.

Following the release of the OECD Innovation Strategy in 2010, innovation has become an integral part of a range of OECD strategies and horizontal projects. Green growth relies to no small extent on specific policies and incentives to unlock green innovation and development requires a strong focus on innovation, but tailored to the specific needs of developing economies. Work has also been undertaken to tailor the recommendations of the Innovation Strategy to specific national contexts, through Innovation Policy Reviews for both OECD (e.g. the Netherlands and Sweden) and non-OECD countries (e.g. Colombia, Croatia and Viet Nam). And work continues to further deepen the understanding of innovation. For example, recent work shows that investments in knowledge-based assets, including software, design, data, R&D and organisational capital are now larger than investment in tangible capital in several OECD countries, requiring policy adjustment in many areas.

Next steps and the way forward: work will continue to better measure and evaluate the impacts of investment in innovation, including R&D tax credits, which is the most expensive instrument supporting innovation in many OECD countries. Further national reviews of innovation policy will also be undertaken, e.g. for France, Luxembourg, Malaysia and Costa Rica. Work will be deepened on policies for knowledge-based capital, including in the area of big data and intellectual property rights. And in the context of the OECD's NAEC project, analysis is being undertaken of the future prospects for innovation, with the aim to better understand the determinants of long-term productivity growth. Improving the measurement of innovation also remains an important focus of the work, to enable better monitoring, evaluation and benchmarking. Finally, the Innovation Strategy is being revisited, to update and sharpen its recommendations and analysis on the basis of work conducted since 2010 and ensure that innovation contributes to inclusive growth.

The work on Innovation is co-ordinated by the Directorate for Science, Technology and Industry and overseen by DSG Danvers.

For more information, see: www.oecd.org/site/innovationstrategy

The Skills Strategy

The OECD Skills Strategy, endorsed by Ministers at the 2012 Ministerial Council Meeting (MCM), provides a strategic approach to skills policies to promote better skills, better jobs and better lives. It aims to strengthen skills systems through the coherent development, activation and effective use of skills to promote economic prosperity and social cohesion, reflecting a strong focus on “lifetime employability”.

Spending on education and skills is an investment in the future: developing the skills of young people and adults and preparing them for lifelong learning must be a priority, particularly in a world where knowledge assets are critical and when young people struggle to gain a foothold in the labour market if they lack work-relevant skills. But developing skills is not enough: labour market and social policies and practices that discourage people from supplying their skills to the labour market or prevent their effective utilisation need to be changed. The OECD Skills Strategy takes a whole-of-government, cross-sectoral approach to skills, and engages all stakeholders, including employers and trade unions, in order to achieve better economic and social outcomes.

The OECD Skills Strategy is now “going national”, working with individual countries on developing more effective skills strategies, using an innovative, collaborative approach carefully tailored to address the context, needs and priorities of the country and designed to foster a whole-of-government approach, engaging relevant stakeholders and addressing skills issues at national and local levels. This new approach involves using OECD, comparative evidence, tools and techniques to identify strengths and challenges for the country’s skills system; exploring policy options; and developing an action plan for implementing better policies that reflect collective ownership and engagement across all stakeholders.

The OECD will also carry out a comparative assessment of how countries are anticipating and responding to changing skill needs. This will be followed by individual country reviews to identify good practice and seek further improvements by anticipating changing skill needs and developing information systems that will allow individuals, employers, trade unions as well as education and training institutions to better respond to these needs. The OECD Skills Strategy will also serve as a cornerstone for the assistance and advice that the OECD will be providing to countries to implement the OECD Action Plan for Youth.

In October 2013, the OECD launched the first edition of the *OECD Skills Outlook* which presented the first results of the Survey of Adult Skills (PIAAC). In 2014, the *OECD Skills Outlook* will address youth, skills and employability, using the Skills Strategy framework to provide a horizontal OECD perspective on skills development, activation and effective use to improve outcomes for youth.

The Skills Strategy is co-ordinated by the Directorate for Education and Skills, together with the Directorate for Employment, Labour and Social Affairs and in close collaboration with LEED, the Development Centre, the Centre for Tax Policy and Administration and other directorates as relevant. The Strategy is overseen by DSG Leterme.

For more information, see: skills.oecd.org/ and www.oecd.org/edu/oecdskillsstrategy.htm

The Gender Initiative

The OECD's Gender Initiative aims to strengthen gender equality in education, employment and entrepreneurship (the “three Es”): three key dimensions of economic and social opportunities. Gender equality is about fairness and equity, as well as economic empowerment and it includes many political, educational, socio-economic and cultural dimensions which need to be addressed together in order to tackle gender gaps. The Gender Initiative follows a horizontal, whole-of-government approach, involving nine directorates and their respective committees, working parties and governing boards.

The Gender Initiative is helping shape national debates, as evidenced by requests for OECD input to policy discussions both at the national level and in international decision-making bodies, such as, for example, the European Commission and the G20. The Recommendation of the OECD Council on Gender Equality in Education, Employment and Entrepreneurship – adopted by all Members and several non-members – is a powerful instrument to promote policy change as it outlines a set of policy tools designed to achieve greater gender equality in countries, such as providing equal access to education, promoting family-friendly policies and working conditions, fostering the participation of fathers in unpaid work, working towards a better gender balance in leadership positions, lowering barriers to female entrepreneurship, and also ensuring equality before the law and full respect of social and political rights.

Different tools are being used to monitor progress in gender equality: the *OECD Gender Data Portal*, updated for International Women's Day 2014 with indicators on gender gaps in education, employment and entrepreneurship; special chapters in *OECD Economic Surveys* (e.g. Switzerland 2013); a data chapter on women entrepreneurs in a forthcoming issue of the *Missing Entrepreneurs* series; a forthcoming PISA thematic analysis of gender disparities in education; and the OECD Social Institutions and Gender Index (SIGI), with a new release scheduled for the third quarter of 2014.

The OECD is also involved in improving the integration of gender issues into the regular production of statistics through its participation in the Evidence and Data for Gender Equality (EDGE) initiative, in co-operation with UN Women and other agencies. The OECD Global Forum on Women's Leadership in Public Life, 2-4 April 2014, and the forthcoming report titled *Women in Government and Public Policies: Closing Gender Divides*, will explore concrete actions on how to close gender gaps in public life. Moreover, the DAC Network on Gender Equality (GENDERNET) is continuing its efforts to put women “front and centre” of the post-2015 framework; the publication *Women in Business 2014: Tools to Improve MENA Women Entrepreneurs' Access to Services and Financing* is scheduled for release at the OECD-MENA Women's Business Forum, 6 June 2014; the OECD/International Network on Financial Education continues to develop data on gender specificities in financial literacy; and the release of the PISA financial literacy results is scheduled for this year.

The Gender Initiative is co-ordinated by the Directorate for Employment, Labour and Social Affairs and overseen by DSG Leterme.

For more information, see: www.oecd.org/gender

The OECD Better Life Initiative

For many decades, gross domestic product (GDP) has been the main indicator used by national and international institutions to define and measure progress. But this focus on economic growth fails to capture many factors which affect people's lives. Over the last decade, a number of countries and institutions have set out to identify alternative ways to measure the progress of societies. Launched in 2011 and part of international efforts to go beyond GDP, the OECD Better Life Initiative introduces an OECD framework to analyse well-being and societal progress.

The *How's Life?* report brings together for the first time international comparable measures of well-being based on people's material conditions and quality of life in eleven dimensions: income and wealth, jobs and earnings, housing conditions, health status, work and life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjective well-being. The second edition of *How's Life?*, released in November 2013, describes how the global economic crisis has had a profound impact on people's well-being, reaching far beyond the loss of jobs and income and affecting citizens' life satisfaction and trust in their governments.

The OECD Better Life Index is an interactive online platform that invites the public to visualise well-being outcomes in OECD countries and beyond according to criteria that are most important to them. Since its launch, the Better Life Index has attracted over 3.6 million users from over 180 countries and has had over eight million page views. In 2013, enhancements to the site focused on empowering the public in their own language and improving the accessibility of the site. New language versions in German, Russian and Spanish generated more visits than the two previous years combined and improved engagement with users by over 140%, increasing the number of user-created indexes shared with the OECD from 24 000 to over 58 000. The Spanish language version alone received over 270 000 pageviews in its first seven months.

The OECD is now working to link the measurement of well-being to policy making. This is notably done in the context of the OECD Inclusive Growth Initiative that looks at the policy drivers of selected well-being dimensions. The link between policy and well-being has also been explored in the context of two Economic Surveys (Austria and the United States) and in the Multi-dimensional Country Reviews for Myanmar, Philippines and Uruguay.

The work on measuring well-being is led by the Statistics Directorate.

For more information, see: www.oecd.org/statistics/betterlifeinitiativemeasuringwell-beingandprogress.htm

The OECD Better Life Index is co-ordinated by the Directorate for Public Affairs and Communication. For more information, see: www.oecdbetterlifeindex.org

DIRECTORATES



Office of the Secretary-General



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“Our Organisation has made a remarkable effort to help both advanced and emerging economies recover, and this effort is starting to bear fruit. During the past year, we took important steps to become more inclusive and more global, and we consolidated our role in the G20 and put the OECD back in the G8 agenda.”

Angel Gurría,
 OECD Secretary-General

The Office of the Secretary-General (OSG) supports the Secretary-General in delivering his strategic vision for the Organisation. Led by the Chief of Staff and G20 Sherpa, as well as the Deputy Chief of Staff, OSG works to increase the relevance, visibility and impact of the Organisation. OSG ensures that the OECD remains at the cutting edge of policy analysis and delivers timely and targeted policy advice. It does so by supervising and advancing all strategic objectives, together with the Deputy Secretaries-General, and co-ordinating and creating synergies in the work carried out by the Organisation.

In order to be at the forefront of policy developments and to support reform processes in member and partner countries, the Office of the Secretary-General launched and currently oversees the New Approaches to Economic Challenges (NAEC) and Inclusive Growth initiatives, and houses the G20/G8 Sherpa unit. OSG and the Deputy Secretaries-General also promote and oversee horizontal projects such as Skills, Innovation, Green Growth, Gender and Development. By closely supervising the work in the Global Relations Secretariat and the Legal Directorate, OSG is at the

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forefront of the Organisation's outreach strategy, leading and monitoring accession processes as well as co-operation with Key Partners and non-member countries. OSG also works closely with the Council and Executive Committee Secretariat to prepare Council meetings, liaises with Internal Audit and Evaluation to ensure that the Organisation maintains its strategy, and also houses the new strategic foresight unit.

With the support of OSG, the Organisation made great strides in 2013 to increase its impact on national and international agendas. In particular, OSG was at the centre of efforts to produce the *Better Policies* series, which are timely policy analyses to support reform agendas in member and partner countries, and organised numerous visits and events at OECD headquarters at the highest political level. This required strengthening the protocol office in order to develop the Leaders Programme, with 14 heads of state or government visiting in 2013, firmly establishing the OECD as the "go-to place" for them while in France. Leaders welcomed to the OECD in 2013 included: President of Iceland, Ólafur Ragnar Grímsson (27 February); President of Israel, Shimon Peres (8 March); Prime Minister of the Slovak Republic, Robert Fico (11 April); President of France, François Hollande (17 April); First Deputy Prime Minister of the Russian Federation, Igor Shuvalov (25 April); Prime Minister of Portugal, Pedro Passos Coelho (29 April); His Royal Highness Crown Prince Haakon of Norway (28 May); Prime Minister of Norway, Jens Stoltenberg (29 May); Prime Minister of Kazakhstan, Serik Akmetov (20 September); Prime Minister of Côte d'Ivoire, Daniel Kablan Duncan (7 October); Head of Government of Andorra, Antoni Martí (4 November); President of Costa Rica, Laura Chinchilla (5 November); Prime Minister of Latvia, Valdis Dombrovskis (12 November); and President of Lithuania, Dalia Grybauskaitė (12 November).

OSG also co-ordinates, in close co-operation with DSG Leterme, the substantive and organisational preparations for the annual OECD Week and Ministerial Council Meeting to move forward the strategic work of the OECD. In its 2013 edition, the OECD Week was attended by more than 160 high-level representatives of member and partner countries, including the Prime Minister of Norway, 5 deputy prime ministers and 65 ministers. The OECD Forum, opened by His Royal Highness Crown Prince Haakon of Norway, gathered together over 1 500 senior representatives from international organisations, the business community, trade unions and civil society.

OSG had a very intense agenda supporting the Secretary-General's activities in 2013, helping him organise his 49 missions abroad and 967 meetings. This involved the preparation of more than 1 900 briefing notes and 259 speeches, as well as processing more than 500 e-mails per day. The principal focus of this work was to provide policy advice and support to member and partner countries in their efforts to tackle the economic crisis and its social effects. The Deputy Secretaries-General also had a very intensive agenda in 2013, with 180 visits to member and partner countries. They also supported the Secretary-General in overseeing the work of directorates and specific subject areas so as to ensure the highest profile for the OECD, as well as advancing the external relations of the Organisation.

Under the *Coffees of the Secretary-General* series, OSG also organised regular exchanges with leading thinkers, in order to make sure that the Organisation is always linked to major new developments in the academic world.

Looking ahead, OSG will seek to strengthen the OECD's role as a hub for member and partner countries: first, by building on the *Better Policies* series to ensure the timeliness and further tailoring of our policy advice to the specific needs of countries; second, by looking at ways to upgrade the support we provide to government officials on implementing reforms through policy seminars and workshops; and third, by building on our experience of organising high-level visits to further develop the Leaders Programme. ■

■ Key publications

Better Policies series:

- *Finland: Fit for the Future*, February 2013
- *Slovakia: Fostering Inclusive Growth and a Job-Rich Recovery*, April 2013
- *The Russian Federation: Modernising the Economy*, April 2013
- *Portugal: Reforming the State to Promote Growth*, May 2013
- *The People's Republic of China: Avoiding the middle-income trap – Policies for sustained and inclusive growth*, September 2013
- *France: Redresser la compétitivité*, November 2013

Sherpa Office

Sherpa Office

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“In a challenging and complex economic environment, with difficult legacies from the crisis, international economic cooperation is more important than ever. The G20 faces today the unique opportunity of forging a consensus strong enough to engineer strong, sustainable, balanced and inclusive growth. The OECD will support the G20 every step of the way.”

Gabriela Ramos,
 OECD Chief of Staff and Sherpa
 to the G20

In 2013-2014, the G20 is facing the persistence of the legacies left by the crisis: low and uneven economic growth, high unemployment, an increase in income inequality and global imbalances. The priorities selected by the G20 Presidencies in 2013 and 2014 reflected the will of this group to address such challenges, with a forward-looking and comprehensive structural reform agenda.

It is in this context that the OECD has furthered its collaboration with the G20, actively supporting both the Russian presidency in 2013 and the current Australian presidency towards the Brisbane Summit in November 2014. This co-operation with the G20, the G8 and other governance fora like APEC and the G8 Deauville Partnership is co-ordinated by the Sherpa Office, which provides support to the Secretary-General, the Chief of Staff and Sherpa, and the Deputy Secretaries-General for their participation in such fora.

Improving the growth dynamics in G20 countries has been at the forefront of both the Russian and the Australian presidencies' agendas. The OECD has made an active contribution to the related discussions on many fronts, confirming itself as a natural partner of the G20 and its members – advanced and emerging market economies alike.

Mirroring the “Growth and Jobs” *leitmotiv*, G20 Leaders committed to the St Petersburg Action Plan – setting out measures and country-specific reform commitments to boost growth and job creation. The OECD supported this by contributing concrete policy recommendations and measures to enable countries to advance the structural reform agenda.

Analysing the **key role that trade can play as an engine of growth** has been a priority for the G20 presidencies in 2013 and 2014, an area of work that has critically benefitted from the OECD's pioneer work to establish a discussion on trade within the G20 with an original perspective, angle and approach. We provide the Group with evidence on how trade patterns have evolved, resulting in global value chains (GVCs) which link developing, emerging and advanced economies together in complex multi-layered production processes¹.

1. The OECD delivered to leaders in St Petersburg a joint OECD-WTO-UNCTAD *Report on Implications of Global Value Chains for Trade, Investment, Development and Jobs* which changed the understanding of global trade, investment and production patterns.

Long-term investment has also been recognised by the G20 Russian and Australian presidencies as a key element for a sustainable recovery. Toward this end, we developed in 2013 the first G20/OECD High-level Principles of Long-term Investment Financing (LTI) which will now be implemented, and in 2014 our analysis focuses on effective instruments to stimulate long-term investment finance – notably for infrastructure development.

Under the “**resilience for our economies**” umbrella, and recognising that tax revenue is vital for public action, the OECD provided critical support to what can be defined as a *quantum* leap achieved in the fight against tax evasion and erosion. In 2013, we developed and delivered the G20/OECD Action Plan against Base Erosion and Profit Shifting (BEPS), endorsed by the leaders in St Petersburg and we are now monitoring and reporting on the implementation of this roadmap. Furthermore, the OECD has delivered to the G20 finance ministers and Central Bank governors in February 2014 a new single and common Standard for Automatic Exchange of Information (AEOI) and is working on a roadmap for developing countries to benefit from international transparency and mobilise domestic resources, building also on the OECD Tax Inspectors without Borders initiative.

Furthermore, the OECD contributed in 2013 to the G20 work on **financial regulation**, with a joint Publication by the G20 Russia's Presidency and OECD on national strategies for financial education; and to the G20 work on **anticorruption**, which led leaders in St Petersburg to encourage G20 members to engage with the OECD Working Group on Bribery and adhere to the OECD Anti-Bribery Convention. Under the Australian presidency, the OECD is deepening work on the link between anti-corruption and economic growth. In 2014, the OECD continues to actively support the Australian presidency's priorities, in particular in the design of the Brisbane Action Plan and of the comprehensive national growth strategies. After assessing structural policy gaps in G20 countries and reform priorities to achieve a 2% increase in GDP over the baseline, we are continuing to document the impact on growth of reforms in different policy areas: trade (GVCs), employment (particularly women's economic empowerment), investment, competition, energy and taxation.

Furthermore, in 2014, the co-operation between the OECD and the Chinese APEC presidency has significantly intensified. We participated in the APEC Finance Deputies' meeting in February and we are actively supporting the 2014 China APEC presidency with inputs on a wide range of policy areas, notably infrastructure investment and financing, fiscal reforms and taxation policies as well as disaster risk management.

Under the **UK G8 presidency in 2013**, we contributed to the agenda on tax, trade and transparency put forward by the Group.

The G8 also relies particularly on the OECD's expertise and know-how in the MENA region. As an Implementation Support Agency, the OECD is active in the **Deauville Partnership Transition Fund** to support countries' efforts to promote growth, jobs, investment and governance. Following the adoption by the Transition Fund Steering Committee in 2013 of six project proposals supported by the OECD, the Organisation is now involved in concrete policy reforms for youth employment, taxation, PPP, investment in Tunisia, SME promotion in Libya and improved governance in Yemen. ■

■ Key publications

2014

- OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors, February 2014
- Macroeconomic and Reform Priorities Report (OECD, WB, IMF), February 2014
- Government and Market-based Instruments and Incentives to Stimulate Long-term Investment Finance in Infrastructure (OECD), March 2014
- The Opportunities and Challenges of Global Value Chains (OECD, WTO, UNCTAD, WBG), March 2014

2013

- G20/OECD Action Plan on Base Erosion and Profit Shifting (OECD), September 2013
- OECD Secretary-General Report to the G20 Leaders (OECD), September 2013
- Implications of Global Value Chains For Trade, Investment, Development and Jobs (OECD, WTO, UNCTAD), September 2013
- High-Level Principles of Long-Term Investment Financing by Institutional Investors (G20, OECD), September 2013
- Policy Guidance for Investment in Clean Energy Infrastructure: Expanding Access to Clean Energy for Growth and Development (OECD, WB), October 2013
- Addressing Employment, Labour Market and Social Protection Challenges in G20 Countries: Key Measures Since 2010 (ILO and OECD), July 2013
- Activation Strategies for Stronger and More Inclusive Labour Markets in G20 Countries: Key Policy Challenges and Good practices (OECD), July 2013
- Local Currency Bond Markets: A Diagnostic Framework (IMF, WB, EBRD, OECD, in consultation with regional development banks), July 2013
- Indicators of skills for employment and productivity (OECD, World Bank), October 2013
- National Strategies for Financial Education (G20 Russia Presidency, OECD), September 2013
- OECD/INFE Policy Guidance on Addressing Women's Needs for Financial Education and Awareness, September 2013
- G20 Guiding Principles on Enforcement of Bribery Offences, September 2013
- G20 Guiding Principles on Solicitation, September 2013
- G20 High-level Principles on Mutual Legal Assistance, September 2013
- Issues Paper on Anti-Corruption and Economic Growth, September 2013

■ Key events

2014

- G20 Event on Quality of Apprenticeships, Paris, 7-8 April 2014
- OECD-G20 Presidency Stocktaking Seminar on Global Value Chains, Paris, May 2014
- Joint G20-APEC Meeting of the Investment and Infrastructure Task Force, Singapore, June 2014

2013

- High-level Anti-Corruption Conference for G20 Governments and Business, Paris, April 2013
- OECD-G20 Presidency Stocktaking Seminar on Global Value Chains, Paris, May 2013
- G20 Russia, OECD, World Bank Seminar: "Empower Consumers of Financial Products and Services through Improving Financial Literacy/Capability and Effective Consumer Protection", Moscow, 13-14 June 2013
- G20 Anti-corruption working group meetings, Paris, October 2013

Development Co-operation Directorate



Jon Lomoy
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“As we move towards 2015, we need to prioritise innovative means of measuring and promoting development finance. We will continue to work with our members and with other key stakeholders to ensure that a robust measurement system for development finance is in place by 2015. This will enable the OECD Development Assistance Committee to continue to contribute to global development as a key source of reliable and transparent data on development financing.”

Today, most developing countries have access to a wide range of flows to finance their growth and progress. The Development Assistance Committee’s Expert Reference Group on External Financing for Development is helping to ensure OECD statistics capture the flow of the widest possible range of resources, while providing new insights and pioneering research.

The Global Partnership for Effective Development Co-operation will hold its first high-level meeting in Mexico from 15 to 16 April 2014. This meeting will focus on revising progress since the Global Partnership was created in Busan, Korea in 2011. *Making Development Co-operation More Effective: Progress Report 2014* will be released just prior to the Ministerial and will serve as an important reference for discussions.

The problems of base erosion and profit shifting and illicit financial flows from developing countries have received significant attention in recent months, including from the G20 and G8. Published in 2013, *Measuring OECD Responses to Illicit Financial Flows from Developing Countries* is the first report to analyse diverse policy areas to measure how well OECD countries address this issue.

Over the past year, the OECD has published a series of *OECD and Post-2015 Reflections* on the areas where the Organisation aims to contribute expertise and experience to the post-2015 debate. The *Development Co-operation Report 2013: Ending Poverty* explored what needs to be done to ensure the post-2015 framework prioritises rapid and sustainable progress in the global fight to end poverty. In 2014, this publication will focus on how to mobilise the necessary financial resources for a post-2015 development framework.

The Development Co-operation Directorate (DCD) supports the Development Assistance Committee (DAC) in developing better policies for better lives by tracking development finance, making sure it is invested effectively and promoting good policy. Through inclusive partnerships for development, it provides an open forum to share good practice and build knowledge. ■

www.oecd.org/dac

■ Areas of focus

- Aid architecture and financing: www.oecd.org/dac/scalingup
- Aid effectiveness: www.oecd.org/dac/effectiveness
- Aid for trade: www.oecd.org/dac/aft
- Aid statistics: www.oecd.org/dac/stats
- Conflict and fragility: www.oecd.org/dac/incf
- Engagement: www.oecd.org/dac/opendoors
- Environment and development: www.oecd.org/dac/environment
- Evaluation of development programmes: www.oecd.org/dac/evaluation
- Gender equality and development: www.oecd.org/dac/gender
- Governance and development: www.oecd.org/dac/governance
- Peer reviews of DAC members: www.oecd.org/dac/peer-reviews
- Statistics for development: www.paris21.org

■ Key publications

- *Aid for Trade at a Glance: Connecting to Value Chains*
- *Aid for Trade in Action*
- *Development Co-operation Report 2013: Ending Poverty*
- *Evaluating Development Activities: 12 Lessons from the OECD-DAC*
- *Fragile States 2014: Domestic Revenue Mobilisation in Fragile States*
- *Gender and Statebuilding in Fragile and Conflict-affected States*
- *Making Development Co-operation More Effective: Progress Report 2014*
- *Measuring OECD Responses to Illicit Financial Flows from Developing Countries*

■ Key events

- Policy Dialogue on Triangular Co-operation, Lisbon, 16-17 May 2013
- Fourth Global Review of Aid for Trade, Geneva, 8-10 July 2013
- A Global Forum: Using Country Systems to Manage Climate Change Finance, Incheon, 2-3 December 2013
- Can We Really End Poverty?, debate organised with Intelligence Squared for the launch of the *Development Co-operation Report 2013*, London, 5 December 2013
- DAC Senior Level Meeting, Paris, 3-4 March 2014
- First High-Level Meeting of the Global Partnership for Effective Development Co-operation, Mexico City, 15-16 April 2014
- Accession of new Development Assistance Committee members in 2013: Czech Republic (14 May), Iceland (14 March), Poland (22 October), Slovak Republic (17 September), Slovenia (3 December)

Economics Department



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“The global economy is recovering at a moderate and uneven pace with significant risks remaining. Exiting from post-crisis monetary policy measures represents a significant challenge, while slower underlying growth trends in advanced and emerging economies call for ambitious structural reforms. The Economics Department can support governments by providing policy advice backed by sound economic analysis.”

Given the challenge to achieve stronger, more sustainable and inclusive growth, the Economics Department (ECO) continues to focus its policy advice on promoting structural reforms aimed at boosting long-term growth and well-being. In the context of the New Approaches to Economic Challenges (NAEC) and prioritising Inclusive Growth, ECO has undertaken new work on how to improve forecasting, increase the resilience of economies to shocks, and understand the complementarities and trade-offs between the range of policy objectives and contributors to well-being.

Over the past 12 months, ECO has published 21 country surveys, including its first economic assessment of Colombia. ECO work is playing a significant role in the development of G20 growth strategies and assessment of structural policy commitment. The Policy Papers series, begun in 2012, saw five new releases with studies on knowledge-based capital, judicial performance, public spending on health, as well as two NAEC studies titled *A post-mortem of OECD projections*, and *Choosing fiscal consolidation instruments compatible with growth and equity*. The Economics Department published 96 working papers in 2013, a new record.

The Economics Department carries out multilateral, country-specific and structural policy surveillance of OECD member countries as well as the Accession and Key Partner countries. ■

■ Areas of focus

- Country economic surveys: www.oecd.org/economy/surveys/
- Cross-country structural policy analysis and advice: www.oecd.org/eco/goingforgrowth.htm
- Economics Department policy notes: www.oecd.org/eco/monetary/policy-notes.htm
- Economics Department policy papers: www.oecd-ilibrary.org/economics/oecd-economic-policy-papers_2226583x
- Economics Department working papers: <http://www.oecd.org/eco/economicsdepartmentworkingpapers.htm>
- Economic outlook: www.oecd.org/eco/economicoutlook.htm
- Monetary and financial issues: www.oecd.org/eco/monetary/
- Public finance: www.oecd.org/eco/public-finance/

■ Key publications

- *Economic Policy Reforms 2014: Going for Growth*
- *OECD Economic Outlook*
- *OECD Economic Outlook Interim Reports, September 2013 and March 2014*
- *OECD Economic Surveys (member countries and selected non-member countries)*
- *Fiscal Federalism 2014: Making decentralisation work*
- *OECD Journal: Economic Studies*

■ Key events

- EDRC Seminar on Income Inequality, Paris, 14 June 2013
- Launch of *OECD Forecasts during and after the financial crisis: a post-mortem*, London, 6 February 2014
- Launch of *Going for Growth 2014* and updated PMR indicators, Sydney, 21 February 2014
- Launch of *Interim Economic Outlook* for major world economies, Paris, 12 March 2014
- Launch of *Economic Outlook*, Paris, 6 May 2014

Directorate for Education and Skills



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“The well-being of individuals and nations depends on nothing more than on what people know and what they can do with what they know. Investing in high-quality education is the gateway to better skills, better jobs and better lives. Poor skills severely limit people’s access to better paid and more rewarding jobs. It works the same way for nations.”

Following delivery of the “OECD Skills Strategy” to the Meeting of Council at Ministerial level in 2012, the Directorate for Education and Skills continues to support country efforts to promote social progress and sustainable economic growth by improving educational outcomes, fostering human capital and boosting employment.

To help countries get a clearer picture of their workforce’s skills and see how they compare to other countries, the OECD completed the most comprehensive international survey of adult skills ever conducted. This involved testing more than 5 000 people aged 16 to 65 in each of the 26 countries taking part. The first results of the OECD Survey of Adult Skills were published in October 2013 in the inaugural *OECD Skills Outlook*. The 2014 *Skills Outlook*, to be launched in December 2014, will focus on skills and employability for youth. The Directorate for Education and Skills will continue to aid countries in designing and implementing state-of-the-art national and local skills strategies. In Austria, Korea and Norway the development of these national skills strategies is well underway; other countries are in the process of preparing the ground for this work.

The Programme for International Student Assessment (PISA) shows countries where they stand – in relation to other countries and individually – in how effectively they educate their children. The results of the 2012 survey were published in December 2013. PISA 2012 focused on the mathematics skills of 15-year-olds as well as assessed their skills in reading and science; two further volumes focusing on problem solving and financial literacy will be released in 2014.

The Directorate for Education and Skills leads the Organisation’s work to help member and non-member countries achieve high-quality learning outcomes for all, design better skills policies, and turn them into jobs and growth. In doing so, we underline that skills need to be acquired and updated all along the life cycle. The Education Policy Committee provides strategic guidance and oversight of OECD work on education and skills. ■

www.oecd.org/edu

■ Areas of focus

- Centre for Educational Research and Innovation (CERI): www.oecd.org/edu/ceri
- Education GPS (interactive data visualisation website): <http://gpseducation.oecd.org/>
- Education at Glance: OECD indicators: www.oecd.org/edu/eag.htm
- Educationtoday blog: oecdeducationtoday.blogspot.com
- Survey of Adult Skills (PIAAC): www.oecd.org/site/piaac
- OECD Skills Strategy: skills.oecd.org/
- Programme for International Student Assessment (PISA): www.pisa.oecd.org
- Programme on Institutional Management in Higher Education (IMHE): www.oecd.org/edu/imhe
- Teaching and Learning International Survey (TALIS): www.oecd.org/edu/school/talis

■ Key publications

- *Art for Art's Sake? The Impact of Arts Education*
- *Education at a Glance 2013: OECD Indicators*
- *Innovative Learning Environments*
- *Leadership for 21st Century Learning*
- *PISA 2012 Results: Six volumes*
 - *What Students Know and Can Do: Student Performance in Mathematics, Reading and Science (Volume I)*
 - *Excellence through Equity: Giving Every Student the Chance to Succeed (Volume II)*
 - *Ready to Learn: Students' Engagement, Drive and Self-Beliefs (Volume III)*
 - *What Makes Schools Successful? Resources, Policies and Practices (Volume IV)*
 - *PISA 2012 assessment of problem solving (Volume V)*
 - *Students and Money: Financial Literacy Skills for the 21st Century (Volume VI)*
- *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*

■ Key events

- International launch of the *OECD Skills Outlook 2013* (including results from the OECD Survey of Adult Skills-PIAAC), Brussels, 8 October 2013
- International Launch of the 2012 Programme for International Student Assessment (PISA) survey, Brussels, 3 December 2013
- High-Level Policy Forum "Skills for Social Progress", São Paulo, 24-25 March 2014
- The Fourth International Summit on the Teaching Profession 2014, Wellington, 28-29 March 2014
- TALIS 2013 results launch, Tokyo, 25 June 2014
- *Education at a Glance* launch, Brussels, 9 September 2014
- *Education Policy Outlook* launch, November 2014
- International launch of the 2014 *Skills Outlook*, focusing on skills and employability for youth, December 2014

Directorate for Employment, Labour and Social Affairs



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“One of today’s most difficult challenges is finding the right balance between providing much-needed income support to the families that have been hit hardest by the crisis and maintaining a strong activation stance to encourage and help the unemployed find jobs. Policy makers need to push ahead with a comprehensive approach to employment-friendly social policies in order to promote a stronger and more inclusive recovery. They can then prevent the social wounds of the crisis from compromising future improvements in economic growth and well-being.”

The 2013 *Employment Outlook* analysed the role that adequate income support and effective activation policies play in supporting unemployed people while promoting their quick return to work. We have been working with a number of countries to implement the OECD Action Plan for Youth and provided advice to the G20 on activation strategies. The need for such policies was given extra impetus by the new OECD inequality data, showing that inequality has increased by more over the three years to 2010 than in the previous twelve. *Society at a Glance 2014* provides a compelling account of social challenges that have emerged since the onset of the global financial and economic crisis. The 2013 *International Migration Outlook* tackled the fiscal impact of migration and gathered new evidence on ethnic discrimination and possible policy responses. The OECD will continue to support countries dealing with the strains produced by the crisis, particularly the persistently high levels of unemployment of youth and other disadvantaged groups, to promote equality of opportunity and job quality.

Many countries are benefiting from targeted advice on how to reform their health systems, particularly via the OECD’s *Reviews of Health Care Quality: Raising Standards* and a new report on which countries are doing well at tackling cancer. *Health at a Glance 2013* presented the latest comparable trends on health and health systems in OECD countries, highlighting how health spending growth has slowed across OECD countries as governments cut budgets in the crisis. A further shift in the focus of health systems towards prevention will be boosted by the publication of a major report on how to tackle harmful use of alcohol.

The OECD Directorate for Employment, Labour and Social Affairs (ELS) leads the Organisation’s work on employment, social policies, international migration and health. It oversees work on the interrelated policy areas that help countries boost employment and improve social welfare and health outcomes in a context of population ageing, globalisation and rapid technological change. ■

www.oecd.org/els

■ Areas of focus

- Employment policies and data: www.oecd.org/els/emp
- Families and children: www.oecd.org/els/family
- Health policies and data: www.oecd.org/els/health-systems
- International migration policies and data: www.oecd.org/els/mig
- Pension systems: www.oecd.org/els/public-pensions
- Social policies and data: www.oecd.org/els/soc ; https://twitter.com/OECD_Social

■ Key publications

- *Ageing and Employment Policies: France, Netherlands, Norway*
- *Cancer Care: Assuring Quality to Improve Survival*
- *OECD Employment Outlook 2014*
- *Health at a Glance 2013*
- *OECD International Migration Outlook 2013*
- *Making Mental Health Count 2014*
- *Mental Health and Work: Switzerland, United Kingdom*
- *Pensions at a Glance 2013*
- *Recruiting Immigrants: Austria, New Zealand, Norway*
- *OECD Reviews of Health Care Quality: Czech Republic, Denmark, Norway, Sweden, Turkey*
- *Society at a Glance 2014*

■ Key events

- OECD-IZA Employment seminar, Paris, 4-5 July 2013
- G8 Summit on Dementia, London, 11 December 2013
- OECD-EU Dialogue on International Migration and Mobility, Brussels, 24-25 February 2014
- G20-EC-OECD Conference on Quality Apprenticeships for Giving Youth a Better Start in the Labour Market, Paris, 9 April 2014
- High-level Policy Forum on International Migration, Paris, 9-10 December 2014

Centre for Entrepreneurship, SMEs and Local Development



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Director

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“The global economy needs to be set on firmer ground. Small businesses and entrepreneurs must be enabled to play their part in growth, employment and social inclusion. To do this, they need the right skills and the finances to implement their business strategies. An integrated approach to employment, entrepreneurship, skills and economic development needs to be taken to develop effective job creation strategies.”

The Centre for Entrepreneurship, SMEs and Local Development (CFE) helps countries design and implement effective policies for local economic and employment development, SMEs and entrepreneurship, and tourism. It produces peer reviews at both the national and local levels and contributes to OECD initiatives on New Approaches to Economic Challenges, Inclusive Growth and Skills. The CFE also draws on the expertise of its extensive network of international experts and carries out regular consultations with civil society.

In 2014, the CFE will continue to expand its Scoreboard on SME and entrepreneurship financing. It will carry out work on alternative financing instruments for SMEs and on skills for innovation in SMEs, as well as examine how the unemployed, people with disabilities and ethnic minority groups are seizing opportunities for entrepreneurship.

In the year ahead, the CFE will gather a set of indicators on countries' capacities to contribute to the creation of more and better jobs by effectively implementing active labour market programmes and innovative entrepreneurship policies locally. It will devise cross-cutting strategies for youth employment, as well as area-based strategies to tackle exclusion from the labour market at a time of limited resources, and will examine ways to foster the development of green skills to support the transition to a low-carbon economy. Work will also focus on helping communities deliver effective local development and build their capacities through peer learning and exchange forums, notably at the LEED Trento Centre for Local Development.

Other work will focus on reviewing effective tourism policies for growth, with particular attention paid to those policies and practices supporting greener, stronger and more inclusive growth. The CFE will also work with governments and industry to support quality jobs in tourism, examine the economic impacts of tourism at sub-national level, and review policies and practices in relation to both tourism taxation and tourism and the creative economy. ■

www.oecd.org/cfe

■ Areas of focus

- Local economic and employment development (LEED): www.oecd.org/cfe/leed
- SMEs and entrepreneurship: www.oecd.org/cfe/sme
- Tourism: www.oecd.org/cfe/tourism

■ Key publications

- *Employment and Skills Strategies: OECD Reviews on Local Job Creation: Australia, Belgium (Flanders), Canada, Czech Republic, France, Ireland, Northern Ireland, Korea, Sweden, Israel, the United Kingdom (England), and the United States*
- *Enhancing Financial Accessibility for SMEs: Lessons from Recent Crises, joint publication with the Asian Development Bank*
- *Financing SMEs and Entrepreneurs 2014: An OECD Scoreboard*
- *Job Creation and Local Economic Development 2014*
- *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*
- *OECD Studies on SMEs and Entrepreneurship: Key issues and Policies: Italy, Russia*
- *OECD Tourism Trends and Policies 2014*
- *Tourism and the Creative Economy*

■ Key events

- Second OECD-Asian Development Bank Workshop on Enhancing Financial Accessibility for SMEs, Paris, 21 October 2013
- 2nd Green Skills Forum: Green Skills and Innovation for Inclusive Growth, Paris, 14 February 2014
- 10th Annual Meeting of the OECD-LEED Forum on Partnerships and Local Development, Stockholm, 23-25 April 2014
- 12th Global Forum on Tourism Statistics, Prague, 15-16 May 2014
- Second OECD-European Commission Seminar on Inclusive Entrepreneurship: Developing Inclusive Entrepreneurship Strategies, Brussels, 27-28 June 2014

Environment Directorate



Simon Upton

Director

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“The OECD has a tradition of projecting the future impacts of economic growth on the environment. But what impacts could environmental damage have on the economy? We are now refining our modelling capability under a new project called CIRCLE to examine how environmental pressures change and how possible natural resource constraints might dampen long-term prospects for economic growth. This project is both challenging and groundbreaking, and could lead to new ways of making future economic growth projections at the OECD.”

The OECD contributed to water policy debates with the release in September 2013 of two reports: *Water Security for Better Lives*, which set out a pioneering risk-based approach to water security, and *Water and Climate Change Adaptation: Policies to Navigate Uncharted Waters*, which reviewed countries' initiatives to adapt water management to climate change.

Secretary-General Angel Gurría called on countries to make carbon pricing the cornerstone of climate policies in his lecture at the London School of Economics in October 2013. The flagship report *Effective Carbon Prices* highlighted that many countries are using relatively costly policies such as feed-in tariffs and subsidies, while carbon taxes and emissions trading are cheaper ways of reducing CO₂ emissions. These findings, plus those from OECD work on mobilising public and private finance to tackle climate change, were highlighted at the OECD side-event during the COP19 UN Climate Change Conference in Warsaw in December 2013.

A forthcoming OECD report on the *Economic Costs of the Health Impacts of Road Transport* will be highlighted at the World Cities Summit in Singapore in June 2014 and OECD Environmental Performance Reviews of Colombia, Sweden, Iceland, Spain and Poland are being released or prepared during 2014.

The Environment Directorate helps countries to design and implement efficient and effective policies to address environmental problems and sustainably manage natural resources. It examines the linkages between the environment and economic, sectoral or social concerns in areas such as climate change; biodiversity; water; waste; environmental taxes; safety of chemicals, nanomaterials and genetically modified crops; agriculture; transport; trade; investment; and development. ■

www.oecd.org/environment

■ Areas of focus

- Biodiversity: www.oecd.org/env/biodiversity
- Climate change: www.oecd.org/env/cc
- Environmental policy and technical innovation: www.oecd.org/env/consumption-innovation/innovation.htm
- Environmental country reviews: www.oecd.org/env/countryreviews
- Environmental data and indicators: www.oecd.org/env/indicators
- Environmental indicators, modelling and outlooks: www.oecd.org/environment/indicators-modelling-outlooks
- Environmental policies tools and evaluation: www.oecd.org/environment/tools-evaluation
- Household consumption: www.oecd.org/env/consumption-innovation/households.htm
- Green growth: www.oecd.org/greengrowth
- Resource productivity and waste: www.oecd.org/env/waste
- Safety of chemicals, pesticides, biotechnology and nanomaterials: www.oecd.org/ehs
- Water: www.oecd.org/water

■ Key publications

- Biodiversity Offsets
- *Climate Finance and Institutional Investors: Where to from Here?*
- *Economic Costs of the Health Impacts of Road Transport*
- *Effective Carbon Prices*
- *Environment at a Glance 2013: OECD Indicators*
- *OECD Environmental Performance Reviews: Austria 2013, South Africa 2013, Colombia 2014*
- *Greening Household Behaviour: Overview from the 2011 Survey*
- *Scaling Up Finance Mechanisms for Biodiversity*
- *Taxation of Company Cars and Commuting Expenses*
- *Water and Climate Change Adaptation: Policies to Navigate Uncharted Waters*
- *Water Security: Managing Risks, Improving Resilience*

■ Key events

- “The Climate Challenge: Achieving zero emissions”, OECD Secretary-General’s lecture, London School of Economics, 9 October 2013
- Workshop on Biodiversity Offsets and Bio-banking, Paris, 6-7 November 2013
- Green Growth and Sustainable Development Forum, Paris, 5-6 December 2013
- Global Forum on Extended Producer Responsibility in Sustainable Materials Management, Tokyo, 17-19 June 2014
- OECD Green Investment Financing Forum, Paris, 26-27 June 2014

Directorate for Financial and Enterprise Affairs



Carolyn Ervin

Director

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“The OECD works hard to help governments in their search for the best policies to foster business integrity and ensure support of society and development.”

The Directorate for Financial and Enterprise Affairs (DAF) helps governments improve domestic and global policies that affect business and markets. It works in the fields of anti-corruption, corporate governance, competition law and policy, debt management, investment, financial markets, insurance and private pensions.

Through OECD instruments such as the Declaration on Investment and the Corporate Governance Principles, as well as the Anti-Bribery Convention which celebrated its 15th anniversary, DAF helps create a level and predictable playing field for business. DAF engages actively Brazil, China, India, Indonesia and South Africa as well as partner regions such as Southeast Asia on a range of policy areas including debt management, investment, corporate governance and financial education. Costa Rica and Jordan joined 44 other adherents to the Investment Declaration and its Guidelines for MNEs. The Global Forum on Competition, which brings together close to 100 competition authorities from around the world, focused on competition and poverty reduction.

DAF is leading work on financial sector reform and competitive neutrality, including through contributions to the initiative “New Approaches to Economic Challenges” (NAEC), an Organisation-wide reflection to drive forward the continuous improvement of the OECD’s analytical frameworks and policy advice. DAF contributes to the OECD’s Development Strategy, notably with projects such as the Policy Framework for Investment (PFI). The PFI was used to review several countries in 2013: Malaysia, Mozambique, Myanmar, Nigeria and Tanzania.

Work on long-term investment continues to build on the endorsement of the *High-Level Principles of Long-Term Investment Financing by Institutional Investors* at the G20 Summit in St Petersburg in September 2013. The OECD, together with the Russian presidency, also delivered a joint G20-OECD report on *Advancing National Strategies for Financial Education*. G20 economies are firmly committed to open trade and investment and to resisting protectionism. Mandated by the G20 since 2009, the OECD, together with UNCTAD, has been monitoring G20 investment policy developments and reporting the results publicly at six-monthly intervals. ■

www.oecd.org/daf

■ Areas of focus

- OECD Anti-Bribery Convention: www.oecd.org/daf/nocorruption
- Competition: www.oecd.org/daf/competition
- Due diligence guidance in the mining and minerals sector: www.oecd.org/daf/investment/mining
- Financial consumer protection: www.oecd.org/finance/financialconsumerprotection.htm
- Financial education: www.oecd.org/daf/fin/financial-education
- Financial markets, insurance and pensions: www.oecd.org/daf/fin
- Foreign direct investment statistics: www.oecd.org/investment/statistics.htm
- OECD Guidelines for Multinational Enterprises: <http://mneguidelines.oecd.org/>
- Institutional investors and long-term investment: www.oecd.org/finance/lti
- The Policy Framework for Investment: www.oecd.org/investment/pfi.htm
- OECD Principles of Corporate Governance: www.oecd.org/daf/ca/oecdprinciplesofcorporategovernance.htm
- Public debt management: www.oecd.org/daf/publicdebtmanagement
- Sovereign debt and financial stability: www.oecd.org/finance/sovereigndebt
- State-owned enterprises in the marketplace: www.oecd.org/daf/ca/soemarket.htm

■ Key publications

- *Annual Report on the Guidelines for Multinational Enterprises 2013*
- *Boards of Directors of State-Owned Enterprises: An Overview of National Practices*
- *OECD Competition Assessment Reviews: Greece*
- *Financial Education for Youth: The Role of Schools*
- *OECD Investment Policy Reviews: Jordan, Myanmar, Nigeria*
- *OECD Sovereign Borrowing Outlook 2014*
- *Specialised Anti-Corruption Institutions: Review of Models (2nd Edition)*
- *State-Owned Enterprises in the Middle East and North Africa*
- *Women and Financial Education: Evidence, Policy Responses and Guidance*

■ Key events

- Latin American Competition Forum, Lima, 3-4 September 2013
- Roundtable on the Impact of the OECD Anti-Bribery Convention 15 Years On, Paris, 11 December 2013
- OECD-Asian Roundtable on Corporate Governance, Mumbai, 11-12 February 2014
- High-level Global Symposium on Financial Education: Promoting Long-term Savings and Investments, Seoul, 26-27 February 2014
- Launch of the Myanmar Investment Policy Review, Myanmar, 1 March 2014
- OECD-ADBI 14th Tokyo Roundtable on Capital Market Reform in Asia, Tokyo, 13-14 March 2014
- Global Forum on Responsible Business Conduct, Paris, 26-27 June 2014

Directorate for Public Governance and Territorial Development



Rolf Alter

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“Governments are there to establish sound economic, social and political frameworks for citizens and business. After years of policies driven by the crisis, governments need to restore trust and demonstrate their capabilities as stewards of the public interest. It is a huge task to repair the social contract. The policy-making processes must become more open, inclusive and fair, and the delivery of public services must be efficient and innovative.”

Governments need to demonstrate strong leadership, a clear vision and effective implementation capacity in order to rebuild public trust after the crisis. The OECD is strengthening its efforts to improve data on trust in government and offer concrete guidance to improve the quality of policy formulation and implementation, particularly in areas in which trust is critical for successful policy implementation, such as regulation, tax, public budgeting and justice.

For many member countries, returning to fiscal health remains a priority, to be balanced by efficient public investment and quality regulation to promote economic growth and create jobs. To help governments make evidence-based decisions, the OECD published *Government at a Glance 2013* and *Regions at a Glance 2013*, which together provide over 100 policy indicators. *Regions at a Glance* was launched at a highly successful OECD Ministerial Meeting held in Marseille in December 2013, titled “Regions and Cities: Where Policies and People Meet”, which addressed issues of investment, urban policy and rural-urban linkages.

The OECD is expanding its range of good practice guidelines, with new principles covering independent fiscal institutions, co-ordination of investment across levels of government and governance of risk. The OECD has also established new fora for policy dialogue to encompass evolving demands from member countries, notably with the establishment of the Network of Economic Regulators and the Water Governance Network, and supports other international efforts such as the Open Government Partnership. The OECD Observatory on Public Sector Innovation, a new interactive tool for exchange of good practice, has also been launched.

Public governance and territorial development continue to be important concerns for many non-member countries, with activities in the Middle East and North Africa (MENA), Southeast Asia, Latin America and, through the SIGMA programme, in the European “neighbourhood” states. ■

www.oecd.org/gov

■ Areas of focus

- Budgeting and public expenditures: www.oecd.org/gov/budget
- Fighting corruption in the public sector: www.oecd.org/gov/ethics
- Government at a Glance: www.oecd.org/gov/govataglance.htm
- Public employment and management: www.oecd.org/gov/hrm
- Public governance reform in the Middle East and North Africa: www.oecd.org/mena/governance
- Public sector innovation and e-Government: www.oecd.org/gov/egov
- Regional statistics and indicators: www.oecd.org/gov/regional/statisticsindicators
- Regional, urban and rural development: www.oecd.org/gov/regional
- Regulatory policy: www.oecd.org/gov/regref
- Risk management: www.oecd.org/gov/risk
- SIGMA (Support for Improvement in Governance and Management): www.oecd.org/gov/sigma
- Trust in Government: www.oecd.org/gov/trust-in-government.htm

■ Key publications

- *Government at a Glance*
- *How's Life in Your Region*
- *OECD Integrity Review of Italy*
- *Government at a Glance 2014: Latin America and the Caribbean*
- *Public Sector Compensation in Times of Austerity*
- *Regional Outlook 2014*
- *Regions at a Glance 2013*
- *OECD Review of Regulatory Reform: Colombia 2013*
- *Transparency and Integrity in Decision Making: Levelling the Playing Field*
- *Women in Government and Public Policies: Trends in OECD Countries*

■ Key events

- Annual Meeting of OECD Senior Budget Officials, Paris, 3-4 June 2013
- Meeting of the Network of Senior Officials from Centres of Government, Santiago, Chile, 23-25 October 2013
- OECD Roundtable of Mayors and Ministers, Marseille, 4-5 December 2013
- Ministerial Meeting of the Territorial Development Policy Committee, Marseille, 5-6 December 2013
- High-level Risk Forum, Paris, 11 December 2013
- OECD Global Forum on Women's Leadership in Public Life, Paris, 2-4 April 2014
- Public Sector Innovation Conference, Paris, September 2014

Directorate for Science, Technology and Industry



Andrew Wyckoff

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“Science, technology and innovation play a major role in addressing global challenges like climate change, sustainable development, ageing societies and inequality. Providing tailored, country-specific policy advice and developing sound metrics to help governments design more effective and efficient policies continue to be our key priority.”

In 2013, the Directorate for Science, Technology and Industry (STI) continued its work to develop innovative, cross-country indicators to help governments design better policies and monitor progress in science, technology, innovation and industrial performance. This work culminated in the publication of the *Science, Technology and Industry Scoreboard 2013* and three companion policy notes on jobs, R&D tax incentives and brain circulation. We also refined and expanded our statistical work to measure trade in value added terms (TiVA). Together, this work highlights the importance of supporting young, dynamic firms as well as global value chains to promote job creation, and identifies the costs and benefits of R&D tax incentives as a tool to boost innovative capacity.

Innovation is a powerful engine for inclusive development and for addressing social and global challenges. We have several streams of work that aim to help countries harness the benefits of innovation, including our *OECD Reviews of Innovation Policy*. These reviews provide a comprehensive assessment of a country's innovation system as well as concrete recommendations. In 2013, we reviewed Colombia, Southeast Asia and Sweden, and in 2014 we will review France, the Netherlands, Croatia and Vietnam. We also recently developed a framework to assess a country's national intellectual property system to support emerging countries' innovation and development objectives. Future work aims to provide evidence on the impacts of innovation on inclusive development.

Knowledge-based capital drives competitiveness and unleashes new sources of growth. In 2013, we delivered a broad-based analysis of knowledge-based capital, its role in generating growth and how policies needed to adapt to support it. In 2014, we are focusing on specific forms of knowledge-based capital, including data and analytics. For example, linking clinical, biological and other data (“Big Data”) with the massive amounts of health system transactional data can create a tremendous new resource for accelerating innovation and for better prevention and care for people with age-related diseases.

The Directorate for Science, Technology and Industry (STI) develops evidence-based policy advice on the contribution of science, technology and industry to well-being and economic growth. ■

www.oecd.org/sti

■ Areas of focus

- Biotechnology: www.oecd.org/sti/biotech
- Broadband and telecom: www.oecd.org/sti/broadband
- Consumer policy: www.oecd.org/sti/consumer
- Global Value Chains (GVCs): www.oecd.org/sti/ind/global-value-chains.htm
- Industry and globalisation: www.oecd.org/sti/ind
- Innovation: www.oecd.org/sti/inno
- Internet economy: www.oecd.org/sti/ieconomy
- Science and technology: www.oecd.org/sti/sci-tech
- Trade in Value Added (TiVA): www.oecd.org/trade/valueadded

■ Key publications

- *Emerging Policy Issues in Synthetic Biology*
- *Main Science and Technology Indicators*
- *Promoting Research Excellence: New Approaches to Funding*
- *OECD Reviews of Innovation Policy: Colombia, Croatia, France and the Netherlands*
- *OECD Science, Technology and Industry Scoreboard 2013*
- *Space Technologies and Food Security*
- *Supporting Investment in Knowledge Capital, Growth and Innovation*
- *Tyres and Nanotechnology: Greening Industry and Transport*

■ Key events

- Launch of *Supporting Investment in Knowledge Capital, Growth and Innovation* at the 2013 Innovation Summit, Brussels, 10 October 2013
- Global Forum on the Knowledge Economy: The Future of Science and Innovation, Istanbul, 22-23 October 2013
- Patent Statistics for Decision Makers, Rio de Janeiro, 11-13 November 2013

Statistics Directorate



Martine Durand

Director and Chief Statistician

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“Measuring better lives has become even more important as many of our economies have been stricken by the global financial crisis. The crisis has had large implications for the economic well-being of households, as measured by higher unemployment and financial insecurity. Subjective well-being has also deteriorated and citizens have lost trust in governments and institutions. The fall-out from the crisis on other non-economic aspects of well-being, such as health and education, may only materialise later or affect specific groups of the population. This underscores the need for ongoing work towards timely and granular data on well-being.”

The year 2013 marked the release of the second edition of the Statistics Directorate's (STD) *How's Life?* report that provides a comprehensive picture of well-being in OECD countries and other major economies. The report covered an assessment on well-being during the crisis, gender differences in well-being, well-being at the workplace and sustaining well-being over time. The data underlying the report also formed the input for the updated *Better Life Index*, a co-operative venture with the OECD's Public Affairs and Communications Directorate.

STD, the Directorate for Science, Technology and Industry (STI), and the Trade and Agriculture Directorate (TAD), in collaboration with the World Trade Organization, expanded and updated their work on Trade in Value-Added with a view to mainstreaming the production of these indicators within the international statistics system and to promoting the use of these indicators in analysis.

The year 2013 also saw another edition of *Entrepreneurship at a Glance*, which provides timely data on enterprise creation, and structural indicators on enterprise population, along with socio-economic profiles of entrepreneurs.

National Accounts at a Glance 2014 contains new sections with indicators on households' economic conditions and vulnerability. Cross-country information is presented, along with the conceptual underpinning and the comparability of each of the indicators.

In co-operation with the Environment Directorate, STD has followed up on the *Green Growth Indicators* report delivered to the 2011 Ministerial Council Meeting as part of the OECD Green Growth Strategy. Work has focused on the development of headline indicators and the implementation of the new International Standard for Environmental Economic Accounting (SEEA).

The OECD Statistics Directorate collects and analyses economic and social statistics from member and partner countries. We aim at disseminating data that is as comparable internationally as possible. Major activities reside in the areas of national accounts, prices, purchasing power parities, trade, business, labour, and well-being statistics. We are responsible for the co-ordination of all OECD statistical activities and the development of the OECD statistical information system. ■

www.oecd.org/std

■ Areas of focus

- OECD Better Life Initiative: www.oecd.org/betterlifeinitiative
- Composite leading indicators and business tendency surveys: www.oecd.org/std/leading-indicators
- Entrepreneurship indicators and business statistics: www.oecd.org/std/business-stats
- Financial statistics: www.oecd.org/std/fin-stats
- Gender equality: www.oecd.org/gender
- Green growth strategy: www.oecd.org/greengrowth
- International trade and balance of payments: www.oecd.org/std/its
- Labour statistics: www.oecd.org/std/labour-stats
- Measuring well-being and progress: www.oecd.org/measuringprogress
- Measuring Trade in Value Added: www.oecd.org/trade/valueadded
- National accounts: www.oecd.org/std/na
- Prices and purchasing power parities: www.oecd.org/std/prices-ppp
- Productivity statistics: www.oecd.org/std/productivity-stats

■ Key publications

- *OECD Compendium of Productivity Indicators 2013*
- *Entrepreneurship at a Glance 2014*
- *OECD Factbook 2014: Economic, Environmental and Social Statistics*
- *How's Life? 2013: Measuring Well-being*
- *National Accounts at a Glance 2014*

■ Key events

- 2nd International Conference on Governance, Crime and Justice Statistics, Mexico City, 17-20 June 2014
- Conference on Measuring and Assessing Job Quality, Brussels, October 2014

Centre for Tax Policy and Administration



Pascal Saint-Amans

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“Taxation is at the core of countries’ sovereignty, yet without international, consensus-driven action we risk countries taking unilateral actions to protect their tax bases which could easily lead to tax chaos for business and governments alike. That is why the OECD is working with countries around the world to bring the international tax rules into the 21st century.”

The Centre for Tax Policy and Administration (CTPA) is the hub for the OECD’s tax work. The Centre provides technical expertise and support to the Committee on Fiscal Affairs. Its work covers international and domestic tax issues, direct and indirect taxes, tax policy and tax administration. CTPA’s work is developed with strong input from OECD countries and non-member economies and receives valuable input from business representatives and civil society.

Eliminating double taxation to facilitate cross-border investment and enhancing tax co-operation among tax administrations remain the core missions of CTPA. We have made major advances this year in moving all countries towards better exchange of information and more effective transparency. The Global Forum on Transparency and Exchange of Information has published compliance ratings for 50 countries and jurisdictions on these issues and has launched work on beneficial ownership. We are taking the fight against tax evasion further through automatic exchange of information. We have developed a single common standard for such exchanges and the Global Forum will monitor its implementation. The multilateral Convention on Mutual Administrative Assistance in Tax Matters provides the ideal legal framework for such exchanges and over 75 countries and jurisdictions have joined this Convention so far.

We are also closing legal loopholes that facilitate double non-taxation through the joint OECD-G20 project to address BEPS-base erosion and profit shifting. The OECD and all G20 countries are working on an equal footing to design measures to implement the 15-point Action Plan agreed last year and endorsed by G20 Leaders at the St Petersburg Summit. CTPA has also strengthened its environmental tax policy analysis, including by having measured for the first time the effective tax rates of energy use. Finally, we have strengthened our work on tax and development, which includes providing support on transfer pricing, fighting illicit flows, assessing tax incentives and launching the initiative “Tax Inspectors without Borders”. ■

www.oecd.org/tax

■ Areas of focus

- Base Erosion and Profit Shifting: www.oecd.org/tax/beps.htm
- Consumption tax: www.oecd.org/tax/consumption/
- Exchange of information: www.oecd.org/tax/exchange-of-tax-information/
- Forum on Tax Administration: www.oecd.org/tax/administration
- Global Forum on Tax Transparency and Exchange of Information for Tax Purposes: www.oecd.org/tax/transparency/
- Global relations in taxation: www.oecd.org/tax/tax-global/
- Tax and crime: www.oecd.org/ctp/crime/
- Tax and Development: www.oecd.org/tax/tax-global/taxanddevelopment.htm
- OECD Tax Database: www.oecd.org/tax/tax-policy/tax-database.htm
- Tax policy analysis: www.oecd.org/tax/tax-policy/
- Tax treaties: www.oecd.org/tax/treaties/
- Transfer pricing: www.oecd.org/tax/transfer-pricing/

■ Key publications

- *Action Plan on Base Erosion and Profit Shifting*
- *Bribery and Corruption Awareness Handbook for Tax Examiners and Tax Auditors*
- *Evading the Net: Tax Crime in the Fisheries Sector*
- *Fiscal Federalism 2014: Making Decentralisation Work*
- *Global Forum on Transparency and Exchange of Information for Tax Purposes: Peer Reviews*
- *Improving Value Added Tax Policy: Distributional Impacts and Effectiveness*
- *Revenue Statistics 2013*
- *Revenue Statistics in Latin America 2014*
- *Standard for Automatic Exchange of Financial Account Information: Common Reporting Standard*
- *Taxing Wages 2014*

■ Key events

- 3rd Meeting of the Latin American and Caribbean (LAC) Tax Policy Forum, Montevideo, 4-5 July 2013
- Global Forum on Tax Treaties, Paris, 26-27 September 2013
- 3rd Annual Forum on Tax and Crime, Istanbul, 7-8 November 2013
- Global Forum on Transparency and Exchange of Information for Tax Purposes, Jakarta, 21-22 November 2013
- International Tax Dialogue Global Conference: Tax and Intergovernmental Relations, Marrakesh, 3-5 December 2013
- 3rd Annual Meeting of the Global Forum on Transfer Pricing, Paris, 26-27 March 2014
- 2nd Meeting of the Global Forum on VAT, Tokyo, 17-18 April 2014

Trade and Agriculture Directorate



Ken Ash

Director

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“The WTO Agreement on Trade Facilitation reached at the 9th WTO Ministerial Conference in Bali will reduce costs for traders and speed border crossings worldwide. At the OECD we are supporting multilateral co-operation efforts at the WTO, in the G20 and elsewhere, with continued policy advice in the areas of TiVA-GVCs, services trade, trade facilitation and agricultural reform.”

The OECD trade facilitation indicators, encompassing 133 countries, by highlighting the large benefits and low costs of improving border procedures, contributed to the World Trade Organization (WTO) agreement in Bali. The OECD is releasing a services regulatory database and services trade restrictiveness indices for 40 countries and 17 major services sectors, providing countries with a unique tool to identify areas of regulatory strengths, weaknesses and opportunities for improvement of their service sector performance.

Building on earlier Trade in Value Added-Global Value Chains (TiVA-GVC) data and trade policy analysis, efforts in 2014 focus on how developing countries and small and medium-size enterprises can better integrate into, and benefit from, GVCs. Work to clarify the likely impacts of new forms of “murky protectionism”, including issues such as “forced localisation”, are being strengthened. The OECD is also harvesting results from an extensive review of provisions in regional trade agreements to identify good practices that are conducive to multilateralisation.

The OECD provides ongoing information, analysis and advice to help governments improve the domestic and international performance of their farm and food policies. The *OECD Agricultural Policy Monitoring and Evaluation Report 2013* provides an assessment of agriculture support across OECD countries and key emerging economies. The OECD-FAO medium-term *Agricultural Outlook 2013-2022* provides an assessment of likely commodity market developments, including a special feature on the role of China. The OECD provides policy advice to the global Agricultural Market Information System (AMIS), established at the request of the G20 to help mitigate excessive price volatility. A wide range of fisheries and aquaculture policy issues are addressed and the first *OECD Handbook for Fisheries Managers* is now available.

The Trade and Agriculture Directorate (TAD) provides support to governments to design and implement trade, agriculture and fisheries policies that contribute to sustainable growth and job creation. TAD also manages programmes covering officially supported export credits, agricultural product standards that facilitate trade, and co-operative research for sustainable agricultural systems. ■

www.oecd.org/tad

■ Areas of focus

- Agricultural policies: www.oecd.org/agriculture/policies
- Agricultural trade: www.oecd.org/agriculture/trade
- Environment and trade: www.oecd.org/trade/env
- Export credits: www.oecd.org/trade/xcred
- Fisheries: www.oecd.org/fisheries
- Trade and development: www.oecd.org/trade/dev
- Trade facilitation: www.oecd.org/trade/facilitation
- Services trade: www.oecd.org/trade/services
- Standards for seeds, tractors, forest, fruit and vegetables: www.oecd.org/agriculture/code
- Sustainable agriculture: www.oecd.org/agriculture/env

■ Key publications

- *Agricultural Innovation Systems: A Framework for Analysing the Role of the Government*
- *OECD-FAO Agricultural Outlook 2013-2022*
- *Agricultural Policies: Monitoring and Evaluation 2013: OECD Countries and Emerging Economies*
- *Global Food Security: Challenges for the Food and Agricultural System*
- *The OECD Handbook for Fisheries Managers: Principles and Practice for Policy Design*
- *Policy Instruments to Support Green Growth in Agriculture*
- “Approaches to Protection of Undisclosed Information (Trade Secrets): Background Paper”, *OECD Trade Policy Papers*, No. 162
- “Climate Change, Water and Agriculture: Towards Resilient Agricultural and Water Systems: The Costs and Challenges of Implementing Trade Facilitation Measures”, *OECD Trade Policy Papers*, No. 157
- “Trade Policy Implications of Global Value Chains: Case Studies”, *OECD Trade Policy Papers*, No. 161

■ Key events

- Global Forum on Agriculture: “Shared Approaches to Measuring the Policy Environment”, Paris, 16 December 2013
- Global Forum on Trade: “Reconciling Regionalism and Multilateralism in a Post-Bali World”, Paris, 11-12 February 2014
- International Business Dialogue, Paris, 14 April 2014
- G20-OECD GVC-TiVA Stocktaking Seminar, Paris, 6 May 2014

Public Affairs and Communications



Anthony Gooch
 Director
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“PAC works at the interface between policy makers and policy shapers in OECD member and partner countries. It reinforces the Organisation’s influence in public policy discussions, while bringing its work closer to citizens.”

Policy making is no longer the sole preserve of government, but involves a range of stakeholders. These are today’s “policy shapers” and the OECD must engage with them for relevance and influence. Thanks to PAC’s constant dialogue, consultation and outreach, the OECD is forging close relations with parliamentarians, business, labour, non-governmental organisations, the media, opinion formers, think-tanks, academics, and the interested public. PAC ensures that the OECD remains at the heart of this evolving network where policies are conceived, shaped and implemented. This holistic approach enabled the OECD to advance its global policy agenda in 2013, on Tax Base Erosion and Profit Shifting (BEPS), for example, while drawing attention to inequality and migration, and the policy implications of global value chains.

PAC’s holistic approach to news generation, incorporating traditional and social media, video, web and data visualisation, continued to pay off. Overall media coverage, measured by the number of articles published, rose to new heights: up 374% for *Health at a Glance*, up 284% for *Migration Outlook* and up 122% for PISA, to name but a few. Data visualisation bolstered coverage, generating some 100 000 page views for the *OECD Economic Outlook* alone. Our new embeddable data “vizlets” garnered over 2 million page views in just nine months. The OECD Better Life Index (BLI), which measures well-being, reached 3.4 million users worldwide, with German, Russian and Spanish now available.

PAC furthered the OECD’s reputation for openness by building new audiences and partnerships, and hosting public debates. The 2013 OECD Forum entitled “Jobs, Equality, Trust” gathered nearly 2 000 participants; interaction with business, labour and civil society stakeholders was deepened, and the OECD Parliamentary Network expanded.

PAC’s online dissemination channels thrived. The OECD.org website received over 16 million visits and over 50 million page views. Total dissemination of OECD content grew by over 30% (over 16 million downloads, online readings and print copies), and visits to OECD iLibrary surged by 70% to nearly 9 million. Social media channels across the Organisation also surged: at end-2013 all OECD Twitter accounts had 355 330 followers, up 116% on 2012. The *OECD Observer* and *OECD Yearbook* enjoyed front-row visibility at major events, including the G20 summit in September, while the OECD Insights blog continued to win new audiences.

To drive influence and relevance, OECD’s information must be “Open, Accessible and Free” and this goal is on track to be met by mid-2015. ■

www.oecd.org

■ Areas of focus

- Centres abroad: www.oecd.org/centres
- Civil society: www.oecd.org/civilsociety
- i-Library, dissemination and knowledge: www.oecd-ilibrary.org
- Images and videos: www.flickr.com/OECD; www.youtube.com/OECD
- Internet site: www.oecd.org
- Media relations: www.oecd.org/media
- OECD Forum: www.oecdforum.org
- Parliamentary relations: www.oecd.org/parliamentarians
- Publishing activities: www.oecd.org/publishing
- Social media: www.facebook.com/TheOECD; www.twitter.com/OECD;
Berlin Centre: www.facebook.com/OECDStatistik and www.twitter.com/OECDStatistik;
Mexico Centre: www.twitter.com/ocdeenespanol; Tokyo Centre: www.facebook.com/OECD.Tokyo and
www.twitter.com/OECDTokyo; Washington Centre: www.facebook.com/OECDWashington;
www.twitter.com/OECD_Washington
- Better Life Index: www.oecdbetterlifeindex.org

■ Key publications

- *OECD Observer*, quarterly: www.oecdobserver.org
- *OECD Policy briefs*
- *OECD Yearbook 2014*: www.oecd.org/yearbook
- OECD Insights publication series: www.oecd.org/insights
- Blogs: OECD Insights <http://oecdinsights.org> and BLI: www.oecdbetterlifeindex.org/blog/
- *OECD Factbook*
- *Secretary-General's Report to Ministers 2014*
- *OECD Civil Society Newsletter*

■ Key events

- OECD Forum 2013: “Jobs, equality, and trust”, Paris, 28-29 May 2013
- Journées européennes du patrimoine, 14-15 September 2013
- OECD Parliamentary Days, Paris, 5-7 February 2014
- OECD Forum 2014: “Resilient economies for inclusive societies”, Paris, 5-6 May 2014
- OECD Forum Speakers Series

Global Relations Secretariat



Marcos Bonturi

Director

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“The OECD facilitates the sharing of expertise with and between countries at different stages of development, so that they can develop a common understanding of joint challenges and implement best policy solutions. The participation of partner countries in OECD work is very welcome, as it helps bring new perspectives, increasing the relevance of policy debates.”

The Global Relations Secretariat (GRS) advises the Secretary-General on the Organisation's strategic directions in relation to its partners. It facilitates the engagement of different OECD policy communities with Partner countries and assists in the design of their work programmes.

The OECD's Global Relations Strategy seeks to make the Organisation an effective and inclusive global policy network through engagement with Key Partners – Brazil, China, India, Indonesia and South Africa – and other dynamic and systemically important countries and regions.

Regional programmes enable Partners to tap into OECD expertise and build capacity in response to national policy priorities, and they help the OECD strengthen relationships with a broader range of partner countries and regional organisations. Recognising the importance of one of the world's most dynamic regions, the OECD is establishing a comprehensive Southeast Asia Regional Programme alongside existing programmes on the Middle East and North Africa, Eurasia and South East Europe as well as work streams on Africa and Latin America. Country programmes are being proposed to allow selected Partner countries to participate in OECD activities, join OECD legal instruments and access relevant OECD expertise in a more systematic and formalised manner. ■

www.oecd.org/globalrelations

■ Areas of focus

- OECD global relations, Key Partners, regional programmes and global forums: www.oecd.org/globalrelations
- Africa: www.oecd.org/africa
- Brazil: www.oecd.org/brazil
- China (People's Republic of): www.oecd.org/china
- Eurasia: www.oecd.org/globalrelations/eurasia.htm
- India: www.oecd.org/india
- Indonesia: www.oecd.org/indonesia
- Latin America: www.oecd.org/latinamerica
- Middle East and North Africa: www.oecd.org/mena
- South Africa: www.oecd.org/southafrica
- Southeast Asia: www.oecd.org/globalrelations/seaprogramme.htm
- South East Europe: www.oecd.org/investmentcompact

■ Key publications

- *Competitiveness and Private Sector Development: Central Asia 2011 Competitiveness Outlook*
- *New Entrepreneurs and High Performance Enterprises in the Middle East and North Africa*
- *SME Policy Index: Western Balkans and Turkey 2012: Progress in the Implementation of the Small Business Act for Europe*
- *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*

OECD brochures:

- *Active with Africa, Special focus on South Africa*
- *Active with Brazil, Better Policies for Better Lives (also available in Portuguese)*
- *Active with the People's Republic of China, Better Policies for Better Lives (also available in Chinese)*
- *Active with India, Better Policies for Better Lives*
- *Active with Latin America and the Caribbean, Better Policies for Better Lives (also available in Spanish)*
- *Active with the Middle East and North Africa (also available in Arabic)*
- *Active with Southeast Asia, Special Focus on Indonesia (also available in Indonesian)*
- *OECD Eurasia Competitiveness Programme: Making Reforms Happen in a Dynamic Region*
- *OECD Investment Compact for South East Europe: Fostering Investment, Competitiveness and Private Sector Development*
- *MENA-OECD Investment Programme: Fostering Investment, Growth and Employment in the Middle East and North Africa*
- *MENA-OECD Investment Programme: Promoting Women's Economic Opportunity in the Middle East and North Africa*

Internal Audit and Evaluation



Ms. Lucy Elliott
Director
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“Internal Audit and In-depth Evaluation play a key role in supporting the OECD’s mission through their forward-looking recommendations and identification of good practices, which contribute to reinforcing the governance, accountability and performance of the Organisation.”

The year 2013 was the second year of the second In-depth Evaluation cycle which has focused strongly on strengthening committees’ relevance and effectiveness, building on the improvements adopted by committees as a result of the first evaluation cycle. In-depth Evaluation covered 14 committees and one Part II programme in 2013, including the evaluation and monitoring of the implementation of recommendations. In 2013, the In-depth Evaluation process identified and documented eight committee good practices with the aim of contributing towards replicating success and promoting learning.

Key internal audits in 2013 included in-depth work on IT security of the International Energy Agency, the Nuclear Energy Agency, the International Transport Forum, and associated implications on IT security of the OECD itself; assessment of the accuracy and transparency of financial reporting to the Budget Committee on voluntary contributions cost recovery and Part II overheads; and a review of the annual Managers’ Assertions which contribute to the Secretary-General’s Report of Management.

Evaluation and Internal Audit also contributed to management’s continuous improvement of systems and processes through advisory services on priorities such as risk management, value for money, and the monitoring framework for the OECD Strategy on Development.

Internal audits provide independent assurance to the Secretary-General regarding governance, risk management and control within OECD Directorates and corporate services. Evaluations provide systematic, arm’s length assessments of the relevance, effectiveness and efficiency of OECD’s substantive committees *inter alia* to inform Council decisions on mandate appropriateness and renewal. ■

www.oecd.org/about/internal-audit-evaluation.htm

Directorate for Legal Affairs



Nicola Bonucci

Director

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“The accession process constitutes a 360-degree review of candidates’ policies in a wide range of areas. Committees evaluate their position on all OECD legal instruments and the coherence of their policies with those of members. The accession process serves as an important catalyst for reform in candidate countries, drawing on OECD standards and the experiences of its members.”

The Directorate for Legal Affairs has worked intensively on the preparatory phases leading to the opening of accession discussions with Colombia and Latvia and on the new and improved Accession Roadmaps for these countries. Discussions with the Russian Federation have also required active and intense co-ordination efforts with a range of actors within the Organisation and with the Russian authorities. The three ongoing accession procedures will continue to mobilise the Directorate’s staff throughout 2014.

The Directorate has been closely involved in work on tax matters, providing legal expertise on the possible instruments for the Base Erosion and Profit Shifting (BEPS) project and supporting work on the Global Forum on Transparency and Exchange of Information in Tax Matters and the Convention on Mutual Administrative Assistance in Tax Matters. It has contributed to the development and revision of several legal instruments including on the safety testing and assessment of nanomaterials, principles for independent fiscal institutions, transfer pricing and protection of privacy.

The Directorate has played a central role in the review of the Organisation’s governance arrangements, particularly as regards decision making, and will continue to provide support in 2014. It has also advised on engagement with non-members, contributing to the implementation of the 2012 Resolution on Partnerships governing participation in OECD bodies.

Finally, it has pursued its efforts to protect intergovernmental organisation (IGO) names/acronyms in the new generic top-level domains initiative (gTLDs) and supported many institutional projects, including those concerned with changes to employment conditions, the financing of medical coverage and making OECD data open, accessible and free.

The Directorate for Legal Affairs advises on all legal, institutional and procedural aspects of the Organisation’s activities and supports substantive directorates in the development of their outputs. It represents the Organisation in legal proceedings and provides support on contracts, co-operation and financing agreements, intellectual property as well as financial and human resources reforms. ■

www.oecd.org/legal

Council and Executive Committee Secretariat



Patrick van Haute
Director

“The Council Secretariat will continue to serve as one of the interfaces between members and the Secretariat, to prepare the decisions that will shape the future of the OECD. In a time of difficult economic situations with members, the OECD potential value added is higher than ever. We dedicate our work and skills to the successful implementation of our recommendations, for the benefit of our fellow citizens.”

The Council Secretariat serves the Council and the Executive Committee, the Heads of Delegation meetings, the Global Strategy Group and the Ministerial Council Meeting (MCM). Since the launch of a governance review in 2013, the Council Secretariat's scope of work has been extended to also serve the bodies established to conduct this work, the Council Working Group on Governance (WGG) and its two sub-groups on decision making and working methods.

The Council Secretariat advises the Secretary-General on the general policy of the Organisation, provides advice and assistance on institutional, policy and procedural aspects of the Council's activities and serves as a liaison among standing committees as well as between the Secretariat and member delegations in the management of the Council's work programme. The Council Secretariat's dialogue with the directorates facilitates their engagement with members.

Within the available resources and while serving new bodies, the Council Secretariat is continuing to upgrade its service to Council, its chair and the Executive Committee, moving higher on the value chain by collecting timely information from different networks, with a view to ensuring better co-ordination, earlier identification and resolution of possible issues, as well as easier programming. In 2014, efforts will also continue to better structure processes within the Secretariat to better support institutional relations. With this in mind, the Council Secretariat is launching across the Organisation a new platform – eCouncil – which will serve to enhance co-ordination, and streamline document and meeting preparations. ■

Executive Directorate



Anthony Rottier

Director

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“Corporate services underpin the Organisation’s ability to deliver its outputs and plan for the future. In 2013, we launched several important initiatives, including one to strengthen the efficiency and effectiveness with which we manage our resources and another to raise staff awareness of the importance of providing excellent value for money. We aim to ensure that the OECD remains a leader among international organisations in good management practices and standards.”

In 2013, EXD organised and led the Value for Money Project, a comprehensive look at processes and management policies, to further strengthen the value for money that the OECD provides its members and to make existing measures more visible and well understood. We pursued our efforts to build an infrastructure that facilitates knowledge creation and information management, essential for a knowledge-based organisation. Mechanisms put in place, or developed, ensure that the OECD is in a position to address its three major long-term financial challenges: pensions, post-employment healthcare liabilities and investment renewal. EXD co-ordinated the major surveys that provide members the opportunity to assess the quality and impact of OECD outputs and indicate what priorities they wish to see in the coming biennium (2014-2015).

In 2014, several major projects, co-ordinated by EXD, will be undertaken or concluded. The Value for Money (V4M) report will be presented; the office space moves will take place and a longer-term strategy developed; the OECD’s Programme of Work and Budget for 2015-2016 will be discussed. We will continue to improve the Organisation’s environmental performance and pursue efforts to attract and retain the best possible talent. Finally, there will be a major review of the internal structures of corporate services themselves, aimed at setting up a sound basis for the OECD of the future.

The Executive Directorate (EXD) advises the Secretary-General on strategic management policies and directions. It contributes to the delivery of OECD outputs identified in the Programme of Work and Budget by providing the policies and operational means needed to get the most from OECD’s human and financial resources, as well as wide range of services, covering information and communication technologies, conference, language, security and operations. These aim to ensure that OECD delegates, visitors and Secretariat officials have the means to carry out their tasks as efficiently and as effectively as possible. ■

www.oecd.org



Budget and Finance

www.oecd.org/budget

financeservice@oecd.org

The Organisation applies results-based management to its planning, budgeting and financial management, identifying the policy impacts its members are seeking; deploying resources flexibly to achieve these outcomes through the evolving work programme; and evaluating performance after the fact.

The OECD budget and the content of its work programme are established every two years by the OECD's governing body, the Council, based on recommendations from the Secretary-General. The budget for

2014 is EUR 357 million, increased approximately by a third from voluntary contributions, extrabudgetary resources that are planned but variable, provided mainly by governmental bodies and institutions.

The OECD's financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and are audited by external auditors selected from among OECD member country audit institutions. The Organisation's financial statements are available on the OECD website.

Members' assessed contributions, 2014

All member countries contribute to the outputs funded by "Part I" of the budget, which accounts for 54% of the overall budget of the Organisation. "Part II" outputs, of interest to a more limited number of members or relating to special policy sectors not covered by Part I, account for a further 26%. Other budgets, including pensions and special budgets, account for the rest. Contributions to Part I are based on both a proportion that is shared equally and a scale reflecting the relative size of member economies (based on national income). Part II programmes are funded by a scale or other arrangement agreed among participating countries. ■

OECD SPECIAL BODIES AND OTHER SPECIAL ENTITIES



Development Centre



Mario Pezzini
Director

The OECD Development Centre was established in 1962 as an independent platform for knowledge-sharing and policy dialogue between OECD member countries and developing economies, allowing these countries to interact on an equal footing. As of July 2013, the Development Centre counts 42 members: 24 OECD and 18 non-OECD countries. It conducts policy-oriented analysis to provide information on emerging systemic issues impacting on global development. Through a multidisciplinary approach, the Centre also looks at the specific challenges faced by emerging and developing economies, with a view to supporting governments frame innovative policy responses.

The Centre's work includes three annual Regional Economic Outlooks (on Africa, Latin America and the Caribbean, as well as Southeast Asia, China and India), an annual global report (*Perspectives on Global Development*), multidimensional Country Reviews and thematic Policy Dialogue Networks. In addition, it carries out cross-cutting analysis and major projects in areas such as social cohesion, gender, migration, youth inclusion, competitiveness, global value chains, natural resources, fiscal issues and "middle-classes". The Centre also played a key role in the design of the OECD Strategy on Development, and now plays a key role in its implementation as well.

The OECD Development Centre is a unique platform for knowledge sharing and evidence-based policy dialogue within the OECD and the international community, where the governments of member countries and developing and emerging economies interact on an equal footing. The Centre fosters debate and discussion to support countries in their search for innovative policy solutions to emerging global issues and development challenges. It also works with research institutions, foundations, enterprises and think tanks. ■

For more information see: www.oecd.org/dev

International Energy Agency



Maria van der Hoeven
Executive Director

The International Energy Agency (IEA), an autonomous organisation within the framework of the OECD, works to ensure reliable, affordable and clean energy for its 28 member countries and beyond. While oil security and collective response to major supply disruptions continues to be a key aspect of its work, the IEA has evolved since its founding in 1974. It is at the heart of global dialogue on energy, providing authoritative statistics, analysis and policy recommendations.

IEA work revolves around the “4 Es” of energy security, environmental sustainability, economic development and engagement worldwide. Activities in market analysis, emergency response preparation, international outreach and energy statistics management supported these goals in 2013. The IEA’s *Medium-Term Market Report* series examines each fuel market individually, including energy efficiency, with a five-year outlook. The *World Energy Outlook* continues to serve as the world’s foremost annual report on the energy sector, providing scenarios looking to 2035. The 2013 edition provided a special focus on oil and on Brazil’s energy sector. *Energy Technology Perspectives* is a series on clean energy technology development, with an outlook to 2050. Now annual, an overhauled edition will be released in 2014.

External partnerships were strengthened, particularly in the context of the biennial Ministerial Meeting in November, when six Key Partner countries agreed to move forward with a new multilateral “association” approach. Members also agreed to the landmark Statement on Climate Change to encourage action in the run-up to crucial climate negotiations in Paris in 2015. IEA work is supported by extensive data collection and management (including support to the Joint Organisations Data Initiative) and a Communications Strategy to maximise the impact of IEA work. Both were important contributors to record 2013 publications revenues. ■

For more information see: www.iea.org

Nuclear Energy Agency



William Magwood*
Director-General

The Nuclear Energy Agency (NEA) is a specialised agency within the OECD. Its 31 member countries account for 90% of global nuclear energy generating capacity. Through international co-operation, the NEA helps its member countries maintain and further develop the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear energy for peaceful purposes. It provides input to government decisions on nuclear energy policy and to broader OECD policy analyses in areas such as energy, green growth and climate change.

NEA activities are carried out in the areas of nuclear safety and regulation, radioactive waste management, radiological protection, nuclear science and data, nuclear development and the fuel cycle, and legal affairs. In addition, the NEA acts as the technical secretariat of two important international initiatives: the Multinational Design Evaluation Programme, which aims to enhance co-operation among regulators on safety design reviews of new reactors, and the Generation IV International Forum, which is co-ordinating members' R&D efforts for the next generation of nuclear energy systems.

In September 2013, the NEA published *The Fukushima Daiichi Nuclear Power Plant Accident: OECD/NEA Nuclear Safety Response and Lessons Learnt*. The report outlines international efforts to strengthen nuclear regulation, safety, research and radiological protection in the post-Fukushima context. It also describes work on new reactors and legal frameworks, and highlights key messages and lessons learnt, notably as related to assurance of safety, shared responsibilities, human and organisational factors, defence-in-depth (DiD), stakeholder engagement, crisis communication and emergency preparedness. International joint projects are being carried out under NEA auspices on related nuclear safety and plant decommissioning issues.

The NEA continued its expansion and outreach in 2013. It pursued in particular the integration of the Russian Federation as its newest member. It also expanded its areas of co-operation with India and signed a Joint Declaration on Co-operation in the Field of Peaceful Uses of Nuclear Energy with the China Atomic Energy Authority. ■

For more information see: www.oecd-nea.fr

* Mr. Magwood will take up his duties on 1st September 2014.

Special Entities



Africa Partnership Forum



David Batt
Director

The Africa Partnership Forum (APF) is a senior political forum that discusses key policy priorities and tracks progress against commitments related to Africa's development. Its members include all African members of the New Partnership for Africa's Development (NEPAD) plus key African institutions and major development partners. The APF was established in 2003 following the G8 summit in Evian, as a way of extending existing dialogue between G8 countries and NEPAD to include Africa's major bilateral and multilateral development partners. In 2005, APF members agreed to establish an OECD-hosted support unit to backstop ongoing monitoring and analytical work.

The APF met twice in 2013: in April (in London) to discuss transparency, in the run-up to the G8 summit, and in November (in Dakar) to discuss the post-2015 Development Agenda. An independent evaluation of the Forum was also undertaken in 2013 and a number of changes to its future operation are now being considered.

With the United Nations Economic Commission for Africa (UNECA), the Support Unit prepared the 2013 *Mutual Review of Development Effectiveness in Africa* report, which reviewed the delivery of African and development partner commitments, results achieved and future priorities. The report was launched and presented by UNECA's Executive Secretary, Dr. Carlos Lopes, in Addis Ababa at UNECA headquarters in November 2013. ■

For more information see: www.africapartnershipforum.org

Financial Action Task Force



Rick McDonell
Head of Division

The Financial Action Task Force (FATF) is an independent intergovernmental body that is the global standard setter in the fight against money laundering, the financing of terrorism and the proliferation of weapons of mass destruction.

The FATF Recommendations focus on money laundering and terrorist financing, but are also powerful tools to combat corruption. In October 2013, the FATF issued best practices on *the Use of the FATF Recommendations to Combat Corruption*. As highlighted in the G20 Leaders' Declaration from the September 2013 St Petersburg Summit, leveraging anti-money laundering and countering terrorist financing (AML/CFT) measures to fight corruption will remain a significant area of growing co-operation between the G20 anti-corruption experts and the FATF. Key papers issued by the FATF include guidance on the implementation of strengthened AML/CFT measures for business relations with politically exposed persons. The FATF is also developing guidance on issues such as the effective implementation of beneficial ownership requirements in consultation with data protection experts and AML/CFT experts.

In October 2013, the FATF adopted new procedures to assess compliance with the FATF Recommendations. Future mutual evaluations will determine whether a country has met all the technical requirements of the FATF Recommendations as well as how effectively the country's AML/CFT measures reach their objective: protecting the financial system from abuse.

The FATF has continued to identify new threats to the financial system. Public documents identifying high-risk and non-cooperative jurisdictions are updated after every plenary meeting. The FATF also approved and published a number of typologies studies that analyse money laundering and terrorist financing vulnerabilities of certain sectors, such as the legal profession and the diamond trade. ■

For more information see: www.fatf-gafi.org

International Transport Forum



José Viegas
Secretary-General

The International Transport Forum (ITF) at the OECD is an intergovernmental organisation with 54 member countries. ITF works to ensure transport's contribution to economic growth, environmental protection and social inclusion. It acts as a think tank for policy makers, providing evidence-based insights on transport policy issues, underpinned by economic research, statistics collection and policy analysis.

In May 2013 the ITF's Annual Summit of Transport Ministers on "Funding Transport" brought together 1 000 delegates from 79 countries in Leipzig, Germany. In a joint declaration, ministers agreed to pursue policies towards sound and sustainable funding of transport. The 2014 summit (21-23 May) is titled "Transport for a Changing World".

The ITF entered a new era in 2013 with the creation of a Corporate Partnership Board (CPB), ITF's mechanism for incorporating private-sector knowledge in policy analysis. With 12 founding members, the CPB is slated to grow to 50 members by 2016. The ITF continued its Road Safety work, with Argentina becoming the first Latin American country to join the ITF's International Traffic Safety and Analysis Group (IRTAD).

The ITF *Transport Outlook 2013* and a research report on *Cycling, Health and Safety* were published to some acclaim. At the invitation of the Indian and Chilean governments, the ITF held its first-ever roundtables in Latin America and India, focusing on investment in high speed rail and sea ports respectively. A new ITF Working Group on Assessment of Policies for Long-Term Transition to Sustainable Transport was created.

The 60th Anniversary of ITF's precursor, the European Conference of Ministers of Transport (ECMT), was marked with the launch of a free online archive of ECMT publications. ■

For more information see: www.internationaltransportforum.org

Multilateral Organisation Performance Assessment Network



Björn-Gillsäter
Director

The Multilateral Organisation Performance Assessment Network (MOPAN) is an independent network with 17 member countries. MOPAN assesses the effectiveness of multilateral organisations and aims to strengthen the Organisations' contributions to results. Since 2013, MOPAN's Secretariat has been hosted by the OECD.

In 2014, MOPAN is assessing UN Women, the UN Refugee Agency (UNHCR), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Population Fund (UNFPA). In 2013, the Network assessed the Asian Development Bank, the International Fund for Agricultural Development (IFAD), the World Health Organization (WHO) and the World Food Programme (WFP).

It also commissioned an external evaluation, which provided recommendations for its future work, and undertook a mapping of its members' needs and expectations of MOPAN for the future. Based on these exercises, MOPAN is reviewing its assessment methodology with the aim of implementing a revised approach starting 2015. ■

To obtain the 2013 reports and for more information on MOPAN, see: www.mopanonline.org

Sahel and West Africa Club



Laurent Bossard
Director

The Sahel and West Africa Club (SWAC) is a group of West African regional organisations and OECD countries that work together towards the development and integration of the West African region. Founded in 1976, it is the first official partnership between the OECD and Africa. The SWAC is a think-and-do-tank that undertakes independent and forward-looking analysis and devises guidelines and regional policy tools. As a member of the OECD Development Cluster, the SWAC Secretariat contributes to the work of the Organisation and ensures that West African concerns and initiatives are taken into account in global debates.

The SWAC acts as a secretariat and an international platform for regional food security and resilience networks. In 2013, these efforts led to the positioning of the Food Crisis Prevention Network (RPCA) as a regional reference for concerted action by stakeholders in the field of food and nutritional security, and the launch of the Global Alliance for Resilience – Sahel and West Africa (AGIR), in collaboration with West African regional organisations (ECOWAS, UEMOA and CILSS) and the international community.

The SWAC Secretariat also carried out analysis within its West Africa Futures (WAF) programme on the future of the Saharo-Sahelian areas, responding to a need for multidisciplinary knowledge on trends and prospects of the Sahel to frame the debate of the area's stabilisation. The preliminary results of the work were discussed at the SWAC Forum, during the 2013 Sahel and West Africa Week held from 25 to 29 November in Abidjan, Côte d'Ivoire. The Forum highlighted the need for solutions that are shared by all concerned African sub-regions and based on the articulation of security and development perspectives.

Finally, the SWAC Secretariat monitors and reports on regional trends and news through the West Africa Gateway and its weekly News Brief. ■

For more information see: www.oecd.org/swac, www.westafricagateway.org and www.food-security.net

Business and Industry Advisory Committee

Founded in 1962, the Business and Industry Advisory Committee to the OECD (BIAC) is officially recognised by the OECD Council as the representative body of the OECD private sector. BIAC brings an independent and multidisciplinary business perspective to the OECD's work. Through its global membership, it engages with business representatives from 53 national business organisations in OECD member countries and major economies and 34 sectoral associations. BIAC's members work in 38 different policy groups in order to cover and provide advice on the full spectrum of OECD-led policies.

Using business expertise from all continents, BIAC advocates industry positions to the OECD and its member governments with the aim of ensuring that the Organisation's policy instruments effectively enable private sector-led growth and prosperity. BIAC's priority is to work with the OECD to foster job creation and global economic growth. Over the past year, BIAC has urged governments to effectively enhance new tax policies, employability, green growth, innovation, and open trade and investment. Reflecting the private sector's international environment, BIAC continues to advance co-operation and co-ordination with business communities in non-OECD countries, thereby promoting their engagement in the OECD. ■

For more information see: www.biac.org

Trade Union Advisory Committee

The Trade Union Advisory Committee to the OECD (TUAC) is the interface of the Organisation with organised labour. TUAC has 59 affiliated trade union centres in OECD countries, representing more than 66 million workers with associate members in Brazil, Indonesia, the Russian Federation and South Africa. TUAC has focused on promoting inclusive, job-rich growth and measures to ensure a sustainable recovery from the crisis, including stronger regulation of the financial sector.

TUAC calls for a paradigm shift in the underlying economic model so as to deliver a stronger global economy that reduces income inequality and promotes social well-being. It is therefore actively engaged in the NAEC process. It encourages a re-focussing of policies and indicators that better support the real-economy and social needs. It also closely monitors the follow-up on the G20 BEPS Action Plan. TUAC, in co-operation with the International Trade Union Confederation (ITUC), has co-ordinated trade union input to the G20 and G8 summits through the L20, and took part in the G20 Sherpa and Employment Task Force meetings. It co-organises the L20 Summits and co-ordinated the social partner consultations with labour ministers in July 2013 and with leaders in September 2013.

TUAC and its Global Union partners have also contributed to updating the OECD Guidelines for Multinational Enterprises, and TUAC has launched a web database of trade union cases submitted under the Guidelines since 2000 (see www.tuaoecdmneguidelines.org/Home.asp).

The TUAC officers are: President: Richard Trumka, President, AFL-CIO, United States; Vice Presidents: Marc Leemans, President, CSC, Belgium; Marie-Louise Knuppert, National Secretary, LO-Denmark, Denmark; Nobuaki Koga, President, RENGO, Japan; General Secretary: John Evans. ■

For more information see: www.tuac.org, www.tuaoecdmneguidelines.org/Home.asp, www.labour20.org,
Twitter: @TUACOED

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

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