

**SECRETARY-GENERAL'S
REPORT TO MINISTERS
2018**

Angel Gurría,
OECD Secretary-
General, speaking
at the 2017 OECD
Forum, 6 June
2017.



OECD WEEK 2017



Secretary-General's Report to Ministers 2018

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Letter from the Secretary-General

The year 2017 was challenging, yet productive, for the OECD. During the year we focused our attention on the growing discontent around globalisation and how to address it. Our conclusion was clear: to preserve openness, we need to ensure that globalisation works for all and that no one is left behind. This is the goal and the conviction that has guided our steps over the past 12 months and will continue to do so in the year to come.

Over the past decade the OECD has undertaken an unprecedented transformation, putting people at the centre of its work. This transformation recognises that economic growth and its drivers are only means to the end goal of better lives for all. Throughout 2017, we continued renewing and strengthening our analytical frameworks and underpinning this new narrative, making *New Approaches to Economic Challenges* – a “NAEC state of mind” – our Organisation’s new normal. Our work on digitalisation is also allowing us to frame our policy recommendations in a solid understanding

of the dramatic technological changes that are radically transforming our economies and societies. This multidimensional perspective allows us to tailor our approach to meet the inherent complexity that characterises our time and the interlinkages of our economies.

The 2017 Ministerial Council Meeting, chaired by Denmark, focused on our message of making globalisation, trade and digitalisation work for all. At the OECD Forum, we joined forces with global experts to explore the deepening divides that are



🇫🇷 French President Emmanuel Macron with Angel Gurría at the No Money for Terror global conference, organised by the French Government at the OECD, Paris, 26 April 2018.

fragmenting our economies and societies, and to forge a common resolve.

Few aspects better illustrate our capacity to contribute to improving global governance and addressing our planet's most pressing challenges through multilateral collaboration than our engagement with the G20 and G7. During the past 12 months, we scaled up our support to the G7 and G20, working closely with the Italian and German presidencies, as we are currently doing with Canada and Argentina. We made key contributions in areas as diverse as the environment and climate change, finance, growth and productivity, small and medium enterprises, digitalisation, responsible business conduct and inclusive growth, to name but a few. Initiatives like the Global Forum on Steel Excess Capacity illustrate how the OECD can facilitate a space for dialogue on some of the most delicate issues countries confront, and how we can effectively support multilateral negotiations to level the playing field.



📍 Lars Løkke Rasmussen, Prime Minister of Denmark, and Angel Gurría, OECD Secretary-General, at the OECD Forum, Paris, 7 June 2017.

📍 Angel Gurría welcomes Enrique Peña Nieto, President of Mexico, at the OECD in Paris, 11 December 2017.



📍 Signing Ceremony for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, OECD headquarters, Paris; 68 countries and jurisdictions signed on 7 June 2017.

Our ability to positively impact the global agenda is complemented by the targeted policy support we provide to our members and partners, many of whom turn to us for advice in advancing their reforms and improving their public administration. This is demonstrated by the number of leaders who visit us, and by the landmark thematic ministerial meetings held during the year on topics ranging from the future of work and agriculture to environmental policy, the digital economy, health and gender inequality – all of which charted the way forward in their respective policy fields. It is also reflected in the increasing global reach of our instruments and bodies. Today, the number of non-member partnerships in OECD bodies stands at nearly 250, illustrating how we have continued to enhance our global impact.



📍 Prime Minister of Canada Justin Trudeau with OECD Secretary-General Angel Gurría, during a bilateral meeting in Paris, 16 April 2018.



☞ Angel Gurría, OECD Secretary-General with Alda, a girls' rights leader-advocate from Indonesia at the OECD, Paris, 11 October 2017.

☞ Angel Gurría, OECD Secretary-General, presents a copy of *Investing in Climate, Investing in Growth* to Angela Merkel, Chancellor of Germany, at the Petersberg Climate Dialogue VIII in Berlin, 23 May 2017.



Another important breakthrough in 2017 was the extraordinary progress in international efforts to curb tax evasion and avoidance. In June, 68 countries and jurisdictions signed the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS). The first automatic exchanges of tax information began in September. These are good examples of multilateral co-operation delivering concrete results. We have also made great progress in updating and enhancing other OECD standards – for example on anti-corruption, and on good governance in both the private and public sectors – while promoting their adoption. We just celebrated the 20th anniversary of the Anti-Bribery Convention.

Throughout 2017, our Organisation continued advancing our knowledge and understanding of key issues shaping our societies and people's lives: education, migration, and equal opportunities for all. We also continued to improve our communications, visibility and outreach, as well as our management

and administrative practices, to put the OECD at the leading edge in these realms.

We have our hands full, but I am sure that we will rise to the challenge as we have in the past. In doing so, we will stay true to the values that have characterised the OECD over the past decades. Values of openness and public service. Values of pushing frontiers and of boldness. Values of honesty and evidence-based analysis. Values of social fairness and the belief in opportunities for everyone. These values will continue to inspire our vision, our ambition and our sense of mission as we move forward. ■

Angel Gurría

2017 Year in Review



12 January
G20-OECD Conference on Digitalisation explores key issues for digital transformation

30-31 March
OECD Global Anti-Corruption and Integrity Forum debates how integrity cultivates a level playing field



21 April
OECD receives Bill Frenzel Champion of Free Trade Award

26-28 May
OECD Secretary-General participates in G7 Leaders Summit, Taormina



6 June
OECD Week 2017 focuses on Bridging Divides and Making Globalisation Work for All



29 June
Global Forum on Responsible Business Conduct takes place at OECD headquarters



JANUARY

16-17 January
OECD hosts Ministers of Health and High-Level Policy Forum on people-centred care

MARCH

8 March
International Women's Day and OECD March on Gender

APRIL

19 April
PISA 2015 Results on Students' Well-being launched

MAY

22 May
Presentation of *Investing in Climate, Investing in Growth* at the Petersberg Climate Dialogue

JUNE

7 June
Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS is signed



7-9 July

OECD Secretary-General participates in the G20 Leaders' Summit in Hamburg



12 September

Chinese Premier Li Keqiang hosts the "1+6" Roundtable in Beijing, with Heads of International Organisations



28-29 November

OECD holds Global Strategy Group meeting focused on digitalisation



30 November

OECD welcomes outcomes of Global Forum on Steel Excess Capacity

12 December

One Planet Summit on climate, hosted by French President Macron, gathers international leaders and committed citizens

JULY

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

20 September

OECD Secretary-General participates in the United Nations General Assembly

17 October

Development Co-operation Report 2017: Data for Development is launched

23-25 October

OECD Eurasia Week 2017 draws more than 450 participants to Astana

13-14 December

SIGMA Good Public Governance Ministerial Meeting focuses on Delivering for Citizens and Businesses



Secretary-General's Activity in 2017

OVERVIEW

During 2017, the OECD Secretary-General carried out a very intense official agenda, both in Paris and abroad, to advance the relevance, impact and visibility of the Organisation. In addition to chairing Council meetings and other important events, as well as participating in the OECD Week and the Ministerial Council Meeting (MCM), he carried out numerous official visits to member countries and partner economies. He also engaged with many leaders and key stakeholders through hundreds of formal and informal meetings. Through his bilateral activities in Paris and abroad, the Secretary-General continued to support countries in their policy reform efforts and to provide timely and targeted policy advice. Through his participation in international summits, such as the G7 Summit in Taormina and the G20 Summit in Hamburg, the Organisation was able to advance its support to multilateral efforts on global agendas ranging from development and the fight against climate change to progress in improving international co-ordination on tax issues. The Secretary-General also strengthened the OECD's contribution to other fora, such as the Asia-Pacific Economic Co-operation (APEC), the Association of Southeast Asian Nations and the Pacific Alliance.

During the year, the Secretary-General led the OECD's efforts to deliver new analysis on issues such as the productivity-inclusiveness nexus, trade and global value chains, the integration of migrants, and the promotion of skills suitable for a rapidly changing labour market. He also instilled a more open, innovative, multi-disciplinary and horizontal approach to addressing policy challenges, particularly through the mainstreaming of the New Approaches to Economic Challenges (NAEC) initiative in the Organisation's work. He gave special attention to the ongoing review to strengthen the relevance

and impact of OECD standards, in close consultation with OECD committees.

The Secretary-General made 55 trips abroad in 2017. This included his participation in some of the main international summits and events throughout the year. In the course of 2017, the Secretary-General held 53 formal meetings with heads of state and government, 8 bilateral meetings with heads of international organisations and 159 meetings with ministers, as well as numerous informal interactions with high-level officials and senior stakeholders, including phone conversations. In total, he had over 465 formal bilateral meetings over the course of the year and many more informal ones.

The Leaders' Programme brought 15 heads of state or government to the OECD. Staff and delegations have benefitted from these visits through a programme of lectures, including some by the leading thinkers and innovators who participated in NAEC seminars, the Coffees of the Secretary-General series and other conferences organised by the Office of the Secretary General and directorates. The Secretary-General also undertook many activities related to his management of the OECD Secretariat and the governance of the Organisation.

ACTIVITY ABROAD

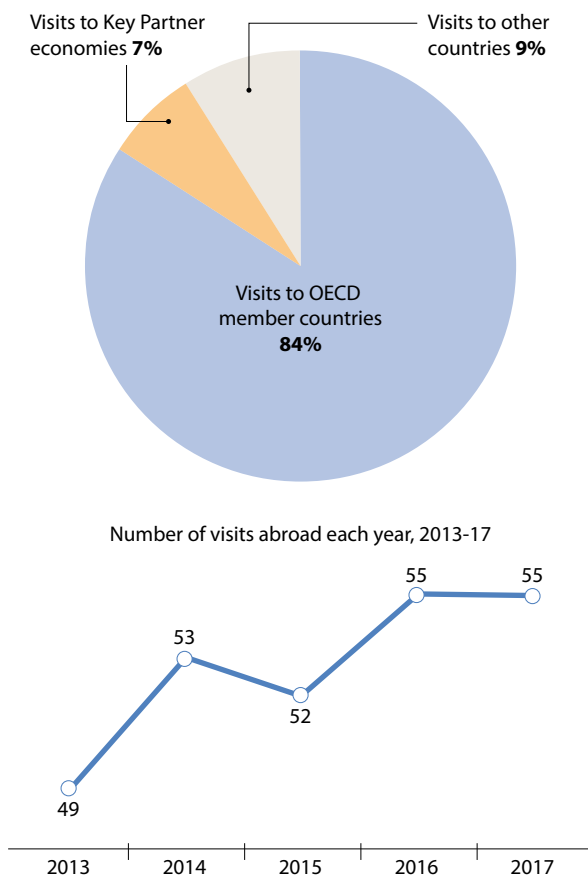
Forty-six of the visits abroad (84%) by the Secretary-General in 2017 were to OECD member countries. The rest comprised four visits to Key Partners and five to other non-member countries. Since 2007, the Secretary-General has completed a total of nearly 550 trips abroad.

During the year, the Secretary-General visited 21 of the 35 OECD member countries: Belgium (2 visits), Canada (1), Denmark (1), Estonia (1), France (Lyon

and Strasbourg), Germany (10), Hungary (1), Israel (1), Italy (5), Japan (1), Korea (1), Latvia (1), Mexico (2), Portugal (2), Slovenia (1), the Slovak Republic (1), Spain (1), Sweden (1), Switzerland (2), the United Kingdom (2) and the United States (6).

During each visit, the Secretary-General was received by the country's leaders, key members of the government and relevant stakeholders. The main purpose of these trips was to advance the OECD's advisory role in the respective countries, present OECD work relevant to each country's reform agenda, and increase the Organisation's profile. In 2017, the Secretary-General presented nine OECD *Better Policies Series* reports in his visits and meetings with leaders.

Figure 1: Secretary-General's visits abroad



The Secretary-General also represented the OECD and presented the Organisation's latest work at important international events. These included, among others, the annual meeting of the World Economic Forum in Davos, the International Monetary Fund/World Bank Spring and Fall Meetings in Washington, the G7 Summit in Taormina, the G20 Summit in Hamburg, the annual opening of the United Nations General Assembly in New York and the One Planet Summit in Paris. He also participated in other important meetings, fora and conferences taking place abroad, such as the Heads of International Organisations meetings hosted by Chancellor Merkel in Berlin and by Chinese Premier Li Keqiang in Beijing, the High-Level Policy Forum on the New OECD Jobs Strategy in Berlin, the Global Forum on Productivity in Budapest, the Aid for Trade Global Review in Geneva, the Parliamentary Assembly of the Council of Europe in Strasbourg, the OECD Champion Mayors for Inclusive Growth meeting in Seoul, the OECD-APEC Finance Ministers meeting in Nha Trang, Eurasia Week in Almaty, the Forum of the Americas in Toronto and many others.

During his visits, the Secretary-General met with key ministers and leaders, including: Australian Prime Minister Malcolm Turnbull; Belgian Prime Minister Charles Michel; Bermudian Premier Edward David Burt; Brazilian President Michel Temer; Bulgarian President Rumen Radev; Canadian Prime Minister Justin Trudeau; Cabo Verdean Prime Minister José Maria Neves; Chinese President Xi Jinping; Colombian President Juan Manuel Santos; Croatian Prime Minister Andrej Plenković; Danish Prime Minister Lars Løkke Rasmussen; Egyptian President Abdel Fattah el-Sisi; French Presidents François Hollande and Emmanuel Macron; German Federal Chancellor Angela Merkel; Guinean President Alpha Condé and Prime Minister Mamady Youla; Guatemalan President Jimmy Morales; Italian Prime Minister Paolo Gentiloni; Ivorian Prime Minister Daniel Kablan Duncan; Japanese Prime Minister Shinzō Abe; Latvian Prime Minister Māris Kučinskis; Luxembourgian Prime Minister Xavier Bettel; Malian Prime Minister Abdoulaye Idrissa Maiga; Mexican President Enrique Peña Nieto;

Dutch Prime Minister Mark Rutte; Nigerian Vice President Yemi Osinbajo; Peruvian President Pedro Pablo Kuczynski; Polish Prime Minister Beata Szydło; Portuguese Prime Minister António Costa; Romanian Prime Minister Sorin Grindeanu; Saint Lucian Prime Minister Allen Chastanet; Slovak Prime Minister Robert Fico; Spanish King Felipe VI; Sri Lankan Prime Minister Ranil Wickremesinghe; Swedish Prime Minister Stefan Löfven; Thai Prime Minister Prayut Chan-o-cha; British Prime Minister Theresa May; United States President Donald Trump; and Vietnamese Prime Minister Nguyễn Xuân Phúc.

The Secretary-General met regularly with members of parliament in the countries he visited and sometimes addressed congress. He also met with representatives of the private sector, trade unions and civil society. Most of his visits featured public events in which he had the opportunity to address broader audiences and share the OECD's main messages with them, including at universities and at seminars organised by businesses, unions and NGOs.

In 2017, the OECD strengthened its ties with the G20. In addition to the G20 Hamburg Summit, the Secretary-General was invited to participate in many high-level meetings organised by the German Presidency, including several thematic Ministerials, as well as the meetings of finance ministers and central bank governors.

At the Taormina G7 Leaders' Summit in May and the Bari G7 Finance Ministers and Central Bank Governors' meeting, the Secretary-General contributed to the discussions and introduced a number of new topics in the agenda, including inclusive growth and the policy implications of the next production revolution.

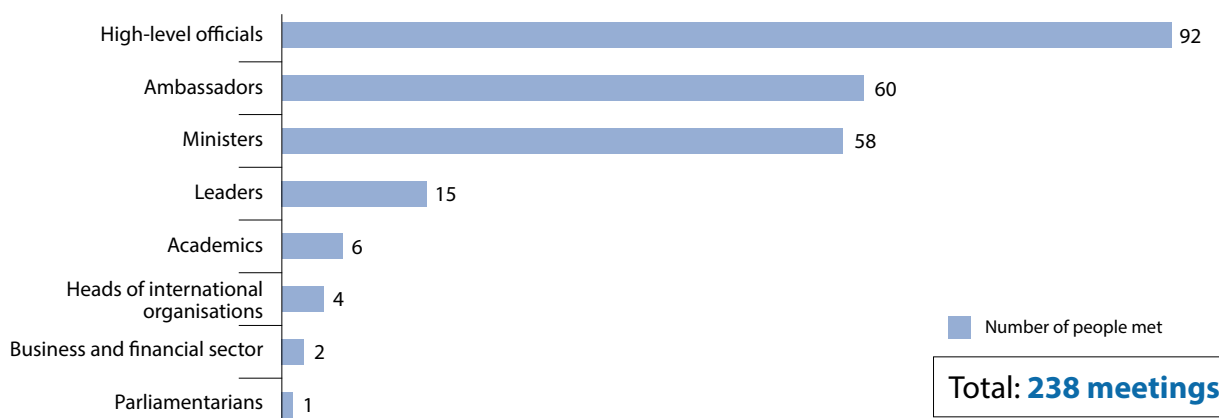
During 2017, the Secretary-General made four trips to Key Partner countries: India, South Africa and the People's Republic of China (twice). The Deputy Secretaries-General also visited the Key Partner countries on a number of occasions. During his visits, the Secretary-General presented specific work carried out by the OECD on these economies, including economic surveys, *Policy Briefs* and *Better Policies Series* documents. He also visited Kazakhstan, Malta, Thailand and Viet Nam.

ACTIVITY IN PARIS

During 2017, the Secretary-General received 15 leaders in Paris. During OECD Week alone, he received four heads of state or government (Denmark, Norway, Peru and Romania). Hundreds of other high-level officials also visited the Organisation and the Secretary-General participated in the annual meeting of the OECD Global Strategy Group on 28-29 November.

Throughout the year, the Secretary-General delivered keynote remarks and participated in other important

Figure 2: Secretary-General's bilateral meetings at OECD headquarters



events hosted at OECD headquarters. These included various conferences, global fora and high-level committee meetings, such as the OECD Policy Forum on the Future of Health, the G20 Trade Modelling Conference, the Integrity Forum, the Global Forum on Responsible Business Conduct, the International Corporate Governance Network Conference and the 100th meeting of the OECD Tourism Committee, to mention just a few.

A great part of the Secretary-General's activities during 2017 was devoted to the regular exercise of his management duties at the Organisation, as well as his chairing of the OECD Council and interaction with delegations. During the course of the year, the Secretary-General held 49 full-fledged bilateral meetings with OECD ambassadors as well as many more informal exchanges, chaired 24 sessions of the OECD Council, and attended 5 heads of delegation meetings, 8 meetings of the MCM Bureau, 11 regular meetings with Chairs of Standing Committees and 8 meetings of the Group of OECD Directors. He also held 39 preparatory meetings on substance with different units of the Organisation, had 62 regular meetings with OECD Directors and held 68 senior management meetings, as well as hundreds of management meetings on OECD internal issues.

COMMUNICATION AND VISIBILITY

During 2017, the Organisation's media presence and coverage remained consistently high. Outreach and communication activities by the Secretary-General took centre stage and played a critical role in consolidating OECD's impact and external visibility.

The Secretary-General gave 118 scheduled interviews in addition to several ad-hoc interviews and press points. He launched 64 Outlooks, flagship publications and reports in 18 countries: Belgium, France, Germany, Hungary, India, Italy, Japan, Malta, Mexico, Portugal, Slovak Republic, South Africa, Spain, Sweden, Switzerland, Thailand, the United Kingdom and the United States.

During the year, the Secretary-General delivered 288 speeches; 3 797 original quotes were published in the media in more than 875 original articles, many of which were subsequently reproduced in other outlets. Social media use and presence was also high, allowing the Organisation to reach broader audiences and join global conversations on key issues. The Secretary-General's Twitter account and a new series of contributions on LinkedIn provided innovative opportunities for promoting the work of the Organisation. ■

Figure 3: Number of speeches, 2013-17

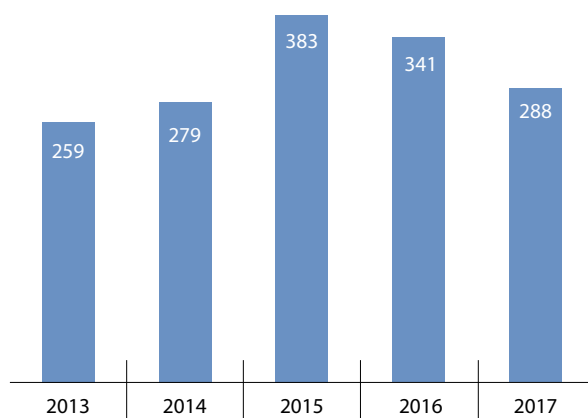
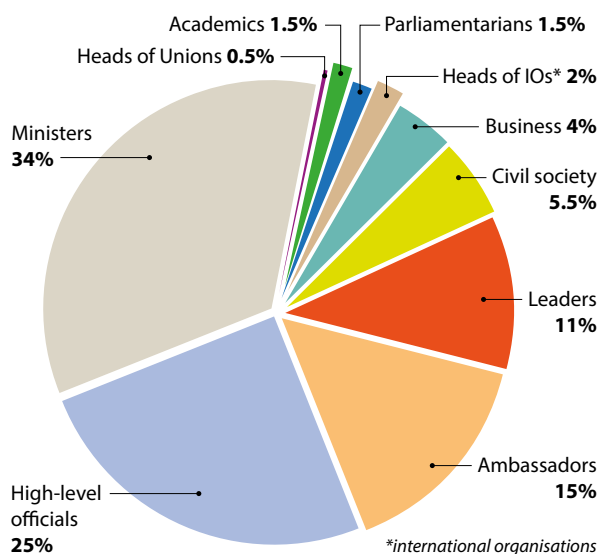


Figure 4: Breakdown of meetings (467) at OECD HQ



About the OECD



The OECD at a Glance

www.oecd.org/about

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 in areas such as governance, 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 addressing 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 35 member countries and is in accession talks with Colombia, Costa Rica and Lithuania.¹ 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 standards. Additionally, the OECD hosts the Secretariat of several international programmes. ■

1. On 3 May 2018, the OECD Council invited Lithuania to become a member. On 25 May 2018, the OECD Council invited Colombia to become a Member. Since March 2014, activities related to the accession process of the Russian Federation to the OECD have been postponed.



➤ New OECD site, Boulogne-Billancourt.

OECD member countries: Ambassadors^a and year of accession

www.oecd.org/membercountries

Australia	His Excellency Mr Brian Pontifex	1971
Austria	Her Excellency Ms Marlies Stubits-Weidinger	1961
Belgium	His Excellency Mr Jean-Joël Schittecatte	1961
Canada	Her Excellency Ms Michelle d'Auray	1961
Chile	Her Excellency Ms Claudia Serrano	2010
Czech Republic	His Excellency Mr Petr Gandalovič	1995
Denmark	His Excellency Mr Klavs A. Holm	1961
Estonia	His Excellency Mr Alar Streimann	2010
Finland	His Excellency Mr Pekka Puustinen	1969
France	Her Excellency Ms Catherine Colonna	1961
Germany	His Excellency Mr Martin Hanz	1961
Greece	His Excellency Mr George Krimpas	1961
Hungary	His Excellency Mr Zoltán Cséfalvay	1996
Iceland	His Excellency Mr Kristjan Andri Stéfansson	1961
Ireland	His Excellency Mr Dermot Nolan	1961
Israel	His Excellency Mr Carmel Shama-Hacohen	2010
Italy	His Excellency Mr Alessandro Busacca	1962
Japan	His Excellency Mr Hiroshi Oe	1964
Korea	His Excellency Mr Jong-Won Yoon	1996
Latvia	Her Excellency Ms Ivita Burmistre	2016
Luxembourg	Her Excellency Ms Martine Schommer	1961
Mexico	Her Excellency Ms Monica Aspe	1994
Netherlands	His Excellency Mr Noé Van Hulst	1961
New Zealand	Her Excellency Ms Jane Coombs	1973
Norway	Her Excellency Ms Elin Østebø Johansen	1961
Poland	His Excellency Mr Aleksander Surdej	1996
Portugal	His Excellency Mr Bernardo Lucena	1961
Slovak Republic	Her Excellency Ms Ingrid Brocková	2000
Slovenia	Her Excellency Ms Irena Sodin	2010
Spain	His Excellency Mr José Ignacio Wert	1961
Sweden	Her Excellency Ms Annika Markovic	1961
Switzerland	His Excellency Mr Ulrich Lehner	1961
Turkey	His Excellency Mr Erdem Başçı	1961
United Kingdom	His Excellency Mr Christopher Sharrock	1961
United States	Mr Andrew Haviland (<i>Chargé d'Affaires a.i.</i>)	1961
European Union	His Excellency Mr Rupert Schlegelmilch	1961

Candidates for accession

www.oecd.org/about/enlargement.htm

Colombia^b

Costa Rica

Lithuania^c

Russian Federation^d

Key Partners

www.oecd.org/about/membersandpartners

Brazil

China, People's Republic of

India

Indonesia

South Africa

a. As of 22 January 2018.

b. On 25 May 2018, the OECD Council invited Colombia to become a Member. The date of membership will be the date of the deposit of Colombia's instrument of accession to the OECD Convention.

c. On 3 May 2018, the OECD Council invited Lithuania to become a member. The date of membership will be the date of the deposit of Lithuania's instrument of accession to the OECD Convention.

d. Since March 2014, the activities related to the accession process of the Russian Federation to the OECD have been postponed.

Secretary-General's Cabinet



ANGEL GURRÍA – Secretary-General

Since 2006, Mr Gurría has led the transformation of the OECD into the “go-to” institution for policy reforms. He has made the OECD count as a global “house of best practices”, providing targeted support to member and partner countries in addressing current challenges and in designing, delivering and implementing better policies for better lives. Under his watch the OECD has become a trusted partner for the G20 and G7, the Asia-Pacific Economic Cooperation, the Pacific Alliance and many other international fora. He has led the Organisation in the delivery of important structural reform agendas and has overseen major results in the areas of inclusive growth, gender, governance, tax, anti-corruption, green growth, water, migration, education, health, innovation and trade, to name but a few. He has driven the effort to put people and their well-being at the centre of policy and growth. He has scaled up the OECD contribution to the global agenda and to key multilateral agreements, including the important inputs made by the Organisation to the Paris Agreement on climate change and the Sustainable Development Goals. He has increased the Organisation's outreach and relevance, strengthening its links with key emerging economies and steering the accession process for new members, including the five countries that have joined under his leadership: Chile, Estonia, Israel, Latvia and Slovenia.



GABRIELA RAMOS – Chief of Staff and G20 Sherpa

Gabriela Ramos supports the Secretary-General's strategic agenda, ensuring horizontal collaboration across the Organisation. This includes overseeing the Office of the Secretary-General, the speechwriting team and the Strategic Foresight unit. As Sherpa, she is responsible for OECD contributions to the G20 and G7. She leads the Inclusive Growth and New Approaches to Economic Challenges initiatives, and oversees OECD work on education, employment and social affairs (including gender). She developed the OECD's Mexico Forum, and edited and launched the flagship publication *Getting it Right* as well as the *Better Policies* series, which she oversees. She was previously Head of the OECD Office for Mexico and Latin America.

In recognition of her efforts on inclusive growth and gender equality, Ms Ramos was awarded the Forbes Prize for Entrepreneurial Excellence in June 2017. She was decorated with *l'ordre national du Mérite* by the President of France in 2013.



MARI KIVINIEMI – Deputy Secretary-General

Mari Kiviniemi joined the OECD in August 2014. She is responsible for the strategic oversight of OECD work on efficient and effective governance, territorial development, trade and agriculture, and statistics. She is also responsible for advancing the Better Life initiative, as well as for work on entrepreneurship, small and medium enterprises, local development and tourism. Mari Kiviniemi was Finland's Prime Minister from 2010-11 and a member of parliament from 1995-2014. She was previously Finland's Minister of Public Administration and Local Government, Minister for Foreign Trade and Development, and Minister for European Affairs.



MASAMICHI KONO – Deputy Secretary-General

Masamichi Kono was appointed Deputy in August 2017. His portfolio includes the strategic direction of OECD work on environment, development, green growth, taxation, science and technology, innovation, financial and enterprise affairs, and anti-corruption. He also represents the OECD at meetings of the Financial Stability Board. Prior to joining the OECD, Mr Kono was the Vice Minister for International Affairs of the Japanese Financial Services Agency (JFSA) and President of the Asian Financial Partnership Center of the JFSA. He was also Secretary to the WTO Financial Services Committee between 1994 and 1999.

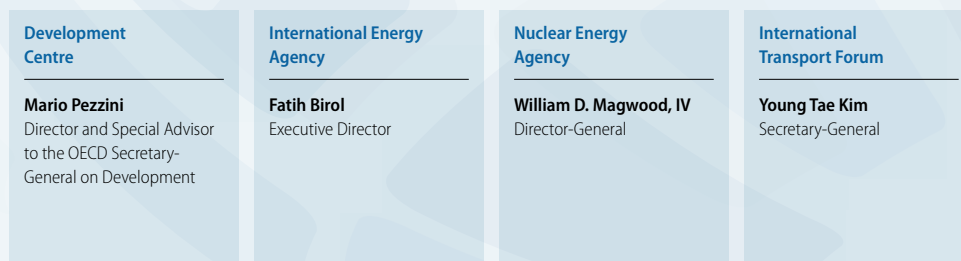
Organisation Chart as of June 2018

www.oecd.org/about/list-of-departments-and-special-bodies.htm

General Secretariat



Special Bodies



Directorates

Development Co-operation Directorate <hr/> Jorge Moreira da Silva Director	Economics Department <hr/> Álvaro S. Pereira Acting Chief Economist and Director of Country Studies Branch Luiz de Mello Director of Policy Studies Branch	Directorate for Education and Skills <hr/> Andreas Schleicher Director and Special Advisor on Education Policy to the Secretary-General	Directorate for Employment, Labour and Social Affairs <hr/> Stefano Scarpetta Director	Centre for Entrepreneurship, SMEs, Regions and Cities <hr/> Lamia Kamal-Chaoui Director
Environment Directorate <hr/> Anthony Cox Acting Director	Executive Directorate <hr/> Josée Touchette Director	Directorate for Financial and Enterprise Affairs <hr/> Greg Medcraft Director	Directorate for Public Governance <hr/> Marcos Bonturi Director	Directorate for Science, Technology and Innovation <hr/> Andrew Wyckoff Director
Statistics and Data Directorate <hr/> Martine Durand Chief Statistician and Director	Centre for Tax Policy and Administration <hr/> Pascal Saint-Amans Director	Trade and Agriculture Directorate <hr/> Ken Ash Director		

Special Entities

Financial Action Task Force <hr/> David Lewis Executive Secretary	Multilateral Organisation Performance Assessment Network <hr/> Suzanne Steensen Head of MOPAN Secretariat	Partnership in Statistics for Development in the 21st Century <hr/> Johannes Jütting Secretariat Manager and Head of Division	Sahel and West Africa Club Secretariat <hr/> Laurent Bossard Director
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MEMBERS' ASSESSED CONTRIBUTIONS, 2018

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



OECD Forum 2017, "Talk Together" session on Ageing Readiness and Competitiveness, Paris, 7 June 2017.

Ministerial Council Meeting



2018 Strategic Orientations of the Secretary-General

Connectedness, Impact, Engagement: An OECD that Delivers Effective Multilateralism

Signs of frustration with multilateralism should not eclipse the many benefits that governments and people have derived from the system of international co-operation established at the end of World War II. Multilateral co-operation provides venues to resolve differences peacefully; platforms to agree on common rules of the game; mechanisms to better manage international flows of people, capital, goods and services; and channels for exchanging ideas, data, experiences and practices so that countries can learn from each other. Global co-operation and integration have been critical to the impressive expansion of well-being and opportunities that we have witnessed over the past 70 years.

However, today, multilateralism is at a crossroads. Its ability to deliver effective collective action that provides solutions to global challenges is increasingly being put to the test, and it has to meet higher demands for better globalisation outcomes for people. This creates an environment where some governments would prefer to advance their policy goals through national or ad hoc responses, rather than through multilateral ones. The fact that many people and communities feel left behind by globalisation, and excluded from the benefits generated by greater interconnectedness and collaboration across borders, is contributing to this dynamic, as we discussed at last year's Ministerial Council Meeting (MCM). Populist and protectionist trends are a source of concern, as is the proliferation of fake news: these call into question the role of organisations like our own, which stand for openness and international co-operation and which base their policy recommendations on solid analysis rooted in facts, evidence and rigorous indicators.

Despite its achievements, it is evident that the multilateral system needs to adapt to new demands and a rapidly changing context characterised by

new geometries in geopolitics and the international economy, including the growing importance of emerging economies, the increased interconnections across countries and among people, and the anxiety caused by the pace at which digitalisation, demographic trends and new technologies are transforming our economies, our societies and our lives. Multilateralism should also help provide answers to those left behind by the globalisation process. Indeed, in many areas our policy responses are trailing behind: the financial and economic crisis that started in 2008, the growth of inequalities of income and opportunities, cross-border competition distortions, the perception of fiscal unfairness, the risk of climate change and natural resource depletion and the dark side of growing interconnectedness (illicit flows, cybersecurity threats, terrorism financing, etc.) have created a sense that we have failed to keep pace with the globalisation of economic activity. This has led to a questioning of multilateralism itself. And failure to react to this increasing uneasiness runs the risk of a reversal in international co-operation, with serious consequences for peace, progress and well-being around the world.



📍 2017 Meeting of the OECD Council at Ministerial Level, OECD, Paris, 7 June 2017.

The ability to move forward and adapt multilateralism to the times we live in depends on the readiness of sovereign countries to do so. Multilateralism is not an end in itself, nor is it the only tool that countries have at their disposal. But in many areas it remains the most concrete and effective way that countries have to design, develop and deliver the right policies for improving people's lives. The growing cross-border flows of people, goods, services, assets, data and knowledge have considerably expanded the range of global policy challenges that cannot be handled by any one country alone. This interconnectedness also means that different countries are increasingly confronting related domestic policy challenges at the same time. While national circumstances are different, countries can benefit from sharing best practices and learning from each other's experiences in addressing similar issues. This can lead to greater international co-operation and, eventually, to more effective forms of collective action. As such, the key question for an institution like the OECD is how to continue distilling best practices and providing evidence on the benefits and outcomes of working together in order to ensure

that countries display the necessary level of ambition and harness their power to jointly address the challenges faced by our people and our planet. This is the best response that we can give today to all those who are disillusioned with the current multilateral system and tempted to disengage from it.

The OECD was born out of the need of like-minded governments to find common responses to shared challenges. Through its working methods, statistics, research, policy recommendations, instruments, standards and sharing of best practices, our Organisation has been an active contributor to the multilateral system for over half a century, providing leadership and support in numerous areas, including economic growth, productivity, migration, employment, development, taxation, education, health, climate change, trade and investment, to name just a few. The OECD, as a leading standard setter and “do-tank”, can actively support our members and partners in their efforts to tackle the challenges of our time by helping to make multilateralism more agile and effective. We offer a unique combination of reliability

and flexibility that can be particularly suited to the current transitional phase of multilateralism. As the Organisation approaches its 60th anniversary in 2021, and our members seek to reshape multilateralism in a way that better addresses their demands, the Secretary-General's Strategic Orientations for 2018 focus on three principles targeted at maximising the value added that we could provide:

- **Connectedness:** How can the OECD be most useful in helping countries understand the effects of interconnectedness among people, economies and systems, and reap the benefits through multilateral co-operation?
- **Impact:** What are the specific policy areas on which the OECD should focus given both its greater value added and skills set?
- **Engagement:** What are the transformations that the OECD needs to undertake to deliver at its best?

By linking all these pieces together, the OECD can produce the best analysis to explain current megatrends, and can support its members in determining how to respond to them.

I. CONNECTEDNESS: How can the OECD be most useful in helping countries understand the effects of greater interconnectedness among people, economies and systems, and reap the benefits through multilateral co-operation?

In the 2011 OECD Vision Statement, coinciding with the 50th anniversary of the Organisation, members underscored their resolve to make the OECD a more effective and inclusive global policy network so as to ensure its continued influence on improving the well-being of people in a rapidly changing world. Seven years later, in a context characterised by a rising backlash against globalisation and a rapid erosion of trust in the multilateral system and the institutions underpinning it, the OECD has an important role to play as our countries rethink the contours of a new multilateralism that responds to today's needs.

Greater interconnectedness among the world's economies and societies does not in itself offer a way forward. But rather than disconnecting or withdrawing behind national borders, countries need to agree on the need to fix and improve a system that has served us well but now needs to



📍 Dalia Grybauskaitė, President of Lithuania and Angel Gurría, OECD Secretary-General, at OECD, Paris, 9 April 2018.



📍 Paolo Gentiloni, Prime Minister of Italy, and Angel Gurría, OECD Secretary-General, at the G7 Summit, Sicily, 27 May 2017.



◉ Bakytzhan Sagintayev, Prime Minister of Kazakhstan, and Angel Gurría, OECD Secretary-General, at Eurasia Week 2017 in Almaty, 24 October 2017.

deliver better. For the OECD, six proposed pathways would be instrumental in our efforts to support countries at a moment when multilateralism is being questioned and when we need to join forces to show that it remains the best tool to address the many challenges that we face. These proposals are based on the reflections of the Secretary-General. To move them forward, he will consult with members on their values and possibilities.

Six proposals

1. Increased coherence in the approach to the international policy agenda
 2. Cross-committee connectedness
 3. Incubation of standards and effective implementation
 4. Increased co-ordination among international organisations
 5. OECD regional networks
 6. High-level Advisory Group to the Secretary-General on effective and agile multilateralism
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Increased coherence in the approach to the international policy agenda

Helping to inform and advance the agenda on international co-operation remains a top priority for the OECD. This implies sometimes being the “best supporting actor”, especially with regard to processes led by the United Nations (UN), such as the 2030 Agenda for Sustainable Development and the Paris Agreement. We can assist countries in implementing the Sustainable Development Goals (SDGs), helping to measure their distance from their targets, assisting with national strategies, and leveraging financing for development. The OECD has one of the most comprehensive databases on all policy-making areas, which has proven useful as members advance their implementation of the SDGs. Likewise, based on our economic and financial perspective, we will continue to contribute to the fight against climate change and to promote the alignment of policies for the transition to a low-carbon economy, collaborating closely with UN Climate Change (UNFCCC) and working with the International Energy Agency (IEA), the Nuclear Energy Agency (NEA) and the International Transport Forum (ITF) in their respective areas of expertise. We will support



Angel Gurría, OECD Secretary-General (second row, seventh from left) with G20 Finance Ministers, Central Bank Governors and Heads of International Organisations at the IMF's 2017 Annual Meeting under Germany's G20 presidency, Washington D.C., 13 October 2017.

governments in achieving their nationally determined contributions set forth in the context of the Paris Agreement. We will help enhance policy coherence on adaptation and mitigation, and we will contribute to the mobilisation of resources for green finance. Our contribution to global agendas extends to other areas, such as international migration (where we have more than 40 years of experience tracking migration flows and policies) and disaster risk reduction. In yet other domains, such as education and the international fight against tax avoidance and evasion, we should continue to lead by applying our expertise and comparative advantage. We will remain active in supporting the G20 and G7 presidencies, as well as in other international fora, and in informing the policy agenda to which we contribute regularly. Our

involvement in all these agendas, and the strategic partnerships we are developing with several leading institutions on systems thinking, anticipation and resilience, put the OECD in a unique position to support greater innovation, effectiveness, coherence and consistency of policy efforts to address the critical global issues facing humanity.

What's next? One of the main strengths of the OECD is its multidisciplinary. We propose to continue leveraging this capacity to help monitor and establish interlinkages among different sectoral international agendas so they can be better coordinated and rationalised, spillover effects can be more closely accounted for, and synergies across areas can be more effectively leveraged

and maximised. We can contribute to avoiding a siloed approach. The OECD's active engagement in championing such agendas in relevant processes, initiatives and fora provides a unique opportunity to foster a more coherent approach to global challenges by the international community. Further leveraging of the Inclusive Growth and New Approaches to Economic Challenges (NAEC) initiatives, our strategic foresight capacity and our environment work across the OECD, will be instrumental in helping to inform a more coherent and interconnected agenda to address global challenges and anticipate emerging risks.

Cross-committee connectedness: The OECD's ultimate ability to help countries reshape the multilateral system will rely on continuing to provide well-founded and reliable expertise upon which members and partners can advance better policies for better lives. A top priority of our Organisation should be to continue providing the best statistics, along with evidence-based analysis and recommendations,

anchored in the state-of-the-art research carried out by the Secretariat and in the reality check and quality control provided by our committees. This is a unique combination that links to governments' priorities and enhances impact. The OECD's benchmarking and peer review mechanisms allow the distillation of best practices that can help guide multilateral agendas. To do so, we need to build more and better bridges across policy communities in order to better understand complexities and spillover effects. This implies more effectively connecting the work of our committees in the same vein that we have done across directorates by enhancing horizontality and connecting the dots across policy areas.

What's next? We propose to look at ways to foster regular interaction and exchange among OECD committees and expert groups, focusing on creating venues, tools and institutional mechanisms to do so. A concrete step would be to scale up the annual effort to bring together the chairs of committees in

Meeting of the OECD Council at Ministerial Level, OECD, Paris, 7 June 2017.





OECD Secretary-General Angel Gurría welcomes participants to the 5th Global Forum on Responsible Business Conduct, OECD, Paris, 18 June 2017.

the context of the MCM. A reinforced community of committee chairs and delegates can help the OECD identify the areas where it can be most effective and useful to the international community, exploiting synergies and anticipating trends. We will work with committees to organise more joint meetings so as to advance cross-sectoral approaches, especially around the topics at the core of the global policy agenda (development, climate, digitalisation, migration, etc.).

Incubation of standards and effective

implementation: Good research and analysis, together with best practices, need ultimately to translate into better policies in order to benefit people's lives. We need for globalisation to be based on clearly defined and accepted rules that apply equally to everyone. We need a race to the top in terms of appropriate and robust international norms and standards that level the playing field. The OECD is a reference in numerous areas ranging from corporate governance, anti-corruption and integrity, to responsible business conduct and competition, to taxation and environmental practices. This expertise has helped countries advance international rules of the game in these different areas. While we complete the on-going review of our standards to ensure that

they are fit for purpose and maintain their relevance and impact, growing citizen discontent illustrates the pressing need to ensure broader coverage and effective implementation among member countries and partner economies alike, as well as to accelerate standard setting in critical areas underpinned by rapid technological change.

What's next? We propose to sharpen the reach and effective implementation of existing standards and exploring areas where the OECD could play a useful role in helping develop further multilateral collaboration, especially in those areas affected by new technologies. We need to redouble our efforts to get major non-OECD economies to join key OECD instruments. We will phase out standards that may no longer be needed. Most importantly, we need to explore synergies across international instruments and standards in order to contribute to a more coherent and effective multilateral legal framework that can help level the global playing field and ease tensions on trade and foreign investment.

Increased co-ordination among international

organisations: International organisations (IOs) are key actors in the current multilateral system, leveraging collective knowledge through their expertise. It is only natural that, respectful of each other's mandates and work, IOs mutually reinforce and improve their co-ordination in order to make multilateralism work and deliver better results. For the OECD, with its multidisciplinary expertise in many dimensions of public policy making, ensuring complementarity and synergy with the work of other IOs is crucial. In particular with the UN system and the Bretton Woods institutions, we promote co-ordination on a regular basis, often in the context of mandates for collaboration on specific areas emanating from international fora such as the G20 and G7. Several flagship reports and policy dialogue initiatives are jointly undertaken with other IOs and this co-operation enhances the relevance and impact of our work and helps leverage the different angles with which we approach single issues. The OECD

has also facilitated the creation of an IO partnership on international regulatory co-operation. However, co-ordination among IOs can be further improved. Effective multilateralism demands closer co-ordination among us so that we can better serve our member countries and support their global agendas.

What's next? We propose to work with other IOs with a view to establishing an annual stock-taking by the heads of the most relevant organisations and to discuss how our institutions can better co-ordinate, exploit synergies, avoid unnecessary duplications and improve the alignment and synchronisation of our respective corporate strategies to the benefit of our members, their priorities and the international community as a whole. Fully respectful of each Organisation's core activities and respective programmes of work, this stock-taking could improve co-ordination in a more regular, structured manner.

OECD regional networks: OECD membership is one of the most powerful mechanisms through which the Organisation helps to enhance the effectiveness of multilateralism, as countries that undergo an accession process upgrade their policies

to OECD standards and commit to an agreed set of international rules. The Organisation's global relations strategy acknowledges that the OECD does not aspire to universal membership. Key Partner, country and regional programmes offer valuable channels to bring non-members closer to OECD instruments, policies and practices, resulting in more widespread acceptance of our standards. The large membership of non-OECD economies in the Development Centre and the participation of non-members in different committees and working groups have also contributed to deepened engagement and enhancement of the global relevance of the Organisation. However, the current discussions on accession illustrate the special attractiveness of OECD membership. There is a risk of eventual disengagement and distancing by countries that cannot be given this option by existing members in the foreseeable future.

What's next? We propose to strengthen the OECD's global relations strategy with a view to gradually consolidating stronger OECD networks in regions prone to moving closer to OECD practices and standards. This could be a valid response to the Organisation's aspiration to make its standards and

⇒ Angel Gurría, OECD Secretary-General and Tharman Shanmugaratnam, Deputy Prime Minister of Singapore at OECD, Paris, 10 July 2017.



policies count on a global scale without becoming a universal Organisation. Building on the work and programmes already in place, these networks would be well-established, more ambitious mechanisms for regular dialogue, collaboration and exchange of experiences and would identify further areas of interest for committees and directorates to increase collaboration with partners. Southeast Asia, Eurasia, South East Europe, MENA, Africa and Latin America are the basis for this reinforced co-operation. Key Partners, the beneficiaries of country programmes, OECD Development Centre members and specific countries with a strong willingness to join the Organisation, but whose aspiration for eventual OECD membership cannot presently be satisfied, could be leaders in this endeavour.

High-Level Advisory Group to the Secretary-General on effective and agile multilateralism: The OECD can contribute to the reflection on how to improve the functioning of the existing multilateral system.

Its particular value added and its experience in developing solutions that have been effective in addressing global challenges can shed valuable light, as members consider how multilateralism needs to adapt to a new context and become more effective and agile. Our expertise on governance issues can also be particularly useful. We need to analyse the processes that have been successful in addressing global challenges and learn from them. The OECD can help facilitate reflection and dialogue on the characteristics of the new multilateral system that our countries need based on past experiences, successes and failures.

What's next? The Secretary-General will convene a High-Level Advisory Group to help us reflect on the future of multilateralism. The group will take stock of current discussions on multilateralism, both at the OECD and in other international fora. It could provide a non-binding report to the MCM 2019 on how to make multilateralism more effective and agile, for consideration by member countries.



➤ Angel Gurría, OECD Secretary-General, with Prayut Chan-o-cha, Prime Minister of Thailand, staff and aides, at the Thai Government House in Bangkok, 24 August 2017.

➤ Opening of the OECD Health Ministerial, Paris, 17 January 2017.

II. IMPACT: What are the specific policy areas on which the OECD should focus, given both its greater value added and skills set?

We propose five priorities that should help guide our activities in different policy domains in order to ensure the continued relevance of our Organisation. These substantive priorities are the result of two interplays. On the one hand, there is the interplay between the spheres of domestic and international policies, increasingly interlinked and mutually affecting each other. On the other hand, we see the interaction between the three “Ps”: people (the individual), prosperity (the socioeconomic system) and planet (the larger ecosystem). These five substantive priorities are duly aligned with my most recent Strategic Orientations and the “21 for 21” agenda. They also reflect the priorities expressed by members in recent exchanges related to the preparation of the 2019-20 Programme of Work and Budget, including the Ambassador’s Informal Convergence Paper.

Five substantive priorities

1. Measuring and promoting well-being, sustainability and inclusiveness
2. Renewing the social contract
3. Harnessing productivity and competitiveness
4. Preparing for digital transformation
5. Levelling the playing field

Measuring and promoting well-being, sustainability and inclusiveness: The OECD’s mission is to promote better policies for better lives and in order to do so, we need to further consolidate our transformation from an Organisation focused mostly on measuring and encouraging traditional economic growth to one that also concentrates on improving people’s well-being and the quality, equity and environmental effects of growth. The OECD’s participation in this paradigm shift is indispensable. It implies building





📍 In Brasília, OECD Secretary-General, Angel Gurría, meets with Michel Temer, President of Brazil, 28 February 2018.

on the report “Towards a New Narrative”, developed by NAEC, and on our Inclusive Growth, Better Life and Green Growth initiatives, as well as on the new Jobs Strategy, ultimately delivering a new growth narrative that can help guide policy-making. The Economic Development and Review Committee provides a unique platform for peer review among countries of their progress towards resilient, inclusive and sustainable growth.

We will continue to review and upgrade our models, research and policy analysis by incorporating a more comprehensive, multidisciplinary approach, including through the greater use of microdata, big data and new sources of information. We will build on our global leadership in measuring the access to and quality of public services, especially health and education, to focus more on the satisfaction of citizens with these services and outcomes, including through the PaRIS initiative. We will also pay greater

attention to housing and other issues related to well-being. The alignment of social policies with the concerns of citizens will determine the future work of the Organisation in this area. It is very important that we continue to go from research and analysis to supporting implementation, from words to action, from thinking to doing. This implies that in our communications we must focus more evenly on the qualitative aspects of growth and well-being, as well as on quantitative ones. Ultimate policy impact is what counts.

What's next? We need to weave the inclusive and sustainable growth agendas even more closely together. The continuing increase in inequalities of income and opportunities in many member countries makes this necessary. The completion of the OECD Framework for Inclusive Growth, with its multidimensional measurement of living standards, will contribute to advancing policy solutions.



📍 H.M. King Felipe VI of Spain and Angel Gurría, OECD Secretary-General in Madrid, 13 March 2017.

Likewise, we will continue to broaden the scope and accuracy of our measurement tools, going beyond gross domestic product (GDP). The Sixth OECD World Forum on Statistics, Knowledge and Policy, which will take place next November in Incheon, Korea, will help add political momentum to this endeavour. Our efforts to measure, analyse and understand the trans-boundary spillover effects of domestic policies in the 2030 Agenda, including through data on development, as well as the micro-data we have collected on the contribution of multinational enterprises (MNEs) and their behaviour within global value chains, also have great potential for improving our frameworks. Ten years after the start of the financial crisis, the NAEC project on intergovernmental resilience being developed with several members will help governments to manage, co-ordinate and better address threats that are international in scope, from financial contagion and ecological disasters to cyber threats and disease

epidemics. The establishment of a high-level advisory group on a new growth narrative in the context of NAEC will help us advance better solutions to build a more equitable and resilient circular economy, grounding it on solid theoretical bases. Our partnerships with the University of Oxford, the London School of Economics, the International Institute for Applied Systems Analysis and the Joint Research Centre of the European Commission will help in this regard.

Renewing the social contract: The OECD has an instrumental role to play as many of our countries explore the foundations of a renewed social contract that can improve citizens' trust in their governments, institutions, business sectors and international institutions. Increasingly complex global trends, such as financial, currency and sovereign debt crises; the refugee crisis; and global threats like terrorism and climate change make people question whether these

challenges can be overcome and whether prosperity and well-being can be preserved. Globalisation and digitalisation, as well as demographic changes, are challenging the traditional approaches to social policy. Income and wealth inequality, which have been rising in many countries, risk fraying the fabric of societies and cast doubts on people's beliefs in their own and their children's ability to move up the social ladder. Inclusion of historically disadvantaged groups, such as racial and ethnic minorities, migrants, people with disabilities, and LGBTs, needs continued attention. Decisive policy action, starting at early ages and lasting throughout the course

of life, is needed to prevent ageing unequally. And while some progress has been made to close gender gaps, large disparities between women and men still remain. We will not succeed as a society as long as half of our population does not enjoy the same chances in life. Policies will need to provide security without stifling entrepreneurial dynamism through high costs and burdensome bureaucracy. Drawing on its large body of work, the OECD can provide guidance and support policies that address these trends and correspond to the needs of all groups: older people, youth and children, the poor, the marginalised and the middle class.



📍 Donald Trump, President of the United States, Angel Gurría, OECD Secretary-General and Gabriela Ramos, OECD Chief of Staff and Sherpa (from left) at the G20 Summit in Hamburg, 6 July 2017.

With its expertise in good governance and best practices in terms of transparency, integrity and efficiency in the public sector, our Organisation can help governments meet citizens' expectations. The OECD can also contribute to prioritising work on the well-being of children, from early childhood education and care to the elimination of child labour in all forms, particularly the trafficking of children and the abolition of modern slavery. Renewing the social contract also implies an intergenerational pact of solidarity that preserves biodiversity and prevents the depletion of our planet's resources. Analysing the social and behavioural foundations of both short- and long-term co-operation (beyond political cycles) to develop a better understanding of the measures that can help rebuild trust within society will be key.

What's next? The OECD can contribute to reflection on a renewed social contract in which citizens feel they are an integral and active part of society. A narrative on how the state can act as an enabler to empower every citizen to fulfil his/her full potential, on the one hand, and on how it can contribute to a positive business environment, on the other, is becoming increasingly necessary. This is particularly true when providing opportunities for the bottom 40% in education, skills, jobs, housing and other areas that are critical for people's well-being. Taking into account that each country faces a different reality, we can deliver key support to governments in redefining societies to adapt them to the 21st Century, making the borders between domestic and global policies increasingly blurred and reframing the enabling role of the state needs to take into account emerging challenges. Certainly, societal preferences and history will determine the shape and role of the state, as members have very different views, but the reflection should be interesting and useful to them, without delivering "one size fits all" prescriptions. Drawing on its Inclusive Growth Initiative, the recommendations and implementation of the new Jobs Strategy and the Future of Work and Going Digital projects, the

work on *Enhancing Women's Economic Empowerment through Entrepreneurship and Business Leadership in OECD Countries*, as well as international initiatives where the OECD plays a key role, such as the Global Deal, the Equal Pay International Coalition and the Global Coalition to End Child Poverty, the OECD can leverage its cross-sectoral experience and contribute to designing a reinvigorated, more inclusive social contract. The recently held OECD Social Policy Ministerial in Montreal and the mandate provided there by ministers offer a great platform for the Organisation and our countries to rethink social protection systems, update them and adapt them to a changing context. Likewise, ongoing work on public sector innovation, openness, transparency and civic participation will be critical for this process, as will be the implementation of a comprehensive *OECD Strategic Approach to Combating Corruption and Promoting Integrity*.

Harnessing productivity and competitiveness:

Some countries have expressed concerns that our inclusiveness and sustainability agenda may come at the expense of the OECD's traditional focus on promoting economic growth. We want to reiterate, once more, that this is not the case. Our research has shown that both inequality and environmental degradation can be detrimental to sustainable growth. At the same time, sustainable, responsible growth and wealth creation are key drivers of better lives, generating more opportunities. Therefore, one of our strategic priorities will continue to be harnessing productivity improvements and increased competitiveness to support vigorous growth and the creation of jobs and wealth. The Global Forum on Productivity enables a rich dialogue on policies to boost productivity growth. We will continue focusing on the productivity-inclusiveness nexus, supporting our members in their efforts to foster both competition and competitiveness, as well as to harness existing resources to promote growth and well-being in the context of the digital economy, in particular by tapping the large pool of existing savings to invest in education and skills. We will

promote investment in sustainable and quality infrastructure as a way of improving productivity and supporting continued prosperity, while minimising adverse environmental and social impacts. Besides improving the targeting and tailoring of our assistance to countries on their structural reforms, we need to get closer to the reality of specific communities for which generic policy recipes may not work, identifying how they can connect better with the opportunities offered by the global economy and digital transformation. We will continue to strengthen the links between the competitive and inclusive growth agendas, as well as the green growth agenda, and will advance our research on how the financial system can best contribute to the rest

of the economy and on how future crises can be averted. We also need to work with other relevant actors to ensure that the intellectual property rights system strikes the right balance between incentivising innovation and ensuring benefits for the wider society.

What's next? The advancement of a consolidated agenda to provide more targeted support to countries in implementing structural reforms is a key element of our productivity and competitiveness agenda; it should help bridge policy recommendations and encourage effective reforms. The work derived from the recent SME Ministerial Conference will provide us with the basis



OECD Secretary-General Angel Gurría hands over the OECD Economic Survey of Greece to Greek Prime Minister Alexis Tsipras in Athens, 30 April 2018.

to advance a meaningful agenda in this important policy area, including reforms, framework conditions and targeted policies to enhance the productivity and competitiveness of small and medium enterprises (SMEs). We should continue enhancing our work with firm-level data. We should also refine our tools and analysis to help foster new businesses and to ensure that the most innovative firms find the resources needed to flourish, including through effective market regulations that enable competition, trade and the re allocation of resources. A greater closeness to countries' realities will also enhance the impact of our work at the local level, especially as we focus more on the local drivers of entrepreneurship and job creation. Addressing the geographies of discontent is also of utmost importance. As voiced by many members, there are specific economic activities, such as tourism, where the OECD should ensure that its potential as an engine for growth and local development is maximised. Through our new horizontal project on Strategic Policies for Sustainable Infrastructure, we should also sharpen the OECD's capacity to assist in mobilising long-term investment and more efficient allocation of capital to sustainable and quality infrastructure projects that improve people's well-being and reduce environmental degradation.

Preparing for digital transformation: The completion of our Going Digital project is paramount. But this is only the beginning of an Organisation-wide effort that should translate into better policies for a fundamentally different world from the one that we have known until now – and all in an unprecedentedly short time span. Understanding the benefits and challenges that digital transformation is bringing to our economies, societies and lives should help lay the foundation for a Herculean effort of anticipation and preparedness by governments. Extending our mandate to work in this area is a priority; this should both maintain the momentum through continued co-ordination and help us develop new horizontal products, such as a policy toolkit. Issues around the impact of automation in jobs,

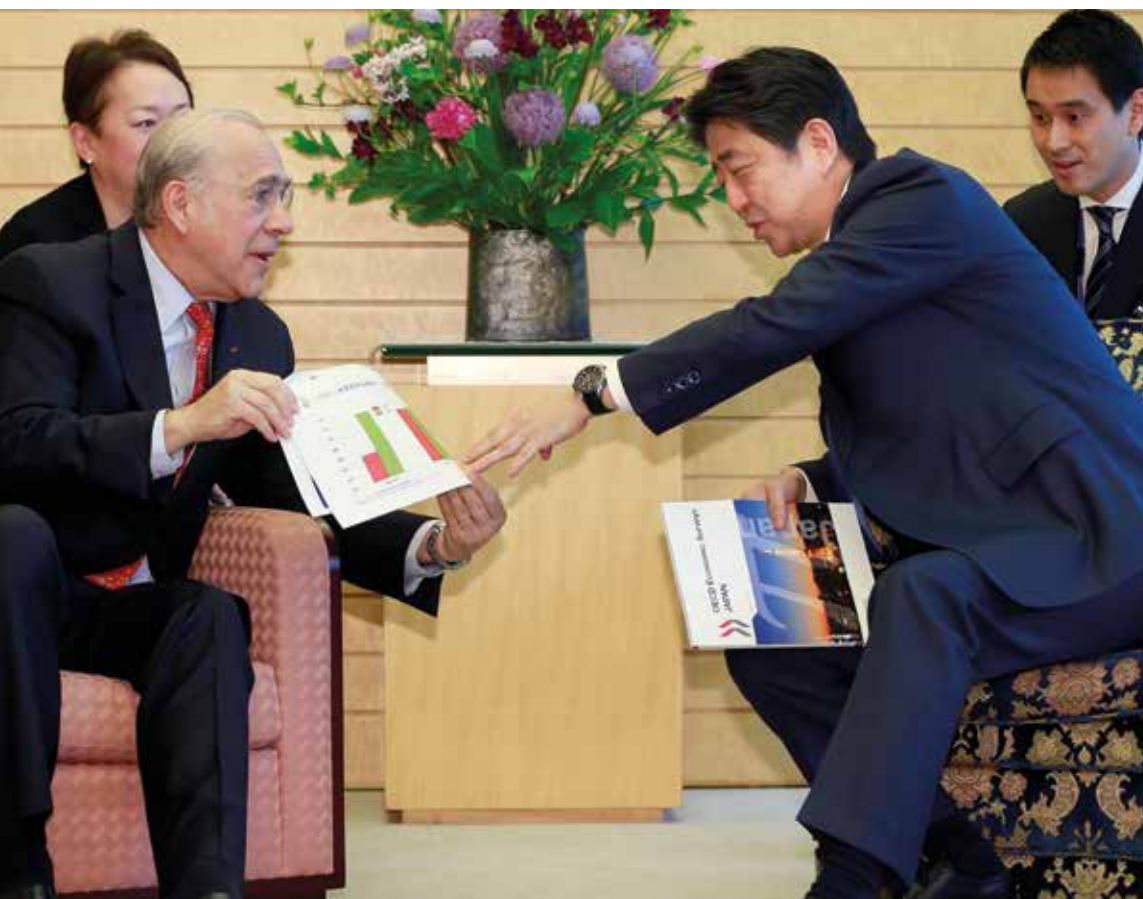
the tax challenges arising from the digitalisation of our economies, privacy and security in the digital age, the effect of digitalisation on competition, or the usage and regulation of artificial intelligence and blockchain technologies, underscore how rapid developments can quickly overtake the policy agenda. Artificial intelligence, gene editing and several other technologies underpinned by the digital revolution are next in line. The OECD, along with policy-makers and other international organisations, must help streamline decision-making processes and international co-ordination to drive digital transformation toward growth and well-being and help facilitate agreement on how to tackle specific issues affecting our present and future. Our Organisation cannot be on the sidelines of such debates and should continue to connect this transformation across different policy areas, providing policy makers with new tools to harness them. We must also ensure that the digital economy serves all people and firms. To do so, we need to sharpen our capacity to deal with new risks, including those related to digital divides and the security aspects of the Internet of things, while better understanding how to maximise the transformative power of the new economy. Our work needs to unleash the potential for innovation in our economies and societies, while at the same time addressing the potential “global bads” related to digitalisation, such as cyberattacks or new vehicles for crime and corruption.

What's next? Besides remaining ahead of the curve on our measurement, research and analysis of innovation and how digitalisation is transforming our world, the adequate co-ordination and cross-fertilisation of our Jobs and Digital Strategies will be essential for the OECD to deliver at its best. The next steps will entail the implementation of these Strategies at the country level, in a similar way to what we have done with the Skills Strategy. Along these lines, we should continue to be a leading reference on how to equip people and firms with the education and skills they need to adapt and

thrive in a rapidly changing world of work through lifelong learning and the acquisition of the global, social and emotional competences necessary to live fulfilling lives. The development of a global competence framework and the emphasis on early childhood education will remain essential. Beyond more and different skills, technological transformation will require us to reassess whether our labour market regulations and our social protection systems are still able to operate well or whether they need restructuring. The establishment of the NAEC Innovation Lab and an Observatory on Emerging Digital Technologies (including artificial intelligence and blockchain) will contribute to better understanding of the complexity and interaction of our economic, financial, social and environmental systems. A greater focus on privacy and data

protection will be key in order to build trust in digitalisation; similarly, we will continue focusing on how to foster digital infrastructure through financing and on the role of the public sector. The deepening of our strategic foresight capacity and its integration and mainstreaming into all our streams of work remains a priority to make the OECD more useful and relevant in the digital era.

Levelling the playing field: Fair and inclusive globalisation is one in which all actors abide by the same rules on a principled playing field. We need to understand the frustration of countries and firms when they feel that competition is unfair, as well as that of citizens when they perceive that the system sometimes may benefit specific groups. In the current context, the OECD's role in supporting



Angel Gurría, OECD Secretary-General and Shinzō Abe, Prime Minister of Japan holding the *OECD Economic Survey of Japan*, Tokyo, 13 April 2017.

efforts to level the playing field is more important than ever. Multilateral standards, as strong and universal as possible, are the best possible solution; the OECD remains a privileged setting that can help support and broker them, drawing on its expertise, its convening power and its existing instruments for building widespread consensus. Better understanding of how business conditions and targeted policies impact firms, in particular SMEs, can help governments ensure that all businesses operate on an equal footing in a globalised economy. But levelling the playing field relates not only to the fair competition between countries and companies; it also applies to the obligation that businesses, just as individual citizens, have towards society – as taxpayers, as responsible actors and as models of conduct. By consolidating and complementing its

existing work and instruments on anti-corruption, competition, state-owned enterprises (SOEs), corporate governance, due diligence in supply chains and responsible business conduct, as well as on the “dark side” of the economy (illicit trade, cybersecurity, economic and financial crimes and other illicit financial flows), the OECD can help redefine the role of business in the global economy and its responsibility towards society at large.

What's next? The next few years will be critical in ensuring that different approaches to cross-border trade and investment can be addressed through multilateral channels, in order to avoid a loss of wealth and opportunities for progress. Thus, our efforts should focus on strengthening existing mechanisms to resolve disputes and addressing





📍 Signatories to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, OECD Headquarters, Paris, 7 June 2017.

imbalances rooted in unfair competition, including harmful subsidies or state interference. Addressing the issue of excess steel capacity through the Global Forum on Steel Excess Capacity and extending this mechanism and the lessons learned to other sectors facing a similar challenge should remain a priority. The adoption and implementation of the OECD guidelines on SOEs by more countries, as well as our guidance and recommendations on how to ensure competitive neutrality between public and private businesses, are also paramount. We should strengthen the National Contact Points under the OECD MNE Guidelines. We should redouble our efforts to improve the level playing field for international trade and investment, and its fairness, highlighting the role of trade-distorting support across a number of sectors, and work with governments to find solutions in line with our work in the Global Forum. A freer, fairer and

more open rules-based international system, coupled with domestic policies that promote competition, innovation, opportunity and, overall, more inclusive growth, is critical to build public support for multilateralism. Advancing transparency on beneficial ownership across jurisdictions will complement the contribution that our Organisation is making through work on automatic exchange of financial account information and on base erosion and profit shifting (BEPS) to level the playing field among taxpayers, both individuals and businesses. The recently created OECD Global Forum on Digital Security and Prosperity, and future work on the Anti-Bribery Convention, illicit trade and illicit financial flows, will also be instrumental. The advancement of an SME agenda will also provide governments with a platform for coherent action on SMEs and a menu of policy tools to level the playing field for these firms.

III. ENGAGEMENT: What are the transformations that the OECD needs to undertake to deliver at its best?

The OECD can contribute to improving multilateralism both through its substantive work and by underpinning institutional arrangements and processes to make international co-operation more agile and effective. But ultimately, it will be the transformation of the Organisation itself, adapting to new needs, that will determine its ability to deliver for our countries. The key word here should be engagement, and four principles should guide this OECD transformation going forward:

Four principles

1. More engagement with members
2. More engagement with partners
3. More engagement with stakeholders
4. More engagement within the Organisation

More engagement with members: The OECD is at the service of its members and we need to ensure that our work is of the utmost relevance and usefulness to them. Working for members and with members, and listening to their needs and requirements, will continue to be our priority. More than 80% of the travel and missions undertaken by the Secretary-General are to member countries. We will focus on reinforcing regular exchange with delegations, and further capitalise on their role not only as representatives of their governments at the OECD, but also as spokespersons for the Organisation in their respective countries. Members have given guidance on the need for the Organisation to sharpen its effectiveness; we will continue our efforts to deliver value for money while safeguarding the financial ability to respond to increasing demands with the quality and credibility that characterises our work. It is vital to the future of the Organisation that we proceed with the ambitious external independent evaluation of the OECD upon which we have embarked, reviewing in detail the efficiency and



Third Meeting of the OECD Champion Mayors for Inclusive Growth, Seoul, 20 October 2017.

effectiveness of our governance, priority-setting mechanisms, oversight systems and working methods. We will work closely with members in this endeavour and implement recommendations that will further assist in improving the OECD.

More engagement with partners: The constant upgrading and refinement of the OECD's global relations remains a key driver in advancing our Organisation's relevance in an increasingly interconnected world. Besides my proposal to further leverage the OECD's transformative power by consolidating regional hubs, completing the accession processes of Colombia, Costa Rica and Lithuania, and providing a clear answer to the six countries that have requested OECD membership, remain our short-term

priorities. Recent developments also open up a new window of opportunity with the four remaining Key Partners – China, India, Indonesia and South Africa – involving increasingly ambitious programmes of work with a view to possible membership. In light of the successful implementation of the first wave of country programmes, new country programmes should also be considered when possible with a view to enhancing the reach and impact of our standards. It will also be important to leverage the capacity of the Development Centre to expand our substantive engagement with developing and emerging economies.

More engagement with stakeholders: Enhancing our outreach and dialogue with key stakeholders beyond national governments is one of the areas on which



Jim Yong Kim, President of the World Bank, with Angel Gurría, OECD Secretary-General, OECD, Paris, 26 April 2018.

we should concentrate further, based on our regional and local community work. We need to redouble our efforts to talk more to other branches and levels of government, to social actors (businesses, unions, NGOs, foundations, philanthropies and others) and, even more importantly, to citizens at large, especially those who feel left behind. In our communication with stakeholders and citizens, we need to prescribe less and listen more, using simpler and non-technical language and reflecting their personal stories in our work. We need to review the effectiveness of the existing institutional channels to bring different voices to the OECD and to further capitalise on technology, and on new platforms and formats, to engage in mutually enriching conversations. Building on the experience in some substantive

committees, we should explore the options for eventually establishing a civil society advisory committee to the OECD. Besides the “who”, we need to thoroughly review the “what” and the “how” of how we communicate, making a considerable effort to streamline and reduce our outputs, and improving our ability to weave narratives together as part of comprehensive and cohesive campaigns. We also need to consider the “where”, recognising that in improving our engagement and the resonance of our messages beyond traditional audiences, we may need to venture beyond capitals, responding to the geography of discontent. Equally, while the OECD has undergone an enormous transformation in the past decade, the perception of the Organisation among the larger public is still anchored in old



OECD Mexico Forum 2018 / Foro OCDE México 2018: *Un futuro con crecimiento e Inclusión*, 12 March 2018. From left: Marcos Bonturi, OECD Director of Public Governance; Gabriela Ramos, OECD Chief of Staff and G20 Sherpa; José Narro, Minister of Health of Mexico; Angel Gurría, OECD Secretary-General; José Antonio González Anaya, Minister of Finance of Mexico; Mónica Aspe, Ambassador of Mexico to the OECD; Roberto Martínez, Head of the OECD Mexico Centre.

preconceptions. Thus, engaging in an active effort to update the image of the OECD to better reflect the current reality of the Organisation – focused on people's well-being and open to new narratives on progress – should be one of our priorities. We will continue upgrading our communication tools and platforms, especially digital ones, while giving priority to the measurement of real impact.

More engagement within the Organisation: The call for further engagement also applies within the OECD Secretariat, where enhancing horizontality, reinforcing common objectives and dismantling policy silos will help us make the most of our multidisciplinary expertise and improve our ability to tackle interconnected issues and ultimately to deliver policy impact. Only by doing so can we support governments in breaking down their own

internal policy silos and better accounting for the growing complexity and interconnectedness of their economies and societies. Fostering incentives for horizontal activities, favouring joint postings between directorates and harnessing technology for cross-directorate project management and data sharing will be very important. We will also continue leveraging the flexibility that thematic centres can bring, spurring new areas of work that tap into our multidimensional expertise. Completing our internal digital strategy and several initiatives to further improve the security, quality and sustainability of our tangible and intangible assets will be paramount. We will also ensure that the OECD remains a reference for open, transparent and fair management, continuously updating our administrative and financial systems, human resources policies and packages, and oversight



frameworks. Focusing on the effective and efficient running of the Organisation, and on our ability to attract and retain talent and foster diversity and inclusion, is the best way to ensure that we continue delivering for our countries.

The growing disaffection towards multilateralism is a corollary of the dissatisfaction with the outcomes of globalisation that we discussed at last year's MCM. In both cases, rejecting criticisms and reiterating the many benefits that globalisation and multilateralism have brought will not be enough. Instead, we must take these challenges seriously and respond to them. At this critical juncture, the OECD must be part of a broader effort to bring about a revitalised multilateral system. We have an important role to

play in restoring trust in multilateral organisations and processes, ensuring that the benefits derived from their activity are tangible and widely shared. Few institutions are better placed than the OECD to advance proposals that can help make globalisation work for all. Sluggish growth in household incomes, an inadequate volume of quality jobs, persistent inequalities, the entrenchment of relative deprivation across generations, damaging financial crises, environmental degradation, the poor integration of migrants – all these problems (and others) can be addressed in part through improved multilateral co-operation and all are within the remit of the OECD. The OECD is ready to work hand in hand with its members, partners and the wider international community to show that a new, reinvigorated multilateralism can bring about better policies for better lives. ■

🌐 OECD female staff group photo during the March on Gender event: "Have we reached the tipping point?" OECD, Paris, 8 March 2018.

🌐 Prime Minister Katrín Jakobsdóttir of Iceland, with Angel Gurría, OECD Secretary-General, at the OECD Global Anti-Corruption and Integrity Forum, 27 March 2018.



2017 Ministerial Council Statement

Making Globalisation Work: Better Lives for All

On the occasion of the 2017 OECD Ministerial Council Meeting (MCM), we¹ have assembled under the Chairmanship of Denmark and the Vice-Chairmanship of Australia and the United Kingdom, on 7-8 June, to discuss policies for Making Globalisation Work: Better Lives for All.

The 2017 MCM is taking place at a critical juncture, with slow global economic recovery and rising inequalities. We recognise that we need to work together to address concerns about globalisation and to ensure that the benefits of globalisation are more widely shared. We acknowledge the OECD's important role in helping governments address these challenges.

GLOBAL NET GAINS BUT RISING INEQUALITY

Globalisation has involved increased flows of goods, services and capital, as well as interconnectedness, movements of people and exchange of ideas. We recognise that globalisation has advanced at a rapid pace in recent decades, with some high-growth emerging economies becoming major economic players. We recognise that we must improve our understanding of the impact of globalisation, but also note that, in recent decades, we have seen hundreds of millions of people lifted out of poverty and that many others have benefitted from higher productivity, global economic growth and an increase in the range and affordability of goods and services.

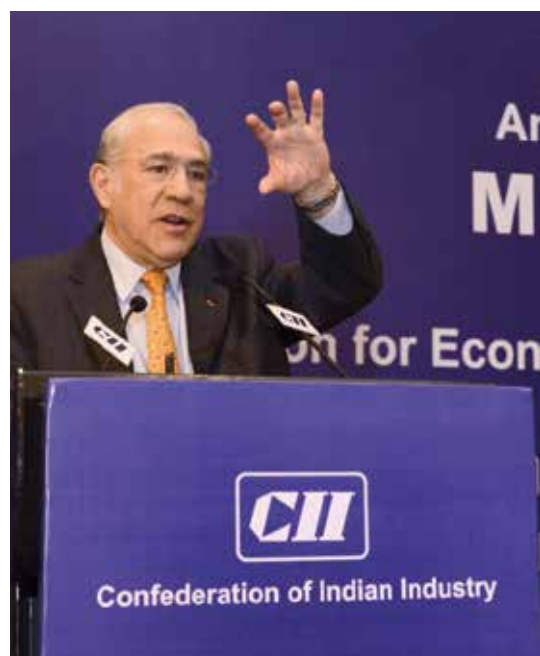
We affirm that increased productivity and continued economic growth provide the best opportunity to raise prosperity and well-being for our citizens. This growth

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

should be strong, sustainable, balanced and inclusive. We acknowledge that further structural reforms and supportive macroeconomic policies are necessary to achieve this. We confirm that open markets and increased trade are key engines for growth and job creation, and that strong enforcement of trade rules is essential to ensure global markets work properly.

We recognise that globalisation has not benefitted everyone. In a significant number of OECD countries the income, wealth, employment opportunities and social mobility of many people have stagnated,

→ The OECD Secretary-General, Angel Gurría, delivers a special address to the Confederation of Indian Industry on 28 February 2017 in New Delhi.



and some have even been made worse off, while the situation for those at the top of the income distribution has continued to improve. We recognise that rising inequalities are not solely the result of globalisation, but also of market distortions as well as technological change and other factors. We realise that past policies have not sufficiently addressed these challenges.

We recognise the considerable potential of science, technology and innovation to enhance economic growth, sustainability and well-being. We also recognise that digitalisation, automation, artificial intelligence and other technological advances will lead to further profound change, altering fundamentally the nature of work and the functioning of labour markets.

A CALL TO ACTION

We recognise the need to meet the existing and future challenges presented by globalisation and technological change, and to address people's concerns. We need policies that support skills,

innovation, long-term investment and inclusive growth. It is crucial that the financial system can help to address these challenges and contribute to supporting sustainable growth and development. We need to develop strategies that will lead to more and better quality jobs across all regions, and will enable all firms and individuals to harness the new technologies to drive up productivity levels and generate inclusive and sustainable growth.

Further research, analysis and sharing of information, data, and experiences can help us to understand better how globalisation and technological change impact upon growth and inequalities, and how to design more effective policies. In this regard we look to the OECD, with its technical expertise and strong analytical capability, to provide evidence-based policy recommendations to support our efforts.

Enhanced international co-operation and better implementation of international agreements by all countries will also help to ensure that globalisation works for everyone. In this regard, we highly value the OECD's continued contribution.

➦ Angel Gurría, OECD Secretary-General, Annika Markovic, Ambassador of Sweden to the OECD and UNESCO, and Stefan Löfven, Prime Minister of Sweden (from left), 12 December 2017.

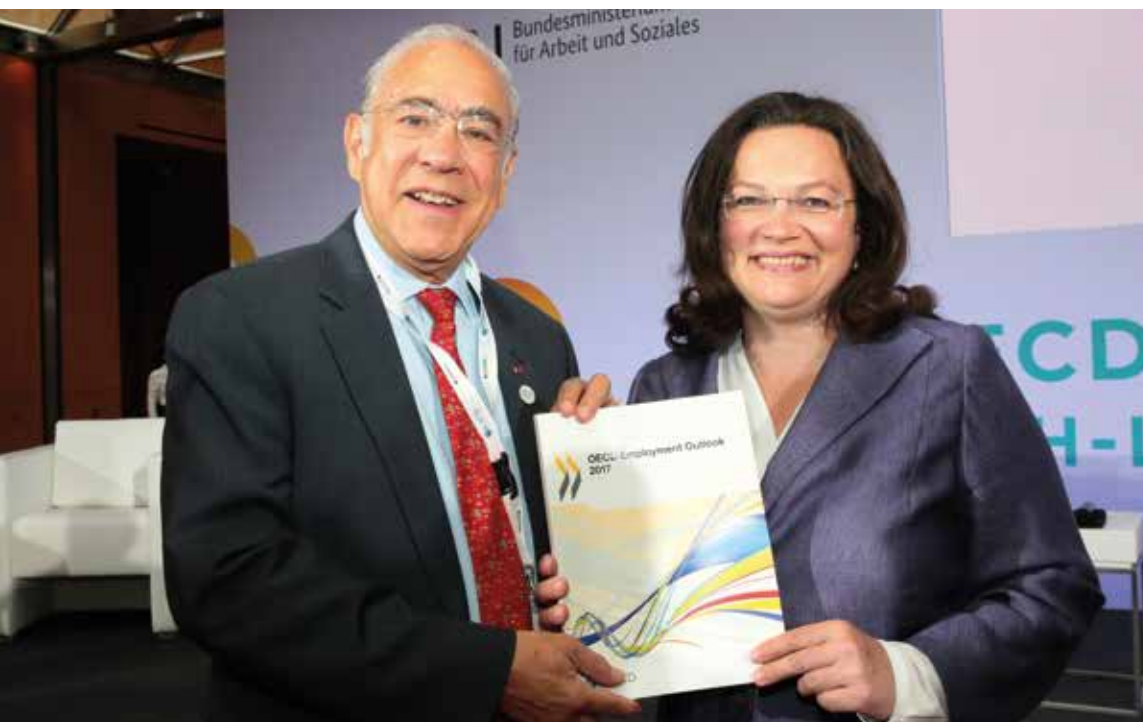


Integrate policies to ensure globalisation works for everyone

We recognise the need for more integrated, whole-of-government policy responses that reflect the circumstances of individual countries. We call on the OECD to support governments in this endeavour, including through the Inclusive Growth Initiative, the ongoing work on the productivity-inclusiveness nexus and the horizontal projects on Going Digital: Making the Transformation Work for Growth and Well-being, and Ensuring the Effective Integration of Vulnerable Migrant Groups. We ask the OECD to work through its committees and relevant bodies on the development of a Framework for Policy Action on Inclusive Growth for the 2018 Ministerial Council Meeting. We also call on the OECD to analyse the impact of globalisation and technological change on inequality, market and wealth concentration, labour market functioning, regional disparities, and productivity and wage divergence across firms. We appreciate the contribution of the OECD reports on

Going Digital: Making the Transformation Work for Growth and Well-Being, on the Next Production Revolution as well as its progress report on Inclusive Growth.

We recognise the importance of new and inclusive approaches to structural policies and the need for a renewed and strengthened social contract in our societies. In this context, we will work to reinforce social dialogue, promote greater access to quality education and training (on a life-long basis) – including vocational training, enhance job quality, help the unemployed find work, integrate migrants and foster gender equality. We call on the OECD to help governments improve their policies in these areas, including through its ongoing work on youth, gender, children, the elderly, the integration of migrants, housing, skills, jobs, active labour market policies and the measurement of well-being. We look forward to the Ministerial Conference on Social Policy, in Canada in 2018, to advance the design and implementation of social policies that address these issues. We endorse the OECD Action Plan on Ageing Unequally.



👤 Andrea Nahles, Minister of Labour and Social Affairs of Germany and Angel Gurría, OECD Secretary-General, Berlin, 13 June 2017.

We recognise that gender equality is a strong driver of economic development, and also promotes inclusivity and socio-economic participation. We call on the OECD to continue its work in this regard. We welcome the *Report on the Implementation of the OECD Gender Recommendations*. We recognise that progress in closing gender gaps has been very slow, and that gender gaps have even widened in some countries. We therefore undertake to reinforce our efforts, including by adopting comprehensive plans and measures to mainstream and improve gender equality in line with the OECD Gender Recommendations.

We recognise that sound fiscal policy, the quality of public finances and resilient financial sectors have an important role in promoting stronger and more inclusive growth while ensuring that public debt remains at sustainable levels. We will prioritise productive public investment in infrastructure and R&D to improve capital stock, boost innovation and catalyse private investment. We confirm the

importance of promoting quality infrastructure with open and fair access and encourage the OECD to elaborate guidelines and good practices in this area, giving appropriate consideration to the principles for quality infrastructure and related issues agreed by international fora. We support sustainable investment in health and will foster quality public investment in education and skills to the benefit of those on low incomes, and will improve our tax and benefits systems to boost sustainable and inclusive growth as well as employment. Reducing the tax wedge on labour, in particular for low-skilled workers, could enhance participation in the labour market and raise disposable incomes.

We recognise the important contribution of small and medium enterprises (SMEs) to economic growth and well-being, and in particular the contribution of start-ups and young firms to job creation and innovation. We also recognise the specific opportunities and challenges of globalisation and digitalisation for the development of these firms. We



📍 Anne Hidalgo, Mayor of Paris, and Angel Gurría, OECD Secretary-General at OECD, Paris, 9 October 2017.



Meeting of the “1+6” Roundtable on Promoting an Open, Invigorated and Inclusive World Economy, Beijing, 12 September 2017.

encourage the OECD to strengthen its work in this regard and look forward to the Ministerial Conference on SMEs in Mexico in early 2018, which will consider the case for cross-cutting policy approaches.

We note the existence of significant regional imbalances within countries and acknowledge the need to prepare our cities and communities for further change. We will develop policies that are tailored to the challenges and potential of individual cities and regions as well as rural areas. We call on the OECD to gather more data, strengthen its analytical work and deepen its stakeholder engagement at the regional and local levels.

Take international action to foster more inclusive growth

International trade and investment

A separate statement on international trade, investment and climate change will be issued by the Chair of the MCM 2017.

Other norms and standards

To promote inclusive and sustainable trade and investment, we will need to strengthen international policy co-operation to help level the international playing field. We consider the following five areas to be particularly important in this regard:

1. Competition, market failures and corporate governance:

We recognise the need to address market failures and prevent government policies and business practices that distort competition, including state aids and subsidies. We welcome further OECD analysis and reflection in this area and call on the OECD to continue supporting dialogue with a view to enhancing co-operation among competition authorities. We recognise that credible corporate governance arrangements are necessary for long-term investment and more inclusive growth. We support OECD work on corporate governance, including on the G20/OECD Principles of Corporate Governance and the Methodology for Assessing the Implementation of the Principles. We also reaffirm the principles and recommendations underlying the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs), and call on the OECD to enhance its work in this area, in particular on the role competitive neutrality can play in addressing excess capacity in some sectors. We call on the OECD to examine the possibility of developing a voluntary global reporting standard for internationally active SOEs.

2. Tax: We remain committed to tackling international tax avoidance and evasion, notably by ensuring the timely, consistent and widespread implementation of the minimum standards of the OECD Base Erosion and Profit Shifting (BEPS) project and making progress to meet our commitments to the automatic exchange of financial account information. We welcome the participation of more than 68 countries and jurisdictions in the signing ceremony of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS on June 7 at the OECD. We acknowledge that barriers arising from both tax policy and administration can negatively impact trade and investment. We encourage further work to improve tax certainty, including the prevention and efficient resolution of cross-border tax disputes. We continue to support and

target assistance to developing countries in building their tax capacity. We look forward to an interim report on the tax challenges of the digital economy by the next MCM.

3. Responsible business conduct: We recognise that we must partner with business to improve the outcomes of globalisation, and recognise the potential of responsible business conduct (RBC) in this regard. Despite progress on the promotion and uptake of the RBC guidelines in recent years, gaps in approaches and coverage across countries and sectors persist, affecting workers, stakeholders and local communities and creating competitive disadvantages for some companies. We recognise OECD's leading role in this area through its Guidelines for Multinational Enterprises (MNEs), as well as its due diligence guidance for RBC in specific sectors, including minerals and extractive industries, agriculture, garment and footwear, and finance. We encourage the OECD to develop a set of general due diligence guidelines that can be applied to any sector. We affirm our strong support for the MNE guidelines as the main global standard on RBC. We call on the OECD to make further efforts to widen the adherence to the OECD Declaration on International Investment and Multinational Enterprises. We commit to having fully functioning and adequately resourced National Contact Points, and to undertake a peer learning, capacity-building exercise or a peer review by 2021, with the aim of having all countries peer reviewed by 2023. We call for a report on progress made to the MCM in 2019.

4. Digitalisation: We recognise the need to promote and protect the global free flow of information, and the importance of global, market-relevant technical standards developed through open, transparent and consensus-based processes, to advance the digital economy. We also recognise the need to enhance the international dialogue on privacy and digital security, intellectual property

rights and consumer protection, as well as high-speed broadband connectivity, and note the OECD's important role in promoting this dialogue. While protecting the free flow of information, we urge the OECD to discuss issues associated with big data flows in order to harness the benefits of data analytics while ensuring privacy and data protection across jurisdictions, as well as to strengthen digital security risk management. We call on the OECD to improve the measurement and further analysis of the digital transformation in all sectors and its impacts, including digital trade, and to undertake further work to harness science, technology and innovation, in particular the role of big data and artificial intelligence, for inclusive growth and well-being.

5. Illicit trade and corruption: Globalisation has opened up increased opportunities for criminal networks to profit at the expense of others. In this regard we recognise the need for international co-operation and partnerships to fight international corruption and illicit trade,

including by strengthening the implementation of existing standards. We also recognise the need to foster collaboration among customs departments and other law-enforcement agencies, international organisations, and affected business sectors to combat illicit trade, notably trafficking in human beings and counterfeit goods, and the illegal trade in wildlife. We welcome further OECD work on illicit trade, including through the Task Force on Countering Illicit Trade. We also call on the OECD to support countries' efforts to implement existing standards on international corruption and integrity risks, in particular the Anti-Bribery Convention, and to enforce them through their related laws.

We welcome the ongoing OECD-wide Standard-Setting: Review of OECD Legal Instruments. We welcome initiatives to increase the visibility and global implementation of OECD norms. We look forward to the proposal for relevant possible new standards by OECD committees and a report by the Secretary-General at the MCM 2018 on the second phase of the standard-setting review.



📍 Jorge Moreira Da Silva, Director of the OECD Development Co-operation Directorate, Angel Gurría, OECD Secretary-General and Roberto Azevêdo, Director-General of the World Trade Organization (from left) at the Aid for Trade Global Review in Geneva, 11 July 2017.

THE OECD'S ROLE IN THE CURRENT INTERNATIONAL CONTEXT

We recognise the importance of strong government-business-unions-civil society dialogue to help tackle the challenges of globalisation and digitalisation, and spread the benefits more widely to foster inclusive growth. We note the recommendations made by Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC) in their statements for this MCM. We call on the OECD to support governments in their communication efforts and to reinforce its engagement with civil society on the global economy, trade and investment, and interconnectedness.

Given the challenges raised by globalisation, we encourage the OECD to continue strengthening and disseminating its standards, and developing advice on better policies and best practices that benefit economies beyond its membership. We welcome the report of the Working Group on the Future Size and Membership of the Organisation, and the adoption

of the evidence-based framework that provides an objective benchmark to assess each prospective member on its respective merits and on a case-by-case basis. We look forward to the discussions about membership and a possible decision in July. We reaffirm our commitment for the OECD to remain open and inclusive, recognising that it is not size but the quality of the Organisation's work that will determine its impact and effectiveness.

We welcome the OECD's efforts, particularly to spread its standards through the G20, G7, APEC, ASEAN, Pacific Alliance, and other global and regional fora, and to advance in these fora discussions on issues of global relevance, including taxation, excess capacity, trade and investment, structural reforms, jobs and gender.

We welcome the progress made by Colombia, Costa Rica and Lithuania in their accession processes.

We also welcome the further progress achieved with the Key Partners (Brazil, People's Republic of China,



Abdoulaye Idrissa Maïga, Prime Minister of Mali and Angel Gurría, OECD Secretary-General at the OECD, Paris, 11 October 2017.

Indonesia, India and South Africa), in particular the renewed work programme with Indonesia and the deepened co-operation and implementation of the joint work programme with Brazil, and look forward to the finalisation of the new joint work programme with People's Republic of China. We welcome the launch of the country programme with Thailand, the extension of the country programme with Kazakhstan and the progress made by Morocco and Peru in advancing and completing their respective country programmes. We encourage active engagement of non-members in OECD bodies and their adherence to OECD instruments, in accordance with the committees' global relations strategies.

We welcome the progress made by the OECD's Regional Programmes and initiatives (the Eurasia Competitiveness Programme, Latin American and the Caribbean, Middle-East and North Africa, Southeast Asia, and Southeast Europe) and support their efforts to disseminate OECD standards and good practices. We also support the renewed memorandum of understanding and co-operation with Ukraine. We acknowledge the achievements and encourage further progress in the OECD's engagement with sub-Saharan Africa, and look forward to a report on progress made at the MCM 2018.

We underscore the importance of continued efforts to implement the 2030 Agenda for Sustainable Development. We welcome the OECD's support for these efforts through the effective implementation of its Action Plan on the Sustainable Development Goals (SDGs).

We note the increase in official development assistance (ODA) to a new record level in 2016, but recognise the need to strengthen our collective effort to reverse the decline in ODA to those countries most in need, while further enhancing ODA's role in mobilising other financial resources required for achieving the SDGs. We welcome the continued efforts of the OECD to support implementation of the Addis Ababa Agenda for Action on Financing for

Development, including ongoing efforts to modernise our measurement tools to better reflect today's development finance landscape. We recognise that middle-income countries continue to face particular development challenges in specific areas.

We welcome continued efforts to promote synergies between the work of the OECD and the United Nations system. We welcome further discussion on plans to establish a representative office of the OECD to the United Nations.

Management and leadership

We welcome the Secretary-General's efforts to manage the Organisation most effectively, including by increasing staff diversity and gender balance, and the recent advancements on evaluation, value-for-money, audit and horizontal projects. We encourage the Secretary-General to maintain the drive towards continuous improvements in the transparency, management and operations of the Organisation so that the OECD is recognised as being at the leading edge in these fields.

We acknowledge the role of the Secretary-General in proposing new initiatives, including in his Strategic Orientations, for further consideration by the Council. We commend the Secretary-General on his efforts to enhance the relevance and impact of the OECD, and look forward to continuing our work together on delivering Better Policies for Better Lives. ■

2017 Ministerial Council Chair's Statement

International trade, investment and climate change

The OECD Ministerial Council Meeting (MCM) 2017 met on 7-8 June under the Chairmanship of Denmark to discuss how the benefits of globalisation can be more widely shared. During the meeting Ministers discussed international trade, investment and climate change.

It is the understanding of the Chair of the MCM 2017 that there is consensus among OECD Members on the following points:

- The recognition that trade is an engine for economic growth, job creation and welfare, and we confirm the importance of international investment and free flow of capital.
- The need to stimulate trade by focusing on reducing trade barriers and costs, without lowering international standards, including through trade facilitation and international collaboration.
- The welcoming of the entry into force of the WTO Trade Facilitation Agreement in February this year and the call for its full implementation.
- The call for urgent, collective and effective action in order to address overcapacity across all affected sectors, including steel, aluminum and shipbuilding.
- The welcoming of the establishment of the Global Forum on Steel Excess Capacity facilitated by the OECD, and of members sharing information and co-operating in order to promptly deliver on its mandate.
- The call for the Forum to deliver the progress report agreed by G20 leaders in Hangzhou, while looking forward to the upcoming G20 Hamburg Summit.
- The call for the OECD export credit bodies to continue their work on good governance guidelines and financial rules for official export credits and the reiteration of our support for the work of the International Working Group on Export Credits.
- The call for the OECD to continue its analysis of: global value chains (GVCs), supported by the Trade in Value Added (TIVA) database; trade facilitation measures, supported by updated Trade Facilitation Indicators (TFIs); services trade, underpinned by the Services Trade Restrictiveness Index (STRI); trade in manufactured and agricultural products, supported by the product market regulations (PMR) survey and producer support estimates, respectively; prospects for digital trade; and options to improve international co-operation more generally. This could include work to disaggregate data on the benefits of opening markets further, with a view to identifying good policy practices and to demonstrating how trade can contribute to improved productivity, growth and inclusiveness.
- The call on the OECD to continue to analyse how the benefits of trade can be increased and spread more widely; we also encourage it to develop more effective ways of communicating the benefits of trade and open markets.

It is also the understanding of the Chair of the MCM 2017 that there is near consensus among OECD Members on the following points:

- The importance of a strong commitment to rules-based free international trade and investment so that firms are able to compete in open markets on a level international playing field in order to foster global economic sustainable growth, productivity, employment and welfare.
- The importance of ensuring a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system, with the WTO at its centre, to ensure a level playing field for trade in goods and services.
- The need to strengthen the WTO negotiation, dispute settlement and monitoring functions, and to commit to working together to achieve a successful 11th WTO Ministerial Conference that delivers positive outcomes and a path for international rulemaking on trade and investment issues of importance to the global economy.
- The acknowledgement that WTO-consistent plurilateral trade agreements with broad participation can be a useful tool to foster trade liberalisation.
- The welcoming of the Information Technology Agreement and its recently concluded expansion, highlighting the importance of concluding the Environmental Goods Agreement and the Trade in Services Agreement in a timely manner.



Anders Samuelson, Denmark's Minister of Foreign Affairs with Angel Gurría, OECD Secretary-General at the press conference closing the OECD Ministerial Council Meeting, OECD, Paris, 8 June 2017.

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- The recognition of the role of bilateral and regional agreements in complementing multilateral efforts.
 - The recognition that more needs to be done to engage effectively with stakeholders and to improve the understanding of trade agreements.
 - The importance of reaffirming standstill and rollback commitments to resist all forms of protectionism, and to stand firm against unfair trade practices and urge all countries to abide by international trade rules.
 - The need to enhance market function and push for the removal of support by governments and related entities that distorts markets, and to acknowledge the right to use WTO-consistent and legitimate trade remedies to tackle such practices and enforce our rights.
 - The recognition that trade has not worked to the benefit of all. To ensure that trade works for everyone, appropriate adjustment policies are needed and a domestic policy environment that promotes opportunity, innovation and competition, and facilitates foreign direct investment.
 - The call on the OECD to continue its work to provide governments with more integrated policy advice, identifying how trade and investment, international economic co-operation more broadly, and related domestic policies can drive more inclusive growth.
 - The recognition that the Paris Agreement is a historical agreement that represents the collective will and determination of nearly 200 countries, and is a cornerstone for effectively and urgently tackling climate change and for implementing the 2030 Agenda.
 - The fundamental importance of the Paris Agreement in setting the direction for the necessary low-carbon transition, improving climate resilience and shifting financial flows towards low emission and resilient investments, sending a clear and strong signal to industry and investors.
 - The urgent need to maintain global momentum and international co-operation to ensure swift implementation of the Paris Agreement for our citizens, economies and for future generations.
 - The strong commitment to the effective implementation of our nationally determined contributions (NDCs), and to increasing our ambition on our mitigation and adaptation efforts over time in order to fulfil our collective commitment to achieving the long-term goals of the Paris Agreement.
 - The recognition of the OECD's invaluable contributions towards promoting sustainable, low-carbon and climate resilient growth, and to supporting country efforts to implement the Paris Agreement.
 - The welcoming of the OECD's work on demonstrating that climate-friendly policies can boost both well-being and economic, sustainable growth, while increasing longer-term resilience to climate change; and the welcoming of the OECD's planned work to advance policy analysis and guidance in this domain.
 - The importance of striving for better application and promotion of internationally recognised social, labour, safety, tax co-operation and environmental standards throughout the global economy and its supply chains.
- The MCM Chair understands that other Members may wish to issue separate Statements. ■
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2017 Global Strategy Group Chair's Summary

Participants from 49 countries and organisations welcomed the fifth meeting of the Global Strategy Group (GSG) and the relevance of this year's topic of Unprecedented unpredictability: Digital transformation, the future of jobs and trade in a digitalised world.¹

In his introductory speech, the Chair mentioned that digitalisation raises issues for inclusive growth and that countries have a responsibility to their citizens to work across borders on the issue of digitalisation. The Chair mentioned the results of the 2017 Ministerial Council Meeting and the 2016 Global Strategy Group meeting, and stressed how digitalisation and globalisation hold the potential to increase well-being, but also how they can increase inequalities if left unchecked.

The OECD Secretary-General emphasised that digitalisation is creating unprecedented opportunities for our economies and societies, but also challenges, especially for labour market adaptation, social policies, the organisation of work and small and medium enterprises (SMEs). He also underlined that digitalisation is accelerating globalisation and undermining the effectiveness of some domestic policies, and called for greater collaboration and moving from global governance 1.0 to global governance 4.0. He stressed, in particular, the need for international collaboration to better address cross-border digitalisation in the areas of trade, international taxation, competition and data flows.

HARNESSING DIGITAL FOR INCLUSIVE GROWTH: OPPORTUNITIES AND CHALLENGES

Discussions highlighted the interlinked nature of digitalisation and globalisation, and the benefits and opportunities that they can bring, including in the context of the 2030 Agenda for Sustainable Development and the universal Sustainable Development Goals (SDGs). The increasing pace of digital transformation brings with it important questions for policy at a range of levels. This includes the need for further reflection on the role of international co-operation. Participants welcomed the important role played by the OECD in fostering a forward-looking and evidence-based debate on digitalisation, globalisation, trade and investment, particularly in the context of its Going Digital project. They welcomed the Inclusive Growth Initiative and related work on the productivity-inclusiveness nexus, which is providing a basis on which this work is building.

Participants considered in some detail the interface between digitalisation and inclusive growth, and the ability of technology to enhance inequalities. This includes gender inequalities and disparities in skill and education levels, and has consequences for well-being. Physical and economic access to digital infrastructure, services, and skills need to be considered in this regard. Governments need to rethink educational systems, provide training for information and communication technology skills, including for underrepresented groups, and ensure data democracy and accessibility for small and medium enterprises (SMEs), entrepreneurs and self-employed people. Training needs to be a life-long process. Participants stressed the

1. In addition to presentations by the Chair, Mr Ulrik Vestergaard Knudsen (Denmark), and the OECD Secretary-General, Mr Angel Gurría, participants also benefitted from guest presentations by Mr Stuart Russell, University of California; Mr Casper Klyngé, Tech Ambassador of Denmark; Mr Marcelo Guarany, Deputy Minister for Public Policies, Casa Civil, Brazil; Mr Emmanuel Moulin, Chief of Staff, Ministry of Economy and Finance, France; Mr Bruce Stokes, Director of Global Economic Attitudes, Pew Research Center; as well as the OECD Chief of Staff and Sherpa Ms Gabriela Ramos and several OECD Directors.

role of the OECD in supporting better data on digital transformation, including by providing more granular data on the inclusiveness dimension of digitalisation.

The discussion highlighted the uncertainties regarding the extent of the positive and negative implications of digitalisation for the labour markets, the number of jobs, and the nature of work, as well as the ability of technologies to create new opportunities for businesses, including SMEs. The role of artificial intelligence was also considered, as well as its limits, and approaches to managing its growth. Participants identified the need for a more nuanced public debate on the role of digitalisation in transforming economies, societies, and households based on evidence and analysis to which the OECD is well positioned to contribute.

Deliberations on digitalisation and jobs highlighted the need to reflect on current and future forms of social protection. Governments need to protect workers in transition, rather than jobs, with an emphasis on non-standard types of jobs and new forms of precariousness and the need to prepare workers for higher mobility. This will require new legal arrangements and a strong revisiting of labour rights and contractual labour relationships, with bold actions and innovative solutions. The topic of universal basic income was mentioned in this regard. A multi-stakeholder co-ordinated response – including from workers and companies – is necessary, including through social dialogue. There are already good examples in place in countries and the Global Deal initiative can catalyse good experiences. Participants highlighted their expectations regarding the OECD's



Meeting of the Global Strategy Group, OECD, Paris, 28 November 2017.

contribution through its Jobs Strategy and the ongoing project on the Future of Work.

Participants further reflected on the transformative roles that technology can play in redefining the relationship between governments and citizens, with several examples from participating countries showing how this can be done in practice.

Discussions on how digital transformation can be harnessed by and for firms highlighted a widening productivity gap between leading and laggard firms, and the role of technological change in this, while underscoring the role that policy can play in helping to bridge this gap, as well as in promoting innovation.

Participants shared rich experiences and success stories from cities and regions that have helped firms to harness digitalisation, including the importance of extending digital infrastructure to underserved regions. They also discussed how to move away from outdated business models towards new opportunities, such as incentivising the exit of “zombie” firms. These approaches include tax incentives, cutting red tape and ensuring an adequate regulatory environment. Participants called on the role of the OECD in guiding countries to harness the potential of digitalisation for inclusive growth, including by better understanding how innovative SMEs are nurtured and supported, as well as the interactions of SMEs in global value chains and with multinational enterprises. The role of government in determining the parameters for successful digitalisation was discussed, including in the areas of regulation and competition policy, as well as in the defence of rights and privacy.

Participants mentioned the role of data as a factor of production. Discussions made the distinction between personal and non-personal data; commercially created or not; transient or permanent. The inherent tensions between the need for the sharing of data and the need to create the right incentives to produce useful data were also described. While some are reluctant to involve the public sector in the regulation of data and suggested

self-regulation can in some cases be an effective alternative, others stressed the need for governments to stay ahead of the game. Participants pointed to the important role of OECD work in this area to provide analysis and guidance, as well as possible new OECD standards, including in the area of cybersecurity.

National statistical offices will need to adapt to rapid changes in data availability, and the OECD may be well-placed to help. This includes skills and capacity to make effective use of data.

Conversations pointed to a need to balance carefully the free flow of data – and the public good that this can contribute to – with issues relating to privacy, national security, and also helping those left behind by the data revolution. This and many other issues relating to the management of data cannot be handled solely within national boundaries, and participants identified with the need to further explore international approaches to navigate these challenges, including the possibility to extend the European Union’s (EU) digital single market approach outside of the EU. The role of trust at a number of levels was also underscored, as well as the ethical use of data.

DIGITALISATION ACROSS BORDERS: TAXATION, TRADE, COMPETITION AND DEVELOPMENT

The Tech Ambassador of Denmark, Mr Casper Klynge, shared lessons from Denmark’s experiments in “techplomacy” – efforts to chart a new form of diplomacy in the digital age. Engagement with technology giants and a growing – and different – range of actors recognises that some are comparable in size and influence to many nation states. The discussions that ensued highlighted the need to form new alliances and partnerships, including public-private partnerships. In all of these efforts, governments are often seen as lagging behind and lacking in agility.

During the discussion on cross-border digitalisation, participants underlined that the OECD is strategically positioned to address the complex and

interconnected policy challenges that digitalisation brings. Participants stressed the need to look at these challenges from multiple perspectives: international, national, regional, local and individual. They also observed that the digital age raises public concerns – for instance with respect to the credibility of our standards, as well as privacy and security – that must be addressed to reinforce support for globalisation.

Participants underscored the key role of the OECD on the issue of taxation of the digital economy. Speakers highlighted the challenges faced by governments as they navigate both the technical and political challenges associated with taxing an increasingly digital economy, for example the issues of having a commercial presence without a physical presence and broader issues surrounding national sovereignty. Participants recognised that many governments will not wait indefinitely for a long-term solution to emerge that balances inclusiveness, incentives and fairness.

There was a cautious notion that tax competition across borders can be positive if it comes with rules. Many said that further OECD work on taxation was welcomed. Participants agreed on the need for a consensus-based approach to the taxation of the digital economy as a long-term, sustainable solution that does not discriminate against or seek to ring-fence the digital economy. Getting this right is critical for developed, emerging and developing countries alike. Participants agreed that this solution must be advanced in the context of the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS), and welcomed the OECD's forthcoming report to the G20 Finance Ministers and Central Bank Governors (April 2018) that will help countries design short-term measures. Alongside these efforts, some participants asked the OECD to look at how we can safeguard taxpayer privacy and security as digitalisation transforms the way national tax administrations interact with their taxpayers. The



OECD Secretary-General Angel Gurría (eighth from left) at the World Economic Forum Sustainable Development Impact Summit 2017, New York, 18 September 2016.

role of the OECD in sharing best practices on tax collection was highlighted, as was the potential for more effective tax administration thanks to digital transformations and enhanced international co-operation. OECD work on automatic exchange of information for tax purposes is one such example.

In the area of digital trade, participants underlined the need for better measurement of the digital economy and digital trade, including the embeddedness of services within them. The role of the OECD in this regard was highlighted, as was the need for support in dismantling behind-the-border barriers and establishing best practices to reduce such barriers. Discussions pointed to the need for free trade agreements to include provisions on data flows and the local storage of data in order to

boost digital trade, while at the same time addressing privacy and security concerns through common rules. Further work needs to be undertaken to identify and disseminate best practices in this area. Further consideration will also need to be given by the international community to the role of the World Trade Organization (WTO) in the area of e-commerce.

Regarding competition, the wish for a level playing field not only among countries but also between analogue and digital was one important take-away. There must be a balance on how to provide new tools in competition regulation. Rich discussions highlighted the benefits stemming from digitalisation in the form of the free flow of ideas, knowledge and technologies, which can drive greater inclusivity. Participants also highlighted the role that digitalisation can play in creating more



📍 The 2017 Global Forum on Development, 5 April 2017.

competitive markets, and argued for a technology-neutral approach, as well as for policies that help boost consumer welfare and ensure strong consumer protection mechanisms.

Challenges to competition policy for law-enforcement agencies and policy makers were highlighted, including the use of big data to reinforce market power and of algorithms to change the competitive landscape of digital markets. The cross-border nature of digitalisation creates intersections of competition policy with other policies and involves multiple jurisdictions, increasing the need for international co-operation, including among governments, competition authorities, data protection authorities and law-enforcement agencies. Participants called for further reflection on international “rules” for digitalisation.

ADDRESSING CHALLENGES TO INTERNATIONAL TRADE AND INVESTMENT

Many delegations referred to the analyses from the Secretariat, concluding that the losses from protectionism hit the poorest the most, in both rich and poor countries. Several delegates also said that this would help make the case against protectionism in their own countries.

Many participants expressed concern about the headwinds currently facing the multilateral trade system. Global markets are still far from free, fair and open, and governments should be aiming in that direction. Participants agreed that a global level playing field is of shared interest and that broadening rules and making them more binding would help in that respect. There was a detailed discussion of the



📍 In recognition of the OECD's work on water, the OECD Secretariat and Secretary-General Angel Gurría receive the Hassan II World Water Prize awarded by the Moroccan Government and the World Water Council at the World Water Forum in Brasilia, 3 March 2018.

important role of the OECD in that respect, including through its instruments and evidence-gathering.

Governments need to take an integrated approach to policies, combining open trade and investment regimes, and domestic policies that cushion shocks and ease adjustment, with international co-operation to establish necessary rules and standards.

Many participants underlined that the WTO is an indispensable instrument in the liberal economic order that had underpinned the success of OECD economies, and stressed the importance of positive and tangible outcomes from the Ministerial Meeting in Buenos Aires in December. Many echoed the hope for the OECD to play a supplementary supporting role on some of the digital trade policy issues. In the context of the lack of progress at the WTO over the past couple of decades, governments are increasingly going beyond

WTO provisions and coverage in their bilateral and plurilateral trade agreements. This was mentioned as a positive development, with the potential for bolstering popular support for trade and investment liberalisation. A lack of progress at the multilateral level on conventional trade also risks holding up needed progress in new areas, such as digital trade.

In this context, OECD standards and guidelines can be useful as a complement to WTO rules. Speakers mentioned a number of areas, including state-owned enterprises, export financing, the multinational enterprise guidelines and competition policies. Governments need to improve their implementation of existing OECD standards, particularly in relation to responsible business conduct guidelines.

Some more detailed references were made by some to existing and possible future OECD work on the relationship between trade and investment, and on a rules-based architecture on digitalisation; to increasing the focus on digital trade and the digital economy, state-owned enterprises, and export financing and competition policies; and to broadening adherence to international standards by non-members. Speakers stressed the need to improve transparency in the negotiation of trade and investment agreements, and to address the impact of openness on inclusiveness. The application of OECD standards can also help to boost public confidence in the liberalisation of trade and investment. Governments have a responsibility to better communicate the benefits of open markets. There was also a widespread wish for the OECD to facilitate better communication of the benefits of trade.

There were calls for the OECD to do more empirical work, including on trade adaptation, on the link between trade and investment and on measuring success, especially regarding developing countries, for example on the gender dimension of the impacts of trade. There was also a call for the OECD to do more research on a rules-based architecture on digitalisation, and to focus more on digital trade and the digital economy.



Opening of the International Economic Forum on Africa: Entrepreneurs and Industrialisation in Africa, at the OECD on 4 October 2017.



Participants in the 16th Global Forum on Competition, OECD, 7 December 2017.

LOOKING AHEAD, THE OECD IS WELL PLACED TO PUSH BOUNDARIES, SUPPORTING MEMBERS AND PARTNERS AS THEY TACKLE THESE CHALLENGES

Participants expressed appreciation for the evidence and policy insights produced by the Secretariat, which nourished the discussions of the Global Strategy Group (GSG). The deliberations helped to confirm the importance and relevance, for members and partners alike, of OECD work on digitalisation, inclusive growth, tax, trade, competition, and firm dynamics, as well as the role that the OECD's Going Digital project should play in bringing new ideas and solutions to the fore in these vital policy debates.

Discussions highlighted, in particular, the importance of the OECD's standard-setting role in a rapidly changing environment and participants identified a number of important challenges where the OECD is uniquely placed to fill gaps in knowledge and practice. This includes developing a coherent approach to taxing a digital economy; better connecting trade, tax, competition and other

policies; improving the measurement of the digital economy and trade; developing more granular evidence on the impact of digitalisation on social and economic inclusion; improving skills, labour and social protection policies; and developing evidence and tools to better manage and harness data. Participants welcomed the continued contribution of the OECD to the work of the G20, as well as the United Nations, WTO and others, on these matters.

The need to defend, re-think, and strengthen multilateralism was a recurring theme throughout the meeting, and the deliberations of the Global Strategy Group will inform preparations for the 2018 OECD Ministerial Council Meeting (MCM) on these issues.

Participants expressed their appreciation for the leadership of the outgoing Chair, Mr Ulrik Vestergaard Knudsen (Denmark), and welcomed the designation of Ms Marie-Gabrielle Ineichen-Fleisch (Switzerland) as Chair of the 2018 GSG, which will meet before the end of 2018. ■

Office of the Secretary-General





GABRIELA RAMOS

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The Office of the Secretary General supports the OECD Strategic Agenda, providing leadership, guidance and co-ordination across the house, and ensuring that the Organisation performs at its best, delivering on “Better Policies for Better Lives” for member countries and partner economies. It supervises the effective implementation of the “21 for 21” agenda, ensures that the OECD is at the forefront of policy challenges and solutions, supports countries in implementing their reform agendas, helps level the playing field, and contributes to a people-centred growth agenda.

Office of the Secretary-General

Under the supervision of the Chief of Staff, Gabriela Ramos, and the Deputy Chief of Staff, Juan Yermo, the **Office of the Secretary-General (OSG)** supports the delivery of the Secretary General’s Strategic Objectives and his “21 for 21” agenda. Along with the support of the Deputy Secretary Generals, OSG co-ordinates substantive work across the house to ensure consistency, horizontality and impact. It keeps the Organisation at the cutting edge of policy thinking, notably through its work related to the New Approaches to Economic Challenges and Inclusive Growth initiatives, and its contributions to the G20 and G7 with the support of the Sherpa Office.

The OSG ensures that the OECD delivers timely and targeted policy advice to support member countries and partner economies in their reform agendas, including through the Better Policy Brochures, country reviews and OECD flagships, and the OECD’s Leader’s Programme. It is also in charge of co-ordinating the OECD Annual Ministerial Meeting of the Council (MCM) and the Global Strategy Group (GSG), supervising contributions from across the house and preparing relevant material.

The Office of the Secretary-General also supports the Secretary-General in ensuring that the OECD is at the leading edge of management and operations. This includes oversight and co-ordination of corporate services, of communications and public engagement, and of the General Secretariat (LEG, CES, IA and GRS). It supervises the outreach strategy, monitors accession processes and guides co-operation with Key Partners and non-members through oversight of the work of the Global Relations Secretariat and the Legal Directorate. The office also co-ordinates the work of the Secretariat that serves the Standing Committees, supporting the Secretary-General in his role as the Chairman of the Council, as well as the management of interaction with OECD ambassadors and effective decision making.

The OSG comprises the Office Management and Communications unit, the Strategic Foresight unit, the Strategic Intelligence and Speech Writing unit, the Policy Coherence for Development unit, and the Roundtable on Sustainable Development. A team of Advisors supports the preparation of the daily activities and missions of senior management, as well as the co-ordination of different streams of work. The office also produces the Better Policy Series country brochures and houses the OECD Protocol function. ■

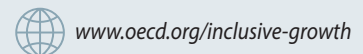
New Approaches to Economic Challenges (NAEC)



NAEC is developing a new economic narrative on growth and inclusion underpinned by new techniques, methods and approaches. NAEC has catalysed debate across the OECD on how to revise, update and improve our policy thinking and action, and last year brought together more than 40 seminars with leading thinkers and institutions around the globe. A NAEC Innovation Lab, established together with the office of the OECD Chief Economist, has been established and will promote cross-OECD experimentation on agent-based modelling, machine learning, big data applications, and network analysis.

NAEC has also launched a Task Force on Systems Thinking, Anticipation and Resilience with the International Institute for Applied Systems Analysis (IIASA) to explore how complexity science could transform the way we understand the economy. The initiative is also helping to strengthen inter-governmental approaches to resilience, working with the US National Institute for Standards and Technology and the European Commission Joint Research Centre. ■

Inclusive Growth



In the context of increased inequalities of income and opportunities in many OECD member countries and partner economies, the Inclusive Growth Initiative was launched in 2012 to analyse the drivers of inequalities and its multidimensional character, and to develop an agenda with effective policy solutions. In its first phase, with contributions from across the house, the initiative developed a framework for measurement and monitoring, and a Multidimensional Living Standard. It also focused on regional and sectoral dynamics. It called for a new growth narrative, documenting how inclusiveness can contribute to productivity and growth. In its second phase, work was conducted on the productivity-inclusiveness nexus, supported by the 2016 Ministerial Council Meeting Declaration on Enhancing Productivity for Inclusive Growth. The nexus is all the more important in the context of the digital transformation and the global interconnectedness of our economies. The initiative will continue to advance the inclusive growth agenda with particular emphasis on children and youth, as well as work on cities and on regional disparities with a special focus on housing and infrastructure.

In 2018, a “Framework for Policy Action on Inclusive Growth” will be released to map policies to outcomes and document best practices to deliver more inclusive and sustainable growth. This will help countries develop integrated policy packages, including through country reviews. The initiative will also launch a platform for Inclusive Business, and continue with the work of the Champion Mayors for Inclusive Growth. The Framework will call for a new growth narrative to incorporate ex-ante equity considerations in policy design and to prioritise policies that will consider the most vulnerable groups in our societies. ■



Sherpa Office and Global Governance Unit

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Nicolas Pinaud, Head of Unit

The OECD is a relevant partner in the G20, G7, Deauville Partnership and Asia Pacific Economic Cooperation (APEC), providing evidence-based analysis, policy recommendations and standards for member countries to reach meaningful outcomes. The Sherpa Unit, who supports the work of the OECD Sherpa in co-ordinating the contributions of the OECD, ensures maximum impact, co-ordination across the house, and above all, supports the effective participation of the OECD Secretary-General in key global fora.

In the context of the new and challenging dynamics in global governance, multilateralism and international co-operation, the G20 German Presidency and members were able to achieve meaningful outcomes in 2017. The OECD supported the successful delivery of Germany's objective to put inclusiveness and sustainability at the centre of the G20 growth agenda. With the support of the OECD, the Presidency worked to shape a pro-climate, pro-growth narrative set out in the report on *Investing in Climate, Investing in Growth*. The OECD report *Making Trade Work for All* contributed to the G20 discussions by underscoring the importance of measuring the benefits and outcomes of trade-related policies, making a clear call for globalisation to work for all and deliver its benefits equally among all people.

The OECD played a key role in underpinning the work of the Global Forum on Steel Excess Capacity (GFSEC) to ensure a level playing field and uphold a multilateral approach. The GFSEC held a successful ministerial meeting in November 2017, with members agreeing on a roadmap for action.

The OECD helped to shape the German Presidency's priority on digitalisation and the future of work, contributing to the identification of key directions for policy making in the digital era. The report *Key*

Issues for Digital Transformation in the G20 underlined the challenges and opportunities arising from the digital transformation and contributed to the design of the G20 Roadmap for Digitalisation. The OECD also provided substantive input to support the G20 Presidency in addressing antimicrobial resistance, migration and refugees, and responsible business conduct. And the Organisation continues to advance reform of the international tax systems under the AEOI and the OECD BEPS initiative.

The OECD has also been actively engaged with the G7. Under the 2017 Italian G7 Presidency, it contributed to key policy discussions, including on the fiscal approach to inclusive growth, the next production revolution and its consequences for innovation, skills and employment policies, and the implementation of the Paris Agreement and the 2030 Agenda.

The OECD's engagement with Key Partners has been strengthened through its co-operation with regional fora such as the APEC. The OECD also contributed to discussions at the Economic Leaders' Summit. Finally, the Organisation continues to support structural reforms in the countries of the Middle East and North Africa region, in the context of the G7 Deauville Partnership. ■



■ PARTICIPATION IN KEY EVENTS

- G20 Finance Ministers and Central Bank Governors Meetings, *March/April/October 2017*
- G20 Sherpa meetings, *March/May/July/November 2017*
- G20 Engagement Groups Summits, *April/May 2017*
- G7 Finance Ministers and Central Bank Governors Meeting, *11-13 May 2017*
- Petersberg Climate Dialogue, *22-23 May 2017*
- G7 Leaders Summit, *26-27 May 2017*
- G20 Hamburg Summit, *7-8 July 2017*
- APEC Finance Ministers Meeting, *21 October 2017*
- Ministerial Meeting of the Global Forum on Steel Excess Capacity, *30 November 2017*

■ KEY PUBLICATIONS

- OECD Contribution to the German G20 Presidency
- *Investing in Climate, Investing in Growth*
- *Key Issues for Digital Transformation in the G20*
- *OECD Secretary-General Report to G20 Leaders*
- *Making Trade Work for All*
- *Going for Growth* (dataset)
- “Tackling antimicrobial resistance, ensuring sustainable R&D” (with WHO, FAO, OIE)
- “Quantifying the implementation and impact of G20 members’ growth strategies” (with IMF)

📍 Chancellor Angela Merkel welcomed the G20 Sherpas to the first working session in Hamburg, 12 December 2016.

Strategic Foresight

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<https://youtu.be/ej80SmMMhz0>

The OECD Strategic Foresight unit helps governments, OECD directorates, and the OECD as a whole build the capacity to anticipate and prepare for uncertain, complex and turbulent futures. This involves working closely with OECD staff, national government officials and leading foresight practitioners worldwide to explore disruptive changes that could occur in the future, and their implications for policy decisions today. The aim is to challenge prevailing assumptions and stimulate ongoing dialogue to find the most adaptive policies for a rapidly evolving and uncertain world.

The first set of key activities is focused on building foresight capacity and strengthening foresight content within the OECD. The primary goal is to ensure that emerging changes and critical uncertainties about the future are better reflected in OECD policy analysis and advice. This involves working with directorates to design and facilitate foresight workshops for their staff or their committees; providing presentations and training on foresight theory and practice; and co-ordinating a committee of foresight focal points drawn from across directorates. The foresight unit also works with directorates on longer-term foresight projects, especially on cross-cutting issues with long-term uncertainty and high policy significance for governments. In 2017-18 the unit is leading a process to develop scenarios for digital transformation, in support of the horizontal Going Digital initiative.

Secondly, the unit strengthens foresight capacity in national governments by co-ordinating the Government Foresight Community, composed of over 100 experienced foresight professionals working in governments and international organisations

around the world. This includes hosting a thematic workshop in the spring and an annual meeting in the autumn, as well as participating in other international strategic foresight fora. The unit works with individual governments to help them adopt best practices in anticipatory governance and build their public sector foresight capacity, as well as to design and deliver tailored strategic foresight processes to address key national priorities (such as developing future-ready strategies for achieving the Sustainable Development Goals or preparing for possible scenarios resulting from digital transformation). The foresight unit also works closely with OECD ambassadors and delegations to strengthen foresight in their national governments and at the OECD.

Finally, the unit helps to bring foresight process and content to bear on and inform high-level global dialogue on key issues. This includes preparing materials to support the OECD's annual Ministerial Council Meeting and Global Strategy Group, as well as designing and facilitating foresight workshops for senior-level discussion at the request of the OECD Secretary-General or Chief of Staff. ■



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LES
CLIVAGE

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Directorates



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Director

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The 2030 Agenda for Sustainable Development is a shared vision for the future of humanity and the planet. Achieving its Sustainable Development Goals requires a whole-of-society approach – collective action from governments, multilateral institutions, and non-state actors. With our qualitative and quantitative evidence, accountability mechanisms and policy guidance, we support the efforts of all development co-operation providers to bring about this better future for all.

Development Co-operation Directorate

The **Development Co-operation Directorate (DCD)** tracks and analyses data to inform the smart use of development finance. Our work influences policies to advance sustainable development and shapes practice to improve the effectiveness of providers, as well as to build capacity and improve the enabling environment in developing countries. The DCD supports the OECD Development Assistance Committee (DAC).

In 2017 the DCD further adapted its tools to the needs of the 2030 Agenda for Sustainable Development, notably to mobilise more resources for development, improve aid measurement, and target resources to ensure that no-one is left behind. We helped promote principles for blended finance, clarify statistical reporting directives on in-donor refugee costs, and update the aid rules on peace and security operations.

At its High Level Meeting in October 2017, the DAC agreed to adopt a revised mandate and a new strategic vision, committing to collaborate with a broader array of partners beyond the DAC. Arab donors, multilateral institutions, South-South partners, new European Union Members and some philanthropies now report their aid spending to the DAC. The DCD is helping to define a new statistical measure – total official support for sustainable development – that will track all forms of development financing. We are also studying the implications of aid graduation as countries transition through the development continuum.

The *Development Co-operation Report 2017* provides guidance on ensuring that data contribute to development goals. A new *Global Outlook on Financing for Development* – to be released in September 2018 – will offer a comprehensive picture of cross-border flows for development. The 2017 edition of *Aid for Trade at a Glance* – jointly produced with WTO – focused on trade connectivity, which is critical for economic growth, inclusiveness and sustainable development. The DCD report on illicit financial flows provided the basis for a potential OECD partnership with the United Nations Economic Commission for Africa to strengthen the coherence, relevance and impact of OECD and African country responses. ■

■ AREAS OF FOCUS

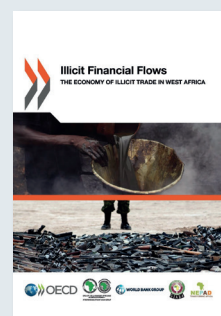
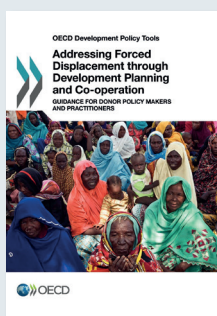
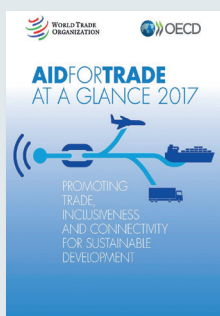
- Accountable and effective institutions, www.oecd.org/dac/accountable-effective-institutions
- Aid for trade, www.oecd.org/dac/aft
- Conflict and fragility, www.oecd.org/dac/conflict-fragility-resilience
- DAC global relations, www.oecd.org/dac/dac-global-relations
- Effective development co-operation, www.oecd.org/dac/effectiveness
- Environment and development, www.oecd.org/dac/environment-development
- Evaluation of development programmes, www.oecd.org/dac/evaluation
- Financing sustainable development, www.oecd.org/dac/financing-sustainable-development
- Gender equality and development, www.oecd.org/dac/gender-development
- Peer reviews of DAC members, www.oecd.org/dac/peer-reviews

■ KEY EVENTS

- DAC High Level Meeting, 30-31 October 2017
- OECD Global Forum on Development, 5 April 2018

■ KEY PUBLICATIONS

- *Addressing Forced Displacement through Development Planning and Co-operation: Guidance for Donor Policy Makers and Practitioners*
- *Development Co-operation Report 2017: Data for Development*
- *Aid for Trade at a Glance 2017: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development*
- *Responding to Refugee Crises in Developing Countries: What Can We Learn From Evaluations?*
- *Making Blended Finance Work for the Sustainable Development Goals*
- *Illicit Financial Flows: The Economy of Illicit Trade in West Africa*
- *Private Philanthropy for Development*
- *Making Development Co-operation Work in Small Island Developing States*





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The global economy is finally getting stronger, but tensions are rising. Policy is increasingly expected to play a key role in securing more sustained and inclusive growth. The best way to do this is to design policies and reforms that improve competitiveness and foster job creation. ECO's evidence-based reports and recommendations help countries reach these goals. We also work with governments for the implementation of better reforms for better lives.

Economics Department

The **Economics Department (ECO)** carries out cross-country, country-specific, macro-economic and structural policy surveillance and research covering OECD member countries as well as accession and Key Partner countries, and other strategic non-member countries.

ECO focuses its policy advice on achieving stronger, more inclusive and sustainable growth through effective policy packages built on macroeconomic analysis and policies in areas such as productivity, investment, trade, and tax and spending.

Over the past 12 months, ECO published 24 country surveys and its first multi-dimensional economic survey of Argentina. ECO's flagship publications, *Economic Outlook* and *Going for Growth*, remain key inputs to policy discussions across the world. The OECD Ecoscope blog, launched in February 2016, published 80 posts and received over half a million visits in 2017. The Economics Department also published 85 working papers in 2017.

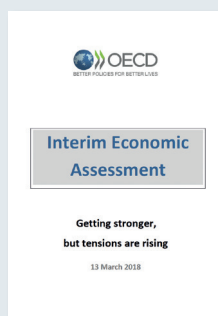
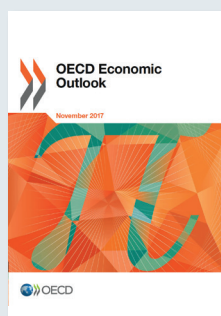
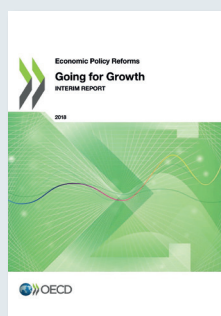
ECO contributes to the work of the G20 Framework Working Group on macroeconomic and structural policies; this includes monitoring the implementation of G20 structural reforms. ■

■ AREAS OF FOCUS

- Economic outlook, www.oecd.org/eco/economicoutlook.htm
- Country economic surveys, www.oecd.org/eco/surveys
- Cross-country structural policy analysis and advice, www.oecd.org/eco/goingforgrowth.htm
- Productivity and long-term growth, www.oecd.org/eco/growth
- Global Forum on Productivity, www.oecd.org/global-forum-productivity
- Public finance and fiscal policy, www.oecd.org/eco/public-finance
- Labour markets, human capital and inequality, www.oecd.org/eco/labour/
- Economic policies to foster green growth, www.oecd.org/eco/greeneco
- Monetary and financial issues, www.oecd.org/eco/monetary
- Economics Department policy papers, www.oecd.org/eco/policy-papers.htm
- Economics Department working papers, www.oecd.org/eco/economicsdepartmentworkingpapers.htm

■ KEY EVENTS AND PUBLICATIONS

- 2017 Conference of the Global Forum on Productivity: Openness, global value chains and productivity-enhancing policies, 26-27 June 2017
- Confronting the Zombies: Policies for Productivity Revival, 6 December 2017
- Economic Policy Reforms 2018, Going for Growth, 19 March 2018
- OECD Economic Outlook 2017, 7 June and 28 November 2017
- OECD Economic Outlook Interim Report 2018
- OECD Economic Surveys (member countries and selected partner economies)
- OECD Interim Economic Outlook, 21 September 2016 and 7 March 2017
- OECD Global Forum on Productivity workshop: Tapping the Productive Potential of a Digitised World, 15 September 2017
- Weak Productivity: The Role of Financial Factors and Policies (Bank for International Settlements, International Monetary Fund, OECD joint conference), 10-11 January 2018





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Our goal is to ensure that education systems are imparting the kind of knowledge and skills that are central to the success of learners – today and in the future – while nurturing positive attitudes and values.

Directorate for Education and Skills

The **Directorate for Education and Skills (EDU)** helps countries achieve two overarching goals: to strengthen social and economic participation through developing the right skills, and to improve the effectiveness and efficiency of institutions to make reform happen.

Young people today need to be able to contribute effectively to increasingly diverse communities. In 2017 OECD work on education and skills had high impact with the release of three further volumes of the 2015 Programme for International Student Assessment (PISA). Two publications, one examining the skills of migrants and the PISA results on: *Students' Well-being*; *Students' Financial Literacy and Collaborative Problem Solving*. The 2017 edition of *Skills Outlook* focused on skills and global value chains, and *Education at a Glance* presented a new focus on fields of study, investigating trends in enrolment at the upper secondary and tertiary levels, student mobility, and labour market outcomes of the qualifications obtained in these fields, as well as introducing for the first time a full chapter dedicated to the Sustainable Development Goals.

In 2018 PISA will assess competence to determine how well-prepared students are to live and succeed in today's global economy and multicultural society. To help education systems identify the knowledge, skills, attitudes and values that today's students need to thrive in and shape their world, the OECD is developing a framework for curriculum design for the schools of the future. Titles in 2018 will examine ways for improving early childhood education and care, innovative pedagogies for powerful learning, work-based learning, and benchmarking the performance of higher-education systems.

The Directorate contributes to the OECD's Inclusive Growth agenda by providing policy recommendations on social mobility and teacher policy drawn from PISA. Two publications, one examining the skills of migrants and the other reporting on the resilience of migrant students, draw on data from the Survey of Adult Skills and PISA. The Directorate continues to help governments with national skills strategies. At a second Skills Summit in June 2018, ministers will review the OECD Skills Strategy framework and exchange views on how best to maximise countries' skills potential to boost productivity, innovation and social inclusion. ■

■ AREAS OF FOCUS

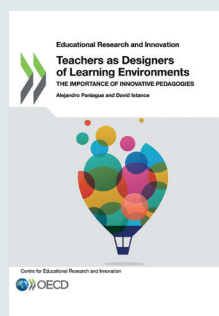
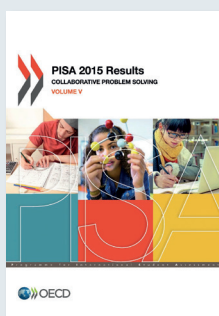
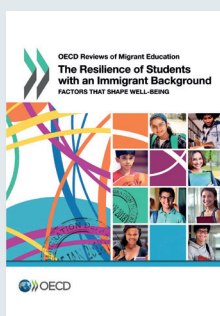
- Programme for International Student Assessment, www.pisa.oecd.org
- Centre for Educational Research and Innovation (CERI), www.oecd.org/edu/ceri
- Education GPS (interactive data visualisation website), <http://gpseducation.oecd.org>
- Education at a Glance: OECD indicators, www.oecd.org/education/education-at-a-glance-19991487.htm
- Survey of Adult Skills (PIAAC), www.oecd.org/site/piaac
- OECD Skills Strategy, www.oecd.org/skills
- Teaching and Learning International Survey (TALIS), www.oecd.org/education/talis/

■ KEY EVENTS

- International Summit of the Teaching Profession, 22-23 March 2018
- Skills Summit, 28-29 June 2018
- International launch of *Education at a Glance: 2018 Indicators*, 11 September 2018
- Global Education Industry Summit, 23 September 2018

■ KEY PUBLICATIONS

- *Education at a Glance 2017: OECD Indicators*
- *The Resilience of Students with an Immigrant Background: Factors that Shape Well-being*
- *PISA 2015 Results (Volume V): Collaborative Problem Solving*
- *Effective Teacher Policies: Insights from PISA*
- *Teachers as Designers of Learning Environments: The Importance of Innovative Pedagogies*
- *Engaging Young Children: Lessons from Research about Quality in Early Childhood Education and Care*
- *Education for Social Mobility (PISA thematic report)*
- *Work-Based Learning: Synthesis Report*
- *The Skills of Migrants: Evidence from the Survey of Adult Skills*



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We are helping countries to make employment, social, migration and health policy truly people-centred, focusing effective policy solutions on the needs of individuals as they navigate a world that is experiencing disruption due to demographic change, digitalisation and globalisation.

Directorate for Employment, Labour and Social Affairs

The **Directorate for Employment, Labour and Social Affairs (ELS)** leads OECD work on employment, social policies, international migration and health. It oversees work in inter-related policy areas to help countries promote quality jobs and skills-matching, and to improve social welfare, migration and health outcomes in a context of ageing populations, globalisation and rapid technological change.

Employment: The new OECD Job Strategy stresses the need for pro-growth policies to be accompanied by measures that foster job quality, skills-matching and labour market inclusiveness. The *Getting Skills Right* country reviews assess existing and future skills needs, as well as their impact on policies and governance arrangements.

Social policy: The OECD Ministerial Meeting on Social Policy for Shared Prosperity was held in 2018. ELS launched *The Pursuit of Gender Equality: an Uphill Battle* and the Equal Pay International Coalition; published *Preventing Ageing Unequally*; and hosted the Centre for Opportunity and Equality (COPE) International Diversity Forum.

International migration: The *International Migration Outlook 2017* was released, shedding new light on family migration. The first-ever International Forum on Migration Statistics in January 2018 provided a new platform for international co-operation on migration statistics and for support to related United Nations compacts.

Health: *Health at a Glance 2017* analysed the main factors driving life expectancy gains and offers a set of country profiles for Europe. Progress continues on PaRIS, the Patient Reported Indicators Survey, which will help countries build a patient-centred view of health system performance. ■

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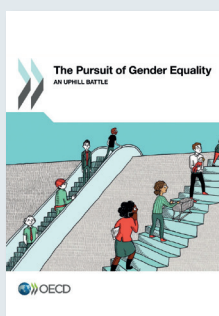
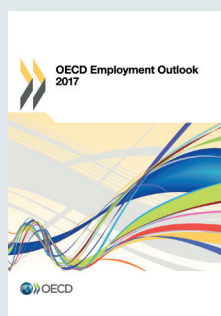
- Employment policies and data, www.oecd.org/els/emp
- Families and children, www.oecd.org/els/family
- Health policies and data, www.oecd.org/els/health-systems
- International migration policies and data, www.oecd.org/els/mig
- Pension systems, www.oecd.org/els/public-pensions
- Social policies and data, www.oecd.org/els/soc

■ KEY EVENTS

- High-Level Policy Forum on the new OECD Jobs Strategy, 13 June 2017
- International Forum on Migration Statistics, 15-16 January 2018
- COPE International Diversity Forum, 22 January 2018
- OECD Social Policy Ministerial Meeting, 14-15 May 2018

■ KEY PUBLICATIONS

- OECD *Employment Outlook 2017*
- OECD *International Migration Outlook 2017*
- *The Pursuit of Gender Equality: An Uphill Battle*
- *Preventing Ageing Unequally*
- *Health at a Glance 2017*
- *Pensions at a Glance 2017*
- *Getting Skills Right: Good Practice in Adapting to Changing Skill Needs*



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Not all people, firms and places experience a level playing field in today's global economy. Megatrends such as digitalisation, new forms of work, ageing, migration and environmental imperatives could further widen divides. The CFE is working to ensure that all people, and businesses of all sizes, can contribute to and benefit from inclusive growth, whether they are located in a capital city or in remote rural areas.

Centre for Entrepreneurship, SMEs, Regions and Cities

The **Centre for Entrepreneurship, SMEs, Regions and Cities (CFE)** provides comparative statistics, analysis and capacity building. It helps local and national actors work together to unleash the potential of entrepreneurs and small and medium-sized enterprises (SMEs), promote inclusive and sustainable regions and cities, boost local job creation, and implement sound tourism policies.

At the 2018 SME Ministerial Conference, participants highlighted the need for whole-of-government approaches to foster SME development and growth. The CFE is leading these efforts, for example with a new *SME and Entrepreneurship Outlook* and a set of effective approaches for the implementation of the G20/OECD High-Level Principles on SME Financing.

The risk of job changes resulting from automation will vary significantly across regions. This local dimension is the focus of the 2018 edition of *Job Creation and Local Economic Development*, and of the CFE contribution to the revised OECD Jobs Strategy. The next edition of *Regions and Cities at a Glance* will feature new data on cities and migrant integration.

The CFE emphasises the importance of localising the Sustainable Development Goals (SDGs). This is illustrated by its work on national urban policies, including the Second International Conference on National Urban Policy in support of the New Urban Agenda, and on water governance. Its databases on regions and cities help track SDG progress.

The Champion Mayors for Inclusive Growth held their third meeting in Seoul in October 2017. They committed to addressing climate change and inequalities, and to working with their small firms for inclusive development. The new World Observatory on Subnational Government Finance and Investment reinforces the OECD's role as the leading international forum on multi-level governance. The OECD Tourism Committee's 100th session and high-level meeting highlighted the importance of both inclusion and long-term sustainability. Achieving these goals in light of megatrends is the focus of the 2018 edition of *OECD Tourism Trends and Policies*. ■

■ AREAS OF FOCUS

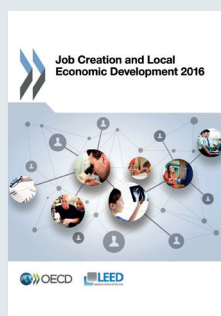
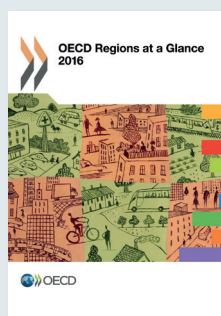
- SMEs and entrepreneurship, www.oecd.org/cfe/smes
- Local economic and employment development, www.oecd.org/cfe/leed
- Regional development, www.oecd.org/cfe/regional-policy
- Urban development/ inclusive and sustainable cities, www.oecd.org/cfe/regional-policy/urban-development.htm
- Rural development, www.oecd.org/cfe/regional-policy/oecdworkonruraldevelopment.htm
- Tourism, www.oecd.org/cfe/tourism
- Regional statistics and indicators, www.oecd.org/cfe/regional-policy/regionalstatisticsandindicators.htm
- Multi-level governance, subnational finance and investment, www.oecd.org/cfe/regional-policy/multi-level-governance.htm
- Water governance, www.oecd.org/cfe/watergovernanceprogramme.htm

■ KEY EVENTS

- 2nd International Conference on National Urban Policy, 15-18 May 2017
- High-Level Meeting on Tourism Policies for Sustainable and Inclusive Growth, 2-3 October 2017
- 3rd Meeting of the OECD Champion Mayors for Inclusive Growth, 19 October 2017
- OECD Ministerial Conference on SMEs: Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth, 22-23 February 2018
- 11th OECD Rural Development Conference: Enhancing Rural Innovation, 9-12 April 2018
- 14th OECD LEED Forum: Making All Places Resilient in the New World of Work, 18-19 September 2018

■ KEY PUBLICATIONS

- OECD *Regions and Cities at a Glance 2018*
- *Job Creation and Local Economic Development 2018*
- *Productivity and Jobs in a Globalised World: (How) Can All Regions Benefit?*
- *OECD Tourism Trends and Policies 2018*
- *Financing SMEs and Entrepreneurs 2018*
- *The Missing Entrepreneurs 2017: Policies for Inclusive Entrepreneurship*
- *Implementing the OECD Principles on Water Governance*





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Strong climate action should not be seen as a threat to growth. Rather, it is the foundation for our future economic well-being and prosperity. In the next five to ten years, governments have a window of opportunity to make the right policy choices for boosting growth and meeting climate goals.

Environment Directorate

The **Environment Directorate (ENV)** helps countries design and implement 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, resource efficiency, environmental taxes, genetically modified crop safety, agriculture, transport, trade, investment and development.

In 2017, the Environment Directorate led a major project on the economic growth and investment implications of the transition to a low-carbon, climate-resilient economy. The resulting report, *Investing in Climate, Investing in Growth*, was recognised in the G20 Leaders' Declaration that was adopted at the G20 summit in Hamburg in July of that year. This provided a strong endorsement of the message that climate and growth policies can go hand in hand.

The Directorate continues to focus on the social, environmental, economic and financial dimensions of the transition to low-carbon and resource-efficient economies. Particular attention is given to the role of green finance and investment, in addition to work on the macro-economic implications of the transition to a circular economy. The 2017 edition of *Green Growth Indicators* was a key contribution, with enriched discussion of environmentally related taxes and subsidies, technology and innovation, and international financial flows.

In 2018, the Directorate will continue its efforts to support countries in implementing the Paris Agreement, with a particular focus on ensuring that financial flows are consistent with the low-carbon transition. The design, use and disposal of sustainable plastics will also receive special attention, with outputs including a report on the secondary plastics market and a Global Forum on Plastics in a Circular Economy. ■

■ AREAS OF FOCUS

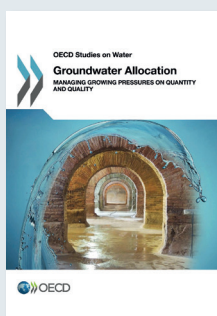
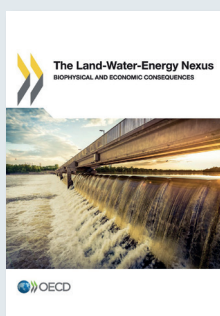
- Climate change, www.oecd.org/environment/action-on-climate-change
- Biodiversity and ecosystems, www.oecd.org/environment/resources/biodiversity
- Environment in emerging and transition economies, www.oecd.org/environment/outreach
- Environmental modelling and outlooks, www.oecd.org/environment/indicators-modelling-outlooks
- Green growth, www.oecd.org/greengrowth
- Growth, investment and the low-carbon transition, www.oecd.org/environment/cc/g20-climate
- Safety of chemicals, pesticides, biotechnology and nanomaterials, www.oecd.org/chemicalsafety
- Resources productivity and waste, www.oecd.org/environment/waste
- Water, www.oecd.org/water

■ KEY EVENTS

- Global Forum on Environment: Sustainable Plastics Design, 29-31 May 2018
- Global Forum on Environment: Biodiversity and Development, July 2018
- 5th Forum on Green Finance and Investment, 13-14 November 2018
- Green Growth and Sustainable Development Forum: Inclusive Solutions for the Green Transition, 27-29 November 2018

■ KEY PUBLICATIONS

- *Environmental Performance Reviews: Canada 2017, Peru 2017*
- *Groundwater Allocation: Managing Growing Pressures on Quantity and Quality*
- *Inventory of Energy Subsidies in the EU's Eastern Partnership Countries*
- *Investing in Climate, Investing in Growth*
- *Improving Markets for Recycled Plastics: Trends, Prospects and Policy Responses*
- *Rethinking Urban Sprawl: Moving Towards Sustainable Cities*
- *Tackling Environmental Problems with the Help of Behavioural Insights*
- *The Land-Water-Energy Nexus: Biophysical and Economic Consequences*



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Our mission is to help governments and companies adopt and implement policies and co-operative approaches that foster open markets and responsible business conduct, and make globalisation work for all.

Directorate for Financial and Enterprise Affairs

The **Directorate for Financial and Enterprise Affairs (DAF)** helps governments promote inclusive growth by improving domestic policies and global rules that shape markets and business conduct. DAF works in the fields of anti-corruption, corporate governance, competition, investment, financial markets, insurance, private pensions and responsible business conduct.

Standard setting and implementation. In 2017, Costa Rica and Lithuania joined the OECD Anti-Bribery Convention. Three G20 countries – Argentina, Brazil and South Africa – started the process of adhering to the OECD Code of Liberalisation of Capital Movements. Ukraine adhered to the OECD Investment Declaration and related instruments. Due diligence guidance for responsible garment and footwear supply chains was approved by all governments adhering to the OECD Guidelines for Multinational Enterprises and endorsed by business, trade unions and civil society; general due diligence guidance to accompany the OECD Guidelines is close to completion. The OECD guidance on insurer governance was also revised.

Capacity building. The OECD helped Colombia, Greece, Mexico and other countries to build collusion-free public procurement systems, reform regulations that impede fair competition, or improve corporate governance of state-owned enterprises. National competition authorities and anti-bribery prosecutors participated in capacity-building sessions. A pilot project was launched with Italy as part of the Capital Markets Union initiative.

Forum for international dialogue and co-operation. The *OECD Business and Finance Outlook 2017* addressed international governance issues that are key to achieving a level playing field and making trade and investment beneficial to all. The OECD analysed the policy implications of digitalisation in the areas of competition law enforcement and cyber-risk insurance. The *OECD Equity Markets Review: Asia 2017* was launched, the first in a new series. The OECD Centre on Green Finance and Investment was created to support the transition to a low-carbon and climate-resilient global economy. ■

■ AREAS OF FOCUS

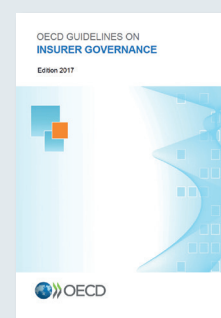
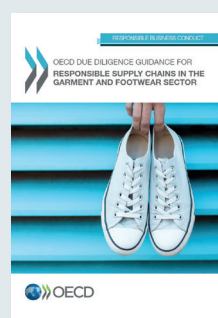
- Bribery in international business, www.oecd.org/corruption/anti-bribery
- Competition, www.oecd.org/competition
- Corporate governance and responsible business conduct, www.oecd.org/corporate
- Financial markets, insurance and pensions, www.oecd.org/finance
- International investment, www.oecd.org/investment

■ KEY ANNUAL EVENTS

- OECD Forum on Green Finance and Investment, 24-25 October 2017
- OECD Global Forum on Competition, 7-8 December 2017
- Roundtable on Twenty Years of the OECD Anti-Bribery Convention, 12 December 2017
- OECD Conference on Gender Equality in Business, 8 March 2018
- OECD Global Anti-Corruption and Integrity Forum, 27-28 March 2018
- OECD Forum on Responsible Mineral Supply Chains, 16-20 April 2018
- OECD Global Forum on Responsible Business Conduct, 20-21 June 2018

■ KEY PUBLICATIONS

- OECD Business and Finance Outlook 2017
- OECD Pensions Outlook 2016
- OECD Sovereign Borrowing Outlook 2017
- OECD Competition Assessment Reviews: Mexico
- OECD Investment Policy Reviews
- OECD Due Diligence Guidance for Responsible Business Conduct
- The Detection of Foreign Bribery
- OECD Equity Markets Review: Asia 2017



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Making OECD standards and policies count on a global scale supports our strategic goal of contributing to levelling the playing field globally. The Organisation has developed effective tools to engage with its partners and supports partner-country policy reforms to foster strong, sustainable and inclusive growth. We help partners to align themselves with the OECD's globally recognised standards and policies, benefitting from their perspectives, which help to enrich standards and best practices.

Global Relations Secretariat

The **Global Relations Secretariat (GRS)** strengthens co-operation with partner countries through regional programmes in Eurasia and South East Europe, Latin America and the Caribbean, the Middle East and North Africa (MENA), and Southeast Asia. It fosters the active involvement of Key Partners – Brazil, the People's Republic of China, India, Indonesia and South Africa – as well as other important partners, in the OECD's work programme and informs Council discussions on future membership.

The GRS supports partners in implementing OECD country programmes, which help to lock in their reform processes, involve them in the work of OECD bodies and align them with OECD legal instruments. The Organisation increasingly benefits from the G20 and other fora of global and regional governance to leverage OECD standards and policies, strengthen relationships with Key Partners, and deepen support to partner country reform. Since 2017, the country programme with Peru has been completed, those with Kazakhstan and Morocco have been extended, and a new country programme with Thailand will be launched.

The Southeast Asia Regional Programme held its first ministerial meeting in Tokyo, Japan. The Regional Programme for Latin America and the Caribbean held a ministerial meeting on social inclusion in Asuncion, Paraguay. The OECD Eurasia week, held in Almaty, Kazakhstan, gave new impetus to the Eurasia Competitiveness Programme. The MENA-OECD Initiative advanced in the implementation of the Tunis Ministerial Declaration. Strengthened co-operation with Key Partners led to a membership request by Brazil, a new programme of work for 2018-20 with China, and intensified co-operation with India. Argentina, Brazil, Bulgaria, Croatia, Peru and Romania have requested to open accession discussions with the Organisation. ■

■ AREAS OF FOCUS

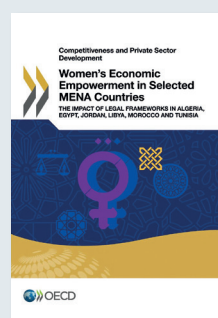
- OECD Global Relations, www.oecd.org/globalrelations
- Africa, www.oecd.org/africa
- Brazil, www.oecd.org/brazil; www.oecd.org/latin-america/countries/brazil
- China, www.oecd.org/china
- Eurasia, www.oecd.org/eurasia
- India, www.oecd.org/india
- Indonesia, www.oecd.org/indonesia
- Latin America, www.oecd.org/latin-america
- Middle East and North Africa, www.oecd.org/mena
- South Africa, www.oecd.org/southafrica
- Southeast Asia, www.oecd.org/southeast-asia
- South East Europe, www.oecd.org/south-east-europe

■ KEY EVENTS

- Southeast Asia Regional Programme Ministerial Conference, 8 March 2018
- High-Level Conference: A New Reform Agenda for a More Competitive South East Europe, 24 April 2018
- Public-private Dialogue in the MENA Region: Shaping consensus for economic reforms, June 2018
- High-Level Meeting on Strengthening Institutions and Governance, 18-19 October 2018
- Eurasia Week, December 2018

■ KEY PUBLICATIONS

- OECD Active with... country and regional brochures
- *Enhancing Social Inclusion in Latin America*
- *Enhancing Competitiveness in Central Asia*
- *Women's Economic Empowerment in Selected MENA Countries*
- *Strengthening Women's Economic Entrepreneurship in ASEAN*
- *Competitiveness in South East Europe: A Policy Outlook 2018*



**ANTHONY GOOCH**

Director

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Good communication is as much about listening as it is about broadcasting. In the current post-truth news and media environment, characterised by low levels of public trust in government and scepticism towards experts, we need, more than ever, to reach out beyond “people like us”, engaging with those whose views are under-represented and who might not agree with us.

Public Affairs and Communications Directorate

The **Public Affairs and Communications Directorate (PAC)** enhances the OECD’s dialogue and engagement with influencers from across the policy-shaping community, as well as with the broader public. It orchestrates external communications in line with the Secretary-General’s strategic priorities, provides guidance on communication across the Organisation and convenes the OECD Senior Communications Board.

In 2017 PAC shifted away from individual events and launches, towards a wider, narrative-based campaign approach. The Organisation’s clear and unified response to the backlash against globalisation crystallised around the 2017 OECD Forum, which focused on Bridging Divides. The Forum also saw the launch of a new digital platform, The Forum Network, which has extended discussions and exchanges year-round, with a growing community of over 1 200 active contributors from more than 60 countries.

PAC continued to broaden its engagement through the OECD Global Parliamentary Network and the newly created Parliamentary Group on Integrity and Transparency. The *OECD Better Life Index*, an established civic engagement platform, attracted nearly 1.5 million visits in 2017. Throughout 2017, PAC emphasised the importance of communicating OECD content and data using simple language, video and visuals that are easily shared through social media and other digital platforms, which have been growing strongly. The OECD continued to feature prominently in major global media, as well as in key regional and local media thanks to strong engagement through its centres in Central and Eastern Europe, Latin America and the Caribbean, and Asia and North America.

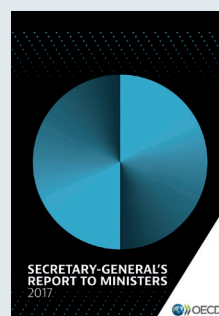
In 2018, the main corporate communications campaigns will revolve around the priority themes of Inclusive Growth, Digitalisation and International Co-operation, ensuring that communications are geared towards influencing the delivery of *Better Policies for Better Lives*. ■

■ KEY ANNUAL EVENTS

- OECD Forum 2017: Bridging Divides, 6-7 June 2017
- *Journées européennes du patrimoine*, 16-17 September 2017
- OECD Parliamentary Days, 8-10 February 2017; 7-9 February 2018
- OECD Forum 2018: What Brings Us Together? 29-30 May 2018

■ KEY CHANNELS AND PRODUCTS

- Better Life Index, www.oecdbetterlifeindex.org
- Civil society, www.oecd.org/civilsociety
- Images and videos, www.flickr.com/OECD, www.youtube.com/OECD
- Media relations, www.oecd.org/media
- OECD Centres abroad, www.oecd.org/centres
- OECD Data Portal, <http://data.oecd.org>
- OECD Forum, www.oecd.org/forum
- OECD Global Parliamentary Network, www.oecd.org/parliamentarians
- OECD iLibrary, www.oecd-ilibrary.org
- OECD Insights (series), www.oecd.org/insights/
- OECD Insights: Debate the issues (blog), <http://oecdinsights.org>
- OECD Observer (quarterly), www.oecdoobserver.org
- OECD Yearbook 2017, www.oecd.org/forum/oecdyearbook/
- Secretary-General's Report to Ministers 2017, https://read.oecd-ilibrary.org/economics/secretary-general-s-report-to-ministers-2017_sg_report-2017-en#page1
- Social media, www.facebook.com/TheOECD, www.twitter.com/OECD
- The Forum Network, www.oecd-forum.org



**MARCOS BONTURI**

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Disruptive technologies are creating uncertainty. Effective government action depends on anticipating and reacting to change through regulations, laws and the allocation of financial resources. Governments need the agility and creativity to manage rapid evolution and seize opportunities on behalf of all citizens. They also need to address inequalities and corruption, which have eroded trust in institutions.

Directorate for Public Governance

The **Directorate for Public Governance (GOV)** provides data, analysis and good practice to help countries improve public policy making and strengthen trust in government. Efficient and accountable public services, strong institutions and effective governance are essential to support the businesses that create jobs, equip young people with the skills they need for fulfilling careers, and provide the health and social services that citizens expect throughout their lives.

The year 2017 was highly productive. GOV produced almost 100 publications, including *Government at a Glance*, the primary global source for comparative data on the performance of governments. High-profile events included the OECD Integrity Forum in March, the Observatory of Public Sector Innovation conference in November and the Support for Improvement in Governance and Management (SIGMA) ministerial conference in December. Web traffic doubled over the period 2015-17 and the OECD Governance Twitter account acquired an active following of more than 10 000 people.

New public governance instruments on integrity and open government were endorsed by the OECD Council, as were monitoring reviews of existing instruments on risk governance and digital government. The OECD's work on public governance is reaching ever-wider audiences and OECD governance principles and expertise are in high demand among non-member economies. Public governance is a key dimension of OECD regional programmes in Southeast Asia, Latin America and the Middle East and North Africa.

Looking ahead, regulation of the digital economy is weak because technologies are evolving more rapidly than regulatory frameworks. Fiscal policies also struggle to tax Internet-based companies with completely new business models. The OECD will focus on the implications of digitalisation for the public sector of the future, including blockchain, big data and open data. GOV will also emphasise inclusiveness in policy making, carrying out work on women in public life, youth engagement, and values such as integrity and transparency. ■

■ AREAS OF FOCUS

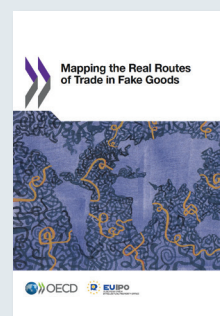
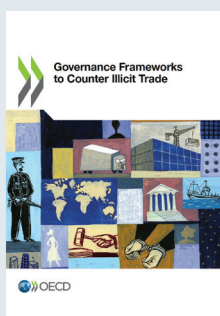
- Fighting public sector corruption, www.oecd.org/gov/ethics
- Building trust in government, www.oecd.org/gov/trust-in-government.htm
- Public sector innovation, www.oecd.org/gov/innovative-government
- Public employment and management, www.oecd.org/gov/pem/
- Public procurement, www.oecd.org/gov/public-procurement
- Digital government, www.oecd.org/gov/digital-government
- Budgeting and public expenditures, www.oecd.org/gov/budgeting/
- Risk management, www.oecd.org/gov/risk/
- Support for Improvement in Governance and Management (SIGMA), www.oecd.org/gov/sigma
- Regulatory policy, www.oecd.org/gov/regulatory-policy
- Public governance reform in the Middle East and North Africa, www.oecd.org/mena/governance
- Women in government, www.oecd.org/gov/women-in-government.htm

■ KEY EVENTS

- Policy Roundtable: Equal Access to Justice, 22-23 May 2017
- Governing Better through Evidence-informed Policy Making, 26-27 June 2017
- Innovation in Government: The New Normal, 20-21 November 2017
- Third OECD Forum on Governance of Infrastructure, 26-27 March 2018
- OECD Global Anti-Corruption and Integrity Forum – Planet Integrity: Building a Better Society, 27-28 March 2018

■ KEY PUBLICATIONS

- *Government at a Glance 2017*
- *Governance Frameworks to Counter Illicit Trade*
- *International Regulatory Co-operation and Trade*
- *OECD Budget Transparency Toolkit*
- *Skills for a High Performing Civil Service*
- *Global Trade Without Corruption*
- *Improving Regulatory Governance*
- *Systems Approaches to Public Sector Challenges*
- *Public Procurement for Innovation*
- *Mapping the Real Routes of Trade in Fake Goods*



**ANDREW WYCKOFF**

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It's in STI's DNA to look for ways to better understand where our economies and societies are today, and where they are going in the future. This means we need to tackle topics at the boundaries of our scientific and technological understanding – such as bio- and nanotechnology for altering modes of production, the granular view of productivity, and digital shifts like big data, the Internet of things and artificial intelligence – looking at how these are changing our world.

Directorate for Science, Technology and Innovation

The **Directorate for Science, Technology and Innovation (STI)** develops evidence-based policy advice on the contribution of science, technology and innovation to our economies and societies. This requires wide-ranging work: from business dynamics and productivity to the digital economy; and from how neurotechnologies, nanosatellites and innovation affect social challenges, to consumer protection and excess capacity in heavy industries.

The STI's outputs in 2017 underscored its strength in providing countries with cutting-edge data and policy advice. The STI Scoreboard presented some 200 indicators covering more than 40 advanced and emerging economies, with a special focus on the impact of digital technologies. The Telecommunication and Broadcasting Review of Mexico demonstrated STI's ability to “go national” and support countries in their quest to reap the benefits of digital transformation.

The STI is also contributing to the global debate at the highest levels. It supported the German G20 Presidency in its discussions on shaping digitalisation for an interconnected world, which culminated in a Roadmap for Digitalisation that G20 Leaders recognised as a guide for future work. With a strong focus on the next production revolution, the Italian G7 Presidency leveraged STI expertise in small and medium enterprises, artificial intelligence, cyber-security and digital infrastructure. The STI contribution to resolving difficult multilateral issues is exemplified by its role in the OECD's facilitation of the Global Forum on Steel Excess Capacity.

Looking forward, *Going Digital* – the OECD's cross-cutting project on digital transformation – remains a priority in 2018. The third annual Conference of the Global Forum on Productivity will focus on disruptive technologies and their impact on firms and workers. With emerging technologies raising complex ethical questions, STI will host a meeting in Shanghai to explore how scientists, governments, businesses, and civil society can better integrate important social values in the course of developing neurotechnologies. ■

■ AREAS OF FOCUS

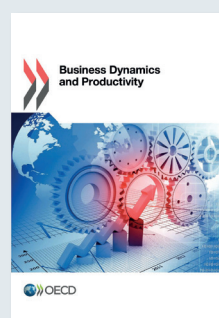
- Going Digital, www.oecd.org/going-digital
- OECD Broadband Portal, www.oecd.org/sti/broadband/broadband-statistics
- Reviews of innovation policy, www.oecd.org/sti/inno

■ KEY EVENTS

- Conference of the Global Forum on Productivity: Openness, global value chains and productivity-enhancing policies, 26-27 June 2017
- Conference on Artificial Intelligence: Smart Machines, Intelligent Policies, 26-27 October 2017
- IP Statistics for Decision Makers, 14-15 November 2017

■ KEY PUBLICATIONS

- OECD Science, Technology and Industry Scoreboard 2017: The Digital Transformation
- OECD Digital Economy Outlook 2017
- The Next Production Revolution: Implications for Governments and Business
- Business Dynamics and Productivity
- OECD Telecommunication and Broadcasting Review of Mexico 2017
- “Strengthening the effectiveness and sustainability of international research infrastructures”
- “Neurotechnology and society: Strengthening responsible innovation in brain science”
- “The evolving role of satellite networks in rural and remote broadband access”
- “The great divergence(s)”
- “A portrait of innovative start-ups across countries”
- World Top R&D Investors: Industrial Property Strategies in the Digital Economy
- “Economic shocks and changes in global production structures: Methods for measuring economic resilience”
- “Frascati manual R&D and the system of national accounts”
- “What role for social sciences in innovation?”





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In an era of post-truth, increasing populism, low levels of trust, fast technological change, and discontent fuelled by widening inequalities and slow economic recovery, we must provide reliable, timely and accessible information. The Statistics and Data Directorate mobilises the power of official statistics to help inform policy and the public, while investing in innovative tools and methods to harness new data sources.

Statistics and Data Directorate

The **Statistics and Data Directorate (SDD)** provides statistics on national accounts, international trade and measures of well-being, among others, to promote evidence-based decision making. It develops methodologies for measuring and gathering data in emerging policy areas, such as digitalisation, inclusive growth and trust. SDD supports the OECD statistical system, providing “smart data” solutions and tapping into non-conventional data sources.

SDD addresses the measurement challenges of globalisation and digitalisation and develops new trade-related data. It provides indicators describing the role of small and medium enterprises in global value chains to give a better picture of inclusive globalisation. In 2017, SDD released Statistical Trade and Investment Country Notes, in co-operation with the Directorate for Financial and Enterprise Affairs, to inform discussions on the trade-investment nexus and the role of multinational enterprises in global value chains.

SDD has developed classifications and an accounting framework to better measure the digital economy. It has analysed the validity of established accounting concepts in light of new digitally based business, digital trade, unrecorded cross-border flows of intellectual property assets, and rapid quality change in products.

Continuing its long-standing leadership in measuring well-being, SDD released its latest *How's Life?* in 2017, drawing a picture of how people are faring across the various dimensions of well-being. It also pursued methodological work to advance the statistical agenda in areas as diverse as measuring trust and job quality; the financial interconnections of corporations and households across countries; shadow banking; and the impact of businesses on people's well-being. This work adds granularity, timeliness and relevance to the OECD's statistical and data work. ■

■ AREAS OF FOCUS

- Composite leading indicators and business tendency surveys, www.oecd.org/sdd/leading-indicators
- Entrepreneurship indicators and business statistics, www.oecd.org/sdd/business-stats
- Productivity statistics, www.oecd.org/sdd/productivity-stats
- OECD Better Life Initiative, www.oecd.org/betterlifeinitiative
- Measuring well-being and progress, www.oecd.org/measuringprogress
- Inclusive growth, www.oecd.org/sdd/inclusivegrowth-theoecdmeasurementframework.htm
- Gender equality, www.oecd.org/gender
- Green growth, www.oecd.org/greengrowth
- Labour statistics, www.oecd.org/sdd/labour-stats
- International trade and balance of payments, www.oecd.org/sdd/its; www.oecd.org/sdd/its/balanced-trade-in-services.htm
- Measuring Trade in Value Added (TiVA), oe.cd/tiva
- National accounts and financial statistics, www.oecd.org/sdd/na; www.oecd.org/sdd/fin-stats
- Prices and purchasing power parities, www.oecd.org/sdd/prices-ppp

■ KEY EVENTS

- OECD conference on wealth inequalities: measurement and policies, 26 April 2018
- OECD conference on the role of official statistics in an evolving communication society, 5-6 October 2017

■ KEY PUBLICATIONS

- *OECD Compendium of Productivity Indicators 2018*
- *How's Life? Measuring Well-Being 2017*
- *Measuring Distance to the SDG Targets 2017*
- *Entrepreneurship at a Glance 2017*
- *Understanding Financial Accounts 2017*
- *OECD Guidelines on Measuring Trust 2017*
- *OECD Guidelines on Measuring the Quality of the Working Environment 2017*



**PASCAL SAINT-AMANS**

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The OECD has made major advances in 2017-18 in the global implementation of internationally agreed tax standards. From the first automatic exchange of information, to the first outcomes of the base erosion and profit shifting peer reviews, tax evasion and avoidance are being tackled by an increasing number of countries. We will continue to promote this unprecedented co-operation, focusing on good tax policy and strengthened tax administrations.

Centre for Tax Policy and Administration

The **Centre for Tax Policy and Administration (CTPA)** supports the Committee on Fiscal Affairs, covering international and domestic issues involving direct and indirect taxes. The OECD leads the development of international tax rules, addressing tax barriers to trade and investment while also tackling tax evasion and avoidance.

The Inclusive Framework on BEPS (base erosion and profit shifting), with 115 participating jurisdictions, is currently implementing the BEPS package through an ongoing peer review process. Proposals are also underway on the tax challenges arising from digitalisation, including an interim report released in early 2018, and this work will continue until 2020. Since the first signing of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS in June 2017, the number of participating jurisdictions has increased to almost 80; the Convention will enter into force in July 2018.

The Global Forum on Transparency and Exchange of Information for Tax Purposes continues to closely monitor the implementation of tax transparency standards. The first automatic exchanges of information began in 2017. The participation of 150 jurisdictions in the Global Forum highlights countries' political commitment to fighting tax evasion.

We are increasing our capacity-building work in developing countries and reinforcing co-operation with other international organisations through the Platform for Collaboration on Tax. In addition, Tax Inspectors Without Borders has resulted in the generation of close to USD 330 million of additional tax revenues since its creation in 2012. We continue to strengthen our work on global revenue statistics, and to lend advice to countries on improving tax policy, including for inclusive and environmentally friendly growth. ■

■ AREAS OF FOCUS

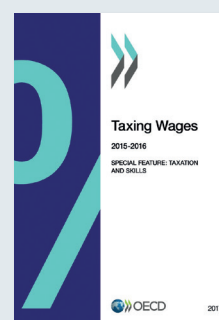
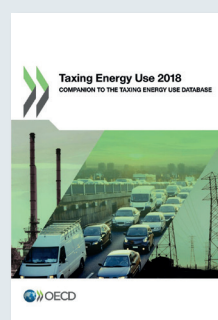
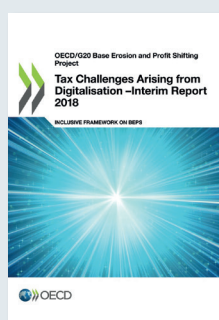
- Base erosion and profit shifting (BEPS), www.oecd.org/tax/beps
- Tax administration, www.oecd.org/tax/forum-on-tax-administration
- Tax transparency and exchange of information, www.oecd.org/tax/transparency
- Tax and crime, www.oecd.org/tax/crime
- Tax and development, www.oecd.org/tax/tax-global/tax-and-development.htm
- Environmental taxation, www.oecd.org/tax/tax-policy/tax-and-environment.htm
- Tax policy and statistics, www.oecd.org/tax/tax-policy
- Tax treaties, www.oecd.org/tax/treaties
- Transfer pricing, www.oecd.org/ctp/transfer-pricing

■ KEY EVENTS

- First Signing Ceremony of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, 7 June 2017
- Forum on Tax Administration, 27-29 September 2017
- Forum on Tax and Crime, 7-8 November 2017
- Global Forum on Transparency and Exchange of Information for Tax Purposes, 15-17 November 2017
- First Global Conference of the Platform for Collaboration on Tax, 14-16 February 2018

■ KEY PUBLICATIONS

- *Tax Transparency 2017: Report on Progress*
- *Model Tax Convention on Income and on Capital: Condensed Version 2017*
- *OECD/G20 Base Erosion and Profit Shifting Project: Progress Report*
- *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017*
- *Revenue Statistics 2018* (covering OECD, Asian, African and LAC countries)
- *Tax Challenges Arising from Digitalisation: Interim Report 2018*
- *Taxing Energy Use 2018*
- *Taxing Wages 2018*



**KEN ASH**

Director

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International trade is not yet free, fair and open – it remains a work in progress. OECD analysis is identifying gaps in the international rule book, from murky, behind-the-border measures that distort international markets and regulations that restrict services trade, to long-standing agriculture and fisheries subsidies. Our aim is to clarify actions that governments can take, working together, to ensure a global level playing field, while at the same time maintaining policies at home that allow trade to work better for more people.

Trade and Agriculture Directorate

The **Trade and Agriculture Directorate (TAD)** provides policy analysis and advice to help governments develop trade, agriculture, and fisheries policies that contribute to more inclusive and sustainable growth. We also manage programmes on officially supported export credits and on agricultural product standards, and we conduct co-operative research for sustainable agricultural systems.

The OECD works across policy communities to identify the full range of domestic and international policy measures that can help make trade work for all. Streamlining border procedures and removing regulatory restrictions on services trade can substantially reduce unnecessary costs for traders. The OECD Trade Facilitation Indicators and our Services Trade Restrictiveness Index allow governments to benchmark their performance and to prioritise needed reforms.

OECD analysis and advice also help governments improve food, farm and fisheries policies. Our tools include the annual *Agricultural Policy Monitoring and Evaluation* report and the *OECD-FAO Agricultural Outlook*; we also produce estimates of fisheries subsidies that can contribute to overfishing. The OECD Inventory of Support Measures for Fossil Fuels helps underpin national and international initiatives to reform fossil-fuel subsidies.

We continue to expand our analysis of policies that can distort international markets. New work is underway to measure government support along the aluminium value chain, with the goal of building a robust methodology that can be extended to other sectors.

The OECD is also tackling new issues that are changing the trade policy landscape. Digitalisation, for example, can create new opportunities for innovation and inclusive growth, but also new challenges for policy makers. Through our work on digital trade we are exploring market openness in the digital era. ■

■ AREAS OF FOCUS

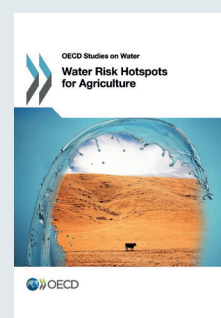
- Agricultural policies and support, www.oecd.org/tad/agricultural-policies
- Agricultural trade, www.oecd.org/tad/agricultural-trade
- Benefits of trade liberalisation, www.oecd.org/tad/benefitlib
- Export credits, www.oecd.org/tad/xcred
- Fisheries, www.oecd.org/fisheries
- Services trade, www.oecd.org/tad/services-trade
- Trade facilitation, www.oecd.org/tad/facilitation
- Trade and development, www.oecd.org/tad/tradedev
- Digital trade, www.oecd.org/going-digital/topics/trade

■ KEY EVENTS

- OECD Global Forum on Agriculture: Digital Opportunities in Agriculture and Food, 15 May 2018
- G20/OECD/WTO Event on Trade Facilitation, 30 May 2018

■ KEY PUBLICATIONS

- *Services Trade Policies and the Global Economy*
- *Trade Facilitation and the Global Economy*
- *OECD-FAO Agricultural Outlook 2017-2026*
- *Agricultural Policy Monitoring and Evaluation 2017*
- *Making Trade Work for All*
- “Support to fisheries: Levels and impacts”
- *Water Risk Hotspots for Agriculture*
- *OECD Food and Agricultural Reviews: Agricultural Policies in India*



**LUCY ELLIOTT**

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Smooth and effective decision making and high-quality evaluation services are key to the OECD's impact and relevance. The Council Secretariat provides an interface with members, preparing the decisions that shape the future of the OECD and its ability to promote better policies for better lives. In 2018, CES will continue to support good institutional governance in a dynamic environment. Through evaluation services, it will contribute to and demonstrate OECD's credibility as a learning organisation.

Council and Executive Committee Secretariat

The **Council Secretariat (CES)** serves the Council, the Executive Committee, heads of delegation meetings, the Global Strategy Group, the Ministerial Council Meeting and the Evaluation Committee. In-depth evaluations provide systematic and objective assessments of the relevance, effectiveness and efficiency of the OECD's substantive committees, among other things, to inform Council decisions on the appropriateness and renewal of their mandates.

The Council Secretariat supports the Secretary-General in his capacity as Chair of the Council, providing assistance and advice on the institutional, policy and procedural aspects of the Council's activities and work programme. It also serves as a liaison among standing committees, as well as between the Secretariat and member delegations. The Council Secretariat provides strategic governing body support and digital project management, including the conception and design of platforms and databases for meeting organisation, and for the accurate processing and timely dissemination of documents.

In-depth evaluation plays a key role in supporting the OECD's mission. The CES provides forward-looking recommendations, helps to identify good practices, and advises the Secretary-General on monitoring and evaluation. All of this contributes to reinforcing the OECD's transparency and accountability.

In 2017, the Council Secretariat embarked on a strategic re-orientation to ensure that its functions remain responsive and adaptable to external and internal changes; that it makes full use of its potential; and that it continually improves its services to make them well-used by all its stakeholders. In 2018 and beyond, the Council Secretariat's vision is to provide a hub for members and the Secretary-General in support of smooth decision-making, good institutional governance and co-ordination, and enhanced use of evaluation and monitoring. ■

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In order to respond to the challenges of the 21st century, international law has to be developed differently and more creatively than in the past. The OECD is living up to this challenge with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. This single international instrument will allow thousands of bilateral tax treaties to be modified in an efficient and co-ordinated manner across the globe.

Directorate for Legal Affairs

The **Directorate for Legal Affairs (LEG)** advises on all legal, institutional and procedural aspects of the Organisation's activities. It supports directorates in the development of their outputs, represents the Organisation in legal proceedings and advises on contracts, co-operation and financing agreements, intellectual property, and financial and human resource reforms.

The Directorate supports the ongoing, Organisation-wide standard-setting review. This process is designed to ensure the relevance and impact of existing OECD standards and to identify areas for possible future standards. The exercise also involves devising tools to keep standards updated and to ensure that they are responsive to changes in the policy environment. We are looking at how to better measure the implementation and impact of OECD standards, and to extend their global reach.

The Directorate also contributes to facilitating the signature, ratification and implementation of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. It has supported the development of new standards on issues such as due diligence for responsible supply chains, open government, sustainable lending and export credits, and the sustainability of global events. It has played an ongoing role in representing the OECD on anti-corruption issues, including in the G20 Anti-Corruption Working Group.

Finally, the Directorate has co-ordinated accession discussions with Colombia, Costa Rica and Lithuania, and has contributed its expertise in discussions on possible future processes for accession. Regarding global relations more broadly, the Directorate has provided significant legal support in matters of participation in OECD committees and adherence to OECD standards. ■



JOSÉE TOUCHETTE
Executive Director



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Better management for better policies... better policies for better lives. The EXD plays a crucial role in enabling the OECD's mission, providing stewardship of the Organisation's resources on behalf of the Secretary-General. We manage these resources carefully, responsibly and efficiently while always looking to improve them for the future.

Executive Directorate

The **Executive Directorate (EXD)** advises the Secretary-General on management policies and practices, delivering high-quality corporate services to staff, members and delegates. These services – which include human and financial resource management; digital knowledge and information management; and conference, language, security and operations services – enable the Organisation to carry out its work efficiently and effectively.

The safety of staff, delegates and 130 000 annual visitors are a priority at the OECD. Reinforcement of the entrances of our main buildings was an important step in 2017 and construction of a new welcome and accreditation area is underway at the main conference centre. Threats to digital security are also growing exponentially in number and complexity, and the EXD has responded to protect the Organisation's staff, data and assets.

The EXD is continually seeking to improve the application and monitoring of norms and standards across the Organisation. To reinforce the OECD's ethics framework, we are increasing transparency and staff training, putting in place a dedicated ethics function and strengthening the existing whistle-blowing policy.

Several key projects are transforming services and facilities. The O.N.E platform was introduced in 2017 to replace OLIS, offering members and partners improved and mobile functionalities for meetings and documents. Directorates are using O.N.E Author solution to optimise the management of documents, from drafting through to publication. The opening of the OECD (Boulogne) conference centre last year offers directorates and members a second set of high-quality meeting rooms.

From 2015 to 2017 the EXD implemented proposals from the Value for Money Action Plan; we are now working to deepen this initiative across the Organisation. The Château de la Muette was awarded a sustainable building award in 2017, among 350 buildings certified in France against the "HQE" (high environmental quality) standard. ■



PETER STOKHOF
Acting Director

Internal Audit plays a key role in supporting the OECD's mission through its forward-looking recommendations and identification of good practices. It advises the Secretary-General on executive governance, and on risk management and control. The Audit Committee, a special body of Council, oversees the independence and effectiveness of Internal and External Audit; reviews their work programmes; and monitors management's implementation of the recommendations made. This contributes to reinforcing the OECD's leading-edge executive governance, as well as its accountability, transparency and performance.

Internal Audit

Internal Audit (IA) provides the Secretary-General with independent and objective assurance and advisory activity designed to add value and improve OECD's operations. It helps the Organisation achieve its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of executive governance, risk management and control processes.

In 2017, the third year of Internal Audit's four-year strategy, we focused on the substance of the OECD's work and provided assurance at the corporate level. Internal Audit continued to "audit what matters", including key success factors for project management; ethics, code of conduct and confidentiality awareness; and OECD enterprise risk management. The Internal Audit work plan for the 2017-2018 biennium focuses on risk-related issues, including cyber- and physical security, procurement, and various human resource matters.

Through Internal Audit, the OECD enhances transparency and accountability. The elements comprising the OECD Audit Architecture have been compiled and made available publicly via the OECD website, and to all OECD officials and members. In January 2018, the Secretary-General revised his policy for disclosure of Internal Audit reports, established in January 2016, extending the availability of detailed internal audit reports – in addition to the summary reports – to the full OECD membership.

As part of its adherence to the mandatory guidance of the Institute of Internal Auditors (IIA), Internal Audit maintains a quality assurance and improvement programme that covers all aspects of its activity. It communicates the results of ongoing internal assessments and external assessments conducted at least every five years to the Secretary-General and the Audit Committee. Internal Audit's most recent External Quality Assessment, conducted by the IIA in 2015, resulted in the highest rating: Internal Audit "generally conforms" with the IIA Standards and Code of Ethics. ■

Special Bodies





MARIO PEZZINI

Director and Special Advisor to the OECD Secretary-General on Development



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While rising income levels help improve development outcomes, they also bring new challenges and demands. Policy makers in emerging and developing countries are confronted with complex decisions on fast-changing matters, and with the need to balance economic, social and environmental agendas. DEV works in partnership with them, providing cutting-edge analysis and facilitating effective governmental learning to develop innovative policy solutions that will make a meaningful difference in the lives of people.

Development Centre

The **OECD Development Centre (DEV)** was established in 1962 as a platform for analysis, knowledge-sharing and evidence-based policy dialogue on development. DEV members include 27 OECD countries, the European Union and 25 non-OECD countries; they interact on an equal footing to find innovative policy solutions to pressing development challenges.

DEV acts as the OECD's pathfinder on development. Since the global economic crisis, its work has shown that the development pathways of non-OECD economies are diverse, complex and unpredictable. Making development more sustainable for those countries is key to their prosperity and well-being, and also to the prosperity and well-being of OECD members. In 2017, the Centre's members encouraged further efforts to explore the opportunities and challenges countries face in transitioning to higher income levels. At the same time, they called for tools to enable renewed international co-operation in order to better respond to those realities. DEV launched a Mutual Learning Group to help members capitalise on the lessons learned through its Multi-dimensional Country Reviews.

Together with local authorities and researchers in some 30 mostly low-income countries, DEV produced new evidence on pressing issues such as the impacts of migration on development, effective policies for youth inclusion, and the future of social protection. DEV also deepened its footprint in Asia with the first International Economic Forum on Asia, held in Tokyo. We signed a memorandum of understanding with the Finance Centre for South-South Cooperation in Hong Kong and added a new flagship report to our collaborations with the African Union Commission. Together with other OECD bodies, we conducted a survey and analysis of philanthropic spending for development and launched the OECD Policy Dialogue on Women's Economic Empowerment. ■

For more information see: OECD's blog on development, <https://oecd-development-matters.org>; the Social Institutions and Gender Index, www.genderindex.org; Wikigender, www.wikigender.org; and The SDG Communicator, <https://sdg-communicator.org>.



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Today the members of the IEA family account for over 70% of the world's total energy consumption, compared with less than 40% just two years ago. By working more closely with our IEA Association countries – Brazil, China, India, Indonesia, Morocco, Singapore and Thailand – we increase our influence on global energy security and sustainability.

International Energy Agency

The **International Energy Agency (IEA)** works to ensure reliable, affordable and clean energy for its 30 member countries and beyond. It provides quality data, analysis and policy solutions on all fuels and energy technologies to support the “4 Es” of sound energy policy: energy security, environmental sustainability, economic development and engagement worldwide.

Ministers and high-level officials from IEA member, accession, Association and partner countries joined top energy CEOs for the IEA Ministerial Meeting in November 2017. Ministers and CEOs welcomed the remarkable progress made against the three IEA modernisation pillars:

1. Enhancing engagement with major emerging economies: Mexico became the 30th IEA member country. Brazil and India became IEA Association countries, joining the People's Republic of China, Indonesia, Morocco, Singapore and Thailand.
2. Strengthening and broadening commitment to energy security: Emergency preparedness hotlines were set up with Association countries, the second *Global Gas Security Review* was completed, and key inputs were provided in response to national enquiries on electricity market security.
3. Increasing the IEA's focus on clean energy technology: The Clean Energy Transitions Programme was launched, as was the Global Energy Efficiency Exchange Platform. The Secretariat of the Clean Energy Ministerial (CEM) was welcomed to the IEA.

Drawing on the IEA's extensive global energy data, and on partner relationships, key IEA outputs in 2017 included:

- the *World Energy Outlook 2017*, with a special focus on natural gas and China
- monthly *Oil Market Reports* and five sectoral market reports (coal, energy efficiency, natural gas, oil and renewables)
- dozens of special reports, including *World Energy Investment*, *Digitalization and Energy* and *Future of Trucks*
- training of more than 400 partner country officials on energy statistics, efficiency and policy development. ■



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Nuclear energy is one of the options in the global toolbox for reducing carbon emissions, addressing air pollution and enhancing energy security. As the only dispatchable, large-scale source of zero-carbon energy, nuclear energy is complementary to the large-scale deployment of renewables. Nuclear technology can support a sustainable energy future, but will likely need to evolve through innovation.

Nuclear Energy Agency

The **Nuclear Energy Agency (NEA)** assists its membership in maintaining and further developing the scientific, technological and legal bases required for the safe, environmentally sound and economical use of nuclear energy for peaceful purposes. The Agency provides authoritative assessments of and forges common understandings on key issues to support government decisions on nuclear technology, and on energy policies overall.

In 2018 the NEA celebrates its 60th anniversary, a significant milestone in the history of this unique intergovernmental organisation. The NEA's 33 member countries represent 84% of the world's installed capacity to generate nuclear electricity. The NEA provides a ready, flexible international co-operation framework in support of members' evolution towards a sustainable-energy future, helping to address the associated technical, economic and policy challenges.

NEA activities cover nuclear safety and regulation, including human aspects such as safety culture; radioactive waste management; decommissioning; radiological protection; nuclear science and data; nuclear technology development; economic analyses; and policy and legal matters. The NEA is the technical Secretariat for the Multinational Design Evaluation Programme, the International Framework for Nuclear Energy Co-operation and the Generation IV International Forum. Over 20 joint undertakings operate under NEA auspices, including the Halden Reactor Project, which also celebrates its 60th anniversary in 2018.

Highlights in 2017 include: the accessions of Argentina and Romania; the NEA Workshop on Stakeholder Involvement in Nuclear Decision Making; and the first NEA International Mentoring Workshop in Science and Engineering to encourage young women to study science, technology, engineering and mathematics.

The NEA continues to work on the Nuclear Innovation 2050 project to identify global priorities for future research and development, and to establish frameworks for innovation and accelerated implementation of new technologies. It also continues to work on the Nuclear Education, Skills and Technology (NEST) Framework, which will provide research and training opportunities to shape future experts and leaders. ■



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The transport sector is experiencing a dramatic increase in demand. Our challenge in the next decade is to find a good balance between what is technologically possible, and what is useful for humans and desirable for our societies. We need to develop shared goals for the transport of the future.

International Transport Forum

The **International Transport Forum (ITF)** at the OECD is an intergovernmental organisation with 59 member countries. It acts as a strategic think tank for transport policy and organises the Annual Summit of transport ministers, the world's largest gathering of transport policy makers. The ITF is the only global organisation covering all modes of transport.

The ITF's Decarbonising Transport project was launched just after COP21 to respond to the need to identify effective policies for CO₂ reduction. The project engages with countries and partners to gather quantitative evidence and best practices for decarbonising transport. Its more than 70 partners and supporters include key international and intergovernmental organisations such as the OECD and the International Energy Agency.

The 2018 Summit on Transport Safety and Security discussed ways of adapting to new risks and threats, from climate change to terrorism and cyber-attacks. The ITF's Safer City Streets network now connects 45 cities; together they work to improve road safety by sharing data, experiences and knowledge. The *ITF Transport Outlook 2017* provided a global overview of recent trends and near-term prospects in the transport sector, as well as long-term prospects for transport demand to 2050. It also highlighted the role of policies in shaping sustainable transport systems to provide equal access to all.

Member countries commissioned numerous case-specific policy analyses, including on shared mobility simulations (Helsinki, Auckland and Dublin), as well as a review of Slovak incentive schemes for reducing shipping emissions. The Corporate Partnership Board (CPB), created in 2013 as a platform for dialogue with business, now comprises 28 companies. The CPB presented reports on topics such as drones, blockchain, automated vehicles, and the shared-use city at the Annual Summit of Transport Ministers in May 2018. ■

Special Entities



Financial Action Task Force

FATF PLENARY

Paris, 18-24 February 2017





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Since its creation three decades ago, the FATF is making an important contribution to safety and security. The FATF works to understand risks from money laundering and terrorist financing, and develops policies and standards to counter these risks. It assesses how countries have implemented FATF standards and holds countries to account for continuing to allow criminals and terrorists to abuse the financial system.

Financial Action Task Force

The **Financial Action Task Force (FATF)**, created by the G7 in 1989, today includes 37 members. It assesses risks, sets standards, and evaluates countries' efforts to counter money laundering, financing in support of terrorism (including evolving threats) and the proliferation of weapons of mass destruction.

Through nine regional bodies, the FATF brings together a global network of 204 jurisdictions that have committed, at the highest level, to implementing FATF standards and being assessed against them. The FATF works closely with the United Nations, World Bank, International Monetary Fund and others. Its standards are critical in helping to combat trafficking of drugs and people, fraud, corruption, tax evasion and other serious threats. The FATF was the first standard-setter to measure impact as well as formal compliance. Countries whose strategic deficiencies pose a threat to the financial system are listed publicly. Since 2007, the FATF has reviewed over 80 countries, publicly identifying 65 for shortcomings in this respect. Fifty-three of these countries have since taken action.

Supported by the G7 and G20, the FATF continues to prioritise global action to swiftly and efficiently tackle all sources, techniques and channels of terrorist financing; improve the transparency and availability of beneficial ownership information, in co-ordination with the Global Forum on Transparency and Exchange of Information for Tax Purposes; support financial inclusion; and strengthen its own capacity. In addition, the FATF Argentinean Presidency (July 2017 to June 2018) prioritises two fundamental sets of action: 1) improving outreach to prosecutorial services and the criminal justice system; and 2) enhancing dialogue with the financial and regulatory technical communities in order to support responsible financial innovation that is resilient to abuse by criminals and terrorists. ■



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MOPAN has achieved a great deal in its short history, and continues to strive for excellence and innovation in everything it does. This is good news for a world facing increasingly complex challenges that demand global solutions, and where there is growing scepticism towards the multilateral system. MOPAN makes an invaluable contribution to multilateral effectiveness by supporting countries' accountability needs and promoting learning in multilateral organisations.

Multilateral Organisation Performance Assessment Network

The **Multilateral Organisation Performance Assessment Network (MOPAN)** is uniquely situated in the multilateral system. It is the only collective action platform that permits countries to assess the organisational performance and effectiveness of major multilateral organisations. Founded in 2002 with 8 member countries, MOPAN has grown to 18 members, who together account for the vast majority (close to 95%) of multilateral financing.

The Network provides credible, comprehensive and independent assessments of multilateral organisations to inform members' engagement, decision-making, and strategic orientations. MOPAN also supports multilateral organisations' learning by identifying common challenges and good practice, with the ultimate aim of creating a more effective multilateral system.

MOPAN assessments between 2015 and 2018 cover 26 of the largest and most significant multilateral organisations. They include development, normative and humanitarian organisations whose combined work covers virtually all sectors and operational modes. Assessments are currently undertaken using the most robust approach in MOPAN's history: "MOPAN 3.0". As it continues to refine the assessment methodology and increase the number of assessments, MOPAN also applies innovative approaches to maximise the value of our assessments. MOPAN's products are public goods; because they are available freely online, stakeholders from across the system can access and learn from them to help shape the global discourse.

Looking ahead, MOPAN will continue to evolve, ensuring its continuing relevance, promoting value-for-money, and maximising our impact in contributing to a more effective multilateral system. ■



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Low- and middle-income countries have a tremendous opportunity with the digital revolution and its explosion of new data sources. However, as countries around the world navigate through the evolving landscape of data and information, investments in strong public statistical systems will be vital for tracking progress, evaluating policies and promoting cost-effective activities that benefit society at large.

Partnership in Statistics for Development in the 21st Century

The **Partnership in Statistics for Development in the 21st Century (PARIS21)** was founded in 1999 by the United Nations, European Commission, OECD, International Monetary Fund, and World Bank. With over 18 years of experience working with low-income countries, PARIS21 strengthens statistics and promotes the use of data by policy makers and citizens.

PARIS21 actively advocates for increased financial support to statistical development. The *2017 Partner Report on Support to Statistics (PRESS)* revealed that in 2015, USD 541 million was spent on statistics; this represents only 0.30% of Official Development Assistance. If developing countries are to meet the data needs of the Sustainable Development Goals, domestic and donor support to data and statistics will need to double, to nearly USD 1 billion per year.

PARIS21 is developing a set of innovative statistical tools to support countries in responding to national and international data needs. The Platform for Innovations in Statistics (PISTA) is an online platform that collects information on innovations and statistical capacity in national systems, matching identified challenges with potential solutions. The Advanced Data Planning Tool (ADAPT) helps countries consult, cost and chart indicators relevant to development objectives.

PARIS21 will continue to promote and facilitate the better use of statistics nationally, regionally and globally by providing innovative expertise to countries as they adapt to the 2030 Agenda. PARIS21 will also continue to actively promote the improved co-ordination of statistical and development partners. ■

**LAURENT BOSSARD**

Director

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West Africa, home to nearly 400 million people, is as large as the United States. The challenges the region faces – rapid population growth and urbanisation, food insecurity, terrorism, trafficking and migration – are as real as its potential for development. For over 40 years, SWAC has generated data and knowledge to support policy making in this region.

Sahel and West Africa Club Secretariat

The **Sahel and West Africa Club's (SWAC)** mission is to promote regional and international policies that will improve the economic and social well-being of people in the Sahel and West Africa. It also advocates innovative, forward-looking approaches to policies and international co-operation. Members and partners include West African regional organisations, OECD countries and the European Union.

SWAC supports the Food Crisis Prevention Network (RPCA), an international platform for dialogue and co-ordination that brings together the region's food and nutrition stakeholders. In 2017, the RPCA developed an information-sharing platform – with tools that include data visualisation – to inform food crisis response plans, encourage mutual learning and make collective action more effective. The SWAC Secretariat also facilitates dialogue and advocacy for the Global Alliance for Resilience (AGIR).

In 2017, SWAC's work on the drivers of food economy transformations (urbanisation, population and income growth) included an analysis of employment in the food economy, which accounts for 66% of total employment and 31% of non-farm employment in the region.

SWAC is pursuing work on the role of cross-border co-operation in building regional integration. It is currently mapping women's trade networks in border markets as well as resilience to climate change in border cities. This work will culminate with a series of publications and policy recommendations for decision makers.

The Secretariat also participated in high-level international forums on security and produced regular analysis of current issues affecting the region. In September, it co-hosted a symposium on economics, migration and security in the Sahara-Sahel.

The annual Sahel and West Africa Week – held in Benin, December 2017 – brought together 320 food security stakeholders. The *West African Studies*, *West African Papers* and *Maps & Facts* series cover a wide range of topics, including the food economy, climate, gender, urbanisation and security. ■

Advisory Committees





PHIL O'REILLY
Chairman



BERNHARD WELSCHKE
Secretary-General and member
of the Executive Board

Business and Industry Advisory Committee

The **Business and Industry Advisory Committee (BIAC)** – or “Business at OECD” – addresses the OECD on a full range of topics concerning economic development in OECD countries and across the globe. Established in 1962, we stand for policies that enable businesses of all sizes to contribute to growth, economic development and prosperity. Through Business at OECD, leading national business and employer federations and their firms, as well as associated expert groups, provide knowledge to support good governance and economic competitiveness.

We focus on the benefits of open and competitive markets, and on enabling economic participation; this includes a cross-cutting focus on digital transformation for businesses and people. Over the past year, we have supported multilateral frameworks on trade, investment, and responsible business conduct. We also delivered a new pro-active investment agenda and provided fresh insights on the costs of data localisation. We are engaging with OECD to build our work on illicit trade and to promote the implementation of the OECD Guidelines for Multinational Enterprises.

Supporting high-quality regulatory approaches has also been a priority. We published new data on the costs of regulatory fragmentation, helping to make the case for more OECD work on international regulatory co-operation. We convened businesses globally to gather views on taxation of the digital economy. We will continue to support the implementation of the base erosion and profit shifting (BEPS) recommendations, as well as the emerging OECD tax and growth agenda.

In our consultations with the OECD on the new Jobs and Skills Strategies, we advocated for labour market policies that promote adaptability, opportunity and mobility. Early in 2018 we published a report on gender diversity, pointing to practices in support of the economic participation of women and men.

Corresponding closely with the OECD Going Digital project, we provided structured input on initiatives that enable competition, entrepreneurship and innovation. Cutting across sectors such as health, financial services, food and agriculture, we contributed to crucial OECD research, for example on FinTech, access to new health therapies, innovation, and improved nutritional outcomes. ■

For more information see: www.biac.org.

**RICHARD TRUMKA**

President of TUAC and the AFL-CIO
(USA)

**PIERRE HABBARD**

General Secretary

Vice Presidents: **Marc Leemans**, President of the Belgian Confederation of Christian Trade Unions (CSC), **Naoto Ohmi**, General Secretary of the Japanese Trade Union Confederation (RENGO), **Jorunn Berland**, President of the Confederation of Vocational Unions (YS), Norway

Trade Union Advisory Committee

The **Trade Union Advisory Committee to the OECD (TUAC)** brings the labour movement's voice to the OECD, its annual Ministerial Council Meeting and its committees and working groups. TUAC's 59 affiliated trade union centres in OECD countries represent more than 66 million workers. It also has associate members in Brazil, Indonesia, the Russian Federation and South Africa. TUAC brings over 500 trade union representatives to OECD meetings every year.

TUAC promotes policy frameworks aimed at creating shared prosperity within and among countries, and at asserting the positive role of trade unions and collective bargaining. Three formal TUAC Working Groups – on economic policy, responsible business conduct and investment, and education and skills – help prepare policy positions for specific consultations and conferences.

Access to OECD discussions enables TUAC to act as a “first mover”, responding to emerging policy challenges and topics. In 2018, TUAC is expanding its focus areas with a view to building the right framework conditions, a strong workers' voice and fair and responsible multilateral standards.

TUAC works closely with other international trade union organisations, including the International Trade Union Confederation, to co-ordinate trade union inputs to the G20 (through the Labour 20) and the G7. It also works with the European Trade Union Confederation, the Council of Nordic Trade Unions and the Global Union Federations, and participates as a member of the Council of Global Unions on sector-specific issues.

Over the past year, TUAC has closely followed the review of the OECD Jobs Strategy, insisting on job quality, fair labour market outcomes, collective bargaining and rebalancing labour market flexibility. TUAC has contributed to the Going Digital and Future of Work Projects. We have advocated for a “just transition” for displaced workers and for good regulatory settings for technology deployment and digital business models. TUAC also contributed to the OECD due diligence guidance, including for the garment and footwear sector. And we continue to support the use of the OECD Guidelines for Multinational Enterprises, a central instrument for holding large global businesses to account. ■

For more information see: www.tuac.org; Twitter: @TUACOED.



How do you measure a **Better Life?**

What would improve your life? More money, a good job, a better education, good health, cleaner air? Does well-being mean the same thing to all people or in all countries?

The OECD has been working for many years to move beyond standard economic metrics such as GDP and examine the issues that really matter in people's lives. Our Better Life Index is an interactive online instrument that allows you to compare your country with others based on the importance you give to a set of well-being indicators.

Over 10 million visitors from around the world have used the Better Life Index. People who have created their own indexes signal life satisfaction, education and health as top priorities. What's most important to you?

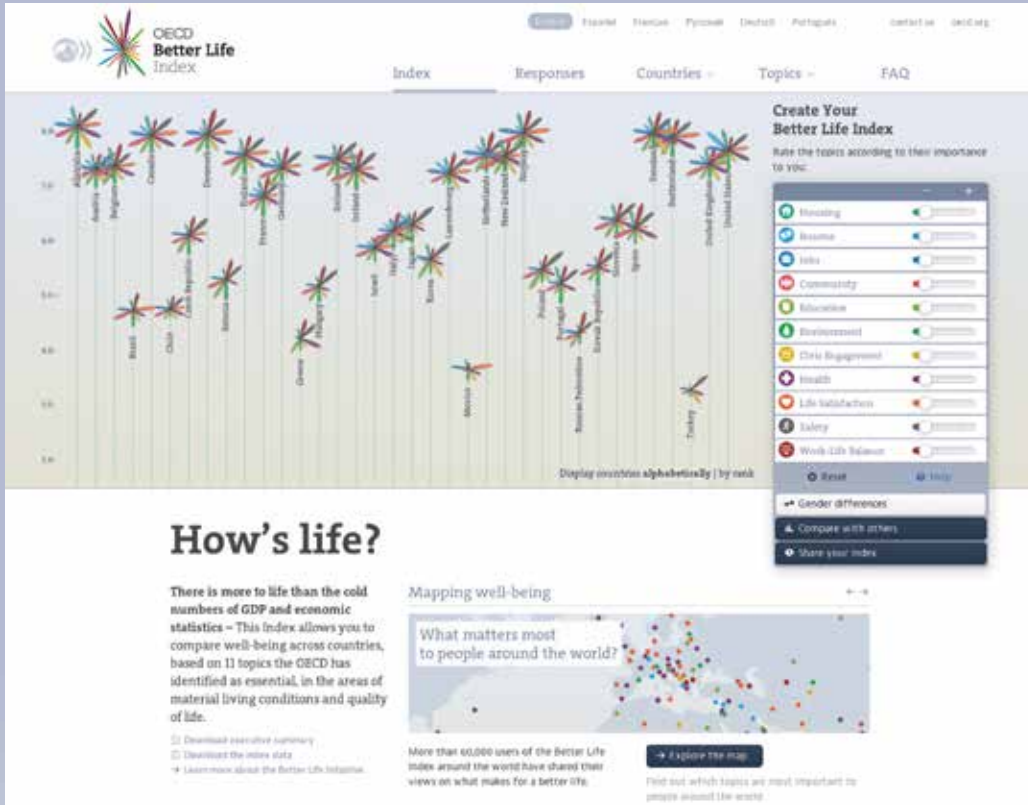
Create and share your Better Life Index today!
www.oecdbetterlifeindex.org



Put yourself on the map!

When you create and share your own Index, you can see how countries perform according to your priorities.

www.oecdbetterlifeindex.org



The screenshot displays the OECD Better Life Index website. At the top, there is a navigation bar with the logo and menu items: Index, Responses, Countries, Topics, and FAQ. Below the navigation is a world map where countries are represented by stylized flowers of varying heights and colors, indicating their performance on the index. A sidebar on the right titled 'Create Your Better Life Index' allows users to rate 11 topics (Housing, Income, Jobs, Community, Education, Environment, Civic Engagement, Health, Life Satisfaction, Safety, Work-Life Balance) according to their importance. Below the map, there is a section titled 'How's life?' with a sub-section 'Mapping well-being' that includes a smaller map and text about user participation.

When you're done, visit our Responses page, where you can explore what topics matter the most to users around the world.

www.oecdbetterlifeindex.org/responses

Find out more about how life compares in OECD countries by ordering the book *How's Life? Measuring Well-Being*. Available now on the OECD iLibrary:

www.oecd-ilibrary.org

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, Latvia, 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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