

Meeting of the OECD Council at Ministerial Level

Paris, 29-30 May 2013

STRATEGIC ORIENTATIONS OF THE SECRETARY-GENERAL 2013 AND BEYOND

**Strategic Orientations
of the Secretary-General
2013 and Beyond**



Executive Summary

- **Building on the OECD 50th Anniversary Vision Statement from 2011, my Strategic Orientations for 2013 are about IMPACT, INCLUSIVENESS AND IMPLEMENTATION** to ensure that we continue to support Member and Partner countries in the design, promotion and setting in motion of “better policies for better lives”.
- **With the crisis not yet behind us and many of our citizens still suffering its consequences, it is crucial that countries do not lose momentum in their reform agendas**, to support the recovery, to foster long-term growth, to improve their resilience to future crises, and to increase the confidence, the hopes and the prospects of their citizens. Restoring growth, reducing unemployment, addressing inequalities and rebuilding confidence are crucial to unlocking a brighter future. At the same time, we need to acknowledge and address a number of global trends, including: a further deepening of globalisation and shifting wealth; population ageing; migration; growing natural resource scarcity and climate change; and a technology-induced bias based on knowledge and skills.
- **To have IMPACT, the OECD must fully harness its greatest asset, the multidimensional nature of the Organisation**, to deliver analysis, advice and international standards that promote stronger, cleaner and fairer economic growth. We must thus pursue a concept of economic growth that places equality, sustainability and well-being at its heart. One which promotes open markets, whilst helping countries to better understand and exploit the realities of today’s global economy.
- **The New Approaches to Economic Challenges (NAEC) Initiative is the scaffolding that will allow us to renovate the house through a continuous improvement of our analytical frameworks and policy advice.** Since the launch of NAEC at the 2012 MCM, we have made significant progress. We must now develop a coherent framework that integrates the various components into a single narrative that devises better ways to deal with competing policy objectives and exploits synergies, adopts and adapts both the latest theoretical, as well as the latest policy developments, that may seem pertinent to our work, and incorporates the realities of emerging and developing economies into our data, analysis and recommendations.
- **Achieving IMPACT requires us to build on our core strengths and consolidate existing initiatives. Our “horizontal” projects – the new normal in this Organisation – are fast becoming the magnet that will allow us to assemble and better organise the work of the entire Organisation.** We have made important steps forward with the **Strategy on Development** in respect of Policy Coherence for Development and strengthening engagement and knowledge sharing with developing countries, but more needs to be done to mainstream development into our work. We are in the process of mainstreaming our **Green Growth Strategy** into our core policy areas, but more work is required to develop indicators and other measurement tools, enhance sectoral policy analysis, and integrate green growth considerations into sub-national and multilateral policy. Our **Skills Strategy** is “Going National”, our **Gender Strategy** will see concrete outcomes in the form of a Recommendation on Gender Equality at this year’s MCM, and we will also revisit and update the **Innovation Strategy**.
- **“Inclusive Growth” is an essential part of the puzzle. We have to achieve a genuinely multidimensional approach to delivering growth that places equality, sustainability and well-being at its heart.** That is why our work on Inclusive Growth will first aim to identify how to best define the concept, measure and compare it, and then shed light on the policy options and trade-offs to promote growth at the same time as ensuring its **INCLUSIVENESS**.
- **Structural analysis and recommendations to promote growth, jobs and well-being will continue to be the bricks and mortar of the Organisation.** In this context, I am committed to further sharpening our work on the various aspects of competitiveness, from competition to productivity, from education to skills, from labour to product market reforms, from domestic to international markets, and from innovation to the more efficient use of natural resources. In the current economic environment, a key focus of our efforts will be in areas such as activation policies for the unemployed, boosting job quality, an Action Plan for Youth Employment, migration, and addressing inequalities, including gender inequality.

- **We must also continue to broaden our advice to help countries deal with the significant rise in inter-connectedness and complexity in the global economy.** In particular, we should help governments to kick-start or boost their economies by tackling the risks and seizing the opportunities offered by such complexity, in particular through new sources of growth. Thus, we will place even greater impetus behind new and promising agendas such as Knowledge-Based Assets, Global Value Chains and Trade in Value Added, Green Growth and the Better Life Initiative (BLI), which will incorporate sports and culture, in the years to come. Taxation policies will also have to be adapted to an increasingly globalised economy to ensure adequate fiscal revenues and maintain sound public finances. Our work on Base Erosion and Profit Shifting (BEPS) will be a crucial step forwards in making this happen.
- **Effective institutions are key to better IMPLEMENTATION and thus to achieving greater IMPACT. Without strong, smart and trusted institutions our efforts to deliver “better policies for better lives” will be undermined.** The OECD should support efforts to build more effective, more transparent and more open government institutions. In particular, we will look at how to pursue smarter and more effective governance through better regulation, increased resource efficiency and innovative methods and technology to facilitate and support better planning and decision-making. Improving financial transparency and accountability would also send a clear signal of a government’s commitment to regain citizens’ trust. We therefore intend to look at crucial issues such as the financing of political campaigns and its impact on the agenda-setting and decision-making processes. Strengthening corporate governance generally, in particular in the financial sector, also remains key to achieving these goals.
- **We will strengthen our IMPACT by “Going National”.** In 2012 we significantly increased our impact on national agendas and served as a partner to our governments at the highest level, working hand in hand with them to create tailored policy solutions to their challenges. Looking forward, we aim to strengthen this role. In particular, we need to further focus our work on the **IMPLEMENTATION** side of the policy cycle, upgrading the support we provide to government officials through capacity-building programmes, workshops and training. Considering the increased interest of Leaders in visiting the Organisation, we will also build on our experience to organise these events under a “Leaders and Visions Programme”. Our new “OECD 360°” publication will give an overview of key areas of our work in each Member country in different languages. We will continue to carry out this work with due consideration for the specific needs, conditions and institutional settings of countries.
- **At the same time as “Going National”, we must continue to “Go Global” and further pursue our 50th Anniversary Vision to become a “more effective and INCLUSIVE global policy network”.** With respect to the Key Partners, this means strengthening existing ties and pursuing specific and project-oriented tools, such as the Framework Agreement with Indonesia. We will continue to work with the Russian Federation to complete its accession process and look forward to a decision on opening new accession discussions with other interested countries in the near future. From a regional perspective, we will continue to support reform in the MENA countries, Africa and Latin America, and make a special effort to strengthen and structure our relations with Southeast Asia. We will continue to provide timely and effective analysis in all relevant global fora, including the G20, G8, the Global Partnership for Effective Development Cooperation, the Post-2015 and Sustainable Development Goals Frameworks, and the UNFCCC negotiations. Finally, we will seek to strengthen our role as an international standard-setter, taking stock of existing standards, identifying gaps and emerging needs in global standard-setting and considering where and how the OECD might make a useful contribution.
- **Last but not least, an “Efficiency Strategy” and “Strategic Efficiency” are necessary to achieve IMPACT for all our Members.** In particular, we will continue to provide value-for-money for our Members, while delivering efficiencies in a challenging budgetary environment. Our corporate services will also continue to support the Organisation in achieving its strategic objectives in a number of ways, including through recruitment, talent management, knowledge management, and ensuring all OECD data is open, accessible and free by mid-2015.

1. **This note sets out my views on the strategic priorities of the Organisation for Economic Cooperation and Development (OECD) over the coming year and beyond.** These priorities reflect the current policy environment, the main challenges faced by Member and Partner countries, and the policy responses required. They also draw on my discussions with Leaders, Ministers and Heads of Delegations, as well as other key stakeholders from the public and private sector and civil society.

Global Outlook and Policy Challenges

2. **Evidence-based policy options, political leadership and decisive action are essential to the design of a successful post-crisis scenario.** In many advanced economies slow growth, high unemployment, precarious public finances, unsustainable levels of public and private debt and risks surrounding the financial sector continue to loom large. As long as activity is not put firmly on an upward trend, we cannot say that the crisis is finally behind us. Promoting employment and tackling rising inequalities are key challenges in both advanced and emerging economies. The social dimension of the crisis is particularly visible, and confidence in the ability of governments to reverse the situation needs to be rebuilt. Restoring growth, reducing unemployment and under-employment, in particular among the youth and the long-term unemployed, rebuilding confidence and addressing inequalities are crucial to unlocking a brighter future.

3. **We have to address a number of global trends that will continue to shape not only global realities but also national strategies, and make the best out of them for all our citizens.** They include a further deepening of globalisation accompanied by shifting wealth, population ageing, migration and other demographic changes, growing natural resource scarcity and environmental challenges, and a technology-induced bias towards a global economy based on knowledge and skills. In this context, it will be paramount to ensure greater national and international efforts to create the conditions for stronger growth and employment, regain fiscal stability and address imbalances while, amongst others, tackling climate change, strengthening the multi-lateral trading system, fighting protectionism, enhancing social inclusiveness and cohesion and fostering development.

4. **But new economic realities and upcoming megatrends will also require us to look further ahead.** Our political, economic, social and statistical systems need to take better account of an increasingly complex and highly interconnected world and better keep up with new global developments. To understand these new realities, we need to review our analytical frameworks, and question “established truths” and conventional wisdom, while revisiting and refining our policy advice. This is what we seek to achieve through the New Approaches to Economic Challenges initiative (NAEC), launched at the 2012 Ministerial Council Meeting.

5. **The aim of these Strategic Orientations is therefore to harness the multidimensional nature of our Organisation, to mirror the interconnectedness of our economies, to connect the various policy aspects of the OECD’s work and to promote a holistic definition of growth and economic challenges that places well-being, equity and sustainability at its heart.** The ability to further develop these horizontal interlinkages across different fields of public policy is one of our greatest assets and distinguishes the OECD from other international organisations. Therefore, the OECD should take full advantage of its horizontal projects and initiatives such as those on green growth, innovation, skills, development and new approaches to economic challenges, which allow us to better assemble the work of the Organisation.

New Approaches to Economic Challenges: An OECD Policy Agenda for Inclusive Growth

6. **The NAEC initiative will help to strengthen the strategic framework for the work of the OECD going forward.** This organisation-wide reflection will drive forward a continuous improvement in our analytical frameworks and policy advice. It will seek to revisit our fundamental assumptions about the functioning of the economy, addressing the limitations and extending the capabilities of our existing tools and models. Particular attention will be paid to better factoring in key linkages and feedbacks in our policy analysis. We aim to improve our policy advice not only to deliver higher rates of growth, but also to improve people's well-being, support a fair distribution of the benefits of growth and ensure natural resources are used in a way that is sustainable over the long term.

7. **This is not a project that we put on the shelf when it is done and carry on with business as usual.** This is a "state of mind" to continuously challenge our own assumptions and stand ready to learn from advances in scientific, social and economic research, as well as new ideas from across the Organisation, the Membership and Partner countries. This "state of mind" should continue to permeate the work of the Organisation to deliver high-quality analysis and recommendations. Since the launch of the NAEC Initiative at the 2012 MCM we have made significant progress. We have built an organising structure that pulls together the main lessons from the crisis, scans the horizon for future challenges, considers the main policy trade-offs and complementarities, and highlights some of the main institutional and governance issues that require attention.

8. **The main challenge over the next year will be to develop a coherent framework for NAEC that integrates the various components into a single narrative.** In particular, we need to focus on finding better ways of dealing with competing objectives and exploiting synergies, including between: growth and inequality; fiscal sustainability and inequality; growth and the environment; the environment and inequality; and growth and macroeconomic (in-)stability and risk. Secondly, we need to integrate new approaches to economics into our work, including behavioural economics, complexity theories, our ongoing work on looking beyond GDP to measures of well-being, and other cross-disciplinary insights. Thirdly, we need to systematically incorporate institutional considerations into our analysis and advice, and improve our understanding of implementation and delivery capacities and gaps. Finally, we need to incorporate the realities of emerging and developing economies into our data, analysis and recommendations. All this, together, would lead to a "strategic policy agenda for inclusive growth", as discussed by Ministers in 2012.

9. **Our initial work on NAEC has also helped to clarify the areas in which Member and Partner countries need OECD support the most.** That is why my Strategic Orientations for the years ahead focus on delivering an OECD agenda in three broad areas:

- ✓ **Inclusiveness and Growth;**
- ✓ **Interconnectedness for Growth; and**
- ✓ **Institutions and Governance for Growth.**

Inclusiveness and Growth

Growth and jobs

10. **The OECD continues to support countries in the design and implementation of a reform agenda for growth and jobs.** In particular, we have built on our structural expertise by developing tools to eliminate bottlenecks and barriers to growth. We have made the wealth of knowledge of the OECD available at strategic moments in our Members' political life. We have stood by governments making tough decisions in favour of long-term objectives. We have doubled our efforts to support Leaders,

Ministers and their governments to improve the performance of their economies and pursue their policy priorities and reform goals, including through our “*Better Policies Series*”, our Reports on Competitiveness and our “*Getting it Right Series*”.

11. **Going forward, the provision of structural analysis and recommendations, combined with our work on new sources of growth and jobs, will continue to be the main focus of our strategy.** This is a golden thread running throughout our work and these Strategic Orientations, with proposals to focus our efforts in a number of structural areas. The OECD is the trustworthy international organisation that can both facilitate the planning of reforms as well as render itself as a catalyst for their implementation in Member countries. This includes our work on various aspects of competitiveness: from competition to productivity; from education to skills; from labour to product market reforms; from domestic to international markets; and from innovation to the more efficient use of natural resources. These areas will be at the core of our strategy in the years to come. This will be underpinned by continued work on new sources of growth which will create more jobs and which must be green, innovative, knowledge and skills-based, and gender-balanced. Through our analysis, we will also assist countries in designing tailored growth-friendly fiscal consolidation strategies that minimise harmful side-effects on income distribution and foster long-term prosperity, while addressing long-term challenges in pensions, health care and the environment.

Inclusive growth

12. **However, we also need to recognise that while economic growth is an important means to an end, it is not an end in itself.** Growth must become more inclusive with less pronounced gaps in outcomes and opportunities across social groups and a broader sharing of the benefits of growth. Working within the NAEC framework, and building on our flagship work on growth, inequalities and well-being, we aim to deliver a new vision that combines strong economic growth with improvements in living standards that matter for people’s quality of life - good health, jobs and skills, and a cleaner environment, including from an intergenerational perspective. Policies that promote access to opportunities and resources, and shed light on the trade-offs and complementarities, should be centre stage in these efforts.

13. **Our Inclusive Growth Initiative will provide a framework for our multidimensional work in this area.** Firstly, we aim to identify how to best define the concept of inclusiveness and measure it. This will draw on our already well advanced work on Measuring Well-Being. Secondly, we will shed light on the policy options and tradeoffs to promote growth at the same time as ensuring that it is inclusive. Of course, at the centre of this agenda is our flagship work on growth, unemployment, inequality, education (PISA) and skills (PIAAC, Skills Strategy), entrepreneurship, financial inclusion, migration, health and development. Building on the Recommendation on Gender, to be agreed at the Ministerial Council Meeting, closing the gender gap will also continue to be a priority, not only for promoting higher levels of growth, but also for promoting fairness and equity.

It’s all about people: Jobs, skills and equality

14. **The OECD is committed to drawing on all its expertise and strengths to tackle rising inequality, support and reactivate the large number of unemployed and boost the quality of jobs for all.** Key priorities include:

- ✓ ***More and better jobs*** – High rates of unemployment, long-term structural unemployment, in-work poverty, job instability and poor career prospects are a major concern in many countries. Further OECD work on structural reforms and activation policies in labour markets can make an important contribution. Work on more inclusive participation, including youth, older workers, the long-term unemployed, minorities and disadvantaged

populations, will continue to be key. However, we also need to assess labour market performance, not only from the perspective of creating more jobs, but also in terms of the quality of job opportunities, as measured by different dimensions. This includes their implications for subsequent employment transitions and earnings growth over the lifecycle.

- ✓ **Youth unemployment** – Youth have been hit particularly hard by the crisis and many of them risk becoming marginalised from the labour market. The OECD has been at the forefront of addressing this problem, and has delivered specific advice. Building on our extensive work for Member countries and our contributions to the G20, we have carried out analysis to: a) assess the labour market situation facing youth; b) highlight the major barriers that youth face to becoming durably employed and the extent to which they either lack appropriate skills, or their skills are insufficiently used; and c) pinpoint the combination of both employment and education policies needed. In the coming year we will work on an Action Plan for Youth Employment, outlining concrete policy recommendations for strengthened education and VET systems, a better transition to work, targeted support for the most vulnerable and facilitating access to training and employment.
- ✓ **Skills - the global currency of the 21st century** - In early October we will launch our first “Skills Outlook” based on the results of the OECD Survey of Adult Skills (PIAAC). In December, we will publish the results from the next PISA round, and we will strengthen our efforts to extend the benefits of PISA to an even broader set of economies in future rounds. Building on our Skills Strategy, launched at the MCM 2012, we are now working with national governments to develop an integrated approach at both the national and local levels that not only considers how skills are provided by education and training systems, but also how firms promote the acquisition of the skills they need and how they utilise them in the production process. Given the changing skills needs in the labour market, ongoing analysis will provide guidance on how policies can be implemented in a way that maximises their impact on the quantity and quality of jobs.
- ✓ **Addressing inequality** - Building on our ground-breaking work on inequality is a key priority for the Organisation and an area where much in-depth work remains to be done, in particular to mitigate the social costs of necessary economic adjustments. This will include: further work on how growth-enhancing structural policies affect inequality in the short, medium and long term; how inequality affects social mobility and economic growth; how redistribution can be achieved at least cost; and what new determinants of growth and inequality have emerged. We also want to continue monitoring the evolution of social protection systems and social investments, and the tools we recommend to governments to make work pay, counter rising inequality and provide cost-effective insurance against social risks. This includes strengthening ongoing work on ageing, pensions and health.

15. **In addition, we will take a closer look at how to better prepare the next generation for their roles as local, national and global citizens.** Developing the skills necessary to find a job or start a business and find a place in a more competitive world is essential for prosperity and well-being. However, in today’s globalised world citizens also need the knowledge, attitude and skills required to function within and beyond the borders of their own cities and regions. They also need to understand how life in their communities and nations influences other nations and the impact that international events have on their daily lives. In this context, we will begin to look at ways to enhance education systems to look beyond the traditional curricula, to promote understanding, values and skills in areas such as cooperation, respect for diversity and equality, social justice and sustainable development. A starting point will be PISA’s increasing focus on assessing social skills.

16. **Migration is an increasingly important global trend, with huge implications for inclusive growth.** Already in 2010, permanent migrants in OECD countries accounted on average for more than one in four new entries into the working-age population. If skills are more effectively used in labour markets, migration can help address demographic imbalances between rapidly ageing countries and relatively younger emerging and developing countries. We will therefore explore the perceived and actual barriers to effective employment and social integration of immigrants, such as the legal framework, language deficiencies, foreign qualifications, foreign work experience and discrimination. In addition, we will examine the absolute and relative importance of these factors with respect to employment, qualification/jobs-skills mismatch and earnings, with a view to improving labour market outcomes for migrants. Finally, due to the growing importance of South-South migration, the OECD will also look at how to enhance developing countries' capacity to incorporate the migration dimension into their development strategies.

17. **In line with our Strategy on Development, we must continue to improve our response to the needs of countries and regions with different institutional settings and at different stages of development, while enhancing the contribution of OECD Members' policies to development.** We will focus on key Policy Coherence for Development challenges in such areas as global food security and illicit financial flows, and will develop targeted policy advice that will foster inclusive growth through a first set of multi-dimensional country reviews in Uruguay, the Philippines, Myanmar and other countries. Our tax and development programme is already delivering results in areas such as transfer pricing and the governance of tax incentives to attract investment. Over the coming year, while staying focused on the eradication of extreme poverty, we look forward to contributing to the shaping of a new era for global development, putting people and their well-being at the heart of our work and integrating sustainability into development. In doing so, we will contribute to the development of a post-2015 goals framework and capitalise on opportunities provided by the Busan Global Partnership on Effective Development Cooperation, the International Dialogue on Peacebuilding and Statebuilding, the Partnership in Statistics for Development in the 21st Century (Paris 21), the G8 and G20 and other settings. We will continue modernising OECD monitoring and measuring systems to account for changes in development finance. We will also continue enhancing the role of the OECD as a platform for knowledge production and sharing, including through the Knowledge Sharing Alliance and other areas. The essence of the Strategy on Development, including the mainstreaming of development into the OECD's work, policy coherence and knowledge sharing, should now spread throughout the entire work of the OECD. This requires us to systematically consider the policy issues identified in these Strategic Orientations with a view to contributing to wider global efforts.

Interconnectedness for Growth

18. **The OECD multidisciplinary structure is a tremendous asset to address the significant rise in interconnectedness and complexity that has come to characterise the global economy.** Our focus on keeping markets open for trade and investment is central to this. In particular, we must help governments to kick start or boost their economies by tackling the risks and seizing the opportunities offered by such interconnectedness, in particular through new sources of growth. Harnessing these largely untapped sources will increase productivity, create jobs and fuel growth in an increasingly competitive world. That is why we will put an even greater impetus behind new and promising agendas such as Knowledge-Based Assets, Global Value Chains and Trade in Value Added and Green Growth in the year to come. We also need to find ways to better measure and increase our understanding of the interlinkages between these agendas, as well as build on our G20 work to promote efficient and productive long-term investment, including in infrastructure.

More connections and more complexity

19. **The OECD-WTO Database on Trade in Value-Added has begun to revolutionise our understanding of what is going on in global trade, investment and production patterns.** The international fragmentation of production, driven by technological progress, cost, access to resources and markets, and trade policy reforms, challenges the way we look at and interpret trade statistics and, in particular, the policies that we develop around them. Our aim now is to improve the database further by extending it to more countries, including developing countries, and sectors and to take the next important step in using our analysis to develop better policies. This new database already highlights the importance of both trade facilitation and services liberalisation, and will allow us to better measure both the gains from trade and the costs of protectionism. We will examine where and what type of jobs are being generated in global value chains (GVCs) through international trade and investment. An additional, and particularly challenging step, will be to explore the role of investment and the associated creation and appropriation of income in the context of GVCs. This includes the role that investment in and income from knowledge-based capital plays in GVCs, e.g. income from royalties, licensing and other knowledge-based assets. This work should also be extended to consider global investment flows - in the same way as we have developed a better understanding of trade - with a view to developing an investment framework that can inform our discussions in this area. In addition, the Organisation could strengthen its work on the role of Multinational corporations in trade, investment and business cycle transmission.

20. **Ongoing regional and plurilateral trade initiatives currently under discussion are helping enhance interconnectedness across the world's largest economies and economic areas.** We will advance our analysis on the growth potential of recent initiatives, such as the US-EU Transatlantic Trade Agreement, the Transpacific Partnership (TPP), and the Transpacific Alliance (TPA) in Latin America. Further work is needed on the channels through which these initiatives can promote growth among the participant countries, as well as on the expected impacts on other parts of the world through broader trade and financial linkages.

New sources of growth

21. **Our horizontal project New Sources of Growth: Knowledge-based Capital (KBC), launched at the MCM 2012, shows that business investment in KBC is key to future productivity growth and living standards.** Growth, particularly in advanced economies, will increasingly depend on knowledge-based increases in productivity. To promote long-term growth and the jobs of tomorrow, we will continue to support governments to ensure that framework conditions, institutions and policies facilitate business investment in KBC and knowledge-based entrepreneurship. Phase 2 of our project will involve three streams of work: 1) further work on “big data” – an asset that is relatively new, growing quickly and not well understood; 2) deepening of policy analysis in two areas that require additional attention: tax and intellectual property rights; and 3) continuing the measurement and policy analysis that explores the links between KBC productivity gains and growth with a particular focus on “hard to measure” KBC, including investments in data, design, firm-specific training and organisational capital.

22. **Our Green Growth advice is being integrated across a range of public policy areas.** We are in the process of mainstreaming the insights from our Green Growth Strategy into core economic, innovation, development cooperation, finance and urban development policy advice for advanced, emerging and developing countries. Future strategic investments, in particular in infrastructure, will play a critical role in determining how economies manage natural resource pressures and environmental pollution. Work is under way to identify the key barriers to greening long-term investments and shifting away from a path dependency that locks-in fossil fuels and resource intensive practices. In the coming year, we will continue work on green growth indicators and other measurement tools, and we will deepen our sectoral policy analysis, for example on agriculture and tourism. We will also continue to enhance our modelling

capacity to assess the costs of inaction in the face of environmental degradation and increasing resource scarcity, as well as the benefits of policy action.

23. **Innovation, including R&D, remains at the core of our search for new sources of growth.** The OECD Innovation Strategy, released in 2010, continues to provide a broad framework for policies to boost innovation. Since its delivery, we have used the insights from this work for the Green Growth Strategy, the project on Knowledge-Based Capital and the work on development, and have launched new work in areas such as demand-side innovation, inclusive innovation, public sector innovation and innovative entrepreneurship. We have also undertaken in-depth evaluations of innovation with concrete policy recommendations (e.g. for Russia, Southeast Asia and Sweden). Concurrent with this work, there has been a growing interest in how governments can aid innovation through “smart specialisation” and well-targeted interventions that aid the development of science and technology and its conversion to innovation and growth. Based on lessons learned from this work, we will revisit and update the Innovation Strategy.

24. **Sports, tourism and culture are important sources of well-being and economic activity.** The lack of physical exercise is a major contributor to poor physical and mental health, affecting population well-being and costing OECD countries around USD 160bn per year in health care costs. At the same time, the sports sector generates around 2% of global GDP (close to USD 1.4 trillion in 2011),¹ and has proved to be exceptionally resilient during the crisis. The same is true of arts and culture. In many countries, arts and culture can be important catalysts for social inclusion and well-being, playing an increasingly important role in regenerating local economies and reducing inter-regional disparities, but also in the education of youth. The creative industries also contribute significantly to economic growth. In the European Union, arts and culture (Cultural and Creative Sectors) account for 3.3% of regional GDP and employ close to 6.7 million people.² In the United States, nearly 1 million businesses are involved in the creation and distribution of arts.³ As part of our work on the Better Life Index, well-being and inclusiveness, the OECD can foster the sharing of best practice and sharpen its analysis to help governments design policies that will ensure that they get the most from sports and culture, both in terms of well-being and economic growth. This could include, for example, research on the most cost-effective ways to promote physical activity, or the synergies between tourism and the creative economy.

Measurement in an interconnected world

25. **Many of the initiatives above imply significant measurement challenges.** The OECD is already playing a leadership role in the measurement of multidimensional well-being, green growth and trade in value-added that reveals the increasingly interconnected nature of economies. However, helping develop evidence-based policies in areas such as Big Data, KBCs, BEPS, sports, tourism and culture, and further deepening our work on well-being and green and inclusive growth, will require significant investments in measurement and statistical capacity in all economies and an increasing shift towards the use of micro data. We are committed to working with national and international partners to develop new statistics, indicators and accounting frameworks, but also to continue to improve conventional data where quality issues remain.

¹ Developing the European Dimension in Sport. European Commission, Doc. COM(2011) 12 final. See: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0012:FIN:EN:PDF>

² Promoting cultural and creative sectors for growth and jobs in the EU. European Commission. See: <http://ec.europa.eu/culture/our-policy-development/documents/communication-sept2012.pdf>

³ Americans for the Arts, “10 Reasons to Support the Arts”, June 2012. See: http://www.artsusa.org/pdf/get_involved/advocacy/research/2012/10reasons.pdf

Institutions and Governance for Growth

26. **The crisis has highlighted the need to restore confidence in markets, governments and businesses.** Crisis-related and urgently needed structural reforms require strong political leadership and a foundation of trust among citizens to be successful. However, contrary to that, we continue to observe that democracies are constrained from delivering decisive action and concrete results fast and effectively, as a result of:

- a lack of efficiency in the governance system, including between central and local government;
- political economy blockages and dysfunctional mechanisms in countries' democratic systems; and
- media monopolies.

Smarter, more transparent and more open

27. **Policymakers in all countries must assure citizens of the reliability of their policy action.** Securing stakeholders buy-in and support is necessary for bold political decisions to succeed. Without strong, smart and trusted institutions our efforts to implement and deliver better policies for better lives will be undermined. *The OECD should support efforts to build more effective, more transparent and more open government institutions at all levels of administration, in particular in the following areas:*

- ***Pursuing smarter and more effective governance through better regulation, increased resource efficiency, and by using innovative methods and technology to facilitate and support better planning and decision-making.*** A central area of focus will be the regulatory agenda, where our “Measuring Regulatory Performance Programme” will demonstrate how improvements to regulatory governance can cut costs and deliver actual benefits to business and citizens. It will provide the tools to identify successes and failures, to improve regulatory policies, programmes and tools, and to communicate progress. We will also do work to facilitate the implementation of institutional changes in developing countries in areas such as public procurement, public financial management and domestic accountability.
- ***Improving financial transparency and accountability would send a clear and loud signal of a government's commitment to regain citizens' trust.*** Money in politics, or the financing of the democratic process, has remained on the sidelines of most accountability and transparency efforts thus far. Citizens expect governments to provide assurances that the decision-making processes effectively pursue the public interest and are protected from undue influence. The OECD, with its experience in governance, integrity and transparency, is well placed to look at these aspects of the financing of political campaigns and its impact on the agenda setting and the decision-making processes. This could include an economic analysis on whether existing private political campaign financing provides an efficient allocation of resources, especially in the current crisis context.
- ***Making Governments more open and more inclusive*** – Building on “The Call for Innovative and Open Government: An Overview of Country Initiatives” (2011), we will develop policy recommendations to better communicate with and engage citizens and civil society in policy making. In particular, we will help governments to make the best use of existing channels of interaction and exploit other opportunities, such as social media and open government data, so that citizens can contribute directly to finding solutions and creating public value.

28. **Taxation policies also have to be adapted to promote a level playing field, to ensure adequate revenues and maintain sound public finances. Our work on Base Erosion and Profit Shifting (BEPS) is an important step in making this happen.** This work will re-examine the international taxation rules to ensure that profits are reported for tax purposes where economic activity actually takes place. At the moment, many rules allow multinationals to shift profits to locations where they are subject to favourable tax treatment, resulting in little or no corporate tax being paid. We will develop a comprehensive Action Plan to address this issue, and to provide countries with the information, the analysis, the best practices, the recommendations and the international instruments to better deal with the business practices of the 21st century.

Restoring confidence in the private sector

29. **However, our governance agenda is also about businesses, which are essential to the recovery.** Inappropriate company behaviour can be a source of waste, inefficiency and poor decisions and can lead to lower growth. Better corporate governance that focuses on creating value in companies for investors and all stakeholders will be a key theme in the coming year. Thus the OECD will continue to push forward work on corporate governance, including by building on ongoing work on long-term investment and SME finance. The recent update of the OECD Guidelines for Multinational Enterprises was also a major advance in international consensus on business behaviour, but we now need to raise their global profile with other stakeholders, advise on business implementation and strengthen their unique review mechanism. We must also continue to persevere with our fight against international corruption in business.

30. **The financial crisis has also highlighted serious failing in the regulation of the financial sector.** Dynamics in corporate bond and equity markets should continue to be monitored closely in order to have a better early warning on potential bubble effects. The OECD has long argued on the need for financial regulators to address systemic vulnerabilities in the business models of large banks. Our preference has been for some form of separation (*Non-Operational Holding Company*) along with a simple leverage ratio. Authorities in a few major economies have begun to separate the commercial lending side of banks from the riskier investment banking activities. Such solutions can enhance financial stability and help to direct financial resources to the real economy. However, this is being done in different ways in different countries, which creates the space for regulatory arbitrage. In this context, we will continue our work to determine which approaches work best. As with all our work, we will endeavour to cooperate, coordinate and share with other relevant international organisations involved in this work. However, the OECD needs to have its own evidence-based opinion in order to incorporate it into its policy advice to Member and Partner countries.

31. **We will also continue with our efforts to strengthen individual financial literacy, while better protecting consumers in their dealings with financial institutions and services and continue to work on access to financing as well as on effective monetary transmission mechanisms.** As recognised by the G20 leaders, we are in a very good position to develop guidance and implementation methodologies on financial education and consumer protection that will help policymakers turn these policies into effective practices.

Impact and Implementation for Growth

32. **In 2012 we significantly increased our impact on national agendas with concrete policy advice.** We served as a partner to our governments at the highest level, working hand in hand with them to create tailored policy solutions. At the political level, we strengthened our connections with political leaders and top decision-makers. Our policy advice and the Seminar on Growth with Italian Prime Minister Monti; the discussions on social cohesion with Korean President-Elect, Park Geun-hye; the visit of Mexico's President-elect Peña Nieto and his Transition Team and our concrete input to the reform agenda of the new government; the in-depth policy reform discussions with French President Hollande and German Chancellor Merkel with the Heads of the OECD and other international organisations; the dialogues with the Presidents of Iceland, Israel, Colombia, Costa Rica, Peru, Togo and Tunisia and with the Prime Ministers of Finland and Slovakia; all are proof of the increased political relevance of the OECD. However, we need to further strengthen our efforts to "Go National" to achieve greater impact.

33. **Looking forward, we aim to strengthen our role as a partner to national and sub-national governments in the implementation of public policies by:**

- ✓ *Further enhancing the impact of our work with national governments, including through the "Better Policies Brochures", our Reports on Competitiveness, our "Getting it Right Series" and Multi-Dimensional Country Reviews.* This means ensuring the timeliness and further tailoring of our advice to the specific needs of countries. For example, we will work with EU Member States and regions in drawing-up Partnership Agreements and operational programmes with the EU Commission for the allocation of Structural Funds.
- ✓ *Better mainstreaming the political economy of reform into our work. We need to further focus our work on the implementation side of the policy cycle, looking not only at the "what to do" but also at the "how to do it."* This will require us to ensure that our Reports and our Committees consider the context, institutional capacity, at national and sub-national levels, and political feasibility of the reforms we advise. We will also take a look at ways to formalise our knowledge sharing and advice to countries to effectively support the implementation of reforms. This could be done by upgrading the support we provide to government officials through capacity building programmes, workshops and training, along the lines of the existing OECD Tax Centres.
- ✓ *Considering the increased interest of Leaders in visiting the Organisation, we will build on our experience to organise these events under a "Leaders and Visions Programme".* The programme will ensure that visits are timely (for example, for governments in transition) and tailored to the requirements of the visiting parties (including expert seminars, special sessions of the Council, and public speaking events). While the initial phase of the programme will be aimed at visiting Heads of Government, we will look to extend the programme to leading thinkers, business representatives and civil society representatives in the longer term.

An Inclusive Global Policy Network for a Stronger, Cleaner and Fairer World Economy

34. **The OECD has grown as an inclusive global partner for growth, taking forward our 50th Anniversary Vision to become a "more effective and inclusive global policy network".** Our collaboration with emerging economies has borne important fruit. We signed a new Framework for Cooperation with Indonesia and broadened our work with all Key Partners. We have strengthened initiatives to cooperate with countries in Southeast Asia, the Middle East and North Africa, in Sub-Saharan

Africa, in Latin America, in the Caribbean, in Southeast Europe and in Eurasia. A number of countries announced that they want to join the Organisation, and we are currently discussing how we can respond to their request for membership. In the past year, I travelled twice to China, then to India, Indonesia and South Africa. With the Mexican Presidency of the G20, we supported efforts to advance a green agenda, organise the first ever G20 Trade Ministerial, and contribute to the success of the G20 Los Cabos Summit. At the G8, we consolidated our presence as a valuable partner in the Deauville Partnership. We also began cooperating with the UK in the context of their Presidency of the G8, and with Russia (G20 in 2013 and the G8 in 2014), whom we are supporting in the quest to give a push to global growth and jobs, among other issues.

35. Looking forward to the years ahead, we will further strengthen our role as an inclusive global partner, in particular in the following areas:

- ✓ ***Relations with Key Partners*** – 2012 saw the OECD successfully conclude its first “Framework for Cooperation Agreement” with Indonesia. We will continue to pursue similar agreements with other Partner countries, with a view to: creating mechanisms to jointly identify priority areas for collaboration; strengthening data exchange; fostering greater coordination through contact points in Capitals and Embassies in Paris; and, encouraging opportunities for secondments and exchanges. We have also sought to involve Key Partners in OECD projects and meetings, including in the NAEC Group, the Global Strategy Group, and, for the first time, the DAC High-Level Meeting and the first Development Centre High-Level Meeting. These efforts to engage Key Partners will be strengthened even further in the years to come.
- ✓ ***Regional Initiatives*** – In the past year we have continued to build on our regional initiatives in Latin America, Eurasia, Southeast Europe, Sub-Saharan Africa and Southeast Asia. We have also significantly stepped up efforts to support transition and reform in the MENA countries, through the MENA-OECD Programme and the Deauville Partnership. Notably, the OECD has been appointed as an Implementation Support Agency for the Deauville Partnership. In the coming year, we will continue to deepen co-operation with all these regions. In particular, we will develop a regional programme for **Southeast Asia**, which is a region of strategic interest and priority, as outlined in the 2007 MCM Resolution. The Programme would operate through a number of *thematic regional policy networks*, composed of officials from the region and delegates to selected OECD Committees. Joint priority policy areas would be determined by bringing a “whole-of-government” perspective from both Southeast Asian and OECD countries, which will also draw on the annual report “*Southeast Asian Economic Outlook*”. The aim of the Programme is to exchange policy perspectives and develop common understanding of joint policy challenges. It will also facilitate access to the expertise of OECD bodies and adherence to OECD instruments.
- ✓ ***OECD Accession*** – We have advanced significantly in the accession process of the Russian Federation. While some Committees have closed their technical discussions and adopted formal opinions, further work remains to be done by the Russian Federation to complete the process. This coming year will be crucial with the closing of most technical reviews at the Committee level. The Council will then be required to engage in more political discussions. As called for in the 2011 Vision Statement, we have also engaged in discussing potential new candidate countries. Any new enlargement should be designed to make the OECD a more inclusive, relevant, diversified and global organisation.
- ✓ ***Global Governance*** – The OECD’s contribution to the G8 and G20 has continued to increase in impact and reach, with the Organisation now contributing to the majority of economic, social and environmental issues on both agendas. We will continue to provide timely and

effective analysis in all relevant global fora, including the Global Partnership for Effective Development Cooperation, the Post-2015 and Sustainable Development Goals Frameworks, and the UNFCCC negotiations. We will also continue to work closely with other international organisations to promote more coherent policy advice.

- ✓ ***Global Standard-Setting*** - The OECD has long provided the space for countries to share experiences and best practices, but it has also set the bar high in terms of specific global standards, which have served our Members well. To enhance our impact and relevance, we need to work proactively to update, upgrade and complement both our new as well as our existing standards and instruments. Firstly, we need to consider the views of emerging economies in the development of our standards, both by opening them to non-Member countries, as we have already done for example with the OECD Code of Liberalisation of Capital Movements, the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, the Mutual Acceptance of Data on Chemical Safety, and the Sector Understanding on Export Credits for Civil Aircraft, and by taking the specific experiences of emerging economies into consideration whenever the standards are updated. Secondly, we need to take a hard look at our existing instruments and evaluate their relevance and effectiveness in today's policy environment, as well as assess their impact and analyse their reach in countries outside the Organisation. We will also look at mechanisms to better assist countries that wish to move towards OECD Standards and best practices through tailor-made country programmes.
- ✓ ***Emerging needs in global standard-setting*** - The OECD will also identify gaps and emerging needs in global standard-setting and consider where and how the OECD might make a useful contribution. Areas where we might consider future standard-setting include, for example, on statistics or on the financing of political parties. In the area of integrity or anti-corruption more generally, we have accumulated effective tools and instruments over the years and have recently made an effort to present them in a coherent manner with the CleanGovBiz initiative. To improve our impact, we will go further and regularly review these instruments in a more systematic fashion to ensure that we address all relevant areas in the most appropriate and effective manner.

Delivering on the Basis of an “Efficiency Strategy” and “Strategic Efficiency” for our Members

36. **We will continue to address the above mentioned strategic priorities to provide value-for-money for our Members while delivering efficiencies in a challenging budgetary environment.** The PWB 2013-2014 was designed in the spirit of “Impact, Relevance and Inclusiveness”. Just as this continues to be our “raison d’être”, so do “Efficiency, Transparency and Accountability” remain at the heart of our working methods. Our corporate services will continue to focus on supporting the Organisation in achieving its strategic objectives. To this end, we will establish a systematic framework to promote efficient practices across the Organisation, engaging all staff in that effort. We will implement a talent management initiative to enhance staff motivation, performance and development. We will continue to strengthen efforts to recruit qualified nationals from underrepresented countries. We will also continue to evaluate lessons learned from horizontal management to ensure that projects deliver concrete results and useable recommendations for countries.

37. We are making big steps towards having free OECD data by mid-2015 and are advancing our corporate Knowledge and Information Management (KIM) Programme to ensure optimal sharing of OECD accumulated knowledge and experience. We are developing a new annual publication series called “OECD 360°”. Complementing our efforts to “Go National”, it will give an overview of key areas of our work in each Member country and in different languages, further improving our service to Members.

ANNEX

SECRETARY-GENERAL'S ACTIVITY IN 2012

Overview

During 2012, the OECD Secretary-General continued his very intense agenda, both in Paris and abroad, in order to advance the relevance and visibility of the Organisation. The principal focus of the Secretary-General in 2012 was on providing policy advice and support to Member countries in their efforts to combat the economic crisis and its social effects.

The Secretary-General carried out 49 trips abroad in 2012 to promote the work of the Organisation in Member and Partner countries. This included his participation in the main international summits that took place throughout the year, particularly the G20, where the OECD contributed very actively. In the course of 2012, the Secretary-General held 49 meetings with Heads of State and Government, 43 meetings with Heads of international organisations and over 200 meetings with Ministers, not to mention his numerous informal interactions with Leaders in the margins of the international fora he attended. He also met with top representatives from other branches of government, business, unions and civil society, totalling close to 1 000 bilateral meetings over the year.

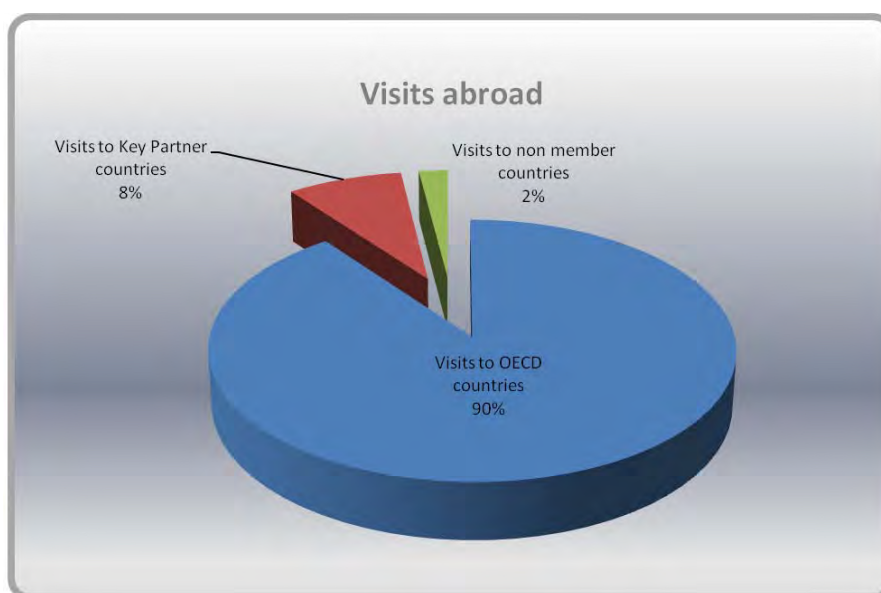
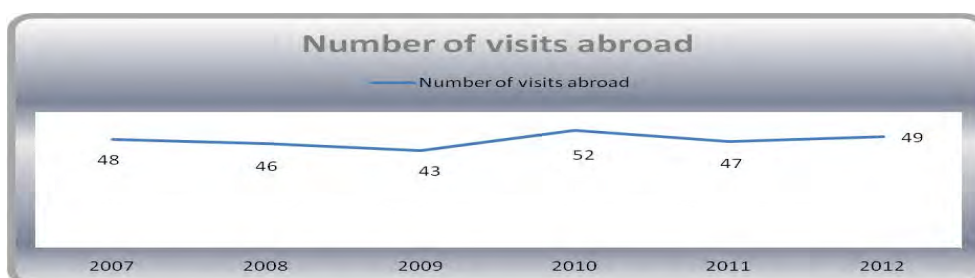
While carrying out his regular management and strategic duties, activities undertaken by the Secretary-General in Paris during 2012 also increased, both quantitatively and qualitatively. The number of Leaders visiting the OECD has continued growing, gradually positioning the OECD as a “go-to-place” for them while in France. In addition to the Secretary-General's bilateral engagement, the Secretariat and delegations have also benefitted from the presence of Leaders at the OECD thanks to a programme of public lectures, addresses to members of the OECD Council and seminars that are gradually becoming a more consolidated and formal part of the Organisation's activities.

Media presence and coverage has also remained consistently high following the peak reached during the 50th Anniversary in 2011, which was an exceptional year in terms of visibility for the Organisation. In 2012, the Secretary-General was quoted in over 1 100 articles. Total dissemination of OECD content grew by more than 20%. Visits to the OECD website grew by 3%, and to the OECD iLibrary by 40%. Presence in social media channels also increased considerably.

Activity abroad

Of his 49 visits abroad: 43 were to OECD countries, 5 to Key Partner countries and 1 to another non-Member country. This means that the Secretary-General made an average of almost one trip every week. The number of visits was slightly higher than in 2011. In every visit the Secretary-General presented relevant OECD work and was regularly received by the Leaders and key members of the government. The main purpose of this activity was to advance the OECD's advisory role in Member countries, launch relevant OECD work, increase the Organisation's profile in key partner economies and represent the Organisation at the highest political level in important international summits and conferences.

Graph 1. Secretary-General's visits abroad



Visits to Member Countries

During 2012, the Secretary-General made 43 visits to Member countries, 87% of his total trips abroad. Throughout the year, he visited half of the OECD membership. The country he visited the most was Mexico, given the Mexican Presidency of the G20. The OECD was the only international organisation invited at the highest level to all the Ministerial Meetings organised by the Mexican Presidency of the G20, including 3 meetings of Finance Ministers and Central Bank Governors, a G20 meeting of Labour Ministers and the first meeting of G20 Ministers of Trade, as well as the Los Cabos Summit held on 18-19 June 2012. The Secretary General also visited Brussels 4 times during the year, where he released the OECD economic surveys of the EU and Euro Area, and also attended high-level meetings with the European Commission and Parliament. He visited Germany, Italy, Japan, Spain, the United Kingdom, and the United States on more than one occasion, and Denmark, Estonia, Israel, Korea, Poland, Slovenia, the Slovak Republic, Switzerland and Turkey once.

These visits provided an opportunity to strengthen the role the OECD plays in advising Member governments on dealing with the effects of the crisis. In some cases, the visits took place at the request of governments to help move forward their structural reform agendas. In other cases, they offered an opportunity to present economic surveys and other thematic reviews. In particular, 8 “Better Policies

Series” brochures were presented by the Secretary-General in 2012, coinciding with his visits and meetings with Leaders.

BETTER POLICIES SERIES: PUBLICATIONS IN 2012

Mexico: “Perspectivas OCDE: México Reformas para el Cambio”, January 2012

Japan: “Policies for a revitalisation of Japan”, April 2012

France: “Promouvoir la Croissance et la Cohésion Sociale”

Mexico: “Mejores Políticas para un Desarrollo Incluyente”, July 2012

Italy: “Reviving Growth and Productivity”, September 2012

France: “Redresser la compétitivité”, October 2012

Germany: “Addressing the Competitiveness Challenges in Germany and the Euro Area”, October 2012

India: “Sustaining High and Inclusive Growth”, October 2012

The Secretary-General also represented the OECD and presented the Organisation’s latest work at important international events hosted by Member countries, including the annual World Economic Forum in Davos, the World Water Forum in Marseille, the IMF/World Bank meetings held in Washington and Tokyo, the annual INET conference in Berlin, the annual economic forum in Bled and the Iberoamerican Summit in Cadiz.

During his visits, the Secretary-General met with key Ministers of all countries, as well as with Leaders, including: French Presidents, François Hollande and Nicolas Sarkozy; US President, Barack Obama; Japanese Prime Minister, Yoshihiko Noda; German Chancellor, Angela Merkel; British Prime Minister, David Cameron; Italian President and Prime Minister, Giorgio Napolitano and Mario Monti; Spanish President, Mariano Rajoy; Mexican Presidents, Enrique Peña Nieto and Felipe Calderón; Turkish President, Abdullah Gül; Israeli President and Prime Minister, Simon Peres and Benjamin Netanyahu; Polish President and Prime Minister, Bronislaw Komorowski and Donald Tusk; Korean President and Prime Minister, Lee Myung-Bak and Kim Hwang-Sik; Croatian President, Ivo Josipovic; Slovenian President and Prime Minister, Danilo Türk and Janez Janša; Swiss Confederation President, Eveline Widmer-Schlumpf; Crown Prince Willem-Alexander of the Netherlands; Danish Prime Minister, Helle Thoring-Schmidt; Estonian Prime Minister, Andrus Ansip; Portuguese Prime Minister, Pedro Passos Coelho; and Slovak Prime Minister, Robert Fico.

The Secretary-General met regularly with Members of Parliament in the countries he visited, and attended the annual Parliamentary Assembly Debate of the Council of Europe in Strasbourg. He also met with representatives from the private sector, trade unions and civil society during his trips abroad. Most of his visits featured public events in which the Secretary-General had an opportunity to address broader audiences and share the OECD’s main messages with the general public. This included keynote speeches at universities, which allowed for an interaction with the student community. During 2012, the Secretary-General was awarded a Doctorate Honoris Causa by the University of Economics of Bratislava, was awarded the Medal for Distinction by Mexico’s National Public Administration Institute, and was admitted as Member of the Spanish Royal Academy of Economic and Financial Sciences.

Visits to Partner Countries

During 2012 the Secretary-General made 6 trips to Partner countries, 5 of which were to Key Partners: People’s Republic of China (twice), Brazil, India and Indonesia. To support the Secretary-General’s activities, the Deputy Secretaries-General also visited Russia and the Key Partner countries on a number of occasions. During his visits, the Secretary-General presented specific work carried out by the OECD on these economies, including economic surveys, regulatory reviews and Better Policies brochures. In the case of Indonesia, the Secretary-General concluded a Framework for Cooperation with the country’s

authorities. India successfully hosted the 4th OECD World Forum on Statistics, Knowledge and Policy under the theme “Measuring Well-Being for Development and Policy Making”. Like every year, the Secretary-General participated in the annual China Development Forum, but also returned to the country in September to open a high-level conference on Global Value Chains in the 21st Century organised by the OECD jointly with UNCTAD, the WTO and the Chinese Ministry of Commerce. In Brazil, the Secretary-General joined Leaders at the Rio+20 Summit, where the OECD contributed actively through its work on Green Growth.

2012 also marked the first visit ever by an OECD Secretary-General to Tunisia, at the request of the country’s new government. The Secretary-General participated in a conference on Promoting Youth Employment in the MENA region, jointly organised with the African Development Bank and met with the Prime Minister and 6 Ministers. This clearly signalled the OECD’s growing engagement in the MENA region, in particular, through the Organisation’s participation in the G8-led Deauville Partnership.

Activity in Paris

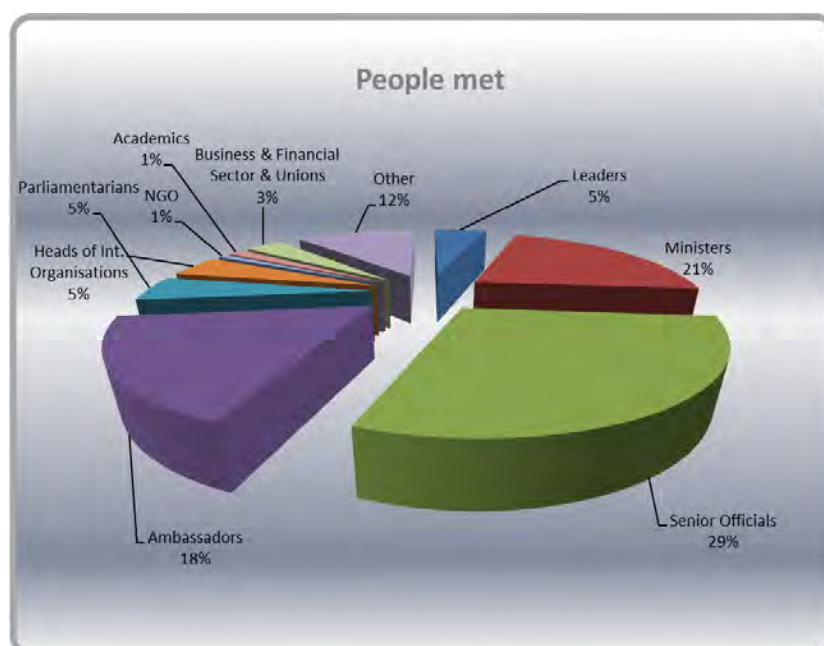
Leaders and high-level visitors at the OECD

Building on the extraordinary efforts to commemorate the OECD’s 50th Anniversary in 2011, the Secretary-General continued to consolidate the OECD’s position as the “go-to-place” for Leaders and relevant stakeholders while in Paris in 2012. The number of Leaders visiting the OECD has continued growing, and now spans the full year, not only OECD Week, which alone attracted 6 Deputy Prime Ministers and 59 Ministers, State Secretaries or Vice Ministers from both OECD and Partner countries, and featured Her Majesty Queen Rania al Abdullah of Jordan, President Laura Chinchilla of Costa Rica and Turkish Deputy Prime Minister Ali Babacan, among others.

The most evident example of this growing presence of Leaders at the OECD was the meeting of the President of France, François Hollande, with the Heads of the leading economic and financial international organisations (International Monetary Fund, World Bank Group, World Trade Organization, International Labour Organization and OECD), which was hosted by the OECD at the request of the President. The visit in October by the President-elect of Mexico, Enrique Peña Nieto, was also particularly relevant, as he came accompanied by his Transition Team and his public address was complemented by a half-day seminar with OECD experts to assist in the key areas of reform before the new administration took over. The OECD Council was also addressed by the President of Peru, Ollanta Humala, the Secretary-General of the Organisation for Islamic Co-operation, Ekmeleddin İhsanoğlu, the Colombian Minister of Foreign Affairs, María Ángela Holguín, and the Mexican Vice Minister for Foreign Affairs and Lead Sherpa during the Mexican Presidency of the G20, Lourdes Aranda. Belgium Prime Minister, Elio Di Rupo, Kazakhstan Prime Minister, Karim Massimov, and Togo Prime Minister, Arthème Séléagodji Ahoomey-Zumu, also met bilaterally with the Secretary-General at the OECD. We are now in the process of developing a “Leaders and Visions” programme to make the most of these high-level visits.

During 2012, the Secretary-General also received 278 high-level officials in Paris from capitals (an average of 2 senior level officials a day, excluding weekends, holidays and trips abroad), met 48 members of Parliament bilaterally and held individual meetings with 33 top representatives from the business community, unions and civil society, as well as 14 meetings with leading academics. He also received high-level representatives from sub-national levels of government, including mayors and governors.

Graph 2. Secretary-General's bilateral meetings by sector (2012)



Regular meetings at the OECD

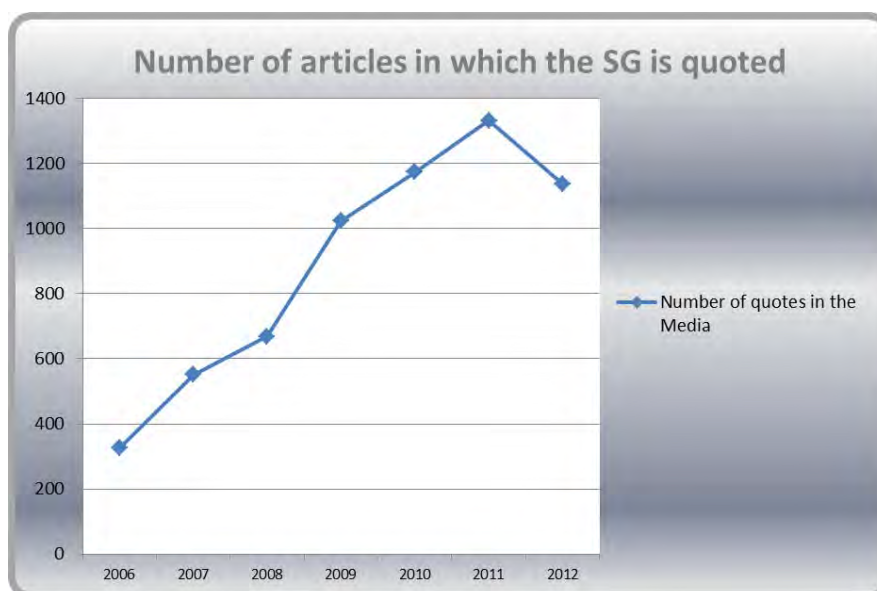
A great part of the Secretary-General's activities during 2012 was devoted to the regular exercise of his management and strategic direction duties within the Secretariat, as well as his chairing of the OECD Council and interaction with delegations, particularly in light of the 2013-2014 PWB process. During the course of the year, the Secretary-General held 91 bilateral meetings with OECD Ambassadors, and consolidated his hosting of regular lunches with smaller groups of ambassadors to discuss ongoing work and priorities in a more personal, relaxed setting. He chaired 16 sessions of the OECD Council, 3 meetings of OECD Heads of Delegation and 13 meetings with Ambassadors Chairs of Standing Committees. The Secretary-General also delivered keynote remarks and participated in the most important events hosted at the OECD, including various conferences, global fora and high-level committee meetings.

Communication and visibility

One of the chief communications goals of the OECD in 2012 was to maintain the level of media coverage reached in 2011, coinciding with the Organisation's 50th Anniversary. Interest in OECD data, analysis and policy advice did not fall, and indeed increased in many key areas thanks to the development of innovative communication techniques such as the embedding of videos and data visualisations within press releases and conducting webinars. The timing and nature of press events is also increasingly calibrated to fit in with the external news agenda as well as with the internal workings of the OECD. The Secretary-General was at the forefront of these enhanced outreach efforts.

During 2012, the Secretary-General delivered 220 speeches, authored 6 articles or op-eds, and presented 29 OECD outlooks and flagship publications. The Secretary-General was quoted in over 1100 articles and gave 165 sit down interviews throughout the course of the year: 91 audio-visual interviews (radio, TV, satellite feeds, webcasts, live coverage) from the OECD studios, 40 interviews to newspapers and news agencies from Paris, and 34 interviews with national media while on mission.

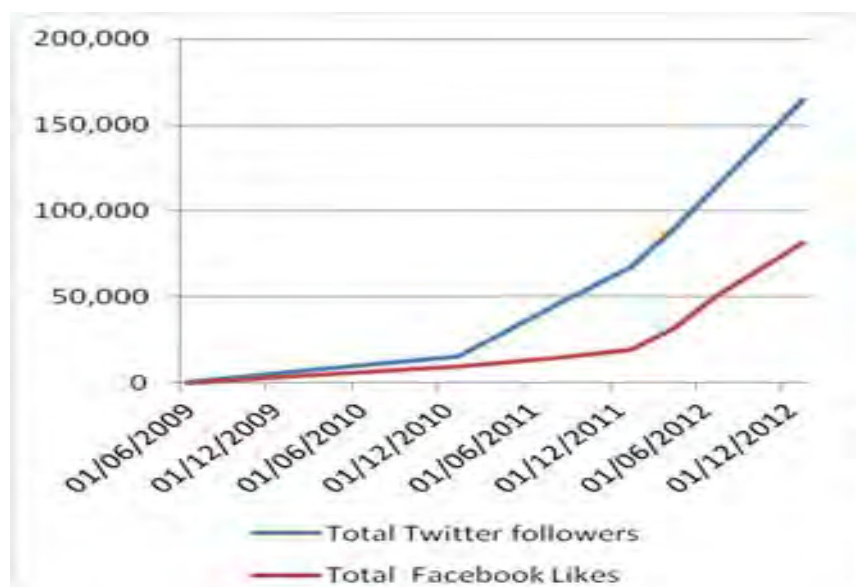
Graph 3. Presence in traditional media



The Organisation published a total of 314 titles during 2012, 236 of which were reports and 78 statistical compilations. This led to the production of 208 press releases and 67 media advisories, compared with 165 press releases and 61 media advisories in 2011. 2012 also saw an increase in the number of notes distributed to journalists. The Secretary-General took part in more than 30 out of the more than 40 press conferences organised throughout the year, mainly designed to launch OECD publications and reports. The media stories around the main flagship publications presented by the OECD Secretary-General grew considerably during 2012: 44% for the Spring Economic Outlook, 15% for the Autumn Economic Outlook, 91% for Education at a Glance and 52% for the Employment Outlook, among others. Besides the main Outlooks and At a Glance reports produced by the Organisation, the Secretary-General also presented the economic surveys of many Member countries in their respective capitals, including Switzerland, Germany, the European Union and Eurozone (Brussels), Poland, Korea, Estonia, Spain, the United Kingdom and Slovak Republic, as well as the economic survey of Indonesia during his visit to Jakarta.

Online presence and the usage of new technologies and visibility in social media platforms also continued rising during 2012. This was particularly illustrated by the popularity of OECD videos on YouTube and their embedding on top news websites, and the three-fold increase of the OECD's presence in Twitter and Facebook in less than two years. The launch by the Secretary-General of key publications such as the Economic Survey made the OECD a traffic leader on Twitter up to five times in 2012.

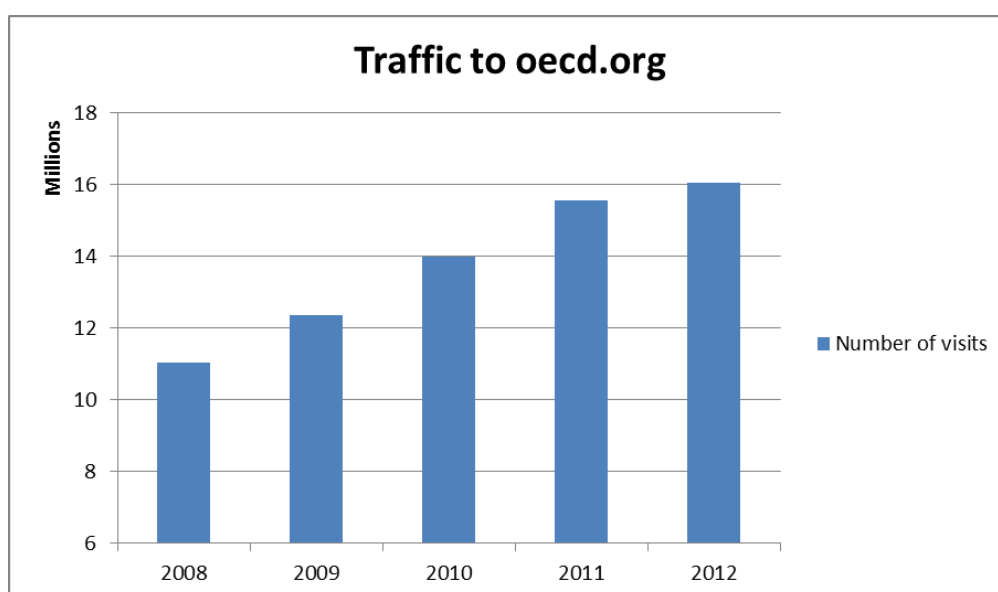
Graph 4. Social media: Twitter followers and Facebook Likes, 2009-2012



This chart reflects all corporate Facebook and Twitter accounts across the OECD. The number of Facebook Likes from 2009 to mid-2012 is based on extrapolation reflecting varying start dates and traction.

As a result of this continued media presence, total dissemination of OECD content grew by at least 20% during 2012, to more than 12 million downloads, online readings and print copies shipped, up from 10 million in 2011. Of this, approximately 250 000 are printed works, the rest online editions. Traffic to the OECD iLibrary rose to 4.2 million sessions from 2.7 million individual visitors (an increase of 38% and 40% respectively). The number of institutions subscribing to the OECD iLibrary now exceeds 2,500 from 104 countries.

Graph 5. Traffic to OECD.org, 2008-2012



In 2012 and under the Secretary-General's leadership, the OECD launched its "Open, Accessible, Free" Programme to implement the 2011 Council decision to make all Part I data free by 2015.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

