SECRETARY-GENERAL’S REPORT TO MINISTERS
2015
Secretary-General’s Report to Ministers

2015
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The OECD at a glance

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

For more than 50 years, the OECD has helped forge global standards, international conventions, agreements and recommendations in areas such as governance and the fight against bribery and corruption, corporate responsibility, development, international investment, taxes, and the environment, to mention a few. Co-operation, dialogue, consensus and peer review drive the OECD as it seeks to fulfil its vision of a stronger, cleaner, fairer world economy and society.

The OECD supports policy makers in identifying challenges and 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 34 member countries and is in accession talks with Colombia, Costa Rica, Latvia, Lithuania and the Russian Federation. Brazil, the People’s Republic of China, India, Indonesia and South Africa are OECD Key Partners. The OECD also collaborates with more than 100 other economies, many of which participate in its committees and adhere to its instruments. Additionally, the OECD hosts the secretariat of several international programmes.

1. The activities related to the accession process of the Russian Federation to the OECD are postponed for the time being.
**OVERVIEW / The OECD at a glance**

**OECD Member countries: Ambassadors* and year of accession**

[www.oecd.org/membercountries](http://www.oecd.org/membercountries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ambassador</th>
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<tbody>
<tr>
<td>Australia</td>
<td>His Excellency Mr Brian Pontifex**</td>
<td>1971</td>
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<td>Austria</td>
<td>Her Excellency Ms Marlies Stubits-Weidinger</td>
<td>1961</td>
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<td>Belgium</td>
<td>His Excellency Mr Yves Haesendonck</td>
<td>1961</td>
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<td>Canada</td>
<td>Her Excellency Ms Michelle d’Auray</td>
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<td>Chile</td>
<td>Her Excellency Ms Claudia Serrano</td>
<td>2010</td>
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<td>Czech Republic</td>
<td>His Excellency Mr Pavel Rozsypal</td>
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<td>Denmark</td>
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<td>Slovak Republic</td>
<td>Her Excellency Ms Ingrid Brocková</td>
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<tr>
<td>European Union</td>
<td>Her Excellency Ms Maria Francesca Spatolisano</td>
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* As of 24 April 2015
** Mr Pontifex will take up his duties in June 2015

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

**Candidates for accession**

[www.oecd.org/about/enlargement.htm](http://www.oecd.org/about/enlargement.htm)

**Key Partners**

[www.oecd.org/globalrelations/keypartners](http://www.oecd.org/globalrelations/keypartners)

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

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Secretary-General’s

Strategic Orientations 2015

This document sets out my strategic orientations for the Organisation for Economic Co-operation and Development (OECD). They should be seen in the context of my Proposal for the Consolidation and Further Transformation of the OECD to 2021 and build on the outcomes of the 2014 Ministerial Council Meeting, as well as the discussions leading up to the approval by the Council of the Programme of Work and Budget 2015-2016. They also draw on my discussions with Leaders, senior government officials, parliamentarians, Ambassadors, and representatives from the private sector and civil society.

My overarching objective has always been, and will remain, to make this Organisation the go-to institution for policy advice on promoting growth, development and well-being in our member countries and worldwide. The following priorities have, therefore, been developed with a view to helping member and partner countries face the challenges and seize the opportunities presented to them.

The outlook for the global economy has brightened somewhat in recent months. Lower oil prices and a host of monetary stimulus measures have meant that for most countries GDP growth forecasts are stronger than expected. These favourable tailwinds create an opportunity for the euro area and Japan to get back to stronger growth rates. In the United States, the cyclical recovery continues, supported by the impact of lower oil prices on household spending power and despite the impact of the sharp appreciation of the dollar on net exports. At the same time, oil exporting countries are experiencing weaker growth. Over the next two years, India is set to grow faster than China, where growth is slowing towards the official target of around 7%. While stronger than a few months ago, projected growth rates remain too low to fully repair labour markets.

Downside risks and difficult policy challenges persist. This includes ongoing political instability in a number of regions, including in the Russian Federation and Ukraine. Moreover, abnormally low inflation and interest rates create a growing risk of financial instability, with risk taking and leverage being driven by liquidity considerations rather than by fundamentals. While central bank policies remain the centrepiece of the recovery, the exclusive reliance on monetary policy to manage macroeconomic demand should be avoided to mitigate these risks. A more balanced approach to policy is required with fiscal and, especially, structural policies providing synergistic support to monetary policy.

At the global level, additional efforts to re-fire the cylinders of the global growth engine – trade, investment and credit – will be necessary. Trade is growing at a similar rate to economic activity, compared to twice as much before the crisis. Global investment remains weak and flows of foreign direct investment (FDI) remain 40% below their pre-crisis levels. Reviving small and medium-sized enterprise (SME) investment is an essential element to foster new sources of growth. Yet, six years after the crisis, SMEs in many countries continue to struggle to secure financing. As banks deleverage further due to business and regulatory requirements, the risk of reduced bank lending is fast becoming the “new normal”. Moreover, despite abundant liquidity, channelling capital into long-term investment such as infrastructure has proven difficult.
At the national level, many governments face the challenge of promoting growth in an inclusive and sustainable way, as well as addressing low levels of trust among citizens. The year will also offer opportunities to address some of the most pressing international challenges of this century, if meaningful agreements can be reached at the third International Conference on Financing for Development (Addis Ababa), the UN Summit for the adoption of the Post-2015 development agenda (New York), and the UNFCCC Summit (COP 21) to be held in Paris.

In this context, my top strategic objectives for 2015-16 are to:

- Promote an inclusive growth agenda that will help tackle unemployment and ensure that the benefits of growth are shared equally by improving the horizontality of our work and mainstreaming New Approaches to Economic Challenges (NAEC) into the work of the Organisation.
- Further develop the OECD productivity and competitiveness agenda, drawing on work on the Next Production Revolution and innovation, to help member and partner countries deliver inclusive growth in the modern global economy.
- Strengthen our contribution to a rules-based international economic system by maximising the impact of our existing standards and by identifying areas where we could help Members and partner countries develop new ones.
- Continue to enhance the global character of our Organisation through our work with emerging economies and developing countries and supporting Members in their reflections about the further opening of the OECD to new members and partners.
- Continue supporting the global agenda and international collective policy action, through the G20 and specific contributions to relevant issues such as international development and climate change.
- Continuing to deliver value for money to Members, further strengthening the Organisation’s corporate services and capabilities and
Inclusiveness at the heart of the OECD: Better policies for better lives

A multi-dimensional approach to policy making: New Approaches to Economic Challenges

The OECD’s New Approaches to Economic Challenges (NAEC) initiative has served to underline the increased complexity, uncertainty and interconnectedness of the global economy. It has demonstrated the need for a new growth narrative; one that is more sustainable, more inclusive and focussed on people’s well-being. As part of the NAEC initiative, the OECD is gradually implementing a new “whole-of-OECD” approach to policy analysis that is multi-dimensional, inclusive and interconnected. It represents a fundamental change in the way the Organisation works, engages with member and partner countries and offers advice and recommendations.

The NAEC initiative will also reinforce some of the OECD’s existing approaches. Structural policies, for example, will continue to be the mainstay of the Organisation. All the more so, in light of the little room for manoeuvre for fiscal and monetary policy in some countries. As more countries acknowledge the importance of “Going Structural”, the OECD will support them in the implementation of their reform agendas by also “Going National”, providing them with country specific advice and recommendations that take into account policy trade-offs and complementarities. As part of these efforts, the Organisation will continue to support government efforts with the Better Policies Series, Getting It Right brochures and country specific policy reviews, leveraging our multidisciplinarity.

At the same time, the OECD will continue to transform by developing new instruments and tools, improving modelling and finding new ways to support Members and partner countries. Since its creation, the OECD has gathered and analysed
data, and provided concrete policy recommendations. As the Organisation continues to increase its capabilities to better understand the interconnectedness of policy issues, the next step is to develop a unifying analytical framework that allows us to provide countries with a single, comprehensive approach to quantifying the impact of policy reforms, drawing on the Organisation’s horizontal and multidisciplinary approach and the targeted policy advice and Better Policies Series. In particular, the OECD will work on an Integrated Policy Assessment project that will bring together OECD models and research findings and augment them, as needed, to provide policy makers with evidence-based research to support integrated policy designs and quantitative assessment.

The UN post-2015 development agenda also provides the OECD with an opportunity to apply this “multi-dimensional lens” to its work with member and partner countries in the context of the Sustainable Development Goals (SDGs).

Strategic foresight (SF) will play an important role in ensuring that our advice continues to be relevant and inclusive going forward. Over the past year, the Global Strategy Group and directorates have begun to use strategic foresight to better understand policy challenges and identify possible policy solution spaces. Through the new OECD Governmental Foresight Community, the Organisation has also begun to address member and partner countries’ demands for policy-relevant foresight. For example, a co-ordinated horizon scanning system is being established to support the OECD megatrends analysis. The Organisation is also beginning to mainstream the use of exploratory scenarios to better account for uncertainty alongside long-term conditional projections. This work will support a proactive agenda to explore emerging global policy challenges and engage in strategic knowledge sharing to help translate global and national visions into actionable policies to promote better lives.
Sharing the benefits of prosperity

The Inclusive Growth (IG) initiative will be the linchpin for the OECD’s horizontal analysis and advice on well-being, and respond to the challenge of inequalities. The Inclusive Growth multi-dimensional framework takes into account the fact that inequalities go beyond income, affecting jobs, health and other non-monetary outcomes and explores new ways of combining strong growth with a better distribution of the benefits. The policy implication of this approach is that it places a great deal of importance on the effects that individual structural policies have on specific social groups, such as the poor or the middle-class. The objective is to identify synergies between pro-growth and inclusiveness policies and ensures consistency and complementarities when trade-offs emerge. Moving forward, the OECD will build on the findings from the preliminary phase of the Inclusive Growth initiative. A synthesis report on the Inclusive Growth initiative will be delivered at the 2016 Ministerial Council Meeting (MCM). The report will elaborate on a strategy for mainstreaming the results of the work in the measurement, analysis, and policy recommendation activities carried out across the Organisation. It will also produce Recommendations on Policies to Promote Inclusive Growth.

The next steps of the IG initiative will take place around the following four pillars:

- Pillar I: Refining and strengthening the methodological elements of the Inclusive Growth Policy Framework. This will include progressively incorporating other non-income dimensions that matter for well-being (e.g. education and environment) into the OECD measure of progress, as well as incorporating new countries into the analysis and testing the robustness of the IG Policy Framework.
- Pillar II: Taking action to mainstream the Inclusive Growth Policy Framework across the work of the OECD.
OVERVIEW / Strategic Orientations 2015

- Pillar III: Testing and applying the Inclusive Growth Policy Framework at the national level in OECD and partner countries, further to requests from governments.
- Pillar IV: Further analysing how the Inclusive Growth Policy Framework resonates at the regional level and what adjustments are necessary to the IG Framework to most effectively address regional specificities.

Addressing inequalities is central to promoting inclusive growth. Today, the richest 10% of the population in the OECD earn 9.8 times more than the poorest 10%. The gap in financial assets is even wider: households in the top wealth quintile have a mean value of financial wealth that is more than 70 times the value of those in the first quintile. In emerging economies, the income gap is even greater. Future work, for example, could look at the challenges facing the middle classes as their labour market position worsens and public services become more targeted. In addition, a substantive report on inequality in Key Partner countries will be prepared. The OECD is seeking to establish a Hub on Opportunities and Equality, which would build upon the insights of longstanding OECD work on inequalities to document, analyse and share policies to promote inclusive growth. Further work will also be carried out on the linkages between inequalities and growth, and on the effects of increased market competition on inequality. These efforts will also benefit from ongoing work on social cohesion, social protection and youth inclusion in developing and emerging economies undertaken by the Development Centre.

The Inclusive Growth Framework will continue to be refined by analytical work from a comprehensive set of policy initiatives to promote employment, inclusiveness and well-being. This includes work on youth unemployment and building inclusive labour markets, for both younger and older workers, in particular via effective active labour market policies. The work on job quality, part of the NAEC initiative, already provides a framework for measuring job quality along three key dimensions: i) earnings quality; ii) employment security; and iii) quality of the work environment. These efforts will identify the key policy levers for improving job quality with a view to the development of a New OECD Jobs Strategy. Further work on innovation and inclusive growth should also be explored.

Our Ageing (Un)Equally horizontal project responds to the growing divide in the well-being of older people, putting significant pressure on welfare systems and jeopardising the effectiveness of reforms. OECD work on pensions policy, including private pensions systems, mental health and financial education for retirement planning will continue. In addition, the Organisation will continue work on the sustainability of health systems and deliver an interim report on how to tackle health inequalities as people age, and associated policy principles covering three pillars: rewarding work, changing employer practices and improving employability. In the area of health, the Organisation will continue work on the governance of personal health

José Manuel Durão Barroso, President of the European Commission, during his Keynote Address on the topic “Europe United, Open and Stronger: A Story of Interdependence and Resilience”, OECD headquarters, July 2014
countries unlock and apply OECD expertise on human capital and skills. Three countries have worked with the OECD to deliver the diagnostic phase of their national skills strategies, two are ongoing and others, including non-member countries, are in the pipeline. Going further, the OECD will also look at how countries anticipate and respond to changing skill needs, as well as how skills can help foster productivity, strengthen innovation and fight inequality. The so-called skills-productivity-innovation-inequality nexus.

Regional, urban and rural policies also have significant implications for the inclusiveness of growth and well-being. Regional...
disparities and disparities between cities and rural areas can be seen in many member and partner countries. The OECD report How’s Life in Your Region? provides a common framework for measuring well-being at the regional level. The work on Inclusive Cities will expand the OECD work and database on measuring well-being in regions to assess well-being outcomes in the OECD urban regions and review policy options for building inclusive and resilient cities. In respect of local employment, the flagship OECD Job Creation and Local Economic Development Report 2014 brought together, for the first time, the main findings emerging from projects in a number of areas, such as employment, skills, entrepreneurship, social enterprises and local economic development. In the run up to the next publication in 2016, which will look at how governments can stimulate productivity and quality job creation at all levels of the economy, the Organisation will improve the horizontal nature of this work, release regular publications syntheasising the results of individual country reviews and conduct systematic follow-up activities to review the implementation of recommendations.

To make inclusive growth happen and ensure that reforms are accepted by citizens, it is crucial to restore trust in governments and market institutions. Ongoing OECD work on better regulation, trust in the educational system, fairness in tax, trust in the digital economy financing democracy, integrity in lobbying, anti-corruption, responsible business conduct (RBC), as well as the OECD Observatory of Public Sector Innovation (OPSJ) play a significant role in promoting transparency, open government and greater stakeholder engagement. The OECD Trust Agenda would go a step further by mapping all trust-related work taking place across the Organisation, developing practical guidelines for countries to strengthen trust, including by identifying actions throughout the policy cycle that can help strengthen trust; a report will be delivered to the 2016 MCM.

The OECD will also support Members’ efforts to strengthen the rule of law and good governance, including by focussing on the contribution of justice institutions to public policy performance and addressing quality of service and access to justice issues. As part of these efforts we will also look at issues of political financing, lobbying, integrity in public procurement and “revolving doors” to help governments strengthen the integrity, inclusiveness, transparency and credibility of the policy-making process.

Mainstreaming green growth

Countries are taking steps towards green growth; yet much more determined efforts are needed to integrate environmental priorities into economic agendas to promote sustainable growth and well-being. The OECD report Towards Green Growth? Tracking Progress aims to accelerate countries’ implementation of green growth
The OECD work on Trade in Value Added (TiVA) and Global Value Chains (GVCs) will continue to analyse trade-related policy implications, notably for developing countries. The Organisation will continue measuring the extent of countries’ integration into value chains and identify trade policy and related domestic structural reform approaches that can support the integration of firms in developing countries into regional and global markets. Additional work will look at the links between GVCs, occupations, and skills at the sectoral level, and the role that different policy measures play.

This will include identifying, refining and compensating for those policies, which, although growth-enhancing, prove to be detrimental to inclusiveness, well-being and the environment.

**Re-firing the cylinders of the engine of global growth: Trade, investment and financing**

The OECD is committed to promoting a trade environment conducive to sustainable growth. This means resisting protectionism in all forms and rolling back trade restrictive and distortive measures. The OECD will continue to support multilateral exchanges aimed at promoting trade facilitation, including by deepening its analysis of related measures and developing specific indicators for “Single Window” policies to monitor their performance at the national and regional level. The OECD will also continue to support the conclusion of the Doha Development Agenda of the WTO.

The OECD work on SMEs will offer a more robust, data-driven analysis of the constraints and opportunities for SMEs, associated with successful GVC participation by developing country firms. Finally, we will also develop and improve the measurements needed to better understand the link between investment and GVCs. This includes work to measure “Real” FDI and to incorporate FDI into TiVA to...
assess the role of investment in creating jobs and added-value.

The OECD Services Trade Restrictiveness Index (STRI) database will also be expanded and will develop targeted, actionable policy advice around three themes: i) trade cost measures, ii) policy approaches to reduce costs, and iii) the quantification of services liberalisation scenarios. The complementary OECD FDI Restrictiveness Index will also be expanded and used to assess the impact of investment restrictions.

Investment, both public and private, remains key to more resilient, inclusive, green and sustainable growth. However, despite record low interest rates, global investment has remained subdued. The OECD will continue to address investment and long-term financing issues, including through effective approaches to implement the new OECD Principles of Corporate Governance, the G20/OECD High-Level Principles for Long-Term Investment Financing by Institutional Investors, and on international investment rules. Going forward, at the national level, the updated OECD Policy Framework for Investment (PFI) will improve countries’ framework conditions to promote and facilitate investment, as well as to foster investment and private sector expansion through country development programmes. This update will act as a springboard to quantify countries’ relative performance under the PFI and develop National Investment Action Plans (NIAPs). The OECD will seek to disseminate the PFI as widely as possible, and promote its use as a tool to implement the SDGs and the Post-2015 development agenda.

The OECD will also seek to improve national frameworks, investment treaties and other relevant rules in an inclusive and balanced way. It will do so by working jointly with all interested partners, particularly Key Partners, and consulting with key international organisations.

Building on the Freedom of Investment Roundtable, this global investment dialogue will strive to foster an exchange of knowledge and best practices among policy makers, supported by OECD evidence-based analysis of the economics of cross-border investment and developments in investment rules.

The OECD will promote the more effective implementation of the OECD Guidelines for Multinational Enterprises (the Guidelines) to further enhance Responsible Business Conduct (RBC). This will include the implementation of an action plan to strengthen the National Contact Points for the Guidelines, including through robust peer monitoring and benchmarks to assess their performance. A proactive agenda will also include work on responsible supply chains in the textile and garment industries and in the agricultural sectors, and will aim to develop a long-term vision for RBCs to offer further guidance to all stakeholders. The OECD will undertake additional work on the links between trade and investment, on the contribution of RBC to the development agenda. The Guidelines are one of four elements comprising the Declaration on International Investment and Multinational Enterprise. Given the increasing
adapt good practices in SME policy design and implementation. More broadly, evidence-based policy analysis and instruments are being developed through the OECD International Network on Financial Education, now comprising more than 110 economies, to boost financial education not only in SMEs, but also across the population at large. In this context, OECD work on consumer protection will also continue.

The OECD will also continue to work on ways to improve the resilience of our economies. More specifically, it will provide a framework to identify policies, in particular structural policies that help governments to reduce their vulnerabilities to large downturns and recover faster after an adverse shock. Based on that framework, it will propose country-specific policy recommendations to improve the resilience of economies.

New sources of prosperity and growth

Despite the recent economic crisis, the last fifty years have produced an unprecedented global growth dividend. In the developing world, sustained wealth creation and public-health advances have increased average life expectancy, lifting billions out of extreme poverty. However, the crisis has reminded us that we cannot continue to rely on the same sources of growth forever. Not only does growth need to be more inclusive and green, but it also needs to come from new and sustainable sources. Over the coming years, growth...
will increasingly depend on improvements in multi-factor productivity, mainly driven by innovation and by investments in Knowledge Based Capital (KBC). This is particularly true for OECD member countries that are experiencing low levels of productivity or growth rates that, nonetheless, do not translate into higher living standards.

In this context, the OECD work on enabling the Next Production Revolution (NPR) will explore new science and technology-driven developments and focus on disruptive technologies that could have far-reaching effects on productivity and economic growth. These efforts will identify the risks and opportunities created by technology developments, including through the use of foresight and scenario-building, and examine policies, including on competition, that enable countries to maximise the net benefits for their economies and societies. In addition, work on strengthening long-run productivity growth will exploit the richness of firm-level data to analyse the effects of a wide variety of policy settings on firm performance. This will be complemented by work on enhancing productivity, including how it is disseminated, the role that public policy plays in bringing about increased performance and growth, and how to explain observed differences across countries. The OECD will also seek to create a Productivity Network that would facilitate the sharing of experiences and best practices, enhance links with the global research community and foster dialogue with business and labour groups.

Knowledge Based Capital and the digital economy, in particular, have the potential to play an important role in contributing to productivity and well-being. To this end, the OECD work on the digital economy will look at how to build further capacity and develop internet policy and governance, as well as how to create enabling conditions for new jobs, skills and inclusiveness. As part of these efforts, the Organisation will deepen its analysis of the benefits of an open Internet; opportunities for new digital content, services and applications; pathways for the development of the Internet of Things; privacy in a data-driven economy; and on the skills needed for an increasingly digital world. The OECD’s work on Big Data and data-driven innovation will further support these efforts. Following the update of the OECD Innovation Strategy, the OECD will also “Go national” in support of member and partner countries’ innovation strategies. The OECD Ministerial on the Digital Economy will take place on 22-23 June 2016 in Mexico and will explore how the digital economy impacts innovation, growth and social prosperity.

The tourism industry has shown remarkable resilience in the face of the recent crisis, playing a key role in supporting economic recovery in many OECD countries. The OECD will continue to monitor policies and structural changes affecting the development of domestic and international tourism. It will identify innovative financing mechanisms which can support adequate and accessible financing for the creation, survival and

Angel Gurría, OECD Secretary-General speaking to journalists at Water Week Latinoamérica, México, D. F., June 2014
activities and value creation occur and through increased transparency. The full package of BEPS measures, which are being developed by over 60 countries working together, will be finalised in 2015 and, when implemented, will give business greater certainty on the global investment environment. To ensure that this landmark initiative has the intended impact following delivery of the BEPS measures in 2015, future work must focus on supporting countries in the effective and consistent implementation of the BEPS outcomes through the development of model legislation, technical guidance and monitoring of the impacts of the BEPS measures in addressing both double non-taxation as well as double taxation.

At the same time, through the OECD work on exchange of information and on tackling serious financial crimes such as tax evasion, the Organisation is working with countries across the globe to enhance cross-border co-operation and dissemination of best practices between governments. The 126-member Global Forum on Transparency and Exchange of Information for Tax Purposes is closely monitoring the implementation of commitments made by its members to the tax transparency standards, including the new Standard on Automatic Exchange of Information, which more than 90 jurisdictions have already committed to implement, beginning in 2017.

The OECD is also supporting countries in making effective use of the international tax system to support economic growth by establishing measures to reduce tax barriers to cross border trade and investment. To ensure that growth is inclusive and sustainable, governments must also tackle tax evasion and tax avoidance. The OECD-G20 Base Erosion and Profit Shifting (BEPS) Project will deliver a package of measures to close the loopholes that allow the artificial shifting of profits to low or no tax jurisdictions by restoring coherence to the international tax rules, ensuring that profits are taxed where the economic value creation occurs.

International tax policy

The international tax system supports economic growth by establishing measures to reduce tax barriers to cross border trade and investment. To ensure that growth is inclusive and sustainable, governments must also tackle tax evasion and tax avoidance. The OECD-G20 Base Erosion and Profit Shifting (BEPS) Project will deliver a package of measures to close the loopholes that allow the artificial shifting of profits to low or no tax jurisdictions by restoring coherence to the international tax rules, ensuring that profits are taxed where the economic value creation occurs.

Contributing to a fair, rules-based international economic system

The OECD can also contribute to inclusive growth and well-being, as well as rebuilding trust, through its standard-setting role. The Organisation will continue to strengthen and maximise the impact of existing standards, as well as to identify areas in which to develop new ones.
of the latest tools and techniques to fight tax crimes and other financial crimes. Strengthening the capacity of member and partner countries’ ability to pursue tax crimes and other serious financial crimes through the implementation of a whole-of-government approach and the development of practical tools and best practices will be critical to restoring confidence and trust in government and the rule of law, as well as improving the investment climate, particularly in countries plagued by financial crimes.

**Anti-corruption**

A healthy global business climate, free of corruption and fraudulent practices, supports sustainable investment and growth. The OECD has a rich wealth of legal and policy instruments on responsible business practices and public sector integrity. What is needed now is to close the implementation gap between what instruments, such as the Anti-Bribery Convention and the Guidelines for Multinational Enterprises, recommend and what business actually does. Similarly, further efforts are needed to ensure the effective implementation of existing OECD instruments in relation to enhancing integrity and preventing corruption in public governance. An integrated OECD anti-corruption strategy that brings together a wide range of expertise, tools and instruments across the Organisation could provide a coherent approach to fighting corruption in its many forms, both in the private and the public sectors. These efforts will also include upgrading the current OECD tools and platforms to better support member and partner countries efforts against corruption.

**Corporate governance and responsible business conduct**

Work on corporate governance will be focussed on implementing the new Corporate Governance Principles. Particular emphasis will be given to policies that facilitate corporate access to capital for investment. This will require further analysis and scrutiny of the functioning of capital markets, the availability of new sources of corporate finance and the financing needs of growth companies.

In a complementary effort to promote business integrity, the OECD has launched a Trust and Business (TNB) initiative, which aims to support the implementation of recommendations in the new Principles of Corporate Governance regarding the responsibilities of Boards of Directors in setting the ethical tone and ensuring sound risk-management and internal controls in a company. Applying a multidisciplinary and multi-stakeholder approach, the OECD is promoting a discussion about the effective integration of business integrity considerations into a company’s corporate governance framework, with the goal of improving the decision-making processes. The draft report from the first phase of the TNB will take stock of challenges and compile good practices informed by the experience of companies around the world. It will identify key issues and avenues for positively influencing how corporate leadership prioritises integrity, to better mitigate the risk of companies being used for, or engaging in, serious misconduct.

**Competition policy**

The OECD will look at how competition policy can contribute
to boosting growth and well-being. A revamped Competition Assessment Toolkit would help countries assess policies across the board to boost competition and ensure a level playing field in markets. The OECD will provide analytical and other support for greater and more effective international co-operation in the enforcement of competition law. The new Guidelines on Corporate Governance of State-owned Enterprises will play a central role for ensuring that state-owned enterprises operate on a level playing field when they are competing with privately owned companies, including in a cross-border context. The OECD will also deliver a report addressing the challenges posed by the internationalisation of state-owned enterprises (SOEs) and the extent to which existing international rules-based arrangements are sufficient to address them.

Regulatory policy

Understanding and demonstrating the links between improving regulatory quality and delivering sustainable growth will remain one of the OECD’s central tasks. The Organisation will continue to support efforts to ensure greater co-ordination across jurisdictions and eliminate unnecessary regulatory divergences and redundancies to trade and investment. It will strengthen data collection activities and provide evidence on the benefits of international regulatory co-operation, and the costs of alternative approaches. In particular, there is untapped potential for the OECD to work closely with economic regulators, sub-national levels of government and other actors (parliaments and Supreme Audit Institutions) to ensure that regulatory reform delivers on its promises. Towards this goal, the Organisation will leverage its expertise by developing regional policy networks that will provide a platform to exchange on good practices and mutual learning with policy makers in partner countries.

The OECD will continue to help countries implement regulatory reform in a national context to support better regulation. This will include supporting further efforts to resist the tendency to use regulation to solve problems for which such measures are ill-suited, and to avoid regulation quickly becoming obsolete in today’s globalised and dynamic markets. Following the 2012 Recommendation on Regulatory Policy and Governance, the OECD will promote a comprehensive and integrated framework for regulatory governance across member and partner countries; explore the potential for the application of regulatory quality initiatives, as well as specific regulatory reforms to unblock critical constraints to growth; and pioneer work on measuring regulatory performance, with an emphasis on improving international regulatory co-operation and highlighting the key features of top class regulatory agencies.

Enhancing the global character of the organisation

The principle of inclusiveness should not only apply to the OECD’s policies and standards, but also to the way it works with partner countries. Strengthening the OECD’s global reach and
impact, as well as its relationship with emerging and developing economies continues to be a central priority. At the centre of these efforts is the work with Key Partners, Accession Countries and the OECD Regional and Country Programmes, as well as activities undertaken by the Development Centre and the Sahel and West Africa Club.

**Key Partner and Accession countries**

The OECD will continue to integrate Key Partner countries (Brazil, China, India, Indonesia and South Africa) into the work of the OECD. This includes encouraging them to join OECD bodies, adhere to legal instruments and establish mechanisms for jointly identifying mutually beneficial work priorities. The Organisation will build on the strategic relationship developed with China over the past year. This year marks the 20th anniversary of co-operation with China. A joint work programme for 2015-16, includes supporting China in its G20 Presidency, in particular in the fields of inclusive growth, new sources of growth like innovation and skills, trade and investment and the fight against corruption. China has also announced that it will join the Development Centre, which will further strengthen co-operation. A joint work programme with Indonesia provides the basis for deeper engagement with the country in 2015-16 with the support of the newly established OECD Office in Jakarta, which will engage with the whole of Southeast Asia. Brazil has also expressed its willingness to sign a framework agreement with the OECD and to develop a joint work programme. We will also strive to create similar arrangements with India and South Africa.

The accession reviews for Colombia and Latvia are now well underway and countries are closely following up on outstanding issues raised during Committees’ reviews. Throughout the accession process, for each candidate country, the Secretariat continues to update Council regularly on the discussions and progress made.

In turn, the Council has decided to open accession discussions with Costa Rica and Lithuania, both of which have effectively implemented their respective Action Plans, adhering or requesting adherence to relevant legal OECD instruments and undertaking reviews in selected policy areas.

The activities related to the Russian Federation accession process remain postponed for the time being. Russia participates in Committee meetings on non-accession issues, with discussions on relations between the OECD and the Russian Federation taking place at the level of the Council.

**OECD Regional approaches**

The OECD will also reinforce the regional component of its work, particularly with Southeast Asia, MENA and Latin America, and strengthen relations with Africa and Eurasia, including through membership and regional activities of the Development Centre on its flagship regional publications. The Knowledge Sharing Alliance (KSA) will continue to provide a facility through which to engage non-member countries in a two-way dialogue on key horizontal initiatives.

The OECD engagement with Southeast Asian countries and the region as a whole has been strengthened considerably following the successful high-level launch of the Southeast Asia Regional Programme (SEARP) at last year’s MCM. Meanwhile, the Programme’s Steering Group has met for the first time and elected Indonesia and Japan as co-chairs. Regional and country-specific outputs have been defined by six Regional Policy Networks (RPNs) on tax, good regulatory practices, investment policy and promotion, education and skills development, SMEs and public-private partnerships to support connectivity for infrastructure development. Further work is being developed through initiatives on trade, innovation, gender, capital markets and corporate governance. The OECD’s Economic Outlook for Southeast Asia, China and India – a joint annual publication of the Development Centre and the ASEAN Secretariat that monitors medium-term macroeconomic trends and regional integration has been formally recognised as an important element of the SEARP to help the Steering Group gain a horizontal view of activities. It will continue to have an important role in identifying emerging trends in the region and providing a backbone into
the different work streams of the Programme. The implementation of the Programme will be reinforced under the close co-operation with ASEAN partners and relevant regional organisations such as Economic Research Institute for ASEAN and East Asia (ERIA). The OECD will also undertake two Economic Assessments of Southeast Asian partner countries.

In the Latin America and the Caribbean (LAC) region, the OECD has effectively helped to promote a drive for higher policy standards. There is growing awareness in the region that better data, policies and structural reforms are needed in order to tackle its two major challenges of increasing productivity and decreasing inequality, and thus sustain growth and improve well-being overall. Going forward, a strategic whole-of-government dialogue will be launched. This will allow OECD Members and LAC countries to define joint medium and long-term priorities, promoting co-ordination, horizontality and synergies between existing activities. In this context, a LAC Comprehensive Regional Programme, leveraging the existing membership of LAC countries in the Development Centre, could be developed to increase the impact of OECD work in the region and ensure it serves Member and LAC countries alike. The Organisation is also strengthening its ties with the Pacific Alliance.

After 15 years of supporting the Economic transformation in Southeast Europe (SEE), the OECD will aim to further step up its co-operation with the region. The Programme will seek to enhance its role as a platform for strategic dialogue and exchange of policy perspectives, with a view to supporting economic reform priorities in the region. The Programme is also expected to play a major role in the development of the EU initiative for Enhanced Economic Governance project by assisting countries of the Western Balkans (Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Kosovo, Montenegro and Serbia) in shaping their yearly Economic Reform Programmes (ERPs).

This year marks the 10th Anniversary of the OECD’s MENA Initiative, which along with the Support for Improvement in Governance and Management (SIGMA) programme and the Deauville Partnership promotes sustainable and inclusive development in the region.

Looking forward, MENA and OECD partners are preparing the renewal of the mandate of the MENA Initiative. The new mandate will enhance the Initiative’s capacity to respond to the broad range of challenges the region is facing, while keeping a flexible approach that would allow regional and country-specific work to continue, taking into account the diversity of MENA economies. Together with ongoing work on investment, private sector development and public governance; future work could include the promotion of efficient labour markets, measures to boost productivity and competitiveness, and better integration of local enterprises into Global Value Chains.

The Eurasia Competitiveness Programme, established in 2008, will also seek the renewal of its mandate this year. All countries in the Eurasia region face similar challenges in building strong and transparent institutions and governance systems, developing interconnectedness (integrating into global markets) and achieving inclusive growth. Through the
new mandate the OECD could support the region, *inter alia*, strengthening their institutions and establish efficient governance systems, keeping markets open, strengthening trade links, integrating into Global Value Chains and tackling inequalities and rising youth unemployment. The Programme will also continue carrying out peer reviews through the Eurasia Competitiveness Roundtable.

OECD co-operation with Sub-Saharan African countries continues to strengthen in response to increasing demand from African governments for OECD expertise, networks and instruments. Joint work with AfDB, African Union Commission/NEPAD Agency and UNDP in the context of the African Economic Outlook and the OECD Africa Forum provide high-visibility platforms analysing and discussing key African policy issues. The membership of the Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (WAEMU) in the Sahel and West Africa Club highlights the importance of OECD work on regional policy issues such as regional integration, food security and resilience and security and development. Five sub-Saharan African countries are members of the Development Centre, eighteen are members of the Global Forum on Transparency and Exchange of Information for Tax Purposes and several have undergone policy reviews. Further developing and expanding relations with African regional institutions (African Union Commission/NEPAD Agency, ECOWAS, UEMOA, SADC) will be particularly important in leveraging and disseminating OECD expertise and policy impact. The African Economic Outlook is an excellent analytical basis in this domain.

**Country programmes and Ukraine**

In addition, the OECD will continue to expand its relations with selected countries of strategic interest, including through “Country Programmes”. These programmes are designed to support the countries’ domestic reform process by helping them to adopt OECD standards and practices through a structured framework for co-operation.

There are currently three Country Programmes: Peru, Kazakhstan and Morocco. The Secretary-General signed the relevant agreements with the President of Peru, at the Ibero-American Summit in December 2014, and with the Prime Minister of Kazakhstan, in Davos in January 2015. The OECD approved the Morocco Country Programme on 12 March 2015; a signing ceremony for this Programme is expected to take place soon. Thailand has been invited to engage in a Country Programme, subject to further dialogue to clarify the political and financial commitments needed for the Programme. All programmes include adherence to OECD legal instruments.

The OECD has been working with Ukraine since its independence, but has recently strengthened its relationship at the request of the Ukrainian authorities. An Action Plan will serve to structure this relationship. Priorities for co-operation include the fight against corruption, broader public governance issues, and policies to improve the business climate, including competition and corporate governance. Also ongoing, are reviews on investment policy, tax and financial crime investigations, public management issues and energy efficiency.

**Supporting global action**

The OECD has successfully leveraged its partnership with the G20, enabling Key Partners to work with the OECD to shape global standards. This includes the development of the OECD/G20 Action Plan on Base Erosion and Profit Shifting, supporting G20 National Growth Strategies, supporting the commitment to reduce the gender gap in the labour market by 25% by 2025, supporting the phasing out of fossil fuel subsidies and the implementation of the G20 Anti-Corruption Plan. The OECD will also continue to support G20 actions to fight protectionism and boost employment. The OECD is collaborating with Chinese authorities to support China’s G20 Presidency in 2016.

The OECD is now actively supporting the 2015 Turkish G20 Presidency and its three “I’s” priorities: “Investment, Implementation and Inclusiveness”, with an emphasis on cross-cutting themes such as Least Developed Countries, SMEs and integration into Global Value Chains. The Organisation will also provide significant input...
to the inclusive growth agenda, particularly in developing the G20 Skills Strategy, job quality framework and establishing policy coherence between the G20 growth and employment agendas. In addition, the OECD continues to contribute to the G20 international tax agenda, work on investment strategies, and together with other international organisations, the work on energy, food security and anti-corruption.

The OECD is supporting the German G7 Presidency, including on the topics of Responsible Business Conduct (RBC) and promoting female entrepreneurship. On RBC, the Organisation has shared best practices concerning due diligence and non-financial disclosures issues, as well as on ways to strengthen National Contact Points for the OECD Guidelines for Multinational Enterprises. Empowering self-employed women and promoting female entrepreneurship is one of the priorities of the German Presidency and the OECD has offered guidance on both issues. The Organisation is also active in the Deauville Partnership, supporting MENA transition countries’ efforts to promote growth, financial inclusion, jobs, investment and governance. The OECD has contributed to the Group’s discussion about a compact for economic governance, suggesting ways for governments to enhance the transparency and efficiency of public institutions and processes, building an attractive environment for investment, and promoting youth employment and gender equality.

The Organisation is also leveraging its work and standards through an active co-operation with and support for the APEC Process. The APEC Leaders’ Summit in Beijing endorsed a GVC Blueprint for the Asia-Pacific Economic Cooperation (APEC) region, which was prepared with the help of the OECD and includes relevant OECD work on taxes, long-term investment, SMEs, public-private partnerships and disaster risk management. The Organisation is supporting the Philippines Presidency’s Cebu Action Plan, notably providing input on inclusive growth, financial inclusion, tax, investment and disaster risk management. The Organisation is also working on a tool to help governments mitigate the risks of major disasters, as well as looking at global governance and international co-operation that could support these actions.

The Global Sustainable Development Agenda

The post-2015 agenda offers a unique opportunity to re-think OECD work on development in the broadest sense. In September 2015, UN member states will endorse a new development framework – the Sustainable Development Goals (SDGs) – which will cover the economic, social, and environmental
development pillars, providing a more holistic view of development and focussing on overall outcomes for people, societies, and the planet. The SDGs will be universal (applicable to OECD and non-OECD countries). The complexity and ambition of the post-2015 agenda will benefit from OECD data collection and policy monitoring experience. Indeed, the transformation of the global development view as reflected in the SDGs will also shape a transformation in the way the OECD works with and for member and partner countries. This includes helping OECD countries follow up and review progress on the SDGs through existing OECD frameworks. As such, the OECD will continue to enhance inclusive knowledge-sharing, including through the Knowledge-Sharing Alliance which was created to support the implementation of the vision set out in the OECD Strategy on Development.

Building on the OECD Strategy for Development and the outcomes of the January 2015 discussions of the Council on Development, the OECD should:

• Elaborate an initial “baseline assessment”, reviewing the state-of-play of OECD countries and Key Partners’ performance in relation to the SDGs. These efforts will consider both the challenges of implementing universal goals and ongoing efforts to tackle global challenges, including through domestic policy choices. It would also leverage and build on various ongoing initiatives (e.g. NAEC, inclusive growth, aligning policies for the transition to a low carbon economy).

• Elaborate an OECD Action Plan to support the implementation of SDGs going forward. Such a plan would build on the Strategy for Development and other sustainable development efforts across the Organisation, including the work on green growth.

• Develop tools to enhance Policy Coherence for Sustainable Development (PCSD) to help foster synergies across economic, social and environmental areas; identify trade-offs; reconcile domestic policy objectives with the SDGs; and take into account domestic and international spillovers.

The OECD will also put its tools and expertise on financing for Development at the disposal of the international community at the disposal of the international community as it supports the works of the Third International Conference on Financing for Development (Addis Ababa, July 2015). To contribute to the global mobilisation of resources, the Organisation will further disseminate the updated Policy Framework for Investment (PFI), consolidate the use of the Total Official Support to Sustainable Development (TOSSD) measure, officially launch its Tax Inspectors Without Borders initiative and deliver on other key efforts to address systemic issues in international taxation, such as BEPS.

In order to achieve more inclusive growth and sustainable development for the widest array of countries, the OECD will continue to pursue Multi-Dimensional Country Reviews. These reviews will contribute to leverage the best of OECD expertise and place it at the disposal of developing countries.

The International Climate Change Agenda

The quality of our environment has a direct impact on our well-being and can exacerbate inequalities. OECD analysis shows that the more stringent environmental policies of recent years have had no negative effect on overall productivity growth. Furthermore, the case for action to combat climate change and to put the world on a more sustainable growth path has never been clearer. The OECD has an important role to play in supporting the necessary action.

The OECD is making a key contribution in the run up to the COP21 meeting in Paris, through its work on “Aligning Policies for the Transition to a Low Carbon Economy”, developed jointly with the International Energy Agency (IEA), the Nuclear Energy Agency (NEA) and the International Transport Forum (ITF). This project will offer guidance to governments on how to resolve misalignments arising from cross-cutting policy and activity-specific framework interactions that can hamper the effectiveness of low carbon policies. The report will look beyond environmental policy to assess the interaction inter alia of economic, fiscal, social, energy, financial, competition, employment, innovation, trade, investment and agriculture frameworks. The 2016 Environment Ministerial...
An effective and efficient organisation

The OECD will continue to move away from a "silo" approach to policy analysis to one that is "horizontal" and systematically delivers a "whole-of-government" perspective. As part of this transformation, the Organisation’s analysis will increasingly take into account the multi-dimensional, complex and interconnected nature of policy challenges. This will involve a comprehensive review and updating of the OECD’s policies, processes and platforms, to improve the quality and efficiency of its products and the delivery of greater value for money for Members.

The OECD will not only deliver on the substance of horizontal projects, but also further improve on the structures and procedures that enable collaborative work. For example, the Organisation’s approach and methodology used for mainstreaming the horizontal work on green growth has been successful, as noted in the Tracking Green Growth Progress reforms, and identifying water risk “hot spots” in agriculture.

A key undertaking will be the development of an integrated Recommendation of the Council on Water in 2016, which will consolidate, update and integrate the OECD work on water and incorporate recent policy guidance and recommendations, including on water governance.

The Food-Water-Energy Nexus is fast becoming a major focus of international efforts to promote sustainability. OECD work in this area will continue to be supported by the Costs of Inaction and Resource Scarcity: Consequences for Long-term Economic Growth (CIRCLE) project, which aims to identify how feedback from poor environmental quality, climatic change and resource scarcity affects economic growth, and how policies may change this. Several related events will take place in 2016, including the OECD Agriculture Ministerial, which will be held on the theme “Better policies to achieve a productive and sustainable global food system”.

Effective water management is necessary for inclusive economic growth and environmental sustainability. Current work is focussed on water quality, groundwater management, water governance indicators and reforms, and identifying water risk “hot spots” in agriculture.
OVERVIEW / Strategic Orientations 2015

The OECD is increasingly called to respond to new and expanded mandates, and this will require greater collaboration across directorates, the leveraging of existing networks and the creation of new ones, and the improvement of how content is developed and shared.

In 2015, a new digital strategy will be rolled out to better prepare the OECD for the ongoing digital (r)evolution. As part of these efforts, the Organisation will facilitate access to OECD documents across different platforms (including mobile devices), and strengthen search and knowledge management capabilities (expert systems) to further support cross-team collaboration. An increasingly “digital” OECD will help empower and connect experts, and better integrate, organise and share knowledge, thereby contributing to the achievement of the objectives noted above.

Digitalisation creates new opportunities to connect people and networks, re-engineer processes and deliver new or improved products and services. Digital change will impact all aspects of OECD work, including the way information is shared; where and how staff work (tele-working); how staff participate in meetings (tele-conferencing); and how effective the Organisation is in producing timely and targeted outputs. The creation of a Digital Knowledge and Information Service within the Executive Directorate will support efforts to adapt institutional arrangements to make the most of the opportunities presented by digital change.

Communications remain critical to the OECD’s mission, relevance and impact. The effective dissemination of the Organisation’s work ensures its analyses and findings have a broad impact on policy makers, policy shapers, and society at large. It also brings improved understanding of and support for the Organisation’s activities. In line with the Council decision, by mid-2015 all OECD (Part I) data will be made accessible, open, and free, with dissemination enhanced by the recently released Data Portal. The increased impact of the OECD’s work will also be enhanced by strengthening its approach to public affairs, making greater use of social media and applying cutting-edge technologies and methodologies for achieving maximum impact in communications and interactions with different stakeholders. It will also be important to continue to ensure the delivery of a coherent message across all policy areas in response to the challenges faced by member and partner countries.

It will be vital to ensure that the OECD continues to remain at the leading edge of management practices, and strengthens efforts to recruit, maintain, and equip highly-talented staff to deliver effectively in an increasingly complex environment. Building a diverse workforce remains a priority for the OECD and it will continue efforts to achieve a better mix of nationalities and to improve gender balance in the Organisation, at the same time as promoting equal opportunities for women and men at all levels.

As part of efforts to streamline corporate services, this year the OECD Secretariat will engage Members to finalise office space planning for the coming decade, including exploring possible collocation options between Part I and Part II Programmes, as a means to improve horizontality and enhance staff collaboration.

Corporate efforts will also be directed at updating financial and human resources systems, rationalising internal reporting, and providing closer support to directorates on budget, HR and communication issues to improve the OECD’s overall planning and management capabilities. Tools will also be developed to provide more timely information on progress in the delivery of key outputs and resources, and improve collaboration across teams to tackle horizontal issues and manage resources more effectively. These actions are part of the comprehensive OECD Value for Money (V4M) Project, presented in July 2014, which set out an ambitious action plan including over 70 recommendations to be implemented over the coming two years, to reassure Members that the resources they provide to the Organisation are being used effectively and efficiently.
Secretary-General’s Activity in 2014

Overview

During 2014, the OECD Secretary-General carried out a very intense schedule, both in Paris and abroad, to continue increasing the visibility, relevance and impact of the Organisation. The principal focus of this activity was to provide timely and targeted policy advice to member and partner countries in their efforts to confront the enduring social and economic legacies of the global crisis, as well as to support them in their reform efforts aimed at advancing inclusive growth and well-being.

The Secretary-General carried out 53 trips abroad in 2014. This included his participation in the main international summits that took place throughout the year, particularly the G20, where the OECD contributed very actively with the Australian Presidency in the different ministerial meetings and Leaders’ discussions. In the course of 2014, the Secretary-General held 52 full-fledged bilateral meetings with Heads of State and Government, 35 meetings with Heads of international organisations and 185 meetings with Ministers, not to mention his numerous informal interactions with Leaders by phone and in the margins of the international fora he attended. He also met with top representatives from other branches of government, particularly parliamentarians, as well as with leading representatives from the business community, trade unions and civil society, totalling over 900 bilateral meetings over the course of the year.

Besides his meetings with external stakeholders, the Secretary-General also dedicated a considerable amount of time in 2014 to his regular management of the Organisation and strategic duties, activities which also increased, both quantitatively and qualitatively. In addition, the Secretary-General chaired a total of 14 meetings of the OECD Council, 10 meetings with Chairs of OECD Standing Committees, more than 70 bilateral meetings with Ambassadors and Heads of OECD Delegations, and over 160 formal meetings with senior OECD staff, not including more informal interactions.

The Organisation’s media presence and coverage has also remained consistently high during 2014, thanks to this rich activity and the release of various reports and products that attracted widespread attention. During 2014, the Secretary-General was quoted in over 1,000 articles. He also authored 11 op-eds, many of which were syndicated and featured in various leading newspapers. The Secretary-General launched 45 outlooks and flagship publications (up from 40 in 2013) and delivered 279 speeches (up from 259 in 2013).

Activity abroad

Of the Secretary-General’s 53 visits abroad, 46 were made to OECD member countries, 2 to Accession countries, 4 to Key Partner countries and 1 to another non-member that does not fall within any of the above categories. This means that the Secretary-General made an average of one trip every week throughout the whole year.

During every visit, the Secretary-General presented relevant OECD work and was regularly received by the Leaders and key members of the government and civil society. 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 where the OECD actively contributed, very often through concrete inputs and reports.
Visits to member countries

During 2014, the Secretary-General made 46 visits to member countries, 87% of his total trips abroad. Throughout the year, he visited 20 OECD member countries out of 34 (in parenthesis the number of visits): Australia (4), Belgium (5), Canada (1), the Czech Republic (1), Finland (1), Germany (3), Italy (3), Japan (1), Mexico (4), Netherlands (1), Norway (1), Poland (1), Portugal (2), the Slovak Republic (1), Spain (5), Sweden (1), Switzerland (1), Turkey (1), the United Kingdom (3) and the United States (6).

These visits provided an opportunity to strengthen the role the OECD plays in advising member governments on dealing with the legacies of the crisis. In some cases, the visits took place at the request of governments to help move forward their structural reform agendas. In other cases, they offered an opportunity to present economic surveys and other thematic reviews. In particular, nine Better Policies series brochures were presented by the Secretary-General in 2014, coinciding with his visits and meetings with Leaders.

During his visits, the Secretary-General met with key Ministers of all countries, as well as with Leaders, including: Chilean President Michelle Bachelet; Czech Republic President Miloš Zeman and Prime Minister Bohuslav Sobotka; Colombian President Juan Manuel Santos; Costa Rican President Luis Guillermo Solís; Estonian President Toomas Hendrik Ilves; Finnish Prime Minister Jyrki Katainen; French President François Hollande and

Better Policies Publications in 2014

- Economic Challenges and Policy Recommendations for the Euro Area, February 2014
- Germany: Keeping the Edge: Competitiveness for Inclusive Growth, February 2014
- China: Structural Reforms for Inclusive Growth, March 2014
- Japan: Advancing the Third Arrow for a Resilient Economy and Inclusive Growth, April 2014
- Reform and Progress in Italy, April, July & October 2014
- Slovenia: Reforms for a Strong and Sustainable Recovery, May 2014
- Colombia: Policy Priorities to Boost Productivity and Social Inclusion, June and November 2014
- Portugal: Deepening Structural Reform to Support Growth and Competitiveness, July 2014
- Recent and Ongoing OECD-EU Co-operation, July & September 2014
International Summits

In 2014, the OECD strengthened its ties with the G20 further, having participated actively in concrete deliverables preparatory activities organised by the Australian Presidency. The Secretary-General was invited to participate in all high-level G20 meetings, including the four meetings of Finance Ministers and Central Bank Governors, the trade ministerial, the B20 and L20 Summits, and the G20 Brisbane Leaders’ Summit held on 15-16 November 2014. For the first time, the Secretary-General was invited to both the Asia-Pacific Economic Cooperation (APEC) Summit and the Pacific Alliance Summit, helping make new inroads for OECD contributions in these important fora. The Secretary-General also attended the Global Partnership for Effective Development Cooperation in Mexico in April, the United Nations Climate Summit held in New York in September, as well as other major international meetings where he participates every year, including the International Monetary Fund/World Bank Spring and Annual meetings, the World Economic Forum in Davos, the International Transport Forum Annual Summit in Leipzig, the Jackson Hole symposium and the Iberoamerican Summit, which this year took place in Veracruz, Mexico.

Activity in Paris

Figure 2. Secretary-General’s bilateral meetings

Visits to accession and partner countries

During 2014, the Secretary-General made four trips to Key Partner countries: Indonesia and the People’s Republic of China (three times). To support the Secretary-General’s activities, 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, regulatory reviews and Better Policies brochures. He also visited Latvia, the Russian Federation1 and Singapore, where he attended the World Cities Summit and International Water Week.

1. The activities related to the accession process of the Russian Federation to the OECD are postponed for the time being.
Leaders and high-level visitors at the OECD

During 2014, the Secretary-General continued to consolidate the OECD’s position as the “go-to-place” in Paris for Leaders and relevant stakeholders wishing to address the international community or simply to have a tailored seminar with OECD experts, on topics of their main concern. The Leaders’ Programme continued its development, with 15 Heads of State or Government visiting the OECD in 2014. These visits now span the full twelve months, not only during OECD Week, which in 2014 brought together two Prime Ministers, five Deputy Prime Ministers, 43 Ministers, 19 Vice-Ministers, 130 senior country delegates, over 190 panellists and 1 900 participants from 69 countries. The wider OECD community – the Secretariat and delegations – have also benefited from these high-level visits through a programme of public lectures, addresses to members of the OECD Council and interactive policy seminars. Besides Leaders, the Coffees of the Secretary-General and New Approaches to Economic Challenges (NAEC) seminars series, organised by the Secretary-General’s office, have brought to the OECD some of the leading thinkers of the moment. This was well illustrated by the public lecture with economist Thomas Piketty, which drew a massive audience.

Regular meetings at the OECD

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. But a great part of his time during 2014 was devoted to regular meetings to ensure the running of the organisation and the advancement of key issues. During the course of the year, the Secretary-General held 71 bilateral meetings with OECD Ambassadors and Heads of Delegations. He also chaired 14 sessions of the OECD Council, 5 meetings of the Ministerial Council Meeting Bureau and 10 meetings with Ambassadors and Chairs of Standing Committees. More internally, at the Secretariat level, he held more than 160 meetings with OECD Directors and senior staff to exercise his management duties and guarantee the adequate strategic direction of the Secretariat. This involved 8 full-fledged meetings of the Group of OECD Directors, more than 100 one-on-one meetings with OECD Directors and over 50 thematic meetings to discuss specific themes ranging from the economic outlook and the main messages in forthcoming key reports to the preparation of important missions and visits.

Communication and visibility

The Secretary-General was at the forefront of enhanced outreach efforts to continue expanding the Organisation’s traditional and social media presence during 2014. Press events, publication launches and missions abroad were frequently timed to complement major international events and communication opportunities, capitalising on the worldwide media attention.

During 2014, the Secretary-General gave 208 sit-down interviews, 71 from OECD studios (vs. 48 in 2013) and 137 while on mission, not counting many ad hoc interviews and press points. The Secretary-General was quoted in 1 044 original articles, most of which were subsequently reproduced in various other outlets and newspapers, including the major international ones. He personally authored 11 op-eds.
Since 2006, Secretary-General Angel Gurría has worked to increase the global relevance of the OECD, reinforcing its mission of promoting “better policies for better lives”. Throughout these years he has led the transformation of the OECD into a more responsive and effective Organisation, that promotes more resilient, inclusive and sustainable growth. He has also driven changes to make the OECD more open, plural and inclusive, strengthening relations with emerging and developing countries, other international organisations, and the G7 and G20. Secretary-General Gurría has strengthened the role and impact of the OECD as a supporter of best practices and structural reforms, launching major high-profile initiatives such as the New Approaches to Economic Challenges (NAEC) and the Inclusive Growth Initiatives, aimed at promoting well-being, sustainability and inclusiveness, and fostering the continuous improvement of the OECD’s analytical frameworks and policy advice.

Deputy Secretary-General Rintaro Tamaki, former Vice-Minister of Finance for International Affairs at the Japanese Ministry of Finance, was appointed Deputy Secretary-General of the OECD on 1 August 2011. His portfolio includes the strategic direction of OECD policy on Environment, Development, Green Growth, Taxation and Policy Alignment for Transition to a Low-Carbon Economy along with representing the OECD at the Financial Stability Board (FSB).

Deputy Secretary-General, William Danvers, former Deputy Chief of Staff for the Secretary of State in the United States, took up his duties on 2 September 2013. In addition to OECD’s regional initiatives in Southeast Asia, the MENA region, Latin America and Africa, he oversees the accession processes of candidate countries. He also further develops OECD work on the fight against Corruption, as well as on Innovation, Science and Technology.
Deputy Secretary-General, **Mari Kiviniemi** joined the OECD in August 2014. She is responsible for the strategic oversight of the OECD’s work on Efficient and Effective Governance, Territorial Development, Trade and Agriculture, and Statistics. She is also responsible for advancing the Better Life Initiative. Mari Kiviniemi was Finland’s Prime Minister from 2010-2011, and a member of parliament from 1995-2014. She had previously been Minister of Public Administration and Local Government, Minister for Foreign Trade and Development, and Minister for European Affairs.

Deputy Secretary-General, **Stefan Kapferer**, former State Secretary at the German Federal Ministry for Economic Affairs and Energy, as well as State Secretary at the Federal Ministry of Health, was appointed Deputy Secretary-General of the OECD on 6 October 2014. Mr. Kapferer promotes the OECD’s work specifically in the areas of Human and Social Capital, Skills Strategy, SME’s and Local Development, Gender Strategy, Health, and the Centre for Entrepreneurship.

**Gabriela Ramos** is OECD Chief of Staff and Sherpa to the G20. Since 2006, Ms. Ramos has been advising and supporting the Secretary-General’s strategic agenda. She is responsible for the contributions of the Organisation to the global agenda, including the G20 and G7, and oversees the preparations of the yearly OECD Ministerial Council Meeting. She has contributed to the launch of major OECD initiatives related to gender, skills, development, and has also launched and supervises the New Approaches to Economic Challenges and the Inclusive Growth initiatives, and oversees the activities of the Directorate for Financial and Enterprise Affairs.
2014 Ministerial Council
Statement

On the occasion of the 2014 OECD Ministerial Council Meeting, we have assembled under the Chairmanship of Japan, on the 50th anniversary of its accession to the OECD, and the Vice-Chairmanship of Slovenia and the United Kingdom.

We expect the global recovery to gather momentum, but some significant downside risks remain, including those associated with ongoing geopolitical tensions. In major advanced economies, unemployment has fallen slightly, trade is beginning to grow faster than output, and investment is picking up, while the outlook for major emerging-market economies remains mixed.

Resilient economies and inclusive societies

Against this backdrop, we discussed how we can achieve “resilient economies and inclusive societies” to generate jobs and growth, empower people and promote the well-being of our citizens. We share a common goal of increasing the resilience of our economies by incorporating multi-dimensionality into policy design to help identify trade-offs, complementarities and unintended consequences of policy choices. Sound and appropriate macroeconomic management including responsible fiscal policies, further structural reforms and further global rebalancing are all essential for achieving robust, resilient and inclusive growth, taking into account rising inequality.

To strengthen resilience, we need to enhance the productivity and competitiveness of our economies and industries, by ensuring a strong financial system, stable public and private financing and efficient allocation of resources. Knowledge-based capital, open
Internet, innovation, science and technology, as well as entrepreneurship are all crucial to provide new sources of growth in the face of long-term challenges, such as ageing and environmental degradation. In this context, updating the Innovation Strategy is important, as is the OECD’s work on the digital economy, including through its Privacy Guidelines and Internet Policy Principles.

Rising inequality endangers social cohesion and weakens social resilience, thereby hampering economic resilience. A key challenge is to achieve inclusive growth by providing social protection and empowerment to people, which can strengthen human security. Appropriate flexibility and security in labour markets and relevant education and skill programmes can facilitate greater inclusion and participation of under-represented groups. We welcome OECD initiatives targeting these groups, including on gender equality, youth employment, ageing society and the integration of migrants. We also recognise that regional and urban policies can play a key role in empowering people and building resilience at all levels of our economies and societies.

We recognise the important role played by governments in promoting structural and other reforms to increase economic, social and environmental resilience. We underscore the importance of rebuilding public trust through greater openness, transparency and accountability of governments, including by combating corruption and enhancing the fairness of our tax systems. We welcome the progress on the Base Erosion and Profit Shifting (BEPS) initiative and adopt the Declaration on Automatic Exchange of Information in Tax Matters (AEOI). 2 We also adopt the Recommendation of the Council on the Governance of Critical Risks 3 and look forward to OECD’s strategic approaches to risk management and financing to help governments strengthen their resilience.

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2. The Declaration on AEOI was adopted by the OECD member countries together with Argentina, Brazil, the People’s Republic of China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, Malaysia, Saudi Arabia, Singapore and South Africa.

3. The Recommendation was adopted by the OECD member countries and Colombia, Costa Rica, Latvia, Morocco and Tunisia also adhered to it at the time of its adoption.
Environmentally sustainable ("greener") growth

We recognise the need to enhance our resilience to environmental shocks. We identify climate change as one of the most comprehensive global risks and therefore adopt the 2014 OECD Ministerial Statement on Climate Change.

Strengthening the multilateral trade system

We underline that free trade remains a key driver for growth and job creation. We reaffirm our standstill and rollback commitments to resist all forms of protectionism. Following the 2013 World Trade Organization challenges and improving policy making and international policy co-ordination.

New Approaches to Economic Challenges (NAEC)

We launched the NAEC initiative in 2012 to derive policy lessons from the crisis and to update the OECD’s analytical frameworks in an increasingly complex and interconnected global economy. We welcome the progress outlined in the NAEC Synthesis Report and look forward to the Final Synthesis Report to be presented at the next Ministerial meeting. As unemployment and inequality remain priority issues in many countries, we underscore the need to move towards more inclusive growth. We also note other emerging policy recommendations aimed at increasing macroeconomic stability, addressing long-term challenges and improving policy co-ordination.

We call on the Organisation to mainstream the NAEC results into OECD activities and to provide the best policy mix, bearing in mind trade-offs and complementarities among different policy choices as well as the importance of our stocks of economic, human, social and natural capital. We encourage the OECD to keep its forecasting processes under review and to strengthen its strategic foresight capabilities. We also encourage the Organisation to monitor the resilience of major economies, including Key Partners, and to reflect this result in the Organisation’s framework of analyses and policy recommendations.

We welcome the progress outlined in the NAEC Synthesis Report and look forward to the Final Synthesis Report to be presented at the next Ministerial meeting. As unemployment and inequality remain priority issues in many countries, we underscore the need to move towards more inclusive growth. We also note other emerging policy recommendations aimed at increasing macroeconomic stability, addressing long-term challenges and improving policy co-ordination.

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4. The Key Partners of the OECD are Brazil, the People’s Republic of China, India, Indonesia and South Africa.

5. The Ministerial Statement on Climate Change was adopted by the OECD member countries and joined by Colombia and Latvia.

Alenka Bratušek, Prime Minister of Slovenia, Vice-Chair of the 2014 OECD Ministerial Council Meeting, and Angel Gurría, OECD Secretary-General
OverView 2014 Ministerial Council Statement

Overview

Ministerial Conference in Bali, we will work together for early adoption and effective implementation of the Trade Facilitation Agreement and to develop the post-Bali work programme. We reaffirm our commitment to strengthening the rules-based multilateral trade system, recognising new realities of the global trade landscape and the role of regional trade agreements and plurilateral initiatives. We encourage the OECD to enhance its work on Global Value Chains (GVCs) including expanding its Trade in Value Added (TiVA) database. We welcome the Services Trade Restrictiveness Index (STRI) which will help governments promote efficiency and competitiveness. We encourage the OECD to promote greater participation of all economies, including developing countries, in international trade.

Partnerships for global resilience and the OECD’s global reach

We believe that the OECD can contribute to the inclusive and sustainable development of the world economy by strengthening its partnerships with various countries and regions including through a regional approach in accordance with the Resolution on Strengthening the OECD’s Global Reach. We reiterate the importance of sharing OECD standards and best practices with Key Partners and strengthening their participation in the Organisation’s work in areas of common interests and mutual benefits. We welcome the formal launch of the Southeast Asia Regional Programme and call on the OECD to take further steps on its implementation. We also welcome the progress in the accession processes of Colombia and Latvia. We reaffirm our commitment to work closely with Costa Rica and Lithuania consistent with the above Council Resolution. We call on the OECD’s efforts to help partner countries overcome their policy challenges, including a “middle-income trap” wherever relevant. We support the role that the Organisation plays in strengthening global governance.

Improving efficiency of the Organisation

We remain committed to strengthening the OECD’s efficiency, effectiveness and impact. We welcome the role of the Secretary-General in proposing new initiatives, including his Strategic Orientations. We continue to work on the OECD’s governance review with a view to its completion by the end of 2014. We also look forward to the results of the Value for Money project.

Development as empowerment

The OECD should continue to play an active role in tackling development challenges, including a supporting role in contributing to the post-2015 development agenda. We are committed to mainstreaming the OECD Strategy on Development and monitoring its full implementation. In this context, we welcome work on policy coherence for development and knowledge sharing, as well as contributions to global initiatives, such as the Global Partnership for Effective Development Co-operation. We will work together with our partners to support them in making full use of a wide range of resources for development, including private finance, domestic revenues, and South-South co-operation, in addition to official development assistance (ODA) which remains a key instrument in development particularly for countries most in need.

Promoting a better business climate

Investment is another driver of jobs and growth. We underscore the role of the OECD to improve our understanding of investment flows. We look forward to the updating of the Policy Framework for Investment (PFI) by our next Ministerial meeting. We also support the OECD’s efforts to promote a global level playing field for business, involving non-member economies, including through the analysis of investment treaties, competitive neutrality, responsible business conduct, international co-operation in regulatory policy and competition law enforcement, and export credits.
Climate change is a major urgent challenge and a potentially irreversible threat to the achievement of our goal of “Resilient Economies and Inclusive Societies”, requiring a decisive, consistent and coherent response. While policies adopted by different countries will need to reflect their individual circumstances, we recognise the importance of aligning policies across all relevant areas.¹

We² welcome OECD work on climate change and affirm our common resolve to work towards:

Adopting at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in 2015 a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all parties that will come into effect and be implemented from 2020; and communicating our intended nationally determined contributions well in advance of the COP21 (by the first quarter of 2015 by those Parties ready to do so).

Reinforcing our existing efforts and using the OECD’s research and evidence-based analysis, including under the OECD’s Green Growth Strategy, to help us

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¹ These areas include economic, fiscal, financial, competition, employment, social, environmental, energy, investment, trade, development co-operation, innovation, agriculture and sustainable food production, regional as well as urban, and transport policies.

² Ministers and Representatives of Australia, Austria, Belgium, Canada, Chile, Colombia, 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, the United States and the European Union.
to pursue ambitious and cost-effective policies with a view to doing our part to limit effectively the increase in global temperature below 2°C above pre-industrial levels and simultaneously supporting the recovery from the economic and financial crisis, including by:

- Investing in public research and fostering a strong business climate for new technologies and innovations.
- Better aligning investment and climate policies to support an effective partnership among governments, development partners, and the private sector in order to incentivise private investment in low-carbon and climate-resilient infrastructure.
- Pursuing policies that foster markets for green goods and services to facilitate trade, international investment flows, diffusion of low-carbon technologies and scaled-up private investment.
- Rationalising and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption while providing targeted support for the poorest.
- Continuing discussions on how export credits can contribute to our common goal to address climate change.
- Encouraging domestic policy reform, with the aim of avoiding or removing environmentally harmful policies.

Reinforcing our efforts to strengthen climate change resilience and adaptation through enhanced and co-ordinated policies and planning, including at the Third UN World Conference on Disaster Risk Reduction in March 2015.

Achieving the developed countries’ goal to jointly mobilise USD 100 billion per year by 2020 from a wide variety of sources, public and private, bilateral and multilateral including alternative sources to address the needs of developing countries, in the context of meaningful mitigation actions and transparency on implementation; strengthening our efforts to improve measurement, reporting, verification and accounting of greenhouse gas emissions for all countries; and improving the reporting of international climate finance flows.

Ahead of COP20 and COP21, we invite the OECD, in co-operation with the International Energy Agency (IEA), the Nuclear Energy Agency (NEA) and the International Transport Forum (ITF), to continue to support the UNFCCC negotiations and to examine how to better align policies across different areas for a successful economic transition of all countries to sustainable low-carbon and climate-resilient economies and report to the 2015 OECD Ministerial Council Meeting.

3. Consistent with Decision 26/CP.7 of COP 7 and subsequent relevant UNFCCC COP decisions recognising the special circumstances of a Party with a different situation from other Annex I countries.
Ministerial Council Meeting 2014
Chair’s summary

Ministers from OECD countries, joined by Ministers and representatives from Colombia and Latvia as well as Brazil, the People’s Republic of China, India, Indonesia and South Africa, met under the Chairmanship of Japan and the Vice-Chairmanship of Slovenia and the United Kingdom on 6-7 May 2014 under the title of “Resilient Economies and Inclusive Societies – Empowering People for Jobs and Growth”.

Economic outlook

Ministers welcomed the improving outlook for a number of OECD countries but acknowledged that, while they expect the global recovery to gather momentum, progress is uneven and risks remain: unemployment remains high in many countries; trade, productivity and investment growth are weak; and the financial system has yet to recover fully. Against this backdrop, they underlined the importance of further efforts to address these challenges through achieving resilient economies and inclusive societies, empowering people, promoting the well-being of citizens and addressing inequality through jobs, growth and productivity. They discussed that robust macro-policy settings

Keynote address by the MCM Chair

The Prime Minister of Japan, Mr. Shinzo Abe, delivered the Keynote Address of the MCM.

Ceremony for the formal launch of the OECD Southeast Asia Regional Programme

The OECD Southeast Asia Regional Programme was formally launched by the Prime Minister of Japan, Mr Shinzō Abe, with the presence of Ministers and representatives of the ten Member States of the Association of Southeast Asian Nations (ASEAN).
were critical to economic resilience and that monetary policy should be gradually normalised as momentum builds in the global recovery, while fiscal sustainability should be achieved without compromising long-term social goals.

New Approaches to Economic Challenges (NAEC)

Ministers discussed how the OECD could contribute to a better understanding of the global economy, building on the initiative of the New Approaches to Economic Challenges (NAEC). Ministers welcomed the progress outlined in the NAEC Synthesis Report and noted other emerging recommendations. Ministers underscored the need to pursue more inclusive growth and well-being agendas, highlighting that inequalities are multi-dimensional and that tackling them should be achieved through better access to employment opportunities, and to health and education services. They mentioned the need to link pro-growth policies with equity objectives, highlighting policies to boost productivity, ensure fair competition, promote efficient labour and product markets, address tax evasion and avoidance, and stimulate investment, innovation and entrepreneurship. Ministers also noted the Inclusive Growth Framework Report and encouraged further work in this regard. Ministers discussed the importance of analysing the links between financial institutions, the real economy and the global financial system and also highlighted the need for international regulatory co-operation and co-ordination, including in the enforcement of competition law. Ministers agreed that the NAEC results should be mainstreamed across the OECD’s activities and that the Organisation should strengthen its capability to propose policy recommendations by renewing and strengthening its cutting-edge analytical frameworks and tools, including by monitoring the resilience of major economies, as well as enhance its strategic foresight capabilities. In this context, given
the increasing interconnectedness of global economies, Ministers acknowledged the importance of providing policy advice on structural reforms of the emerging market economies, such as Southeast Asian economies. Ministers look forward to the Final Synthesis Report of NAEC to be delivered at the next MCM and the follow-up work. Ministers also welcomed the role of the Secretary-General in proposing new initiatives, including his Strategic Orientations. They encouraged greater horizontality in OECD work, along with timely and targeted policy advice, including through the Leader’s Programme and Better Policies brochure series.

Ministers agreed on the importance of rebuilding public trust in governments as well as in private actors. Ministers welcomed the OECD agenda on trust in government, and urged the Organisation to step up work on integrity and anti-corruption. Ministers also welcomed the progress on the Base Erosion and Profit Shifting (BEPS) Initiative and adopted the Declaration on Automatic Exchange of Information in Tax Matters (AEOI).

**Resilient economies and inclusive societies: Empowering people for the achievement of sustainable, balanced and inclusive growth**

**Exploring policy mixes to promote economic growth and well-being**

The crisis highlighted the importance of strengthening the resilience of economies, societies and institutions, namely the capacity of individuals, communities and systems to resist, adapt and grow in the face of stress and shocks. Ministers discussed how to achieve resilient economies and inclusive societies and how to empower people for jobs and growth by pursuing the best policy mix, taking into account rising inequality, with a view to enabling economies and societies to surpass pre-crisis levels.

Ministers shared a common goal of increasing the resilience and inclusiveness of our economies by incorporating multi-dimensionality into policy design to help identify trade-offs and complementarities, and avoid the unintended consequences of policy choices. Building on the NAEC Initiative’s early results, Ministers identified inclusive growth as one of the main challenges going forward. Ministers underscored the importance of further structural reforms of labour and product market regulations, as well as policies that support direct investment and facilitate long-term financing. In creating...
new sources of growth to boost the economy in an inclusive way, Ministers highlighted the importance of innovation, science and technology, and entrepreneurship, as well as the digital economy to enhance the productivity and competitiveness of our economies and industries, and particularly stressed the importance of investment in knowledge-based capital (KBC).

In building resilient societies, Ministers emphasised the importance of achieving inclusive growth through better social-protection systems and the empowerment of individuals, combined with labour policies that facilitate the participation in the labour market of under-represented groups, such as women, youth, older people and migrants. Ministers called on the Competencies (PIAAC) to guide policy makers in unleashing the full potential of human capital.

Ministers also welcomed work on how to strengthen social protection and health systems. Recognising that institutions are the nexus between individuals and societies, Ministers discussed how social programmes could tackle high and growing inequality, including by addressing ageing inequality, and encouraged further OECD work in this area. Ministers underscored the importance of improving trust in institutions to enhance the well-being of individuals, as well as their resilience, and welcomed efforts to support member countries in strengthening the rule of law and good governance. Ministers also underlined that urban and regional policies can contribute to more inclusive and resilient societies.

Promoting environmentally sustainable (“greener”) growth

Ministers recognised the importance of enhancing our resilience to environmental shocks and that such resilience should enhance public safety, sustainable economic growth, well-being and conservation of environmental resources, and acknowledged the OECD as a good platform to discuss these issues in an economic context. Ministers recognised climate change as a major urgent challenge and potentially irreversible threat to the achievement of our goal of “Resilient Economies and Inclusive Societies”, requiring a decisive response – one that ensures that both the policies and

Angel Gurría, OECD Secretary-General, and Juan Manuel Santos, President of Colombia, at the presentation of the OECD report: Colombia: Policy Priorities for Inclusive Development, January 2015

Ministers look forward to the updating of the Innovation Strategy. Ministers also discussed positive shifts in employment and production patterns, the future of manufacturing as well as entrepreneurship, including the role of young firms and small and medium-sized enterprises (SMEs), and stressed the need to address the issue of excess capacity in some global industries, such as steel, in relation to supporting measures.

OECD to conduct further work on the effects of the distribution of skills on well-being outcomes and job quality, highlighting that poor skills severely limit people’s access to decent jobs. They urged further work to implement the Giving Youth a Better Start Action Plan at the national level. Ministers underscored the usefulness of the Programme for International Student Assessment (PISA) and Programme for the International Assessment of Adult

Secretary-General’s Report to Ministers 2015 – © OECD 2015
regulations are fit for the purpose. Ministers commended the work of the OECD on these issues, including its analysis and policy recommendations to support carbon pricing and other market-based instruments, and its comprehensive approach to green growth. Ministers discussed how the OECD can best continue to contribute to the success of climate negotiations as well as efficient and effective adaptation, and various views and national practices were shared during the discussion with a view to doing our part to achieve the 2°C target while simultaneously supporting the economic recovery. Ministers noted the importance of “win-win” policy solutions that can have beneficial effects on equity and employment, as well as on the environment – in line with the OECD’s Green Growth Strategy. In particular, Ministers agreed that they should seize green growth opportunities now that the global economy is emerging from the crisis, including from renewable energy sources. Ministers agreed to invite the OECD, in co-operation with the International Energy Agency (IEA), the Nuclear Energy Agency (NEA) and the International Transport Forum (ITF), to continue to support the United Nations Framework Convention on Climate Change (UNFCCC) negotiations, including the upcoming meetings in Lima (2014) and Paris (2015), and the Climate Summit (2014) in New York; to examine how to better align policies across different areas for a successful economic transition of all countries to sustainable low-carbon and climate-resilient economies; to pursue the work on climate finance and investment; and to report to the 2015 Ministerial Council Meeting. Ministers also agreed that this work will represent an important contribution to the NAEC Initiative as well as to the OECD work on environment, climate change, water and biodiversity, and that it should be reflected in the OECD’s work programme. With these points in mind, Ministers adopted the Ministerial Statement on Climate Change and welcomed the decision of Colombia and Latvia to join this Statement.

Ministers also discussed a number of ideas based on national experiences to strengthen resilience through improved governance of critical risks, disaster-financing strategies and post-disaster management, including at the local and city level. Ministers adopted the Recommendation of the Council on the Governance of Critical Risks.

Management issues

Ministers reviewed the accession processes and the progress made in the OECD Governance Review, as well as the ongoing co-operation efforts with Ukraine. Ministers welcomed the progress in the accession processes of Colombia and Latvia. Ministers also noted efforts by the Secretariat to achieve greater efficiency in the Organisation, and look forward to the results of the
OVERVIEW / Ministerial Council Meeting 2014: Chair’s summary

**Value for Money (V4M) project**, which aims to ensure the OECD continues delivering high-quality outputs while maximising the outputs achieved from resources provided by Members.

**Partnerships for global resilience and development as empowerment**

Ministers welcomed the OECD’s global relations strategy and supported the strengthening of its partnerships with various countries and regions, in accordance with the Resolution of the Council on Strengthening the OECD’s Global Reach, adopted last year. Ministers reiterated the importance of furthering the participation in OECD’s activities of Key Partners (Brazil, the People’s Republic of China, India, Indonesia and South Africa) and sharing with them OECD standards and best practices. Ministers encouraged the OECD to continue supporting global economic governance including through the G20. They also welcomed the decision to establish Country Programmes with Kazakhstan, Morocco, Peru and Thailand, to support their national reform efforts, as well as the OECD’s regional approach, including for the Middle East and North Africa (MENA), Latin America, Sub-Saharan Africa, Eurasia and South East Europe. Ministers welcomed the formal launch of the Southeast Asia Regional Programme and called on the OECD to take further steps for its implementation. It was noted that the Programme could benefit from regional expertise and support from regional organisations, such as the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), the Asia Development Bank (ADB), and the Economic Research Institute for ASEAN and East Asia (ERIA). They reaffirmed their commitment to work closely with Costa Rica and Lithuania, consistent with the Resolution of the Council on Strengthening the OECD’s Global Reach. Ministers discussed the ways in which the OECD can help partner countries to avoid or overcome “middle-income traps” wherever relevant.

Ministers expressed their commitment to mainstream development through the full implementation of the OECD Strategy on Development. They took note of the lessons learnt to date and looked forward to effective monitoring of the implementation of the Strategy. Ministers also welcomed the progress made by the OECD with the Multi-dimensional Country Reviews and efforts to promote domestic resource mobilisation. Ministers highlighted the crucial importance of international partnerships for global resilience and development as empowerment.
Ministers underlined that free trade and investment are key drivers for growth and job creation.

As Ministers shared concerns over the proliferation of protectionist measures, they reaffirmed their standstill and rollback commitments to resist all forms of protectionism and recognised that further efforts by governments around the world are needed to remove barriers both at and behind the border in order to revitalise cross-border trade and investment flows. Ministers expressed their willingness to build on the success of the 9th World Trade Organization (WTO) Ministerial Conference in Bali in December 2013 and confirmed their commitment to a wide range of resources for development, including private finance. The importance of people-centred investment was cited in promoting sustainable private resource flows.

Ministers welcomed the successful conclusion of the First High-Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico in April this year, which highlighted the value of an inclusive, multi-stakeholder political partnership to support the implementation of current and future development goals. Ministers pointed out the catalytic role of the official development assistance (ODA) and emphasised the importance of enhancing co-operation with partners to help them make full use of efforts to design a post-2015 development framework, which will build on the successes and lessons of the Millennium Development Goals. They noted the contribution made to date by the OECD to global preparations for this framework, and the role the Organisation can play in supporting its design and implementation.

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Ministers welcomed the successful conclusion of the First High-Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico in April this year, which highlighted the value of an inclusive, multi-stakeholder political partnership to support the implementation of current and future development goals. Ministers pointed out the catalytic role of the official development assistance (ODA) and emphasised the importance of enhancing co-operation with partners to help them make full use of resources for development, including private finance. The importance of people-centred investment was cited in promoting sustainable private resource flows.
the early adoption of the Trade Facilitation Agreement and the development of a post-Bali work programme by the end of this year.

Ministers reiterated their strong support for the OECD's work on Global Value Chains (GVCs) and Trade in Value-Added (TiVA) and emphasised the need for the OECD to continue working with the G20 on GVCs and related topics. Ministers agreed that domestic regulatory reforms as well as policies to liberalise services sectors are vital in order to receive greater benefits from GVCs. Ministers highly valued the OECD’s analysis and database in the trade sector, especially its newly introduced Services Trade Restrictiveness Index (STRI), and they encourage further work in this regard. The importance of food value chains was also discussed. Ministers underscored the contribution which regional trade agreements and plurilateral initiatives – such as the Information Technology Agreement expansion, the Trade in Services Agreement (TiSA) and ongoing environmental goods negotiations – can make towards the strengthening of the multilateral trade system, and urged OECD to continue supporting these efforts.

Ministers recommended that these analyses could help advance a meaningful international trade agenda.

Ministers underlined the importance of investment-related work in the OECD, including the updating of the Policy Framework on Investment (PFI). Ministers called on the OECD to improve our understanding of the economics of cross-border investment, including investment agreements, shedding light on investor-state dispute settlement systems, statistics for identifying foreign direct investment (FDI) flows and analysing the constraints for long-term investment. Ministers also supported efforts to promote a level playing field for business, particularly in relation to state-owned enterprises (SOEs), and also urged the promotion of Responsible Business Conduct and the effective implementation of the Guidelines for Multinational Enterprises. They also welcomed greater international regulatory co-operation to reduce costs and foster a global level playing field.

Closing session and outcomes

At the end of the closing session, Ministers adopted the 2014 Ministerial Council Statement and welcomed the decision of Colombia and Latvia to join this Statement. Ministers took note of the willingness of Costa Rica and Lithuania to associate themselves with the 2014 OECD Ministerial Council Statement and the 2014 OECD Ministerial Statement on Climate Change.
KEY ACTIVITIES
Complex policy challenges need cross-disciplinary responses. Co-operation across different policy areas is increasingly a defining feature of the OECD’s work, with directorates and committees regularly exploring possible linkages to strengthen planned deliverables and to reinforce expected outcomes. The Secretary-General and member countries have consistently encouraged this trend towards “horizontality”, and sought to strengthen collaboration to produce timely and targeted analysis and policy recommendations that offer a “whole-of-OECD” approach. Member countries have also played a critical role as “champions” of some Horizontal Projects.

Horizontal Projects are major organisational initiatives that normally involve co-operation among two or more directorates or policy sectors to address cross-cutting or interconnected issues, within a given period and in response to a specific mandate. For the 2015-16 Programme of Work and Budget (PWB), the Organisation will deliver four Horizontal Projects: New Approaches to Economic Challenges; Inclusive Growth; Aligning Policies for the Transition to a Low-Carbon Economy; and Generation Next: How to Prevent Ageing Unequally. All have been developed in a cross-disciplinary manner, involving a number of committees and organisations (IEA, NEA and ITF in the case of “Aligning Policies”), as well as consultations with BIAC and TUAC.

In addition to Horizontal Projects, the PWB 2015-16 reflects Members’ agreed “top-down” priorities through Horizontal Themes. These provide insights into the extent of work across the PWB that has a focus on identified, cross-cutting priorities, with some also reflecting the extent to which previous Horizontal Projects are mainstreamed (e.g. Green Growth).
New Approaches to Economic Challenges (NAEC)

“The crisis was a wake-up call to policy makers around the world. Market and governance failures have led to the most pressing financial, economic and employment crisis of our lifetimes. We are still wrestling with its dire consequences. At the same time, we are confronted with the implications of major trends... Against this background, a simple return to ‘business as usual’ is not an option” (Angel Gurría, OECD Secretary-General).

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

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

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

A NAEC Seminar Series allows discussing progress and results in NAEC projects as well as new innovative research that can provide inspiration for developing new approaches. A synthesis providing guidance on new approaches for OECD work going forward and highlighting policy recommendations emerging from NAEC projects will be discussed at the 2015 MCM.

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

Key publications
- NAEC framework paper and NAEC mandate, May 2012
- Interim Report to Ministers, May 2013
- MCM 2014 Synthesis, May 2014

Key events
- Fourth meeting of the NAEC Group, Paris, 7 February 2014
- Fifth meeting of the NAEC Group, Paris, 28 November 2014
- Sixth meeting of the NAEC Group, Paris, 5 March 2015
All on Board for Inclusive Growth

The OECD’s All on Board for Inclusive Growth Initiative was launched in 2012 against a backdrop of rising inequalities, high unemployment and stalling living standards worldwide. It was set up in response to the Ministerial mandate for New Approaches to Economic Challenges (NAEC) to “develop a strategic policy agenda for Inclusive Growth.”

The Initiative was born from the dual recognition that inequalities extend beyond income to affect many areas essential for people’s well-being and that the persistently high levels of inequality have taken a substantial toll on the social fabric of communities and place a profound economic cost on future growth. The first phase delivered the OECD Framework for Inclusive Growth, All on Board: Making Inclusive Growth Happen and a first national study, All on Board: Making Inclusive Growth Happen in China, produced as input into China’s 13th Five-Year Plan.

The OECD Framework is a tool for policy makers to analyse how much growth translates into improvements in people’s well-being. It offers a measure of “multi-dimensional living standards” that provides a more rounded snapshot of societal welfare by accounting for the health status of the population and the risk of unemployment, alongside household income and income inequality. It also emphasises the importance of the distribution of outcomes across the population and allows decision makers to better understand the main trade-offs and to see how particular structural policies affect specific groups.

In 2015-16, the Initiative will focus on methodological, sectoral, national and regional as main pillars of work. It will pursue the quantification of the impact of structural policies on income, employment and health and extend the analysis to a broader range of countries. The Initiative will also “Go Sectoral” to mainstream Inclusive Growth across the OECD in areas such as health, education, innovation, competition and finance, environment, and apply the concept to the national, city, regional levels. Following a first regional consultation in Latin America during the Initiative’s first phase, a second consultation will be held in Southeast Asia (June 2015) in partnership with the United Nations Economic Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank (ADB). A synthesis report on Inclusive Growth will be presented to Ministers in June 2016.

For more information see: www.oecd.org/inclusive-growth

■ Key publications
  • All on Board: Making Inclusive Growth Happen, May 2014
  • Report on the OECD Framework for Inclusive Growth, May 2014
  • All on Board: Making Inclusive Growth Happen in China, March 2015

■ Key events
  • OECD/Ford Foundation Workshop on IG, April 2013, Paris
  • OECD/ECLAC Regional Consultation on IG in Latin America and the Caribbean, November 2013, Chile
  • First Meeting of the Informal OECD Advisory Group, December 2013, Paris
  • OECD/Ford Foundation Workshop on IG, “Changing the Conversation on Growth: Going Inclusive”, February 2014, New York
  • OECD/NDRC Workshop, China’s Urbanisation and IG, March 2014, China
  • OECD/NDRC Technical Seminar, October 2014, China
  • Launch of All on Board: Making Inclusive Growth Happen in China, March 2015, China
Aligning Policies for the Transition to a Low-Carbon Economy

During the 2014 Ministerial Council Meeting (MCM), Ministers asked the OECD, the International Energy Agency (IEA), the International Transport Forum (ITF) and the Nuclear Energy Agency (NEA) to offer member and partner countries guidance on how to best align policies for the transition to a low-carbon and climate-resilient economy. The final report will be presented during the 2015 MCM and will point to a range of areas where policies could be aligned to facilitate the low-carbon transition. The project outputs will help inform discussions leading to the 21st Conference of the Parties (COP21) climate summit in Paris (2015).

This report presents the first broad diagnosis of the coherence between overall policy and regulatory frameworks and climate goals. It identifies opportunities for realigning policies to enable an efficient and cost-effective shift to a low-carbon economy, across four policy domains (investment, taxation, innovation and skills, and trade) and four specific areas that are important for the low-carbon transition (electricity, urban mobility, rural land use and adaptation). Addressing these misalignments systematically in each country will enhance the responsiveness of economic and social systems to the climate change agenda. It can help governments be more ambitious in their domestic policies and international contributions, and serve other political and economic goals in developed and developing countries alike, consistent with a greener, more inclusive growth.

The project is co-ordinated by the Secretariat General under the supervision of Deputy Secretary-General Rintaro Tamaki; the work involves all relevant OECD directorates and bodies, as well as the IEA, the ITF and the NEA, with more than 70 experts from the four organisations contributing actively. The work has been presented and circulated to more than 15 committees including the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC). In February 2015, a seminar gathered more than 150 delegates from interested committees to discuss preliminary results on policy alignment. Delegations have been regularly consulted through an Informal Delegation Liaison Group to facilitate the completion of the report for the 2015 Ministerial Council Meeting.

Key publications

Key events
• Meetings of the Information Delegation Liaison Group, Paris, 5 December 2014, 5 February 2015 and 20 March 2015
• OECD/IEA/NEA/ITF seminar: “Aligning policies for the transition to a low-carbon economy”, OECD headquarters, Paris, 16-17 February 2015
Generation Next: How to Prevent Ageing Unequally

The horizontal project Generation Next: How to Prevent Ageing Unequally will provide useful insights to member and partner countries to design sustainable policy approaches to adapt to population ageing. Its aim is to raise awareness and provide a better understanding of the policy challenges and reform needs triggered by the two mega-trends of population ageing and rising inequality.

It will shed more light on how inequalities are compounded over the life-cycle by analysing the links between poor health, poor labour market experience during active years and poor social outcomes among the elderly. The intention is to identify points throughout the life of a person where policy interventions can address these challenges effectively and efficiently rather than waiting for when people retire. As older women are often the most vulnerable among the elderly, gender differences will be examined throughout the project. While analysis will address the reforms that need to be taken in each policy area, considerable attention will be devoted to policy interactions and potential synergies.

The main deliverable of the horizontal project will be an Ageing Equally Action Plan. The project timeline is as follows:

- Mid-2016: delivery of a report on data analytics.
- End-2016: delivery of intermediate report on the foresight of health and social protection systems; the policy foresight model developed in the context of the project will continue to be refined, upgraded and used beyond the Programme of Work and Budget 2015-16.
- End-2016: delivery of a draft final report, including good practices and, as appropriate, policy recommendations.

An additional deliverable of the project will be the policy foresight model. By starting the development of an OECD policy foresight model of ageing based on household data for a selection of countries, the project will, for example, help policy makers choose as to whether pensioner poverty is best tackled by spending more on pensions, or by investing in the skills of older workers, or by influencing lifestyles to improve health status.

The horizontal project is supervised by Deputy Secretary-General Stefan Kapferer; participating directorates are the Directorate for Employment, Labour and Social Affairs (ELS), the Statistics Directorate (STD), the Directorate for Public Governance and Territorial Development (GOV), and the Directorate for Science, Technology and Innovation (STI). The Employment, Labour and Social Affairs Committee (ELSAC) and the Health Committee (HC) are lead Committees and ELS is the lead directorate.
The Updated Innovation Strategy

The OECD released its Innovation Strategy in 2010. The Strategy was well received and has affected policy development in many countries. In his 2013 Strategic Orientations, the OECD Secretary-General indicated his intention to revisit and update the Innovation Strategy, which will be delivered at the 2015 OECD Ministerial Council Meeting (MCM).

Focussing on innovation, and including it in the structural policy agenda, is particularly crucial now many governments seek to move to a stronger, more inclusive and sustainable growth path following the financial crisis. Innovation – which involves the creation and diffusion of new products, processes and methods – can be a critical part of the solution. Innovation provides the foundation for new businesses, new jobs and productivity growth, and can help address pressing social and global challenges, including global health or climate change.

Governments play a key role in fostering a sound environment for innovation, in investing in its foundations, in helping overcome key barriers, and in ensuring that innovation contributes to key goals of public policy. The OECD Innovation Strategy 2015, co-ordinated by the Directorate for Science, Technology and Innovation, draws on work of 14 OECD directorates and sets out a concrete agenda to strengthen innovation. It sets five priorities for policy makers that provide the basis for a comprehensive and action-oriented approach to innovation. These priorities are:

- Strengthen investment in innovation and foster business dynamism.
- Invest in and shape an efficient system of knowledge creation and diffusion.
- Seize the benefits of the digital economy.
- Foster talent and skills and optimise their use.
- Improve the governance and implementation of policies for innovation.

Implementing an effective strategy for innovation is particularly important as key trends – the spread of global value chains, strong investment in knowledge-based capital, and ongoing technological progress, including rapid digitalisation – are leading to the emergence of a “next production revolution”. In the current context of weak growth, governments need to take advantage of these trends to accelerate the shift towards a stronger and sustainable economic future. The OECD Innovation Strategy 2015 provides concrete guidance on how to craft policies that address these five priorities and ensure their effective implementation.

A synthesis of the OECD Innovation Strategy 2015 will be provided to the 2015 MCM, and a full report released for the Ministerial-level meeting of the Committee for Scientific and Technological Policy in October 2015.

For more information see: www.oecd.org/site/innovationstrategy
New Sources of Growth:
Knowledge-Based Capital Project

In the face of slow growth and weak labour markets, governments are searching for new sources of growth. Phase 1 of the project on knowledge-based capital (KBC), published in 2013 (Supporting Investment in Knowledge Capital, Growth and Innovation) showed that business investment in assets such as data, software, research and development, intellectual property, organisational processes and firm-specific skills, now often exceeds investment in physical capital.

Phase 2 of the project, co-ordinated by the Directorate for Science, Technology and Innovation (STI) and to be released in June 2015, focusses on three important forms of KBC.

Intellectual Property (IP): With growing investment in KBC, the economic impact of IP rights has expanded throughout OECD economies. More economic evidence is needed, however, to ensure that current IP systems continue to encourage innovation in today’s landscape of greater connectivity, globalisation and digitisation of creative and scientific works. Copyright is the IP right where business investment has grown fastest. Policy can enhance the economic benefits of patents through the diffusion of patent information. Making it easier for young innovative firms to use IP to obtain financing would support innovation and help drive job growth.

Data and data analytics: Harnessing “big data” and data analytics can drive value creation, increase productivity and foster data-driven innovation (DDI). Being disruptive, DDI raises policy challenges, including: i) increasing productivity while addressing the adverse effects of “creative destruction”; ii) striking the right balance between the benefits of the free flow of data and the need for privacy and security; iii) improving measurement to assess the economic value of data assets, including for tax purposes; and iv) assessing the policy and regulatory frameworks affecting DDI, from data protection to competition to taxation.

Economic competencies: Organisational capital and training help empower human capital and enhance the competitiveness of firms. However, metrics have been lacking. New OECD measures show that 12% to 33% of the workforce contributes to organisational capital. Investment in training ranges between 3% and 11% of gross value added, with “on the job” training representing between 1% and 3%. There are strong complementarities between KBC assets, especially between organisational capital and information and communications technologies.

The OECD will further investigate the relationship between investment in KBC, growth, jobs and participation in global value chains.

Phase 2 of the Knowledge-Based Capital project is co-ordinated by STI and overseen by Deputy Secretary-General William Danvers.

For more information, see: www.oecd.org/sti/ind/newsourcesofgrowthknowledge-basedcapital.htm and http://oe.cd/bigdata
The Skills Strategy

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

Spending on education and skills is an investment in the future. But developing skills is not enough: labour market and social policies, and practices that discourage people from supplying their skills to the labour market or prevent their effective utilisation need to be changed.

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

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

In October 2013, the OECD launched the first edition of the OECD Skills Outlook which presented the first results of the Survey of Adult Skills (PIAAC). The 2015 OECD Skills Outlook addresses youth, skills and employability, using the Skills Strategy framework to provide a horizontal OECD perspective on skills development, activation and effective use to improve outcomes for youth.

The Skills Strategy is co-ordinated by the Directorate for Education and Skills, together with the Directorate for Employment, Labour and Social Affairs and in close collaboration with the Programme on Local Economic and Employment Development, the Development Centre, the Centre for Tax Policy and Administration and other directorates as relevant. The Strategy is overseen by Deputy Secretary-General Stefan Kapferer.

For more information see: skills.oecd.org/ and www.oecd.org/edu/oecdskillsstrategy.htm
The Green Growth Strategy

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

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

In 2015, the report entitled Towards Green Growth? Tracking Progress will be released. This report builds on the 2011 strategy publications Towards Green Growth and Tools for Delivering Green Growth, as well as on the 2013 OECD green growth synthesis paper. It will evaluate the progress made since the release of the 2011 strategy and highlights where there is scope to heighten the ambition and effectiveness of green growth policy. The report also draws lessons from green growth mainstreaming across the OECD’s work programme and considers ways to enrich the Green Growth Strategy based on work undertaken since its launch.

In addition, the 2015 annual Green Growth and Sustainable Development Forum will focus on the cross-cutting issue of “Enabling the Next Industrial Revolution: The role of systems thinking and innovation policy in promoting green growth”. The intent of the Forum is to identify knowledge gaps and promote new initiatives in order to effectively address them.

The Green Growth Strategy is co-ordinated by the Green Growth and Global Relations Unit, and overseen by Deputy Secretary-General Rintaro Tamaki.

For more information see: www.oecd.org/greengrowth
OECD Gender Initiative

Gender equality is about fairness and equity, as well as economic empowerment and it includes many political, educational, socio-economic and cultural dimensions which need to be addressed together in order to tackle gender gaps. These different dimensions need to be addressed together and therefore the Gender Initiative follows a “whole-of-government” approach, involving different OECD directorates and their respective committees, working parties and governing boards.

The OECD Gender Recommendation – adopted by all Members and several non-members – provides principles for achieving and also stipulates ongoing monitoring and analysis with progress on gender equality. Reflecting the breadth of OECD work, different policy tools and issues come to the fore on an ongoing basis. In the latter part of 2014, for example, the OECD played a leading role in helping establish the target set in the Brisbane 2014 G20 Leaders’ Communiqué to reduce the gap in labour force participation rates between men and women in G20 countries by 25% by 2025; and released Students and Money – Financial Literacy Skills for the 21st Century, as well as the third edition of its Social Institutions and Gender Index.

March 2015 - around international women’s day – saw the update of the OECD Gender Data Portal; the release of The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence that looks at factors underlying gender gaps in student performance and the OECD-CAWTAR report on Women in Public Life: Gender, Law and Policy in the Middle East and North Africa; while the new OECD Regional Southeast Asia Gender Initiative held its initial meeting in Jakarta, Indonesia.

Gender equality issues will feature in the 2015 the OECD Economic Survey of Austria and in reviews on paid family leave in the United States and on the sharing of work at home and in the workplace among partners in couple families, while women’s entrepreneurship will feature in the G7 initiative benchmarking policies for stronger SME performance. There will also be new issues of Entrepreneurship at a Glance and the 2015 Science, Technology and Industry Scoreboard. Throughout 2015, the DAC Network on Gender Equality (GENDERNET) will work to ensure that gender equality remains a global priority in the post-2015 development agenda, as the Public Governance Committee will develop a new OECD Recommendation that provides guidelines for promoting gender equality in public life.

The Gender Initiative is co-ordinated by the Directorate for Employment, Labour and Social Affairs and overseen by Deputy Secretary-General Stefan Kapferer.

For more information see: www.oecd.org/gender
The Strategy on Development

The implementation of the Strategy on Development is taking place at a time when the international community is working to achieve global agreements at three events in 2015: the Third International Conference on Financing for Development in Addis Ababa in July, the UN Summit to adopt the Post-2015 Development Agenda in New York in September, and the 21st Conference of the Parties (COP21) to the UN Framework Convention on Climate Change in Paris in December.

As the Millennium Development Goals come to an end, the world is committed to complete the unfinished business, end poverty, address climate change, and ensure well-being and prosperity for all. The Strategy on Development underpins the Organisation’s ability to mainstream development and ensure that it can be responsive to the vision of the Post-2015 Development Agenda.

The Strategy has contributed to a new definition of “Policy Coherence for Sustainable Development” (PCSD). This approach supports policy makers to design policies that take account of more complex inter-linkages such as the water-energy-food nexus; consider trans-boundary impacts and trade-offs at different policy levels; and promote synergies between economic, social and environmental policies.

With the Strategy, the Organisation has strengthened its knowledge sharing mechanisms and applied a multi-dimensional approach to the challenges that countries face. The Policy Dialogue initiatives on Natural Resource-Based Development, and global value chains and production transformation have engaged partner countries, other international organisations and the private sector.

The Knowledge Sharing Alliance (KSA) has helped to showcase Urban Green Growth in Dynamic Asia as well as the Observatory on Public Service Innovations. The first set of Multi-dimensional Country Reviews (MDCR) in Myanmar, the Philippines and Uruguay have been completed. Cote d’Ivoire, Costa Rica, Kazakhstan and Peru are some of the new reviews underway or about to be launched.

The Organisation is contributing to the UN-led Post-2015 process, in a number of ways: providing inputs on indicators for the Sustainable Development Goals framework through different channels (UN Statistical Bodies); contributing to deliberations on areas such as well-being, inequalities and gender (e.g. the Social Institutions and Gender Index); Data Revolution; as well as through its work on modernising ODA and a new measure of Total Official Support for Sustainable Development (TOSSD).

The Strategy provides the framework for a whole-of-OECD contribution to support UN-led efforts for a strategic financing framework for sustainable development. OECD work on tax transparency, on Base Erosion and Profit Shifting project (BEPS), on climate finance and the Policy Framework for Investment (PFI) will be critical.

For more information see: [www.oecd.org/development/oecd-strategy-on-development.htm](http://www.oecd.org/development/oecd-strategy-on-development.htm)
OECD Better Life Initiative

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

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

The OECD Better Life Index is an interactive online platform that invites the public to visualise well-being outcomes in OECD countries and beyond according to criteria that are most important to them. Since its launch, the Better Life Index has attracted over 6 million users from over 180 countries and has had over 13 million page views. In 2014, a new feature was added allowing users to compare and share their index with other people who have created indexes, as well as see the number of responses by country, age and gender, and what topics people think are most important. The Better Life Index is currently available in English, French, German, Portuguese, Russian and Spanish. An Italian version was introduced in 2015 with the support of the Italian delegation. The OECD has also been working on a number of other well-being studies including: The How Was Life? Global Trends in Well-being since 1820 report, which looks at 10 dimensions of well-being from 1820 to the present day; Guidelines for Measuring Subjective Well-being; How’s Life in Your Region? Measuring Regional and Local Well-being for Policy Making, which measures people’s well-being in 362 regions across 34 OECD countries; and the OECD Regional Well-being web tool, where users can measure well-being in their region and compare it with the 361 other OECD regions.

The work on measuring well-being is led by the Statistics Directorate.
For more information see: www.oecd.org/statistics/better-life-initiative.htm

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

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

GENERAL SECRETARIAT

SECRETARY-GENERAL
Angel Gurría

DEPUTY SECRETARIES-GENERAL
Rintaro Tamaki
Environmental Sustainability, Policy Coherence and Development, Fiscal Issues

William Danvers
Global Relations, Anticorruption, Science and Technology Policy and Innovation

Mari Kiviniemi
Governance, Trade and Agriculture, Statistics

Stefan Kapferer
Human/Social Capital and Skills, SMEs and Local Development, Health, Gender

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Patrick van Haute, Director

SPECIAL BODIES

Development Centre
Mario Pezzini
Director

International Energy Agency
Maria van der Hoeven
Executive Director

Nuclear Energy Agency
William Magwood
Director-General
June 2015

### DIRECTORATES

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<td>Director for Public Governance and Territorial Development</td>
<td>Rolf Alter</td>
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<td>Director for Education and Skills</td>
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<td>Director for Employment, Labour and Social Affairs</td>
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### SPECIAL ENTITIES

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<th>Special Entity</th>
<th>Executive Secretary/Manager</th>
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<tr>
<td>Financial Action Task Force</td>
<td>Rick McDonell</td>
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<td>International Transport Forum</td>
<td>José Viegas</td>
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<td>Multilateral Organisation Performance Assessment Network</td>
<td>Björn Gillsäter</td>
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<td>Partnership in Statistics for Development in the 21st Century</td>
<td>Johannes Jütting</td>
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<td>Sahel and West Africa Club</td>
<td>Laurent Bossard</td>
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The Office of the Secretary-General (OSG) supports the Secretary-General in delivering his strategic vision for the Organisation. Led by the Chief of Staff and G20 Sherpa, and the Deputy Chief of Staff, OSG works to increase the relevance, visibility and impact of the Organisation. OSG ensures that the OECD remains at the cutting edge of policy analysis and delivers timely and targeted policy advice. It does so by supervising and advancing all strategic objectives, together with the Deputy Secretaries-General, and co-ordinating and creating synergies in the work carried out by the Organisation.

In order to be at the forefront of policy developments and to support reform processes in member and partner countries, the Office of the Secretary-General directly oversees the New Approaches to Economic Challenges (NAEC) and Inclusive Growth initiatives, and houses the G20/G7 Sherpa unit. Likewise, OSG and the Deputy Secretaries-General promote and provide general oversight to the mainstreaming of the skills, innovation, green growth, gender and development projects throughout the OECD Secretariat.

By closely supervising the work in the Global Relations Secretariat and the Legal Directorate, OSG is also at the forefront of the Organisation’s outreach strategy, leading and monitoring accession processes as well as the co-operation with Key Partners and non-member countries.

OSG also works closely with the Council and Executive Committee Secretariat to prepare Council meetings, liaises with Internal Audit and Evaluation to ensure that the Organisation maintains its strategy, and houses the Strategic Foresight unit, the Knowledge Sharing Alliance and the Roundtable on Sustainable Development. In summary, OSG ensures strategic direction and coherence in the work carried out by the Secretariat, something that is also achieved through the oversight of directorates by the Deputy Secretaries-General.

“We have already taken great strides towards positioning the OECD as the go-to institution for policy advice on promoting growth, development and well-being in our member countries and world wide. However, this organisational transformation and the achievement of these shared policy objectives are still a work in progress: We have to make our Organisation even more useful and relevant to its Members and partner countries.”

Angel Gurría, OECD Secretary-General
With the support of OSG, the Organisation made great strides in 2014 to increase its impact on national and international agendas. In particular, OSG was at the centre of efforts to produce the Better Policies series, which are timely policy analysis to support reform agendas in member and partner countries; nine Better Policies were produced during 2014. OSG also organised numerous visits and events at OECD headquarters at the highest political level under the Leaders’ Programme: 15 Heads of State or Government visited the OECD in 2014, firmly establishing the organisation as the “go-to-place” for leaders in Paris.

OSG also co-ordinates the substantive and organisational preparations of the annual OECD Week and Ministerial Council Meeting to move forward the strategic work of the OECD. In 2014, the OECD Week brought together two Prime Ministers, five Deputy Prime Ministers, 43 Ministers, 19 Vice-Ministers, 130 senior country delegates, over 190 panellists and 1 900 participants from 69 countries.

During 2014 OSG also supported the 53 missions that the Secretary-General carried abroad and his over 900 meetings. This involved the preparation of more than 1 800 briefing notes and 279 speeches, as well as the processing of more than 500 e-mails per day. Deputy Secretaries-General also had a very intensive agenda, with 110 visits to member and partner countries. They supported the Secretary-General in overseeing the work of directorates and specific subject areas to ensure the highest profile for the OECD and the support to member countries in their efforts to tackle the economic crisis and its social consequences, as well as advancing the external relations of the Organisation.

Under the Coffees of the Secretary-General series, the Office also organised exchanges with leading thinkers, in order to make sure that the Organisation is always linked to major new developments in the academic world. Top thinkers for 2014 included Thomas Piketty and Mariana Mazzucato.

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

Better Policies series:

- Germany: Germany: Keeping the Edge: Competitiveness for Inclusive Growth, February 2014
- Japan: Japan: Advancing the Third Arrow for a Resilient Economy and Inclusive Growth, April 2014
- Italy: Reform and Progress in Italy, April, July and October 2014
- Slovenia: Slovenia: Reforms for a Strong and Sustainable Recovery, May 2014
- Colombia: Colombia: Policy Priorities to Boost Productivity and Social Inclusion, June and November 2014
- Portugal: Portugal: Deepening Structural Reform to Support Growth and Competitiveness, July 2014
- European Union: Recent and Ongoing OECD-EU Co-operation, July and September 2014
The OECD has enhanced its support to various bodies of global and regional governance – G20, G7, Asia-Pacific Economic Cooperation (APEC), Pacific Alliance and the Deauville Partnership – by leveraging its evidence-based analysis, policy recommendations and standards on a global and universal scale. The Sherpa team is at the centre of these efforts by supporting strategic direction and the participation of the Secretary-General, the Chief of Staff and Sherpa, and high level officials during the process.

During the 2014 Australian G20 Presidency, the OECD supported the critical and decisive focus on joint efforts to boost and sustain growth. In particular, it has been the linchpin behind the definition of the 2% upside growth objective by 2018 endorsed by G20 Leaders at their Summit in Brisbane and in the assessment and monitoring of the National Growth Strategies (NGS) to achieve this ambition. The OECD also contributed in making a robust, evidence-based case for reducing the gender gap in female labour market participation by 25% by 2025, to which G20 Leaders committed at the Brisbane Summit.

The OECD strongly supports the 2015 Turkish G20 Presidency for its “3Is” priorities, which focus on Implementation, Investment and Inclusiveness for growth. The OECD welcomes the Turkish Presidency placing “Implementation” at the heart of its agenda, as it is relevant to the entire G20 agenda, notably for the implementation of the NGS and the “25x25” gender target. The introduction of the “Inclusiveness” and inequality dimension in the growth narrative, with specific emphasis on skills will be key to realigning growth targets with people’s participation. OECD work on long-term and infrastructure investment as well as on small and medium-sized enterprise (SME) Development supports the third “I”, “Investment” – which is a key ingredient in any growth strategy, as it has the advantage of boosting demand, both in the short-term and potential growth in the longer term.
Our approach to trade, through the lens of Global Value Chains (GVCs), resulted in a discussion on a better understanding of international trade dynamics and influenced G20 policy exchanges in this area. Building on the OECD’s analysis on GVCs, G20 Leaders recognised the importance of trade-enabling structural reforms and trade facilitation for harnessing the potential of trade for growth and jobs. The OECD is now providing the substantive work for the Turkish Presidency, focussing on the integration of SMEs and low income developing countries’ firms into GVCs, as well as Regional Trade Agreements and the multilateral trading system.

The OECD was a key force behind the quantum leap achieved in the realm of international taxation. Tax base erosion through aggressive tax planning and avoidance, as well as tax evasion, constitutes a serious risk, not only to public revenues but also to tax sovereignty and tax fairness in all G20 countries. The OECD led the G20’s remarkable achievements on tax transparency and the fight against non-co-operative jurisdictions, the initiative on Base Erosion and Profit Shifting (BEPS) and the move towards automatic exchange of tax information. The OECD is also glad to support developing countries to make best use of the changing international tax environment for Domestic Resource Mobilisation.

The collaboration between the OECD and the Philippine 2015 APEC Chairmanship is intensifying as the OECD is deeply involved in the APEC process and agenda, particularly on economic and financial reforms, investment and infrastructure, tax, trade and GVCs, to achieve sustainable economic co-operation in the Asia-Pacific region. The OECD has developed practical tools, such as a Checklist for APEC economies to identify strengths and weaknesses of their regulatory, competition and market openness policies, and to self-assess their regulatory reform efforts. It has also worked closely with APEC economies on the APEC GVC Blueprint and on open and competitive service sectors to support industrial upgrading (STRI). The OECD has been contributing to financial literacy and inclusion on the APEC agenda since 2012.

Under Germany’s G7 Presidency in 2015, the OECD is actively supporting the agenda on sustainable supply chains and promoting Responsible Business Conduct (RBC) through its Multinational Enterprises (MNE) Guidelines, promoting female entrepreneurship, as well as developing sustainable models of climate financing. The G7 also relies on the OECD’s expertise and know-how in the Middle East and North Africa region. Under the German Presidency, the OECD is supporting the work on financial inclusion in Transition Countries, as well as the development of an Economic Governance Compact. Moreover, as an Implementation Support Agency, the OECD is active in the Deauville Partnership Transition Fund to support countries’ efforts to promote growth, jobs, investment and governance. In particular, it is involved in the implementation of eight projects to support concrete policy reforms in Tunisia, Libya, Egypt, Yemen and Jordan.

Through its active contribution, support to and co-operation with these global fora, the OECD is making its analysis, approaches and instruments count on a global scale, thus developing them further on an equal footing with OECD and G20 countries alike and opening up new avenues of co-operation with key partner economies – as it is already evident from the OECD’s close collaboration with China in preparing its upcoming G20 Presidency in 2016.
Key publications

2015
- OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors, February 2015
- OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors, April 2015
- OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors “The OECD’s approach to capital flow management measures used with a macro-prudential intent”, April 2015
- SMEs in GVCs: Challenges and Options for Policies in Trade and Complementary Areas, October 2015

2014
- OECD Secretary-General Report on taxation to G20 Finance Ministers and Central Bank Governors, February 2014
- Macroeconomic and Reform Priorities Report (OECD, WB, IMF), February 2014
- Government and Market-based Instruments and Incentives to Stimulate Long-term Investment Finance in Infrastructure (OECD), March 2014
- The Opportunities and Challenges of Global Value Chains (OECD, WTO, UNCTAD, WBG), July 2014
- An OECD report, with contribution from the ILO, IMF and the WB, “Achieving stronger growth by promoting a more gender balanced economy”, August 2014
- OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors, October 2014
- Quantifying the Impact of G-20 Members’ Growth Strategies (OECD, IMF), November 2014

Key events

2015
- The Fifth Annual G20/OECD High-Level Anti-Corruption Conference, Istanbul, March 2015
- OECD-China Skills Development Programme, Beijing, March 2015
- G20/OECD Corporate Governance Forum, Istanbul, April 2015
- Presentation of the 2015 OECD Scoreboard on Financing SMEs and Entrepreneurs, Washington DC, April 2015
- OECD-G20 Stocktaking Seminar on SMEs and Low Income Developing Countries in Global Value Chains, Paris, June 2015
- G7 Leaders Summit, Schloss Elmau, June 2015
- G20 Finance Ministers and Central Bank Governors Meetings, February/April/September/October 2015
- G20 Employment Ministers Meeting, September 2015
- Launch of New Principles of Corporate Governance, Ankara, September 2015
- G20 Trade Ministers Meeting, October 2015
- G20 Leaders Summit, Antalya, November 2015

2014
- G20 Event on Quality of Apprenticeships, Paris, April 2014
- Joint G20-APEC Meeting of the Investment and Infrastructure Task Force, Singapore, June 2014
- G20 Finance Ministers and Central Bank Governors Meetings, February/April/September/October 2014
- G20 Trade Ministers Meeting, July 2014
- G20 Employment Ministers Meeting, September 2014
- APEC CEO And APEC Economic Leaders Meeting Summit, Beijing, November 2014
- G20 Summit Brisbane, November 2014
Development Co-operation Directorate

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

DCD is working to ensure solid support to the implementation of the post-2015 development agenda, whose scope and ambition offer tremendous opportunities for maximising our contribution.

For instance, because we know that just a 1% increase in developing country tax revenues can mobilise twice as much – for health, education and roads – as total development assistance, we are helping developing countries improve their tax systems, while tackling complex issues such as illicit trade, money laundering and bribery.

Addressing the financing challenges of the new sustainable development agenda will require careful attention to existing and potential resources, from both the public and private sector. Our 2014 Development Co-operation Report explores numerous ways of making smarter use of ODA - and of mobilising other resources.

We have worked intensively to modernise ODA, and are also consulting with a range of stakeholders to develop a new broader measure of Total Official Support for Sustainable Development, which will complement – but not replace – ODA, enabling more transparent monitoring of resources in support of development.

Yet money alone does not drive development – partnerships and policies do. We continue to support numerous dynamic development partnerships, including the Global Partnership for Effective Development Co-operation.

Jon Lomøy
Director
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“In December 2014 Ministers of the OECD Development Assistance Committee reached a historic agreement to provide a more accurate and credible measure of official development assistance (ODA) that carries the right incentives. In doing so they pledged to allocate more ODA to the countries most in need. The rules that define what counts as ODA were first set by the DAC over 40 years ago. This modernisation makes ODA fit for the future.”
Areas of focus

- Aid effectiveness: [www.oecd.org/dac/effectiveness](http://www.oecd.org/dac/effectiveness)
- Aid statistics: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)
- Aid for trade: [www.oecd.org/dac/aft](http://www.oecd.org/dac/aft)
- DAC High-Level Meeting 2014: [www.oecd.org/dac/dac-hlm.htm](http://www.oecd.org/dac/dac-hlm.htm)
- Peer reviews of DAC members: [www.oecd.org/dac/peer-reviews/](http://www.oecd.org/dac/peer-reviews/)

Key publications

- Accountability and Democratic Governance: Orientations and Principles for Development
- Development Co-operation Report 2014: Mobilising Resources for Sustainable Development
- Engaging with the Public: Twelve Lessons from DAC Peer Reviews
- Few and Far: The Hard Facts on Stolen Asset Recovery
- Geographical Distribution of Financial Flows to Developing Countries 2014
- Mainstreaming Cross-Cutting Issues: Seven Lessons from DAC Peer Reviews
- Regional Perspectives on Aid for Trade
- States of Fragility 2015: Meeting Post-2015 Ambitions
- Towards Green Growth in Southeast Asia

Key events

- Fourth Global Meeting of the International Dialogue on Peacebuilding and Statebuilding, Sierra Leone, 18 June 2014
- The United Arab Emirates (UAE) becomes Participant in the Development Assistance Committee (DAC), 1 July 2014
- Integrated data on bilateral and multilateral development finance flows targeting climate change objectives, available as of December 2014
- DAC High-Level Meeting (communiqué issued on modernising official development assistance), Paris, 15-16 December 2014
The Economics Department (ECO) carries out multilateral, country-specific and structural policy surveillance and research on OECD member countries as well as the Accession and Key Partner countries.

Given the challenge to achieve stronger, more sustainable and inclusive growth, ECO focuses its policy advice on promoting mutually reinforcing demand management and structural policies aimed at boosting long-term growth and well-being. In the context of the New Approaches to Economic Challenges (NAEC) and prioritising Inclusive Growth, ECO has undertaken new work on productivity, the role of the financial sector, microeconomic stability and taxation. The department is also working on better understanding the complementarities and trade-offs between structural policies and income distribution, in the context of softening macroeconomic environments.

Over the past 12 months, ECO has published 21 country surveys, including its first economic survey of Latvia. ECO’s launch of Economic Policy Reforms 2015: Going for Growth at the G20 meeting in Istanbul in February 2015 put the OECD’s structural reform message at the centre of the G20 agenda. The policy papers series, begun in 2012, saw three new releases with studies on the policy challenges, and global trade and specialisation patterns for the next 50 years, as well as on the vulnerability of social institutions. The Economics Department published 78 working papers in 2014.

“The global economy continues to run in low gear. Major post-crisis challenges include weak jobs, investment and trade and the risk of a prolonged period of weak growth and inflation. Turbulence is likely as some countries tighten monetary policy. Together with a slowing of underlying growth trends, this leaves us with a keen need for continued supportive macroeconomic policy and structural reforms to put the global economy on a strong and sustainable growth path.”

Catherine Mann
Chief Economist, Head of the Economics Department and Special Counsellor to the Secretary-General
E-mail: eco.contact@oecd.org

www.oecd.org/eco
Areas of focus

- Economic outlook: [www.oecd.org/eco/economicoutlook.htm](http://www.oecd.org/eco/economicoutlook.htm)
- Cross-country structural policy analysis and advice: [www.oecd.org/eco/goingforgrowth.htm](http://www.oecd.org/eco/goingforgrowth.htm)
- Policy challenges, global trade and specialisation patterns over the next 50 years: [http://oecd.org/eco/lookingto2060.htm](http://oecd.org/eco/lookingto2060.htm)
- Economics Department working papers: [www.oecd.org/eco/economicsdepartmentworkingpapers.htm](http://www.oecd.org/eco/economicsdepartmentworkingpapers.htm)
- Economics Department policy notes: [www.oecd.org/eco/monetary/policy-notes.htm](http://www.oecd.org/eco/monetary/policy-notes.htm)

Key publications

- Economic Policy Reforms 2015: Going for Growth
- OECD Economic Outlook
- OECD Economic Outlook Interim Reports, September 2014 and March 2015
- OECD Economic Surveys (member countries and selected non-member economies)
- OECD Journal: Economic Studies

Key events

- Launch of OECD Interim Economic Outlook for major world economies, Paris, 18 March 2014
- Launch of OECD Economic Outlook 2015/1, Paris, 3 June 2015
The Directorate for Education and Skills (EDU) aims to help countries achieve two overarching goals: to strengthen employability, social participation and inclusive societies; and to build effective and efficient institutions to make reform happen.

To these ends, the Directorate published several major reports in 2015, including the *Education Policy Outlook*, which provides systematic comparative analysis on education policies and reforms across OECD countries, and the *Skills Outlook 2015*, which focusses on strategies for investing in youth and employability.

Results of the most recent Teaching and Learning International Survey (TALIS) were published in mid-2014. Two reports based on PISA 2012 results are published in 2015: *The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence*, which reveals that despite significant progress in narrowing or closing gender gaps in education, new ones are opening; and a report, to be launched later in the year, that focusses on low achievers and how to improve their performance at school. *Education at a Glance: OECD Indicators* will be published in November 2015, offering a snapshot of the state of education in more than 40 countries.

The Directorate is also launching a new area of work that aims to better co-ordinate work-based learning with classroom learning, and continues to offer diagnostic reviews of individual countries on their education and skills policies.

The Directorate’s work is overseen by the Education Policy Committee.
Areas of focus
- Centre for Educational Research and Innovation (CERI): www.oecd.org/edu/ceri
- Education GPS (interactive data visualisation website): http://gpseducation.oecd.org
- Educationtoday blog: oecdeducationtoday.blogspot.com
- Survey of Adult Skills (PIAAC): www.oecd.org/site/piaac
- OECD Skills Strategy: skills.oecd.org
- Programme for International Student Assessment (PISA): www.pisa.oecd.org
- Programme on Institutional Management in Higher Education (IMHE): www.oecd.org/edu/imhe

Key publications
- TALIS 2013 Results: A New International Perspective on Teaching and Learning
- Measuring Innovation in Education: A New Perspective
- Education at a Glance 2014: OECD Indicators
- Skills beyond School: Synthesis Report
- Critical Maths for Innovative Societies: The Role of Metacognitive Pedagogies
- Education Policy Outlook 2015: Making Reforms Happen
- The ABC of Gender Equality in Education: Aptitude, Behaviour, Confidence
- Skills for Social Progress: The Power of Social and Emotional Skills
- Schools for 21st-Century Learners: Strong Leaders, Confident Teachers, Innovative Approaches
- Universal Basic Skills: What Countries Stand to Gain
- OECD Skills Outlook 2015: Youth Skills and Employability
- Starting Strong: Monitoring Quality in Early Childhood Education and Care (forthcoming)
- The Experience of Middle Income Countries Participating in PISA, 2000-2015 (forthcoming)

Key events
- The Fifth International Summit on the Teaching Profession 2015, Banff, Alberta, Canada, 29-30 March 2015
- International launch of the OECD Skills Outlook, 24 May 2015
The Directorate for Employment, Labour and Social Affairs (ELS) leads the Organisation’s work on employment, social policies, international migration and health. It oversees work on interrelated policy areas that help countries boost employment and improve social welfare and health outcomes in a context of population ageing, globalisation and rapid technological change.

The 2014 Employment Outlook presented a new framework on job quality that focuses on earning levels and distribution, job security, and the quality of the work environment. This is now being mainstreamed in OECD labour market analysis. To foster the link between growth and employment-oriented policies the OECD contributed to the achievement of a G20 milestone gender commitment to reduce the gender gap in labour force participation by 25% by 2025. ELS is also providing new compelling evidence that addressing high and often increasing levels of income inequality is critical not only to promote social cohesion but also to sustain strong economic growth. The OECD High Level Forum on Migration (November 2014) was a timely opportunity for ministers to discuss the challenges for migration management and migrants’ integration as well as on how best to build public confidence on migration issues. Furthermore, the High-Level Policy Forum on Mental Health and Work (March 2015) made a strong case for better co-ordinated health and employment policies to support workers with mental ill-health keep and find new quality jobs.

Many countries are benefiting from targeted advice on how to reform their health systems, particularly via the Reviews of Health Care Quality. A report on policies to address harmful alcohol use also provides new insights on best options to address one of today’s key public health challenges.

“At a time when the world economy is yet to recover fully from the global economic crisis, both more and better jobs are needed for fostering inclusive growth. The crisis has deepened a long-standing issue of poor job quality in advanced and emerging countries alike. While getting people back to work remains a key priority, policy makers around the world also need to push ahead with the strategies to improve access to productive and rewarding jobs.”
Areas of focus

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

Key publications

- Fit Mind, Fit Job: From Evidence to Practice in Mental Health and Work
- Addressing Dementia: The OECD Response
- Society at a Glance 2014
- Matching Economic Migration with Labour Market Needs
- OECD Employment Outlook 2015
- Health at a Glance 2015 (forthcoming)
- OECD International Migration Outlook 2015 (forthcoming)
- In It Together: Why Lower Inequality Benefits All (forthcoming)
- Tackling Harmful Alcohol Use: The Economics of Public Health
- Pensions at a Glance 2015 (forthcoming)

Key events

- G20-OECD Conference on Quality Apprenticeships for Giving Youth a Better Start in the Labour Market, Antalya (Turkey), 25 February 2015
- High-Level Policy Forum on Mental Health and Work, 4 March 2015
Centre for Entrepreneurship, SMEs and Local Development

The Centre for Entrepreneurship, SMEs and Local Development (CFE) helps countries design and implement effective policies for local economic and employment development, small and medium-sized enterprises (SMEs) and entrepreneurship, and tourism. It produces peer reviews at the national and local levels and contributes to OECD initiatives on New Approaches to Economic Challenges (NAEC), Inclusive Growth, Green Growth, Innovation Strategy and Skills.

In 2014, CFE finalised groundbreaking work on “new approaches to SME and entrepreneurship finance: broadening the range of instruments” as a contribution to NAEC. G20 Finance Ministers and Central Bank Governors welcomed this study in Istanbul in February 2015. In 2015, the OECD Scoreboard on SME and entrepreneurship finance will be expanded to include new alternative instruments. The Working Party on SMEs and Entrepreneurship will also benchmark SME business environments for stronger SME performance.

In 2014, the G20 Labour and Employment Ministers adopted a series of policy priorities on local job creation emerging from the work of the Local Economic and Employment Development (LEED) Committee. A new OECD flagship publication on Job Creation and Local Economic Development highlighted how a joined-up approach can deliver jobs and growth. In 2015, CFE will continue to gather indicators on countries’ capacities to contribute to the creation of more and better jobs, including through tackling skills mismatch and improving skills utilisation.

In tourism in 2015, CFE will produce a report on providing better connectivity and inter-modal transport to destinations, and a handbook on innovative financing approaches for tourism SMEs. It will also analyse the impact of large-scale events on the visitor economy and examine the impact of the sharing economy on tourism.

Sergio Arzeni
Director
E-mail: cfe.contact@oecd.org

“New approaches are needed to set the global economy on a path to stronger growth. Governments must take action to enable SMEs and entrepreneurs to access a diverse range of finance instruments. Likewise, labour market, skills and economic development policies must break out of silos for maximum impact on jobs and growth.”

www.oecd.org/cfe
**Areas of focus**

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

**Key publications**

- Financing SMEs and Entrepreneurs 2015 – An OECD Scoreboard
- New approaches to SME and entrepreneurship finance: Broadening the range of instruments
- Job Creation and Local Economic Development 2014
- The Missing Entrepreneurs 2014 – Policies for Inclusive Entrepreneurship in Europe
- OECD Reviews on SMEs and Entrepreneurship – Russian Federation Key issues and Policies
- OECD Reviews on SMEs and Entrepreneurship – Israel Key issues and Policies (forthcoming)
- OECD Reviews on Local Job Creation: Employment and Skills Strategies in England
- Revue de l’OCDE sur la création locale d’emplois : Stratégie de l’emploi et de compétences en France (OECD Reviews on Local Job Creation: Employment and Skills Strategies in France) only available in French
- OECD Reviews on Local Job Creation: Employment and Skills Strategies in Sweden (forthcoming)
- OECD Reviews on Local Job Creation: Employment and Skills Strategies in Israel (forthcoming)
- OECD Tourism Papers on Supporting Quality Jobs in Tourism
- OECD Tourism Papers on Effective Policies for Tourism Growth
- Tourism and the Creative Economy
- OECD Tourism Trends and Policies 2014

**Key events**

- OECD/Korea Event on Food and Tourism, Expo Milan 2015, 24 June 2015
- 11th Annual Meeting of the OECD LEED Forum on Partnerships and Local Development, Manchester, United Kingdom, 24-26 June 2015
The Environment Directorate 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; environmental taxes; safety of chemicals, nanomaterials and genetically modified crops; agriculture; transport; trade; investment; and development.

The OECD is supporting preparations for the 21st UNFCCC Conference of Parties in Paris in December through work on multiple aspects of the climate change challenge. At the 2014 Ministerial Conference, OECD Ministers recognised that the complexity of the low-carbon transition requires leaders to look beyond the climate-policy space. The forthcoming OECD-IEA-ITF-NEA report *Aligning Policies for a Low-Carbon Economy* provides guidance for governments to align incentives across policy areas to help catalyse reform. As shown by OECD work on *Environmental Policies and Productivity Growth*, economic growth does not need to be traded for environmental stringency.

The OECD is tracking climate action in its country surveillance of economic policies. A forthcoming OECD report on *Economic Impacts of Climate Change Damages* will examine benefits and costs of reform. The OECD has also been centrally engaged in efforts to track climate finance and to help governments improve enabling conditions for private investment in low-carbon infrastructure, especially from institutional investors.

OECD reports on Water and Cities: *Ensuring Sustainable Futures* and *Water resources Allocation: Shared Risks and Opportunities* were highlighted at the 7th World Water Forum in Korea in April 2015. The forthcoming *Environment at a Glance 2015* will continue to support OECD *Environmental Performance Reviews* for Spain, Poland, Brazil and the Netherlands in 2015.

“By the end of 2015, we will know just how far countries are prepared to go in heading off the slow-burning issue of our times: climate change. The OECD is working hard to help countries develop strategies to align emissions trajectories with the goal of limiting the average increase in global temperature to 2 degrees. Successful strategies will entail a lot of work. Failing to develop them will entail even more. There is no costless wait-and-see option.”

Simon Upton
Director
E-mail: env.contact@oecd.org

www.oecd.org/environment
Areas of focus

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

Key publications

• Aligning Policies for a Low-Carbon Economy (forthcoming)
• Biodiversity Offsets: Effective Design and Implementation (forthcoming)
• Environment at a Glance 2015: OECD Indicators (forthcoming)
• Economics of Adaptation: Moving from Theory to Practice (forthcoming)
• Overcoming Barriers to International Investment in Clean Energy
• OECD Environmental Performance Reviews: Iceland 2014, Sweden 2014, Spain 2015, Poland 2015
• Mapping Channels to Mobilise Institutional Investment in Sustainable Energy
• Material Resources, Productivity and the Environment
• The Cost of Air Pollution: Health Impacts of Road Transport
• Towards Green Growth? Tracking Progress
• Water and Cities: Ensuring Sustainable Futures
• Green Growth Indicators

Key events

• OECD Secretary-General’s lecture on climate, London School of Economics, 3 July 2015
The Directorate for Financial and Enterprise Affairs (DAF) helps governments improve domestic policies and global rules that shape markets and business conduct. It works in the fields of anti-corruption, corporate governance, competition, investment, financial markets, insurance and private pensions.

DAF contributes to making markets work for inclusive growth. It has advised Greece, Mexico and other countries on promoting competitive, clean public procurement and reforming unfair regulations protecting undue vested interests. The OECD released a ground-breaking OECD Foreign Bribery Report that measures for the first time transnational corruption to serve as a new weapon in the global fight against this crime. The OECD launched the first ever PISA assessment of financial literacy that is key to successful citizen participation in modern societies.

DAF is carrying out pioneering work as part of the OECD-wide initiative New Approaches to Economic Challenges (NAEC) in such areas as improving bank business models, creating an international co-operation framework for competition law enforcement, and better corporate governance for growth and value creation.

DAF helps create a level and predictable global playing field for business by engaging non-OECD emerging economies as equal partners. A high-level Asia-Pacific Economic Cooperation (APEC) gathering on combating bribery was jointly organised with China. DAF continues to make important contributions to G20 at Leaders’ request on long-term international investment, investment protectionism, responsible business conduct and anti-corruption, financial inclusion, and clean energy. DAF’s push for responsible supply chains in textile to avoid another Rana Plaza tragedy and in conflict minerals in Africa had impact on the ground and advances the Sustainable Development agenda.

"Our mission is to help governments adopt the best policies to foster open markets and responsible business in support of growth and society."

Adrian Blundell-Wignall
Director and Special Advisor to the Secretary-General for Financial Markets
E-mail: daf.contact@oecd.org

www.oecd.org/daf
**Areas of focus**

- Competition: [www.oecd.org/daf/competition](http://www.oecd.org/daf/competition)
- Due diligence guidance in the mining and minerals sector: [www.oecd.org/daf/investment/mining](http://www.oecd.org/daf/investment/mining)
- Financial consumer protection: [www.oecd.org/finance/financialconsumerprotection.htm](http://www.oecd.org/finance/financialconsumerprotection.htm)
- Financial markets, insurance and pensions: [www.oecd.org/daf/fin](http://www.oecd.org/daf/fin)
- Institutional investors and long-term investment: [www.oecd.org/finance/lti](http://www.oecd.org/finance/lti)
- Review of the OECD Principles of Corporate Governance: [www.oecd.org/daf/ca/oecdprinciplesofcorporategovernance.htm](http://www.oecd.org/daf/ca/oecdprinciplesofcorporategovernance.htm)
- State-owned enterprises in the marketplace: [www.oecd.org/daf/ca/soemarket.htm](http://www.oecd.org/daf/ca/soemarket.htm)

**Key publications**

- OECD Business and Finance Outlook 2015 (forthcoming)
- OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials
- OECD Principles of Corporate Governance, 2015 (forthcoming)
- OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 (forthcoming)
- Corporate Governance Factbook, 2015 (forthcoming)
- OECD Competition Assessment Review: Greece (2nd edition) (forthcoming)
- Policy Framework for Investment, 2015 update
- Policy Guidance for Investment in Clean Energy Infrastructure
- Overcoming Barriers to International Investment in Clean Energy
- Challenges Arising from the Internationalisation of SOEs: A Consensus Report

**Key events**

- Fifth Annual High-Level Anti-Corruption Conference for G20 Governments and Business, Istanbul, 6 March 2015
- G20-OECD Corporate Governance Forum, Istanbul, 10 April 2015
- Global Forum on Responsible Business Conduct, Paris, 18 June 2015
The Directorate for Public Governance and Territorial Development (GOV) provides data, analysis and good practice for improving public policy making and strengthening citizens’ trust in government.

Reforms to create jobs, improve education and health care services, and address rising inequalities, need a foundation of strategic government, strong, well co-ordinated institutions and joined-up delivery mechanisms. Effective policy making starts with good data: Government at a Glance and Regions at a Glance continue to pioneer new approaches to measuring performance, with regional well-being and metropolitan databases launched in 2014 and new indicators being developed in areas such as regulatory performance, digital governance and social media.

The new OECD Observatory of Public Sector Innovation provides access to good practice and promotes knowledge-sharing across areas of public sector reform such as human resource management, e-government, gender diversity and integrity. In response to the lessons of the crisis, new or revised good practice principles were endorsed in the fields of budgetary governance, independent fiscal institutions, risk management, public investment across levels of government and public procurement.

OECD governance principles and experience continue to be in high demand among non-member economies: GOV supported policy dialogue, mutual learning and sharing of experience in the Middle East and North Africa, Eastern Europe, Latin America, and Asia. For example, GOV work on regulatory reform and public-private partnerships are key pillars of the OECD Southeast Asia programme, while urbanisation is a prominent area of OECD collaboration with China. For 2015, the Public Governance Ministerial meeting in Helsinki (October) will offer senior policy makers a chance to reflect on progress and new challenges in the governance agenda.

“A genuine commitment to inclusive growth will help to rebuild trust between government and citizens. At a time when governments are dealing with persistent joblessness, slow growth and rising inequalities, the way that policies are designed and implemented is more crucial than ever before. If governments are to address today’s economic and social challenges effectively, they need to demonstrate their capacity to deliver coherently across all stages of the policy cycle.”
Areas of focus

- Budgeting and public expenditures: [www.oecd.org/gov/budget]
- Fighting corruption in the public sector: [www.oecd.org/gov/ethics]
- Government at a Glance: [www.oecd.org/gov/govataglance.htm]
- Observatory of Public Sector Innovation: [www.oecd.org/governance/observatory-public-sector-innovation/home/]
- Public employment and management: [www.oecd.org/gov/hrm]
- Public governance reform in the Middle East and North Africa: [www.oecd.org/nea/governance]
- Regional statistics and indicators: [www.oecd.org/gov/regional/statisticsindicators]
- Regulatory policy: [www.oecd.org/gov/regref]
- Regional, urban and rural development: [www.oecd.org/gov/regional]
- Risk management: [www.oecd.org/gov/risk]
- SIGMA (Support for Improvement in Governance and Management): [www.oecd.org/gov/sigma]
- Water Governance: [www.oecd.org/gov/regional-policy/watergovernanceprogramme.htm]

Key publications

- Government at a Glance 2015 (forthcoming)
- Fiscal Sustainability of Health Systems: Bridging Health and Finance Perspectives (forthcoming)
- Water and Cities: Ensuring Sustainable Futures
- The Governance of Water Regulators
- The Metropolitan Century: Understanding Urbanisation and its Consequences
- Governing the City
- Women in Public Life: Gender, Law and Policy in the Middle East and North Africa
- Open Government in Latin America
- Boosting Resilience through Innovative Risk Governance
- State of Public Finances (forthcoming)
- Financing Democracy (forthcoming)
- Regulatory Policy Outlook (forthcoming)

Key events

- Annual Meeting of OECD Senior Budget Officials, Berlin, 12-13 June 2014
- Whistleblower Protection Seminar, Paris, 17 June 2014
- International Forum on Open Government, 30 September 2014
- Meeting of the Network of Senior Officials from Centres of Government, Vienna, 8-10 October 2014
- Innovating the Public Sector: From Ideas to Impact, 12-13 November 2014
- OECD Forum on Financing Democracy and Averting Policy Capture, 3-4 December 2014
- 10th OECD Rural Development Conference, Memphis, Tennessee, 19-21 May 2015
In September 2014, the Directorate for Science, Technology and Industry became the Directorate for Science, Technology and Innovation (STI). The Directorate develops evidence-based policy advice on the contribution of science, technology and innovation to well-being and economic growth.

In its conceptual, analytical and statistical work, STI focusses on three inexorable forces which have crossed a critical threshold, strategically interacting to transform economies and societies: the fragmentation of production through global value chains; knowledge-based capital like software, intellectual property and data; and the rise of the digital economy.

The Trade in Value Added data, expanded to 61 countries and 34 sectors, sheds light on the patterns of international value creation. STI aims to generate quantitative estimates of the implications on jobs and skills, and inform policies that create more value and high-wage employment.

The Measuring the Digital Economy report responded to the need to strengthen evidence-based policy making on the information economy, in times of rapid change. Future work on Data-driven Innovation, the Digital Economy Outlook, and the Internet of Things will focus on implications on growth and well-being, and the Economics of an Open Internet.

Rapid ageing and resource constraints pose considerable policy challenges for productivity and innovation. As well as working on evidence on firms’ growth and productivity dynamics, and developing country-specific Innovation Policy Reviews, STI is leading the OECD’s revised Innovation Strategy, to enable the policies needed for the 21st century, including preparing for the next production revolution.
- **Areas of focus**
  - Big data: [www.oecd.org/sti/ieconomy/data-driven-innovation.htm](http://www.oecd.org/sti/ieconomy/data-driven-innovation.htm)
  - Broadband and telecom: [www.oecd.org/sti/broadband](http://www.oecd.org/sti/broadband)
  - Digital economy: [www.oecd.org/sti/ieconomy](http://www.oecd.org/sti/ieconomy)
  - Firm dynamics: [www.oecd.org/sti/dynemp.htm](http://www.oecd.org/sti/dynemp.htm)
  - Inclusive Innovation: [http://oe.cd/inclusive](http://oe.cd/inclusive)
  - Industry: [www.oecd.org/sti/ind](http://www.oecd.org/sti/ind)
  - Innovation: [www.oecd.org/sti/inno](http://www.oecd.org/sti/inno)
  - Science and technology: [www.oecd.org/sti/sci-tech](http://www.oecd.org/sti/sci-tech)

- **Key publications**
  - OECD Science, Technology and Industry Outlook
  - Space Economy at a Glance
  - Measuring the Digital Economy: A New Perspective
  - Digital Economy Outlook 2015 (forthcoming)
  - Data-Driven Innovation: Big Data for Growth and Well-being (forthcoming)
  - OECD Science, Technology and Industry: Scoreboard 2015 (forthcoming)
  - OECD Reviews of Innovation Policy: Luxembourg (forthcoming), Colombia, France, Viet Nam, Croatia, Korea, and Netherlands

- **Key events**
  - Global Forum on the Knowledge Economy, Tokyo, October 2014
  - Intellectual Property Statistics for Decision Makers, Tokyo, November 2014
  - Innovation for Inclusive Growth, New Delhi, February 2015
  - Creating Our Common Future through Science, Technology and Innovation, Ministerial meeting, Daejeon, October 2015
Statistics Directorate

Martine Durand
Director and Chief Statistician
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“The importance of measuring well-being and looking at more than just GDP is now well established. While work is still required to strengthen existing measures and develop new ones to ensure that all aspects important to people’s well-being are captured, through the Inclusive Growth Initiative we are now moving towards putting existing well-being measures into practice for policies aimed at improving people’s lives.”

The Statistics Directorate (STD) collects and analyses economic and social statistics from member and partner countries. We aim at disseminating data that is as comparable internationally as possible. Major activities reside in the areas of national accounts, prices, purchasing power parities, trade, business, labour and well-being statistics. We are also engaged in the development of new highly policy-relevant measures, such as trust and job quality. We are responsible for the co-ordination of all OECD statistical activities and the development of the OECD statistical information system.

To achieve inclusive growth, it is critical to go beyond GDP and measure living standards in all dimensions of quality of life that matter for well-being, including unemployment, health and income inequality. Building on its longstanding work on well-being, STD has developed a measurement framework that looks at whether economic growth benefits to people’s well-being. It has also gone a step further to capture other dimensions of inequality, including inequalities in wealth, health, education and unemployment risks.

New international standards for compiling national accounts have been implemented in a large majority of OECD countries. STD monitored the impact of this change on main economic indicators like GDP.

In the context of the G20, and as part of the Inter Agency Group on Economic and Financial Statistics, STD is directly involved in improving the statistical information base to address data gaps which emerged after the economic and financial crisis.

The OECD’s Trade in Value Added (TiVA) database, launched in 2013 has transformed the way policy makers look at trade and global value chains (GVCs). Work continues to expand coverage to an increasing number of developing countries through STD’s development of a TiVA network of regional partners, and to address the trade-GVC-investment nexus.
Areas of focus

- Composite leading indicators and business tendency surveys: [www.oecd.org/std/leading-indicators](http://www.oecd.org/std/leading-indicators)
- Gender equality: [www.oecd.org/gender](http://www.oecd.org/gender)
- Green growth strategy: [www.oecd.org/greengrowth](http://www.oecd.org/greengrowth)
- International trade and balance of payments: [www.oecd.org/std/its](http://www.oecd.org/std/its)
- Measuring well-being and progress: [www.oecd.org/measuringprogress](http://www.oecd.org/measuringprogress)
- National accounts: [www.oecd.org/std/na](http://www.oecd.org/std/na)
- Prices and purchasing power parities: [www.oecd.org/std/prices-ppp](http://www.oecd.org/std/prices-ppp)
- Productivity statistics: [www.oecd.org/std/productivity-stats](http://www.oecd.org/std/productivity-stats)

Key publications

- OECD Compendium of Productivity Indicators 2015
- How Was Life? Global Well-being since 1820
- Understanding National Accounts (second edition)
- OECD Factbook 2014: Economic, Environmental and Social Statistics
- Entrepreneurship at a Glance 2014
- National Accounts at a Glance 2014

Key events

- Well-being as Business Purpose?, Paris, 7 November 2014
- OECD-IARIW Conference “W(h)ither the SNA?”, Paris, 16-17 April 2015
Centre for Tax Policy and Administration

The Centre for Tax Policy and Administration (CTPA) is the hub for the OECD’s tax work and provides technical support to the Committee on Fiscal Affairs. Its work covers international and domestic tax issues, across direct and indirect taxes. CTPA’s work builds on strong relationships with OECD members and a growing participation of non-OECD G20 countries and developing countries as well as input from business, labour and civil society to ensure the work is fit for our globalised economy.

Getting the global tax rules right is central to building a stable economic environment. With the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project – which has engaged OECD and G20 countries working together on an equal footing – and CTPA work to increase tax transparency, including the new Automatic Exchange of Information Standard to which 93 jurisdictions have now committed, the Directorate continues to ensure a sound foundation for balanced growth.

On tax policy, in addition to ongoing comparative revenue data analysis, CTPA experience in environmental taxation will be fundamental to the OECD’s contribution to the current climate change discussion; it is expanding the scope of the new OECD international guidelines on value-added tax or general sales tax (VAT/GST); and its work demonstrates how the tax system can support skills development to promote employment and entrepreneurship.

With the Tax and Development Programme, the Global Forum on Transparency and Exchange of Information and broadening engagement in the BEPS Project, CTPA is ensuring its work has global impact. With attention turning to the post-2015 Sustainable Development Goals, tax will be centre stage as the foundation for domestic resource mobilisation efforts, and the OECD is well-placed to make an important contribution.
Areas of focus

- Base Erosion and Profit Shifting: [www.oecd.org/tax/beps.htm](http://www.oecd.org/tax/beps.htm)
- Consumption tax: [www.oecd.org/tax/consumption/](http://www.oecd.org/tax/consumption/)
- Forum on Tax Administration: [www.oecd.org/tax/administration](http://www.oecd.org/tax/administration)
- Global relations in taxation: [www.oecd.org/tax/tax-global/](http://www.oecd.org/tax/tax-global/)
- Transfer pricing: [www.oecd.org/tax/transfer-pricing/](http://www.oecd.org/tax/transfer-pricing/)

Key publications

- OECD/G20 Base Erosion and Profit Shifting: Action Plan
- OECD/G20 Base Erosion and Profit Shifting Project: 2014 Deliverables
- Revenue Statistics 2014
- Taxing Energy Use: OECD and Selected Partner Economies (forthcoming)
- Taxing Wages 2015
- Tax Administration Series 2015
- Global Forum on Transparency and Exchange of Information for Tax Purposes: Peer Reviews
- Building Tax Culture, Compliance and Citizenship: A Global Source Book on Taxpayer Education (forthcoming)
- Bribery and Corruption Awareness Handbook for Tax Examiners and Tax Auditors
- Evading the Net: Tax Crime in the Fisheries Sector
- Fiscal Federalism 2014: Making Decentralisation Work
- Improving Value Added Tax Policy: Distributional Impacts and Effectiveness

Key events

- Regional Network Meeting on BEPS in Asia, Korea, 12-13 February 2015
- Regional Network Meeting on BEPS in Latin America, Peru, 26-27 February 2015
- Regional Network Meeting on BEPS for Francophone countries, Libreville, Gabon, 27 February 2015
- Regional Network Meeting on BEPS in Eurasia, Turkey, 4-5 March 2015
- Task Force on Tax and Development: BEPS and Developing Countries, 18 March 2015
- Regional Network Meeting on BEPS in Africa, in partnership with ATAF, South Africa, 20-21 April 2015
Trade and Agriculture Directorate

The Trade and Agriculture Directorate (TAD) provides support for a strong, rules-based multilateral trading system, and helps governments develop trade, agriculture and fisheries policies that contribute to sustainable growth and job creation. TAD also manages programmes covering officially supported export credits, agricultural product standards that facilitate trade and co-operative research for sustainable agricultural systems.

Building on OECD-WTO Trade in Value Added data, recent efforts are exploring how countries at different stages of development can benefit more from global value chains. We will soon release an update of the OECD Trade Facilitation Indicators, and are working with countries to support full implementation of “single window” access for traders crossing borders. The new OECD Services Trade Restrictiveness Index is being updated to soon cover 44 countries across 19 major services sectors; importantly, work is progressing to measure the costs of current restrictions on trade and to identify policy responses to mitigate them.

The OECD provides ongoing information, analysis and advice to help governments improve the domestic and international performance of their farm, food and fisheries policies. The 2015 OECD Agricultural Policy Monitoring and Evaluation Report will provide an assessment of agriculture policy across the OECD and several major emerging economies. The OECD-FAO Agricultural Outlook 2015-2024 will provide a forward looking assessment of commodity market developments, including a special feature on the role of Brazil in global food markets. The OECD also provides policy advice to the global Agricultural Market Information System (AMIS), established by the G20. A wide range of fisheries and aquaculture policy issues are addressed and the 2014 OECD Review of Fisheries is now available.

“The OECD continues to provide evidence-based analysis highlighting the critical importance of trade and complementary policies as key elements of structural reforms, designed to boost inclusive growth, widespread development, and new and better jobs. In food, agriculture and fisheries, country-specific analysis is highlighting policies that contribute to increased innovation, productivity growth, sustainable resource use and a well-functioning multilateral trading system – thereby enabling food supplies to keep pace with growing global demand.”

Ken Ash
Director
E-mail: tad.contact@oecd.org

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

Key publications

- “The Impact of Services Trade Restrictiveness on Trade Flows”, OECD Trade Policy Papers, No. 178
- “Participation of Developing Countries in Global Value Chains: Implications for Trade and Trade-Related Policies”, OECD Trade Policy Papers, No. 179
- OECD Review of Agricultural Policies: Colombia
- OECD Review of Agricultural Policies: Switzerland
- Green Growth in Fisheries and Aquaculture
- “The Economic Costs of Withdrawing Antimicrobial Growth Promoters from the Livestock Sector”, OECD Food, Agriculture and Fisheries Working Papers, No. 78
- Export Restrictions in Raw Materials Trade: Facts, Fallacies and Better Practices
- Managing Food Insecurity Risks: An Analytical Framework Applied to Indonesia
- OECD-FAO Agricultural Outlook 2015-2024 (forthcoming)

Key events

- OECD-ASEAN Regional Conference on Food Security, Bogor, 11-12 November 2014
- International Business Dialogue, Singapore, 17 March 2015
- G20-OECD GVC Stocktaking Seminar, Paris, June 2015
The role of the Public Affairs and Communications Directorate (PAC) is to ensure the OECD’s impact and influence on key audiences, maximising dissemination while improving efficiency and value for money. It strategically orchestrates external communications in line with the Secretary-General’s orientations, mainstreams communications across the Organisation and provides support, advice and training on communication issues.

PAC fosters dialogue with policy shapers, such as parliamentarians, business, labour, non-governmental organisations, the media, opinion formers, think-tanks, academics, and the interested public.

In the past year, PAC activities have supported OECD work, to increase impact and strengthen public perception of the OECD as a global reference on established topics, such as education, economic analysis and comparative statistics, but also as an emerging leader on topics like tax and inequality.

A key area of PAC’s work is ensuring that OECD knowledge is accessible, open and free. To this end, early 2015 saw the launch of “OECD Data”, an online platform offering free access to a wealth of OECD data for the non-expert, enabling users to compare and share data.

PAC shares OECD knowledge through a broad range of channels and platforms. In 2014 more than 35 000 news articles were written about the OECD in major global publications, the website oecd.org received almost 17 million visits and downloads from OECD iLibrary rose by 24% to more than 11 million. The number of followers for the corporate Twitter account doubled to over 272 000. Embeddable data visualisations garnered 3.7 million page views, a 74% increase from the previous year. More than 32 500 people around the world created their own Better Life Index (BLI), now available in 7 languages.

The 2014 OECD Forum gathered nearly 2 000 participants; interaction with business, labour and civil society stakeholders was deepened, and the OECD Parliamentary Network expanded. The OECD Civil Society Newsletter increased its subscribers by 10% over the year to a total of 48 000. OECD Centres in Berlin, Washington, Mexico and Tokyo brought the OECD to local audiences, supporting events such as a Tokyo symposium to mark 50 years of Japanese membership.
**Areas of focus**

- Centres abroad: [www.oecd.org/centres](http://www.oecd.org/centres)
- Civil society: [www.oecd.org/civilsociety](http://www.oecd.org/civilsociety)
- i-Library, dissemination and knowledge: [www.oecd-ilibrary.org](http://www.oecd-ilibrary.org)
- Images and videos: [www.flickr.com/OECD](http://www.flickr.com/OECD); [www.youtube.com/OECD](http://www.youtube.com/OECD)
- Internet site: [www.oecd.org](http://www.oecd.org)
- Media relations: [www.oecd.org/media](http://www.oecd.org/media)
- Parliamentary relations: [www.oecd.org/parliamentarians](http://www.oecd.org/parliamentarians)
- Publishing activities: [www.oecd.org/publishing](http://www.oecd.org/publishing)
- Social media: [www.facebook.com/TheOECD](http://www.facebook.com/TheOECD); [www.twitter.com/OECD](http://www.twitter.com/OECD)
- Better Life Index: [www.oecdbetterlifeindex.org](http://www.oecdbetterlifeindex.org)

**Key publications**

- OECD Observer, quarterly: [www.oecdobserver.org](http://www.oecdobserver.org)
- OECD Policy briefs
- OECD Yearbook 2015: [www.oecd.org/yearbook](http://www.oecd.org/yearbook)
- OECD Insights publication series: [www.oecd.org/insights](http://www.oecd.org/insights)
- Blogs: OECD Insights: [http://oecdinsights.org](http://oecdinsights.org)
- OECD Factbook
- Secretary-General’s Report to Ministers 2015
- OECD 360
- OECD Civil Society Newsletter

**Key events**

- Journées européennes du patrimoine, 14-15 September 2014
- OECD Parliamentary Days, Paris, 5-7 February 2014
- OECD Forum Speakers Series
The Executive Directorate (EXD) advises the Secretary-General on management policies and practices. It provides the operational means to get the most from OECD’s human and financial resources, and delivers a range of services, covering information and communication technologies, conference, language, security and operations that enable the Organisation to carry out its work efficiently and effectively.

EXD has undertaken a major reorganisation. The number of Services has been reduced from five to four and the focus on information and knowledge management strengthened. This change will facilitate collaboration across EXD, and better position the Directorate, and the OECD, to benefit from the progressive digitalisation of many aspects of the Organisation’s work.

In mid-2014, the OECD completed a comprehensive look at its business processes and management policies – the Value for Money (V4M) Project. The Project raised staff “V4M awareness”. The resulting Action Plan will be implemented in 2015-16 and many recommendations will have a recurring effect on practices and processes at the OECD.

In December 2014, the OECD Council approved the OECD’s Programme of Work and Budget for 2015-16 following a smooth priority-setting and resource allocation process.
Financing the OECD

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

The OECD budget and the content of its work programme are established every two years by the OECD’s governing body, the Council, based on recommendations from the Secretary-General. The budget for 2015 is EUR 363 million, further increased approximately by a third from voluntary contributions, extra-budgetary resources that are planned but variable, provided mainly by governmental bodies and institutions.

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

Members’ assessed contributions, 2015

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

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

Marcos Bonturi
Director
E-mail: grs.contact@oecd.org

The OECD’s Global Relations Secretariat (GRS) strategy seeks to enhance the Organisation’s relevance by strengthening relations with partner countries around the globe.

GRS has actively nurtured relations with Brazil, China, India, Indonesia and South Africa, as Key Partners and G20 members, inviting them to participate in a broad range of activities and adhere to key OECD instruments. For instance, a Framework Agreement on a joint work programme with the OECD has just been signed with China’s Ministry of Commerce, marking the 20th anniversary of the OECD’s relations with China.

The secretariat also continues to strengthen engagement with other important partners, having signed Country Programmes with Kazakhstan, Morocco and Peru, and with a fourth programme under discussion with Thailand. GRS has also responded to the decision by member countries to strengthen relations with Ukraine and a work programme is under preparation. In addition, GRS intensified co-operation with Costa Rica and Lithuania, in preparation for the decision, taken in April 2015, to open accession talks with the OECD.

Through regional programmes, the OECD is able to strengthen its relations with a broad range of countries, encouraging regional dialogue, exchange of good practices, and adherence to selected OECD instruments. Regional programmes exist for Southeast Asia, the Middle East and North Africa, Eurasia and Southeast Europe. A future programme for Latin America is currently under discussion, as well as ways to strengthen the regional component of OECD work in Africa.
Areas of focus

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

Key publications

- New Entrepreneurs and High Performance Enterprises in the Middle East and North Africa
- Women in Business 2014: Accelerating entrepreneurship in the Middle East and North Africa Region
- SME Policy Index: Western Balkans and Turkey 2012: Progress in the Implementation of the Small Business Act for Europe

OECD brochures:

- Active with Africa (also available in French)
- Active with Brazil (also available in Portuguese)
- Active with the People’s Republic of China (also available in Chinese)
- Active with India
- Active with Indonesia (also available in Bahasa)
- Active with Latin America and the Caribbean (also available in Spanish)
- Active with the Middle East and North Africa (also available in Arabic)
- Active with Southeast Asia (also available in Bahasa)
- OECD Eurasia Competitiveness Programme: Making Reforms Happen in a Dynamic Region
- OECD Investment Compact for South East Europe: Fostering Investment, Competitiveness and Private Sector Development
- MENA-OECD Investment Programme: Fostering Investment, Growth and Employment in the Middle East and North Africa
- MENA-OECD Investment Programme: Promoting Women’s Economic Opportunity in the Middle East and North Africa
- MENA-OECD Investment Programme: The Investment Security in the Mediterranean Support Programme (ISMED)
Internal Audit and Evaluation

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

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

In 2014, In-depth Evaluation covered 14 committees and three Part II programmes, including both evaluations and monitoring the implementation of recommendations. In total, eight evaluations were delivered, each one providing a detailed assessment of committee relevance, effectiveness and efficiency, along with recommendations aimed at underpinning or improving performance. These evaluations also yielded seven good practice cases with the aim of contributing towards replicating success and promoting learning across the Organisation’s committee structure.

Key internal audits in 2014 included a review of corporate projects; an assessment of the controls over the financial management of voluntary contributions (VCs) and grants in relation to the OECD 2012 Forum; the management of IT software development; OECD’s Contract Conversion Policy for staff, which included an assessment of controls to mitigate risks linked to the attraction and retention of talent; and the process for Managers’ Assertions.

Evaluation and Internal Audit also contributed to management’s continuous improvement of systems and processes through advisory services on priorities such as the Risk Management System; IT Governance; Guidelines on the Conducting of Horizontal Projects and implementing the monitoring framework for the OECD Strategy on Development.

www.oecd.org/about/internal-audit-evaluation.htm
The Directorate for Legal Affairs advises on all legal, institutional and procedural aspects of the Organisation’s activities and supports directorates in the development of their outputs. It represents the Organisation in legal proceedings and provides support on contracts, co-operation and financing agreements, intellectual property, and financial and human resources reforms.

The Directorate played a central role in the revision of the governance rules and the negotiations of funding arrangements with a major contributor. It supported the implementation of the DELTA Programme to render data open, accessible and free, and will continue to do so as the project moves forward in 2015. It was also very active in advocating protection for international organisations’ names and acronyms on the internet.

On matters of substance, support was extensive to the Base Erosion and Profit Shifting Project (BEPS) – notably on the development of a multilateral instrument to modify bilateral tax treaties – and to several legal instruments in the field of automatic exchange of tax information. On the anti-corruption work, the Directorate represented the OECD in various international fora, including in the G20 context. These fields will remain key in the coming months, together with the work on corporate governance and responsible business conduct.

Throughout 2014, the team mobilised to co-ordinate accession discussions; the expected opening of discussions with new candidate countries should add to the challenge in 2015. Finally, the Directorate assisted with the growing relations with non-members, in particular with their adherence to OECD legal instruments and with co-operation arrangements.
The Council Secretariat serves the Council and the Executive Committee, the Heads of Delegation meetings, the Global Strategy Group and the Ministerial Council Meeting (MCM).

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

Within the available resources and while serving new bodies, the Council Secretariat is continuing to upgrade its service to Council, its chair and the Executive Committee, moving higher on the value chain by collecting timely information from different networks, with a view to ensuring better co-ordination, earlier identification and resolution of possible issues, as well as easier programming. The launch of the eCouncil platform in 2014 has dramatically improved the document process for the preparation of the Executive Committee and Council: it contributes to enhance co-ordination, and streamline documents and meeting preparations. In 2015, efforts will also continue to better structure processes within the Secretariat and support institutional relations. With this in mind, the Council Secretariat is working on new developments in eCouncil, including the creation of specific spaces for the preparation of the External Relations Committee and for the Budget Committee.

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

www.oecd.org
Strategic Foresight

Foresight enables policy makers to deal with the connected challenges of a less predictable and rapidly shifting world. People often perceive uncertainty and change as a threat, disrupting the world they know and are used to dealing with. But denying or resisting change is not the best strategy. Foresight supports policy makers in coping with unpredictable uncertainty, novelty and disruptive change by keeping an open mind about the bigger picture.

Since 2013 Strategic Foresight has been focussed on mainstreaming foresight into the Organisation’s activities rather than creating standalone projects. The most visible aspects of this change are in use of foresight to support high-level strategic dialogues. These include the discussion of megatrends at the Global Strategy Group in November 2014, and the forthcoming scenario-based policy discussion at the Ministerial Council Meeting 2015. A co-ordinated system of horizon scanning is being developed to support committees and directorates in their forward-looking analysis and work programme planning. It will also support the OECD megatrends framework.

The OECD Governmental Foresight Network connects national foresight champions and practitioners on best practices, sharing new approaches and communicating OECD foresight studies. Seminars on strategic foresight raise staff awareness of the role and value of foresight in policy and reduce misunderstandings about methods and tools. Long-term projections are being enhanced with new knowledge developed using horizon scanning, visioning and backcasting, and scenario planning.

“"The opportunity is not to produce more OECD foresight studies but to use OECD foresight to develop better policies for better lives.""  

Angela Wilkinson  
Counsellor for Strategic Foresight

www.oecd.org
The OECD Development Centre was established in 1962 as a special platform for analysis, knowledge-sharing and evidence-based policy dialogue where developing countries, emerging economies and OECD countries interact on an equal footing. The inclusive nature of its membership, coupled with its intellectual independence, helps to find innovative policy solutions to pressing development challenges.

The Centre’s work includes three annual Regional Economic Outlooks (Africa, Latin America and the Caribbean, and Southeast Asia, China and India) jointly produced with regional partners as well as a global report (Perspectives on Global Development).

Since 2014, five countries have joined the Development Centre, which now counts 47 members – 26 OECD and 21 non-OECD countries. Recent achievements include contributions to engage the private and philanthropic sectors in the OECD work and in international processes, such as to the UN Post-2015 debate and the Global Partnership for Effective Development Co-operation, and the Post-2015 agenda on gender equality and to the Global Forum on Migration and Development. Co-operation with regional partners has been strengthened, notably with the African Union.

Within the OECD, the Centre has been playing a key role in the implementation of the Strategy on Development. It spearheaded new horizontal projects, with seven countries having now requested a Multi-dimensional Country Review, and several OECD and developing countries joining the two Policy Dialogue Networks on Natural Resource-based development and on global value chains. Ongoing projects in partnership with other directorates include: OECD Southeast Asia Regional Programme; the Well-Being in Latin America Initiative; the Global Tax Revenue Statistics project; the measurement of the benefits of tackling discrimination against women; and cross-country studies on youth inclusion, social protection and the economic impact of migration.

For more information see: [www.oecd.org/dev](http://www.oecd.org/dev)

Twitter: [@OECD_Centre](https://twitter.com/OECD_Centre)
OECD SPECIAL BODIES AND OTHER SPECIAL ENTITIES / Special bodies

International Energy Agency

Maria van der Hoeven
Executive Director

The International Energy Agency (IEA), an autonomous organisation within the framework of the OECD, works to ensure reliable, affordable and clean energy for its 29 member countries and beyond.

The IEA commemorated its 40th anniversary in 2014. While oil security and collective response to major supply disruptions remains a key aspect of its work, the IEA has evolved since its founding. It is now at the heart of global dialogue on energy, providing authoritative statistics, analysis and policy recommendations. IEA work revolves around the “4 Es” of energy security, environmental sustainability, economic development and engagement worldwide. Activities in market analysis, policy assessment, technology roadmaps and international outreach supported those goals in 2014.

The IEA’s Medium-Term Market Report series examines each fuel market individually, including energy efficiency, with a five-year outlook. The World Energy Outlook continues to serve as the world’s foremost annual report on the energy sector, providing scenarios looking to 2040. The 2014 edition provided a special focus on investment and a separate outlook for Africa. Energy Technology Perspectives is an annual series on clean energy technology development, with an outlook to 2050. Because electricity will play a growing role in future energy systems, the 2014 edition highlighted actions to support deployment of sustainable options for generation, distribution and end-use consumption.

The IEA further strengthened co-operation with key emerging economies, engaging in a range of joint activities and consultations with China, India, the Association of Southeast Asian Nations (ASEAN) and many others. IEA work is supported by extensive data collection and management (including support to the Joint Organisations Data Initiative). Other priorities in 2014 included efforts to ensure the Agency’s long-term financial sustainability and to find suitable office space – either new or refurbished – when the current lease expires in 2017.

In 2014, Estonia became the IEA’s 29th member.

For more information see: www.iea.org
Nuclear Energy Agency

Nuclear Energy Agency (NEA) member countries account for 86% of global nuclear energy generating capacity. Through international cooperation, the NEA helps its 31 member countries maintain and further develop the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear energy for peaceful purposes. It provides input to government decisions on nuclear energy policy and to broader OECD policy analysis in areas such as energy, green growth and climate change.

NEA activities cover nuclear safety and regulation, radioactive waste management, radiological protection, nuclear science and data, nuclear development and the fuel cycle, and legal affairs. The NEA also acts as the technical secretariat of the Multinational Design Evaluation Programme, which aims to enhance co-operation among regulators on safety design reviews of new reactors, and the Generation IV International Forum, which is co-ordinating members’ research and development (R&D) efforts for the next generation of nuclear energy systems.

In 2014, Poland joined the NEA Data Bank. A memorandum of understanding was signed between the NEA and the nuclear safety authority of China, further strengthening co-operation. As of March 2015, 13 countries had adhered to the Joint Declaration on the Security of Supply of Medical Radioisotopes, established under NEA auspices to prevent shortages for hospitals and patients world wide.

In terms of nuclear energy’s contribution to help mitigate climate change, the latest IEA/NEA Technology Roadmap: Nuclear Energy describes the technologies and policies needed to ensure that nuclear energy can fulfil its role in helping to limit the increase of global temperatures to 2°C between now and 2050. According to the roadmap, this could require more than doubling the currently installed nuclear capacity. The NEA is also contributing to the OECD report on Aligning Policies for a Low-Carbon Economy due out in June 2015.

For more information see: www.oecd-nea.org
Special Entities
Financial Action Task Force

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

In October 2014, the FATF enhanced its focus on terrorist financing. In February 2015, this was welcomed in UN Security Council Resolution 2199 and further echoed in the G20 Finance Ministers’ statement. That same month, the FATF adopted a report on financing of terrorist organisation Islamic State of Iraq and the Levant (ISIL). Using the findings of this report, the FATF, the FATF-Style Regional Bodies (FSRBs) and international organisations will together develop proposals to strengthen all counter-terrorism tools, and report back to the G20 by October 2015. The FATF and FSRBs will also take additional steps to ensure that all members implement measures to freeze terrorist funds and stop terrorist financing.

In October 2014, the FATF addressed the issue of “de-risking” which sees financial institutions cut loose entire classes of customers to avoid, rather than manage, potential money laundering, or terrorist financing risks. Effective implementation of the risk-based approach remains an FATF priority and it has published guidance for the banking sector in this area.

FATF is now also conducting a new round of mutual evaluations, which assesses the effectiveness of a country’s AML/CFT system and its technical compliance with FATF standards.

For more information see: www.fatf-gafi.org
International Transport Forum

The International Transport Forum (ITF) at the OECD is an intergovernmental organisation with 54 member countries. It acts as a strategic think tank for transport policy and organises an Annual Summit of transport ministers. It is the only global organisation covering all modes of transport.

In May 2014, the ITF’s Annual Summit on “Transport for a Changing World” brought over 1 100 delegates from more than 70 countries to Leipzig, Germany. A joint declaration by ministers underlined the importance of enabling transport to innovate in ways that promote green and inclusive growth.

Work with policy impact was carried out in various work streams. Case-specific policy analysis from ITF provided the Mexican government with support for a decision on rail freight liberalisation, resulting in the creation of a new regulatory body. For the UK government, three studies were conducted to help prepare the decision on airport expansion in the London area. With Chile, ITF started work on creating a logistics observatory that will provide data for critical policy decisions.

The ITF Transport Outlook 2015 presents projections for global trade by volume and associated CO₂ emissions to 2050, based on an award-winning model developed at ITF. It also contains urban mobility scenarios for China, India and Latin America, including for CO₂ emissions. Roundtables organised by ITF in 2015 covered issues such as ex-post assessment of transport investments, renegotiation of public-private partnerships, or the economics of high speed rail. A new working group on aviation liberalisation was kicked off.

Projects on urban mobility, autonomous driving, big data in transport and logistics performance were launched with the Corporate Partnership Board, ITF’s mechanism to incorporate private-sector knowledge in policy analysis.

For more information see: www.internationaltransportforum.org
Multilateral Organisation Performance Assessment Network

Björn-Gillsäter
Head of Secretariat

The Multilateral Organisation Performance Assessment Network (MOPAN) is an independent network of donor countries that assesses the effectiveness of multilateral organisations and aims to strengthen their contributions to results. MOPAN’s Secretariat is hosted by the OECD since 2013.

In 2014, MOPAN assessed UN Women, the UN Refugee Agency (UNHCR), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Population Fund (UNFPA). The Network agreed on implementing a new, more ambitious assessment approach as of 2015. It will in the future be assessing more organisations, collect data from more countries and increase the focus on assessing multilateral organisations’ development effectiveness and results.

MOPAN members have agreed to invite the OECD to renew the hosting arrangement of the MOPAN Secretariat, which expires at the end of 2015. Two new members joined MOPAN in 2014 (Japan and Luxembourg).

To obtain the 2014 reports and for more information on MOPAN see: www.mopanonline.org
Founded in 1999, the Partnership in Statistics for Development in the 21st Century (PARIS21) promotes the better use and production of statistics throughout the developing world. The Partnership facilitates statistical capacity development, advocates for the integration of reliable data in decision making, and co-ordinates donor support to statistics. PARIS21 was established by the United Nations, the European Commission, the OECD, the International Monetary Fund, and the World Bank.

In 2014-2015, PARIS21 has been heavily involved in discussion on data, statistics and measurement for the Sustainable Development Goals (SDGs) and Indicator Framework. With the financial support of the Bill and Melinda Gates Foundation, PARIS21 published a Road Map for a Country-led Data Revolution as a step-by-step guide for developing countries to produce more and better data in order to generate the data needed to measure and monitor progress towards the SDGs. PARIS21 Road Map is grounded in the experience collected through a Metabase, an online compendium on the organisation, management and performance of national statistical systems. As innovations are key to make the data revolution happen, PARIS21 developed an online Innovations Inventory of existing solutions for filling data gaps, reducing costs and improving efficiency so that more and better data effectively contribute to improving people’s lives. Moving to the next phase, PARIS21 is about to undertake pilots in selected countries to roll out identified innovations including the use of big data for poverty reduction, up-dating the National Strategies for the Development of Statistics and designing public-private partnerships in data collection, analysis and use by bringing telephone operators together with National Statistical Offices.

By focussing its efforts on knowledge sharing and innovation, advocacy, co-ordination and monitoring, and technical support, PARIS21 will continue to pave the way to monitor the upcoming SDGs by promoting and facilitating a better use of statistics nationally, regionally and globally.

For more information see: [www.paris21.org/](http://www.paris21.org/)
The Sahel and West Africa Club (SWAC) is an international platform dedicated to regional issues in West Africa. Its members include West African regional organisations and OECD countries, and its mission is to enhance the effectiveness of regional policies and partner support. Founded in 1976, SWAC is the first official partnership between the OECD and Africa, and helps promote West African initiatives and positions in global debates.

The SWAC acts as a secretariat and an international platform for regional food security and resilience networks. These efforts have positioned the Food Crisis Prevention Network (RPCA) as an international reference for concerted action. Under the political leadership of the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA), since 2013, the SWAC secretariat also facilitates the Global Alliance for Resilience (AGIR).

The SWAC’s most recent flagship publication, An Atlas of the Sahara-Sahel: Geography, Economics and Security, proposes a new reading of the region’s mobility and security challenges and explores how the countries that share the Sahara-Sahel could work together towards stabilisation and development.

In addition, in 2015, the SWAC secretariat will launch a two-year cycle on cross-border co-operation as well as a new programme on innovative approaches to food security, focussing on transformations in agro-food value chains. SWAC partners will convene to discuss the results of this work as well as best practices of the RPCA and AGIR at the Sahel and West Africa Week to be held at Expo Milano in October 2015. Finally, the SWAC secretariat will continue to provide a large number of services to its members, including monitoring regional news through the West Africa Gateway and its weekly news brief.

Business and Industry Advisory Committee

As the officially recognised representative of the OECD private sector community, the Business and Industry Advisory Committee (BIAC) advocates business views to the OECD and its member governments to ensure that the resulting policy instruments and guidance assist private sector-led growth and prosperity and thereby contribute to restoring the global economy. BIAC co-ordinates and directly communicates business perspectives and advice to the OECD up to the highest level in areas such as trade, economic and financial policies, foreign investment, public and corporate governance, information and telecommunications policy, social policy, taxation, energy and environmental policy, and many more.

Furthermore, BIAC actively engages in key OECD projects such as the OECD Base Erosion and Profit Shifting (BEPS) Action Plan, the revision of the Policy Framework for Investment, the OECD Innovation Strategy, and the update of the OECD Corporate Governance Principles. BIAC is participating in B20 and G20 works and is present in all six taskforces of the current Turkish B20.

For 2015 and beyond, BIAC’s overarching recommendations to the OECD and its member governments are: 1) to address protectionism in global markets and build the enabling environment for investment, at local levels and across borders; 2) to deliver advice for integrated policies across sectors that foster innovation and support sustainable growth and employment in the digital economy; and 3) to establish a better understanding of the potential of SMEs and entrepreneurship, with due focus on skills development, labour markets, financing and women’s entrepreneurship.

For more information see: www.biac.org
The Trade Union Advisory Committee to the OECD (TUAC) is the interface of the Organisation with organised labour. TUAC has 59 affiliated trade union centres in OECD countries, representing more than 60 million workers with associate members in Brazil, Indonesia, the Russian Federation and South Africa. TUAC has focussed on promoting inclusive, job-rich and green growth, and measures to ensure a sustainable recovery from the crisis, including stronger regulation of the financial sector.

TUAC calls for a paradigm shift in the underlying economic model so as to deliver a stronger global economy that reduces income inequality and promotes social well-being as well as creating quality jobs. It is actively engaged in the New Approaches to Economic Challenges (NAEC) process by encouraging the development of policies and indicators that better support the real-economy and social needs. It also closely monitors the follow-up on the G20 BEPS Action Plan and policies on long-term investment, corporate governance, education, development and climate change. TUAC, in co-operation with the International Trade Union Confederation (ITUC), has co-ordinated inputs to the G20 and G7 summits through the L20, and took part in the G20 Sherpa and Employment Working Group meetings. It co-organises the L20 Summits and co-ordinatated the social partner consultations with labour and finance ministers in September 2014. TUAC and its Global Union partners actively work on the OECD Guidelines for Multinational Enterprises. TUAC is thereby co-ordinating a web database of trade union cases submitted under the Guidelines.

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

For more information see: www.tuac.org, www.tuacoecdmneguidelines.org/Home.asp and www.labour20.org, Twitter: @TUACOECD
The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

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

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