



2nd High-Level Meeting (HLM) of the OECD Development Centre

1 July, 2014

OECD Headquarters, Paris

About the 2014 HIGH-LEVEL MEETING OF THE DEVELOPMENT CENTRE

Closed-door Event

Objectives:

- Endorse the future strategic direction of the Centre's work.
- Confirm the Centre's role in the broader OECD development landscape and its substantive contribution to the implementation of the OECD Strategy on Development

Proposed Agenda:

- Session 1: OECD Perspectives for Global Development: Boosting productivity to meet the middle-income challenge
- Session 2: National Strategies for Development: from paper to action
- Session 3: Social Cohesion for Growth
- Session 4: The way forward for the OECD Development Centre

Following the High-level Meeting, Ministers are invited to attend the Angus Maddison Development Lecture, delivered by Professor Nicholas Crafts, Director of the Centre for Competitive Advantage in the Global Economy (CAGE), University of Warwick

Audience :

- Ministers from the Development Centre member countries, OECD Key Partner countries and OECD Accession countries, as well as OECD countries non-DEV members.
- Governing Board observers: the Development Centre Networks (DevCom, EmNet, netFWD and DeFine), the European Union, Regional Development Banks, the International Monetary Fund and the World Bank.
- Other leading international organisations working in the field of development including regional development banks and United Nations institutions.
- OECD Directorates.

PROVISIONAL AGENDA

Morning Session: 9:15 – 13:00

Chair: *tbc*

09:15

Opening Keynote Address

- *Angel Gurría, OECD Secretary-General*
- *Chair (DEV Member - OECD)*
- *Chair (DEV, Member, non-OECD)*

10:00

Adoption of the Agenda

Ministers will be invited to formally adopt the Draft Agenda

10:05

Session 1: OECD Perspectives on Global Development (PGD): Boosting productivity to meet the middle-income challenge

(1h30mins)

The difference between the rate of economic growth of advanced countries and developing countries has narrowed in the last few years, and expectations are that they will narrow further. Will emerging economies continue to grow and achieve high-income status, or will they be caught in the middle income trap? This year's *Perspectives on Global Development* examines how boosting productivity and competitiveness can help countries avoid development traps.

Issues for discussion:

- *Recent trends and prospects: are emerging economies stuck in the middle income trap?*
- *How can countries increase productivity and promote diversification to avoid the middle income trap?*
- *What are other development challenges and what do countries need to do to avoid them?*
- *What is the potential of the service sector?*

11:35

Coffee break

12:00

Session 2: National Strategies for Development: from paper to action

(1h30mins)

Policy makers increasingly need to reconcile economic, sustainability and equity objectives. General economic reforms in areas such as financial and trade liberalisation, deregulation and privatisation of public services – once considered the keys to development – did not always lead to successful development results and their impacts differed from country to country. Given that there are no ‘one-size-fits-all’ solutions, national strategies for development become an important tool to forge a country’s own development path.

The OECD’s Multi-dimensional Country Reviews are designed to support national strategy-building and implementation processes. The first MDCRs – pioneered in Myanmar, the Philippines and Uruguay – have confirmed the importance of taking a diagnostic rather than a prescriptive approach. Their cross-cutting approach also helps understand the underlying relationships between competing challenges. Most traditional policy analysis follows a strictly sectoral approach that tends to miss the systemic linkages between policy challenges across sectors. To overcome this shortcoming, MDCRs focus on issues that cut across several policy sectors. Guidance on implementation is the final step in a review process and aims to support the country and development partners think about appropriate sequencing for reforms.

Issues for discussion:

- *To succeed, national development strategies have to be carried through by all parts of government, ideally all major stakeholders in society. What have been good examples and policy practices to do this work?*
- *The scope and sequencing of reforms have a strong bearing on the ability of governments to transform strategies from paper to action. What can be learned from success and failure?*
- *Interactions across policies often create complementarities, but also trade-offs with regards to reconciling economic growth, sustainability and equity. What instruments have proven most useful in assessing such trade-offs and which ones have failed?*

Lunch 13:30 to 15:00

Afternoon Session: 15:00-18:00

Chair: tbc

15:00

Session 3: Social Cohesion for Growth

(1h30mins)

The developing world has achieved unprecedented growth rates in the past decade. These were translated into rapid decline in poverty, with the number of people living on less than \$1.25 a day declining from 1.9 billion in 1981 to 1.4 billion in 2005 globally. However, as witnessed with the Arab Spring, economic growth comes with rising expectations and living standards of citizens, and widening inequalities threaten social cohesion. Inequality limits social mobility and individual choice while reinforcing circumstantial factors such as inherited poverty, gender, ethnicity and location. Fast growth needs to be accompanied by structural transformation that not only reduces poverty but also improves access to opportunities, promotes mobility and enhances social capital.

One of the main challenges for fast growing economies is therefore how to close the inequality gap. Growth in Viet Nam averaged 7.2 per cent over the last two decades placing it among the fastest growing countries in the world. This economic success was accompanied by a remarkable progress in poverty reduction with the poverty headcount falling from 58 per cent in the early 1990s to 14.5 per cent by 2008. The OECD Social Cohesion Policy Review (SCPR) uses a multi-disciplinary framework to analyse whether Viet Nam's growth has been inclusive and if it has indeed provided prospects of upward mobility for all groups of the population.

Issues for discussion:

- *What is meant by inclusive growth and how to measure it?*
- *Can fiscal policy be an effective instrument to address income inequality?*
- *Does fast growth automatically translate into upward social mobility? Which policies can promote social mobility?*
- *What is the potential of social policy to reduce vulnerability?*



16:30

Session 4: The way forward for the OECD Development Centre

(1h30mins)

The proposed work programme of the Development Centre responds to emerging economic and social challenges of mutual concern for OECD and non-OECD countries and takes into account the evolving international development agenda. Ministers and high-level participants will be invited to endorse the Development Centre's future work programme for 2015-16, confirming its strategic direction and the Centre's place within the broader OECD landscape. Ministers will shed light on their views about the implementation of the OECD Strategy on Development, which is currently underway.

Issues for discussion:

- *Going global; going regional; going national. How will the Development Centre tackle future emerging issues?*
- *Taking into consideration the pace, direction and sustainability of shifting wealth, what do other DEV stakeholders and actors bring to the OECD development debate? How do they impact cross-regional analysis of social, competitiveness and transversal issues?*
- *What are the views on the implementation of the OECD Strategy on Development, and the projects led by the Development Centre: Multi-dimensional country reviews; policy dialogue networks: on Natural Resource-driven Development and on Global Value Chains and Production Transformation*

18:00:

End of Meeting

18:30 to 20:30:

Angus Maddison Lecture, delivered by Prof. Nicholas Crafts, Director of the Centre for Competitive Advantage in the Global Economy (CAGE), University of Warwick