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I. Preface

1. Our 50th Anniversary celebration, starting later this year and going into most of 2011, is a great opportunity to reflect on the progress we have made and on what remains to be done. As we see signs of recovery from the worst economic crisis in our lifetime, this is also a good time to help lay down the foundations of a stronger, cleaner and fairer world economy.

2. It is in this context that I want to share with you my vision of our main accomplishments since the last MCM, the main emerging challenges and our strategy to move ahead.

3. My overarching goal in the past four years has been the “pursuit of relevance” for the Organisation. Beyond reinforcing our longstanding reputation for credible and sound policy advice, this means a consistent focus on our impact in an evolving global architecture.

II. Main achievements since the last MCM

4. In this past year, we have responded to the evolving situation posed by the crisis by: (i) refocusing our substantive work to address emerging challenges; (ii) improving our global outreach and; (iii) strengthening our internal functioning and management.

(i) Refocusing our substantive work to address emerging challenges:

5. The Organisation has stepped-up its work to address major global challenges and to be better connected to the policy agendas of our Member countries. Countries count on our advice and we have proven that we are a flexible institution that responds to unforeseen demands in a timely and competent fashion.

6. Highlights of our work after the last Ministerial include our analysis and contributions in the face of the crisis. The *OECD Strategic Response to the Financial and Economic Crisis* is a comprehensive and horizontal effort and has been, since 2008, the backbone of our work to help Member countries confront the impact of the economic downturn. Its substantive recommendations covered a wide range of policy tools, from monetary, financial and fiscal policies to bank regulation, trade and SME financing. Our response also included policy advice regarding the human and social impact of the crisis - including the organisation of a timely Labour Ministerial - which addressed the impact of the crisis on the most vulnerable.

7. We made relevant contributions to the global governance architecture, and particularly to the G8 and G20 processes. Thus our Member countries can participate in and may influence decisions taken at the global level to address the crisis. Although there is still much to be done to consolidate our presence as a full partner, the OECD has become a prominent player in these relevant policy fora. Following our active participation at the G8 Summits of Heiligendamm, Toyako and L'Aquila, our Organisation played a pivotal role in developing the “Whole-of-Government Instrument”, the “Accountability” exercise and the “Global Standard on Propriety, Integrity and Transparency”. The OECD was also requested to work and is delivering in various other areas, including investment, food security and taxes. In the run-up to the Muskoka Summit in Canada later this year, the Organisation is contributing to develop the methodology and statistical means to monitor G8 commitments on development, and is actively participating in the “Mother and Child Health Initiative” and other development related projects.

8. Last year, the OECD was invited for the first time to participate in the G20 Summit by U.S. President Barack Obama and to appoint an OECD Sherpa to participate in the preparations. In Pittsburgh, the OECD was requested to work on a broad range of issues, including fossil fuels, employment and social

policies, anti-corruption and development. We were asked to continue to monitor developments on investment, and to provide analysis on employment issues. The conclusions of our OECD Labour Ministerial became a valuable input for the first G20 Ministerial on Labour, which took place in Washington, D.C., in April this year, where the OECD was a useful and active player.

9. As the focus of policy makers shifts from crisis management to more structural issues in order to sustain recovery, we believe the OECD will have a greater role to play. We are invited to participate in the G20 Finance Ministers meetings, and are working closely with the Canadian and Korean G20 Chairs. We are also working with the Financial Stability Board on financial regulation and on information exchanges, and are supporting the Framework for Strong, Sustainable and Balanced Growth.

10. Another highlight of this past year includes our further work on climate change. Thanks to your 2007 mandate, we were ready and able to support worldwide efforts to phase out fossil fuel subsidies. It also allowed the OECD to work closely with the Danish Chair and to provide analytical support in the run up to COP15. We will continue to do so in the run-up to COP16 in Mexico, thanks to our expertise in areas such as economic modelling, financing climate change action, defining and measuring fossil fuel subsidies and promoting greener jobs. We have provided and will continue to provide least-cost policy options to our Member countries to address the challenge of climate change.

11. As part of the efforts to identify new engines for growth after the crisis, and in the context of the climate change challenge, a major highlight of 2009 was the mandate to develop the *OECD Strategy on Green Growth*, promoted by the 2009 Korean MCM Chair. This will help advance an agenda for strong growth with due care for the environment. Besides contributing to our global agenda, the *OECD Strategy on Green Growth* brings the additional benefit of strengthening our capacity to deliver on horizontal projects, as it involves experts from different parts of the Organisation.

12. We are also delivering on your mandate to develop an Innovation Strategy. Although it was started prior to the crisis, the *OECD Innovation Strategy* has become a crucial component of our *Strategic Response* and is an important contribution to put the world economy back on a sustainable growth path.

13. The crisis has highlighted the need for a comprehensive view of policy challenges. In addition to the Strategic Response, both the Innovation and the Green Growth strategies have demanded a further strengthening of our horizontal work inside the OECD. Horizontal approaches significantly enhance the productivity of OECD work, as they benefit from the wide range of expertise across directorates and committees. Such multi-disciplinary approaches will be extremely valuable in shaping future work.

14. We contributed to the Commission on Measuring Economic Performance and Social Progress, convened by French President Nicolas Sarkozy, given our long-standing and pioneering work on this issue.

15. In parallel to our work on these global challenges, we have also provided timely support to our Member countries in their domestic policy agendas. The proof of our relevance is the impact and influence we can have in policy-making. Since the last Ministerial, we have received the visits of many leaders who came to the OECD to discuss policy options in their countries. In 2009, we were visited by a total of 46 Ministers (excluding Ministerial gatherings) and hundreds of high-level officials. We were honoured to have hosted Hungary's Prime Minister György Gordon Bajnai, French President Nicolas Sarkozy and French Prime Minister François Fillon. Mr. Sarkozy and Mr. Fillon visited the OECD in the context of the International Conference on Access to Civil Nuclear Energy on 8-9 March, following a very welcome initiative by the NEA. On that occasion, Mr. Sarkozy dedicated the new OECD Conference Centre to "the co-operation and solidarity between nations for a stronger, cleaner, fairer world economy".

16. In order to be better connected to the specific needs and demands from our members and partner countries, I undertook 43 visits abroad since the last MCM, meeting 42 Heads of State and Government and 118 Ministers. These trips have allowed us to further develop our advisory role, providing targeted policy recommendations to our Member countries. Particularly relevant was our review of the New Growth Strategy of Japan. We are also currently renewing our recommendations to the Attali Commission in France and carrying out with Spain a thorough analysis of their high unemployment rate and the main challenges to promote its reduction. We also provided extensive comments on the 2020 Agenda of the European Commission at the request of President José Manuel Barroso and delivered this work directly to him during a visit to Brussels.

17. All this activity was part of a broader effort to upgrade our impact and improve our policy outreach. This has continued to be a cornerstone of my concerns. During 2009, I delivered 161 public speeches and our media presence increased by 64%, with more than 1000 original media mentions. We succeeded in raising the public profile and substantive visibility of the OECD through a more professional approach to public affairs and communications. We tested new tools of communication like our country brochures “At a Glance” (including on Japan, Spain, France, Greece and Mexico). They proved to be effective vehicles to present OECD’s work in high-visibility global fora, engaging in relevant discussions and policy debates where our expertise could provide value added. This is also reflected in the steady increase in the number and quality of events we held in the last year, including Ministerial meetings on agriculture and labour. At the same time, we have continued the promotion and dissemination of the regular work on issues where our policy recommendations are particularly sought after, given our expertise and credibility. The timely and well publicised release of our flagship publications, outlooks and reviews continues to be an effective recipe for relevance.

(ii) Increasing our global relevance

18. The OECD has strived to increase the quality and impact of its global outreach, although much remains to be done.

19. The enlargement process launched in 2007 is opening up the OECD to new Member countries. Estonia, Israel and Slovenia will soon join Chile to expand our Membership to 34 countries. Hopefully, Russia will not be far behind. These new Members will bring us new perspectives, and contribute to enrich our policy debate.

20. In 2007, our Ministerial Council Meeting also directed us to strengthen OECD co-operation with Brazil, China, India, Indonesia, South Africa and the region of South East Asia “through enhanced engagement programs with a view to possible membership”. Our work with these countries has since developed into a more recurrent, organised, predictable, structured relationship which has been defined by our Members as the single most important challenge to our future relevance.

21. Highlights of the past year include the *OECD Economic Surveys* on Brazil, China and South Africa (the latter to be launched in July), the Investment Review of India, the report on “Trends in South African Income Distribution and Poverty”, and the on-going work on investment policies in Indonesia. Various seminars and roundtables have allowed a growing exchange of best practices between OECD and Enhanced Engagement countries. This includes my participation in China’s Development Forum last March, where the OECD was given a prominent role. Besides our contacts with Enhanced Engagement leaders in G8 and G20 meetings, I also had the opportunity to visit Brazil, China and India during the past 12 months, meeting their Ministers and participating in events to present our reviews on relevant policy areas in the domestic context, as well as to focus on how deeper co-operation can help us achieve a sustained recovery from the crisis.

22. But global reach goes beyond Enhanced Engagement and participation in the “G” groupings. As requested by our Member countries, we have also boosted our co-operation with regional groupings, such as APEC, ASEAN, NEPAD or the Ibero-American Summit. For the first time this year, the OECD was invited as observer at the latter. Thanks to the leadership of Chile, Mexico and Spain, a Latin American Initiative was also launched, aimed at strengthening our collaboration with countries in the region on investment, access to public services, innovation and fiscal policy. Our co-operation with Middle East and North Africa (MENA) and with South East Asia has also intensified, with increasing adherence to OECD Instruments, full participation in OECD bodies and a number of OECD meetings hosted by countries in these regions.

23. The OECD Development Centre is playing an increasingly important role in helping the Organisation strengthen its global reach, through publications such as the *Latin American Economic Outlook*, the *African Economic Outlook* and the forthcoming *South East Asian Economic Outlook*, as well as through its expanding membership. Current membership of the Centre includes 24 OECD countries plus Brazil, Colombia, Costa Rica, Dominican Republic, Egypt, India, Indonesia, Israel, Mauritius, Morocco, Peru, Romania, South Africa, Thailand and Vietnam. Hopefully it will expand further to bring in other major emerging players like China, as well as the OECD countries which do not yet fully participate in the Centre’s activities.

(iii) Strengthening our internal functioning and management

24. We have continued to implement our programme of management and administrative reforms, consolidating the important progress achieved since 2006. This is essential to increase our operational effectiveness and our capacity to deliver, making the Organisation more relevant and responsive to Member countries.

25. Progress has included the establishment of the Working Party on Priorities that will lead to a better structured framework to discuss and define priorities in the context of the Programme of Work and Budget. Of particular relevance was the strengthening of an integrated system for finance and budgeting (BFMP) that will allow for higher accountability and more efficient management of our resources and our outputs in real time.

26. In addition, we have continued with the human resources reform, including improvements in the merit based recruitment and advancement policies, the update of the individual performance evaluation system, the simplification and clarification of staff categories, and the introduction of an updated Code of Conduct. We still need to progress on the gender and diversity issue. Altogether, these reforms provide a more complete, modern and responsive framework for our primary asset, our staff.

27. We have implemented a new information and communication technology strategy, including the deployment of new online services that have greatly facilitated interactions with and among Committee delegates and have improved the timeliness of OECD statistical outputs.

28. We have again started looking for solutions to the growing unfunded liabilities related to post-employment health care coverage. As time passes, liabilities grow and the solution becomes more difficult, especially in the current context of tight budgetary constraints. Having dealt with the broader pension issue, the site project and Part I financial reform, it is now most urgent to deal with the post-employment health care coverage. As a start, we should act swiftly to cap these unfunded liabilities, which now stand at an estimated 250 million Euros and, if not addressed, are accumulating at a rate of 14-15 million Euros per year.

29. We also need to address the issue of the financing of Part II programmes which so far has proven elusive and divisive. The lack of progress in this regard threatens to inflict serious damage to a number of substantive programmes.

III. Main Challenges Ahead

30. We have many challenges ahead. We need to continue to strengthen our substantive work, upgrade our global presence and increase the impact of our analysis and policy recommendations. These are the conditions to enhance our relevance in the world governance, while maintaining our high standards.

31. We will have to do this in an extremely difficult context. Our member countries will be facing for years to come slow growth, high levels of unemployment, huge budget deficits and record public debt. This will impact not only the priority areas we need to tackle, but will also accentuate our budget constraint. Indeed, while the financing reform of 2008 restricted the Part I budget to zero real growth, there may now be the additional risk of decreasing voluntary contributions. Therefore, reallocations and budget flexibility will have to be built into the Programme of Work and Budget to respond to unexpected or additional demands.

(i) Strengthening our substantive work

32. We need to maintain, consolidate and deepen the Organisation's core work by providing our Member countries with high quality and evidence-based policy advice to help them address common challenges. We will thus continue our surveys, outlooks, benchmarking and peer reviews in crucial policy areas, including social policies, environment, investment, governance, agriculture, innovation, green growth, education, tax, etc. Our work to ensure an open trade and investment climate as well as fair competition is especially relevant to counter the growing calls for protectionism. These are the traditional areas of the OECD work and where much of its unique value-added lies.

33. But there are also key areas where our work will need to be strengthened and further developed. The OECD needs to help our countries face the financial, economic and social crisis with its labour, human and migration dimensions, as well as to recover fiscal sustainability in their transition from a policy driven recovery to self-sustained growth. Countries will have to adopt and communicate credible medium term strategies combining measures for fiscal consolidation and structural reforms that will boost growth. Tight budget constraints will increase the need for careful selection of spending cuts and tax increases to protect growth enhancing expenditures and adopt growth friendly tax measures. As OECD work has shown, structural reforms support growth through several channels. Their impact, however, may take time to materialise. This reinforces the need for a medium term perspective in designing and implementing policy programs. This also requires staying power, leadership and political courage. The OECD must stand ready to support reform-minded countries in this crucial moment.

34. Governments need to become more effective in providing public services. That is one area where the OECD will have to focus its efforts in the next few years. By doing so we will help our Member countries face growing inequalities resulting from the crisis and protect the most vulnerable. Supporting reforms of public administrations, improving ways to address unemployment, adapting health and pension systems to address the impact of ageing and improving spending efficiency, will remain on top of policy makers' agendas. Our work should mirror and accommodate these needs. It thus must include work on better regulation, transparency, governance, competition; human capital (education, health, social services, labor, gender) as well as demography (migration, pensions, ageing).

35. Corporations also need to improve their business conduct to restore confidence in markets. Our work to update the Guidelines for Multinational Enterprises is thus very important, as well as our new peer reviews in corporate governance. Enhanced Engagement countries should be actively involved in both.

36. It remains essential to deepen our work on new sources of growth, primarily on Innovation and Green Growth. Our capacity to innovate will improve our prospects for higher growth and productivity, while being instrumental in addressing the growing concerns around “scarcities”, including food, energy, water, land and environment. The implementation of the *OECD Innovation Strategy* will thus be of paramount importance in this context.

37. In all likelihood, the OECD will continue to be called to help address global challenges, including in relation to the G20’s agenda. This may involve common goals for development policy, the issue of capacity and governance, the importance of open and transparent investment regimes, and options to address climate change and other environmental issues in developing and emerging countries.

38. The crisis has also accelerated the speed at which the global governance architecture has to be updated and revamped. To become a “natural” player in the context of this new global architecture is essential to our success. This is a way for all our Member countries to weigh in the decisions that will be taken on global issues and influence the whole context of crisis resolution. But to do so, we need a stronger support from OECD members, to make sure our recommendations are requested, acknowledged and adopted. The search for relevance in national and global issues cannot be a matter of the Secretariat alone. To be successful and meaningful, it has to be shared by our members at the political level. Thereafter, the technical work by Committees and Directorates can produce the desired deliverables.

39. We also know that governments want to leverage the comparative advantages of each international organisation. To further this goal, I proposed the creation of an Observatory [or Network] for Policy Coherence, bringing together international organisations to improve consultation and exchange of information between us. By increasing coordination, cooperation and coherence, the Observatory would make sure that leaders will get the best possible advice. What I have in mind is not a new institution, nor more bureaucracy, but rather a stronger, more coordinated way to explore synergies and better co-operate among inter governmental organisations in order to give clearer and louder messages on selected issues of special relevance. A sort of cross-pollination of ideas for the benefit of our member countries.

40. Our membership is not universal. Thus, to remain relevant, we need to be global and inclusive when analysing issues and proposing solutions.

(ii) Enhancing our global presence

41. We need to continue to enhance our global presence, both through our Accession and Enhanced Engagement initiatives, but also by strengthening relationships with other countries in South East Asia, Africa, Latin America, MENA and Europe. This will allow us to participate in the search for solutions for the world’s economic, social and environmental challenges, while becoming a natural, reliable partner in the global governance architecture.

42. The economic and financial crisis has reinforced the secular trend towards a major re-balancing in favour of large emerging economies. This means adjustment challenges in OECD countries. While there are growing calls for protectionism, the OECD should continue to emphasise the need for open markets, the deepening of the reform process, and the need to seize the opportunities provided by innovation and a green economy to move up the global value chain.

43. This shift also brings a host of opportunities. Increasing flows of trade, investment, technology, ideas, people, are creating and spreading wealth at a very fast pace. This, in turn, is creating a historical

convergence of interests among all countries, developed and emerging, around predictable and stable rules and standards to facilitate, consolidate and govern the global economy. The OECD can play a major role in informing discussions and facilitating agreement on these rules and standards.

44. In fact, if the OECD is to remain the house of good practices, we need to reinforce our links with key emerging economies which bring very valuable lessons to the table, without compromising our values or diluting our standards. Working with these countries is essential to find common responses to global challenges. This is all the more important as we face the consolidation of a new global governance architecture, in which both developed and emerging economies have an important role to play. But, clearly, our success in this endeavour depends crucially on the commitment and support of our own Member countries to this concept. It also depends on the interest of and response by the Enhanced Engagement partners themselves to our offers for further co-operation.

45. Much has been accomplished since the Enhanced Engagement Initiative was launched in 2007. Now, after three years, we need a “Quantum Leap” to improve the quality, the depth, the breadth and the level of trust with our Enhanced engagement partners. We must create what P.M Gordon Brown described as a “comfort zone” with Enhanced Engagement countries, both bilaterally (MCM, ECSS, Committees) and in multilateral fora such as the G8, the G20 and the many specialised high-level and Ministerial meetings where we participate.

46. This “Quantum Leap” does not necessarily mean a fast track for Membership, but it does suggest that we need to significantly upgrade our work with those countries, as well as their integration into our analysis. It also calls for a much more proactive role of the OECD to support these countries’ efforts to consolidate their own development paths. We must therefore seek to develop agendas that are of joint interest and to upgrade our dissemination efforts, contacts and presence in Enhanced Engagement countries, including through having OECD officials located in some capitals.

(iii) Increasing relevance and impact

47. Finally, in pursuing all of the above, I intend to redouble efforts to increase our impact. “La raison d’être” or, in other words, the relevance of the OECD is to a large extent determined by how much its analysis, its recommendations and its standards can influence policy-making, policy implementation and policy outcomes in Member and partner countries. Therefore, the OECD’s ultimate goal is not only to identify problems, measure them, compare them and propose policy solutions, but about making reform happen and evaluating the outcomes. This will enhance the OECD’s relevance and credibility. The ultimate criteria for the OECD to claim success should be whether its participation makes a difference.

48. The question of communication and dissemination of our work and its impact on the policy debate needs to be addressed strategically to make the most out of it, including through the design and delivery of new outputs. To this end, we might want to develop an “external visibility and communications roadmap” based on ongoing reflections on this topic within the Organisation and the Council. We also need to be more systematic at rolling out and translating our reports into other languages. If we aim for greater awareness and influence, country specific work should be translated into the local language, with due care to sharing related costs.

IV. Other substantive priorities to be enhanced going forward

49. As we consolidate our achievements of the past years and tackle current and future policy challenges, I would like to highlight six specific areas of increased priority, where we have a comparative advantage and where our expertise can prove instrumental to global efforts:

- a) development;

- b) green growth;
- c) skills;
- d) gender;
- e) measuring progress;
- f) anti-corruption.

Development: changing our perspective, our paradigm and our strategy

50. Many of the Gleneagles and the Millennium Development Goals seem out of reach. The global financial and economic crisis has at best stalled and more likely set back earlier progress. Our development work thus merits a new impetus and renewed focus.

51. Development is an integral part of the OECD's overall mission to build a stronger, cleaner and fairer world economy. The OECD has a rich policy experience to share and has established mechanisms that help countries learn from each other, on the one hand, and enhance development co-operation, on the other.

52. Our culture of "policy sharing" could be combined to support a broader agenda for development, which would integrate mainstream OECD policy areas such as trade, investment, environmental sustainability, good governance, social progress, taxation, gender inequality and education. This agenda could also include tools to allow us to better interact with emerging and developing countries and incorporate their perspectives in our work.

53. We will work on this new strategy while continuing to be the reference institution for development assistance, monitoring commitments and aid effectiveness. We also need to go beyond measuring inputs and should focus more on measuring impact, outputs and results of development co-operation efforts. We will also continue to focus on the challenges of the lowest income countries and those with fragile governance.

Green growth, Green Jobs and our contribution to climate change

54. The *OECD Strategy on Green Growth* will remain a priority until its scheduled delivery at the 2011 MCM and probably beyond, as it may shape future work streams. We may want to focus on overcoming obstacles to green growth (including by eliminating environmentally harmful subsidies and reviewing taxation regimes, inefficient regulatory interventions and trade barriers), as well as on implementing new policies and regulatory frameworks to foster a shift out of inefficient and polluting consumption and production patterns.

55. We need to develop policy options that combine financial support and specific training for the unemployed to help their transition towards green jobs. We should also propose ways to use revenues generated by carbon taxes and emission-trading schemes to maximise their aggregate employment effect.

56. The OECD is well-positioned to develop policy recommendations to facilitate international investment in low carbon goods and services, clean technologies and infrastructure, while preventing "green" policies from being used for protectionist purposes. We will continue to work on climate change negotiations, the crucial financing issues and on adaptation, while strengthening our G20 work on fossil fuels' subsidies.

Skills and Knowledge as catalysts for a new economy

57. Value chains are globalising and changing at a rapid pace, with increased emphasis on knowledge as a driver of value and competitiveness. New skills, competencies and qualifications will be needed, generating enormous adjustment pressures as regards labour markets. We already observe an important change in policy focus from “life-long employment” to “life-long employability”. To make this happen, “lifelong learning” will be one of the most important features in the successful economies of the future. This has great consequences, not only for our education and vocational training systems, but also for other policy domains.

58. It is important that we better equip ourselves at the OECD to advise countries on the role of knowledge and skills in the structural adjustment process following the crisis, the adaptability of labour markets, global competitiveness, entrepreneurship and innovation policies, and the generation of green jobs. This crucial horizontal endeavour would build naturally on our Innovation, Jobs and Green Growth strategies.

59. Based on the mandate of our Labour Ministerial, the OECD Skills Strategy will mobilise and develop intelligence about national supply chains from the acquisition and development of skills and competencies, through their utilisation in labour-markets and societies more broadly. This will be crucial for all concerned actors, including individuals (workers, students, and parents), employers, education providers and government agencies.

60. An OECD Skills Strategy would focus on the following four pillars:

- helping governments to identify and assess essential skills and factors driving the evolution of skill demand;
- improving the match of demand and supply of skills;
- ensuring that skills are developed in effective, equitable, efficient and sustainable manners;
- building coalitions of governments, the business sector and social investors and find sustainable approaches as to who should pay for what, when, where and how much.

Gender inequalities: women’s economic empowerment in the future world economy

61. The crisis made it even more obvious that failing to realise the full potential of women carries a huge economic and social cost. Going forward, wasting the potential for women to contribute to economic growth and progress will no longer be an option.

62. Enabling women to fully participate in labour markets and contribute to economic development will promote prosperity and stability, reduce child poverty, help address the pressures of population ageing and increase productivity.

63. In most parts of the world today, women don’t reach their full economic potential. Policies to correct this problem would boost both economic efficiency and equity. Achieving equal gender opportunity, however, remains a huge challenge. Gender inequality has many roots, including cultural, legal and economic factors.

64. Thus, I intend to propose a horizontal initiative on the role of women in the economy. This project would identify the main barriers to gender equality in most OECD countries and other regions of the world. It will assess the experience with policies to address these barriers. It will identify good

practices and propose a toolkit of policy measures countries could adopt to reduce the gender gap, in particular in the areas of education, employment and entrepreneurship. It would benefit from the multidisciplinary of our Organisation, its capacity to do country comparisons and develop policy advice based on peer learning and peer pressure. This could become one massive contribution to the world of the future, way beyond our crisis-related concerns of today.

Measuring Well-being and the Progress of Societies

65. For a number of years, there has been evidence of a growing gap between the messages conveyed by macro-economic statistics such as GDP and people's perceptions about their own economic conditions. While this gap has already been evident for some time, the financial and economic crises have amplified it. This sentiment is damaging not only for the credibility of official statistics and public policies but for the very functioning of democracy.

66. The work conducted by the OECD for more than six years in the context of the Global Project on Measuring the Progress of Societies, the Report of the Commission on the Measurement of Economic Performance and Social Progress, convened by President Sarkozy, the EU recommendation on "GDP and Beyond – Measuring progress in a changing world", among other analytical work, suggest that a broad range of measures is needed to be used alongside standard economic measures to better assess people's well-being. The perspective of individuals and households has to be reflected to better capture people's quality of life. Indicators of sustainability are also required to assess whether well-being and progress can last over time.

67. Building on existing indicators, the OECD is well placed to take a leading role in the implementation of this new measurement agenda and link it to public policies. By decision of President Sarkozy himself, the follow-up of the Commission will be hosted at the OECD, which is also an acknowledgement of our role in this issue. A number of our member countries consider this agenda crucial for their future growth strategy. We will thus continue to deepen our work in this area.

An anti-corruption strategy: the OECD as the standard setter

68. An integrated anti corruption strategy would allow synergies among OECD instruments, increasing their coherence and strengthening their monitoring. It would also reinforce and increase the visibility and impact of the OECD work and instruments for fighting corruption, as was the case of our work on taxes.

69. Fighting corruption needs a comprehensive approach. The OECD with its Anti-Bribery Convention plus a host of other tools and bodies, should strengthen its role in all the relevant aspects of corruption, focusing on immunity, prevention and elimination.

- First, on Immunity: Government systems must be corruption resistant. OECD strengths are in administrative simplification, public financial management, electronic-government, clean procurement systems, managing assistance, investment approval procedures, civil service systems.
- Second, on Prevention: Our government and corporate prevention programs deal with transparency, conflicts of interest, accountability, audit, export credit monitoring, taxation, lobbying, asset disclosure, public sector integrity, Guidelines for Multinational Enterprises and aid effectiveness.
- Third, on Elimination: We're best known for the Convention against foreign bribery. We have also moved into new areas with the latest Recommendations on fighting bribery under the

Convention. They include new measures to prevent, detect and investigate foreign bribery such as provisions for combating small facilitation payments, protecting whistleblowers and improving communication between public officials and law enforcement authorities.

70. Thus, in order to make our work more visible and effective, I propose to connect and structure the work we already do through a horizontal project including different directorates, and senior policy makers in the Centers of Government. Such a strategy would aim at a policy-oriented, anti-corruption framework along the lines of the Policy Framework for Investment.

71. This project would support both the initiative of the Italian Chair of this year's MCM on Propriety, Transparency and Integrity and the more recent U.S.-inspired anti-corruption initiative in the realm of the G20

72. Our current work already covers many or most aspects of these six substantive priorities, but they all call for a more "holistic" or integrated approach, and thus for improved horizontal co-operation within the Organisation. An increasing number of policy challenges are multi-disciplinary in nature. We thus need to improve significantly our capacity to run horizontal projects. A sort of "Quality Leap" towards better coherence. This has management, budget and governance implications. We must draw lessons from our own successful experiences such as the Strategic Response to the Crisis, the Jobs Strategy and the Innovation Strategy.

73. If Ministers agree that they have merit, these horizontal projects would be discussed in the relevant committees and within the Program of Work and Budget. Increased priority on these issues may entail finding areas for decreased priority in others, depending on the respective budgetary implications.

V. 50th Anniversary: celebrating best practices

74. Finally, a major feature of next year's work will be the celebration of our 50th Anniversary. This will certainly provide an occasion to communicate and showcase our achievements and contributions during the last half century. Most important, it is a golden opportunity to reflect on our ongoing work and future challenges, positioning the OECD as a club of best practices in the pursuit of a stronger, cleaner and fairer world economy.

75. The anniversary occurs at a time when there is a growing realisation of the need to strengthen and deepen international co-operation. Building on the outlined premises of enhancing our coverage, strengthening our substantive work on emerging challenges and focusing on relevance and impact, we need to maximise the opportunity the 50th Anniversary offers in terms of communicating our value added. We must also place the reflection surrounding our celebration in the context of the ongoing re-design of global governance, highlighting how our multi-disciplinary expertise, peer learning process and experience in identifying best practices can contribute to coherent, integrated approaches to address the most pressing global challenges.

76. A comprehensive approach to our 50th Anniversary celebration, from December 2010 to September 2011, will encompass a series of substantive events and debates, both at OECD headquarters and outside. Specific events in OECD Member countries, including the launch of some of our flagship publications, can bring us closer to the citizens of such countries, particularly at times when the design and/or implementation of reforms are underway.

77. These actions will enable us to anchor the anniversary into a substantive discussion about the present and future role of the Organisation. The 2011 MCM will undoubtedly be an important milestone for the commemorations, coinciding with the French Presidency of the G20. We are also preparing a

special Anniversary publication highlighting OECD's work and its role in improving the functioning of the world economy.

78. 50 Years of OECD will involve celebration of the past, reflection on the present and focus on the future on the basis of close co-operation, support and engagement of OECD Member states and a growing number of non-members, including in a very special way our Enhanced Engagement countries. It will also be an opportunity to go a step further in facilitating a closer, more functional relationship between the Secretariat, the Council and the Committees, as we all coordinate and contribute to make these celebrations a success. Together, we must use this unique milestone to define the role we want to play in the coming 50 years.