STATEMENT OF THE CHAIR OF MCM 2018

On 30 and 31 May 2018, the 2018 OECD Ministerial Council Meeting (MCM) met under the Chairmanship of France and the Vice-Chairmanships of Latvia and New Zealand to discuss “Reshaping the foundations of multilateralism for more responsible, effective and inclusive outcomes”.

All Members congratulated Colombia and Lithuania for the successful conclusion of their accession process and the signature of their accession agreements to the OECD. They looked forward to welcoming them as full Members of the OECD.

It is the understanding of the Chair that a consensus minus one among Members was reached on the following statement:

- They recognise the importance of multilateralism as a factor for shared peace and prosperity by enhancing dialogue and international cooperation. It has recently paved the way for concrete advances in different areas and in institutional settings: the Paris Agreement, the adoption of the 2030 Agenda and the Sustainable Development Goals (SDGs), the WTO Agreement on Trade Facilitation, the results of the G20 in many areas, and with the OECD, the reforms of the international tax system, such as the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), and the Global Forum on Steel Excess Capacity.

- They share the conviction that multilateralism is the most effective mode of international cooperation to address global issues, preserve public goods, level the international playing field and contribute to the search for common, sustainable and ambitious solutions to today’s challenges.

- Nevertheless, they also recognise the need to remedy some of its limitations and shortcomings with a view to make it more effective and responsive. Today’s global economic, social, labour and environmental challenges call for a renewal of the ambitions, methods and instruments of multilateral action.

- In this “reshaping of the foundations of multilateralism”, they reaffirm that the OECD must play its part. They are confident in the role of the Organisation to contribute to the development of the world economy, as mentioned in the OECD Convention, which expresses Members’ collective determination to promote the highest sustainable growth and improve the economic and social well-being of their people by cooperation and consultation. Today, the Organisation’s evidence-based analysis, peer learning and peer review approaches, coupled with its links with other global fora, can help Members and Partners build a better multilateralism, with targeted, effective, pragmatic and innovative solutions to global challenges. They call on the OECD to step up its engagement to: (i) produce evidence-based policy recommendations; (ii) promote a level playing field including through high-quality standards and spreading best practices; and (iii) support multilateral fora to deliver practical results.

### 1. Fostering more inclusive growth and addressing inequalities within countries

- They are convinced that increased productivity, continued economic growth and providing fair opportunities for all are the most effective means to raise prosperity and well-being. This growth should be strong, sustainable, balanced and inclusive. Further structural reforms, supportive macroeconomic policies, along with open markets and increased trade are key engines for growth and job creation, but may not be sufficient to create good quality jobs and enable well-being for all.

- They support further efforts to address the growing inequalities in many countries, and to work towards ensuring that globalisation leaves no-one behind. They recognise the role that multilateral action and cooperation play to help promote inclusive growth and sustainable development and improve national public policies. They wish to make progress in advancing productivity and inclusiveness simultaneously, along three pillars of action: (i) promoting opportunities that foster economic and social mobility, including for the most vulnerable; (ii) efficient and fair tax and transfer systems that incentivise and drive growth that benefits all; (iii) open and efficient markets that also encourage responsible business conduct and enable growth that works for all.

- They welcome the OECD new Framework for Policy Action on Inclusive Growth and its application through relevant cross-disciplinary analysis and country-specific studies in interested countries. They ask the OECD to provide recommendations that promote inclusive growth at the global and domestic levels. They ask the OECD to continue efforts in evaluating the private sector’s contribution to inclusive growth, and if appropriate to design new indicators in this respect, as well as to research the effect of business practices on inclusive growth.

- They welcome the outcomes of the OECD Ministerial Conference on Social Policy, and the ambitious future work that Ministers invited the OECD to consider carrying out in this area. Faced with globalisation, technological progress, population ageing, increasing inequalities in many countries, changes in the world of work and in the
household structures, many social protection systems will need to be modernised and provide people with the necessary support.

- They welcome the OECD’s New Jobs Strategy, which provides a framework and recommendations to assist countries in addressing growing income inequalities and low productivity growth as well as in achieving stronger labour market performance for both men and women, in the context of the digital transformation, globalisation and demographic changes. They support the Strategy’s call for monitoring progress in implementation.

- They recognise that social dialogue lies at the heart of these transformations, and note the importance for some of their countries of the Global Deal initiative, carried out in cooperation with ILO. They take note of the recommendations set out in the Statements by the BIAC and TUAC for this MCM.

- They welcome the OECD Ministerial Conference on SMEs which marked an important moment for sharing good practices across countries and in informing a forward-looking, global policy agenda on SMEs and entrepreneurship. They welcome its Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth.

- With a view to promoting the highest sustainable growth and employment, they encourage the OECD to continue deepening its work on productivity to support Members in accelerating productivity growth and to place the economic and social well-being of people at the centre of its work. They recognise that the OECD provides an important platform for multilateral discussions in the following areas that have not yet received sufficient attention:
  
  - Even though major progress has been made in regulating the financial sector since the 2008 crisis, they ask the OECD to develop its analysis of public policies that could encourage further development of the financial system in ways that promote inclusive growth.
  - Children’s well-being is a key element of inclusive growth. Almost one child in seven faces poverty in OECD member countries. They therefore welcome the OECD’s work on preventing inequalities in early childhood, including through education and care, and encourage it to continue to study this theme in collaboration with other international organisations.
  - Education and training policies must equip citizens with the knowledge and skills they need to live in a society undergoing digital transformation and changing nature of work. They encourage the OECD to continue its PISA and Program for the International Assessment of Adult Competencies (PIAAC) assessments, to develop its analysis of the high-level cognitive skills that are most in demand in the international competition for skills and talent, to strengthen its work on financial education and digital skills and to continue its work on lifelong learning as well as on the future of education and skills. They also call on the OECD to pursue work on learning performance in developing countries, including through PISA for Development. In this context, they recognise that providing girls with access to quality education and learning is crucial to promoting gender equality and inclusive growth.
  - They recognise that progress towards universal access to preventive and quality health care is important in reducing inequalities and they support a One Health inter-sectoral approach. They encourage the OECD to develop its work on sustainable access to quality healthcare and innovative therapies, as well as on person-centred and value-based care and health systems and the socio-economic impact of physical activities and healthy nutrition.
  - They recognise that access to affordable, sustainable and quality housing is essential to promote inclusive and sustainable growth. They encourage the OECD to strengthen its work in this area with a view to developing a comprehensive approach on housing markets and policies.
  - They acknowledge the crucial role played by quality infrastructure with open and fair access in achieving inclusive and sustainable growth. They support the OECD in its project aimed at identifying policies for promoting investment in such infrastructure, especially focusing on sustainability, including policies to create an adequate, regulatory, tax and competitive environment that also ensure integrity in investment.

- They await with interest the findings of the Horizontal Project “Ensuring the Effective Integration of Vulnerable Migrant Groups” and they encourage the OECD to continue its work on monitoring migration movements and promoting effective integration policies.

- They reaffirm that gender equality is first and foremost a human right, but it is also an engine for economic development as well as a driver of socio-economic participation and social cohesion. They welcome the report “The Pursuit of Gender Equality, An Uphill Battle” and encourage the OECD to integrate gender perspectives in all its work, including, for instance, by providing gender-disaggregated data throughout its statistical system. They acknowledge that slow and/or uneven progress has been made at the global level in narrowing the gaps between men and women, which in some countries have even grown wider. They therefore commit to reinforce their efforts to address persistent inequalities, including by adopting comprehensive plans and measures to mainstream and improve gender equality in line with the OECD Gender Recommendations.
2. The opportunities and challenges of the digital economy

- They agree that the digital transformation is bringing about fundamental and rapid changes which are a source of opportunities and challenges for all countries. They encourage the OECD to assess the impacts of this transformation and provide policy recommendations to help ensure broadly-shared productivity gains. They welcome the interim report on the Horizontal Project “Going Digital: Making the Transformation Work for Growth and Well-being” and ask the OECD to leverage its analysis and recommendations in follow-up work and activities during 2019 and 2020.

- They recognise that the digital economy brings enormous benefits for consumers, through innovative new products and increased choice and competition. However, the benefits will not be fully realised unless governments take account of aspects of digital activities which can also create barriers to entry to, or reduce competition in, the digital economy. Increased relevance of network effects and economies of scale in digital sectors grant in some cases strong market power to a limited number of firms. Competition authorities need the right tools to intervene if there is evidence of these firms abusing their dominant position or restricting competition. In particular, they recognise that the digital transformation creates new issues for the interpretation and application of competition law and that these laws may need to be adapted. Given the intrinsically cross-border nature of the digital economy, they also recognise the need for close cooperation between competition authorities. They commend the efforts made by the OECD to promote such cooperation.

- They agree that increased cooperation to share analyses and best practices, provide guidance, develop standards, build trust and confidence in the online environment and minimise barriers to digital trade will help to ensure an open digital economy. In light of the incoming November report, they urge the OECD to pursue multistakeholder discussions on the possible development of principles that should underpin the development and ethical application of artificial intelligence in the service of people. They also ask the OECD to examine the possibility of designing principles to support open innovation in convergent technologies and in particular its application to neurotechnologies.

- Furthermore, they encourage the OECD to step up its work on blockchain and related technologies, particularly with regard to non-crypto-assets applications, which can enhance the efficiency of transactions, identify the ownership of digital services and physical goods, and therefore help ensure, for example, the responsible conduct of firms in their supply chain. This work could include consideration of the uses of blockchain to improve government policies and programmes, questions concerning blockchain products and blockchain systems, including building trust in that technology, and the treatment of blockchain financial products in coordination with other international organisations currently working on this issue. This begins by research, fact finding and analysis, with a view to reaching commonly-agreed policy guidance, as appropriate, to support innovation while minimising major risk factors.

- They recognise that the sharing and use of data, including its cross-border flow, is fuelling the digital transformation, international trade and economic growth, and increasingly driving countries’ research, science and innovation systems. Data flows and free and open access to the internet are of major importance for the future of trade and for competitiveness, growth and job creation. They welcome work currently being pursued by the OECD to consolidate existing instruments and consider the further development of an instrument on access to data, which is adapted to the opportunities and challenges of today’s data-driven economy, and welcome ongoing OECD’s work on cross-border data flows. They support the free flow of information while respecting applicable legal frameworks for privacy, data protection and intellectual property rights, including against illegitimate source code disclosure. They recognise that these issues require further research, analysis and sharing of experiences by the OECD with a view to providing mutually-agreed solutions in the future.

- Lastly, threats to digital security and malicious cyber activity are becoming increasingly common, with serious implications for Governments, individuals and private organisations. Strengthening the stability of the digital environment is a major and common issue for achieving prosperity and economic and social development. It is important to strengthen digital security measures for the entire supply chain, including taking into account the progress of Internet of Things (IoT). They intend to make additional efforts to reduce risks to digital security and to ensure confidence in the global digital ecosystem. To this end, they are committed to developing policies responsive to the changes in the digital world and consistent with the potential specific responsibilities of some actors from the private sector. They therefore call for the OECD to examine how to best devise public policies to improve digital security, as well as the roles and responsibilities of different actors in digital security and to share best practices with a view to devising possible recommendations that cover issues such as codes of conduct developed by and for companies. They welcome the recent establishment of the Global Forum on Digital Security for Prosperity, look forward to its inaugural meeting and follow up work and would welcome further coordination between the Global Forum and key partners, such as in the G20.

3. Acting to combat illicit flows and corruption
- They are aware that the interconnectedness of the global economy calls for enhanced multilateral action to combat corruption as well as organised criminal networks, illicit trafficking and illicit financial flows which relate to illegal activities. They support the work of existing OECD networks and other international organisations which lead on this issue which bring together enforcement authorities to combat corruption and organised crime at the international level. They welcome the work of the OECD Task Force on Tax Crimes and Other Crimes which encourages inter-agency cooperation on these matters and is continuing to strengthen and expand capacity building programmes in Partner economies. They further acknowledge the important role of the OECD International Academy for Tax Crime Investigation in Italy in this regard. They also acknowledge the importance of the project of the Africa Academy on Tax and Financial Crime Investigation in Kenya.

- Acknowledging the Financial Action Task Force’s (FATF) leading role in combatting illicit finance, and its role as the global standard setting body for anti-money laundering and combatting the financing of terrorism (AML/CFT), they recognise that illicit financial flows (IFFs) also reduce the resources available for domestic investment and sustainable development. They welcome the report on ‘Illlicit Financial Flows: The Economy of Illicit Trade in West Africa’. They call upon the OECD to further cooperate with the FATF to ensure meaningful and mutually supportive work to the shared challenges posed by illicit finance.

- They welcome the work of the OECD Task Force on Countering Illicit Trade, and encourage the finalisation of guidelines to promote transparency in free trade zones. They invite the Task Force to step up efforts to combat illicit trade and to reduce the potential scope of action of criminal networks involved in human trafficking, as well as the smuggling of migrants, the trafficking of protected species, counterfeit goods and cultural heritage.

- The fight against corruption plays an essential role in ensuring fairer globalisation. They underline the importance of promoting full implementation of the OECD Anti-Bribery Convention, and enforcement by all of its Parties of their foreign bribery laws implementing the Convention in order to ensure transparency and a level playing field. They recognise the importance of convincing non-Parties who are major exporters and foreign investors to join the Working group on Bribery and adhere to the Convention. They look forward to the completion of the review of the 2009 Recommendation on bribery with a view to strengthening the implementation of the Convention.

- The OECD must adopt a more comprehensive approach to fighting corruption, mobilising all relevant instruments, including for public procurement, and public policy bodies, including authorities for tax, public governance, competition, development aid, trade and financial markets while reinforcing synergies with other international organisations. It is with this in mind that they welcome the development – with the support of the United Kingdom and Australia – and application, in line with existing mandates, of the strategic approach to fighting corruption and promoting integrity, which answers the call on the OECD in 2016 to adopt a more coherent approach to its work in combating corruption. These efforts may usefully be complemented through the development by the OECD of improved statistics and data to measure of corruption.

4. Fairer international taxation

- They recognise the essential role played by the OECD in promoting an effective multilateral approach based on cooperation in the field of taxation. Work on exchanging information and on preventing Base Erosion and Profit Shifting (BEPS) has helped jurisdictions to address large-scale tax avoidance and evasion.

- They welcome the broad adoption of international instruments developed and established by the OECD, such as the Convention on Mutual Administrative Assistance in Tax Matters, and the new and ground-breaking Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, which shall enter into force on July 1st, 2020. This has been an inclusive effort, with a new institutional organisation currently bringing together on an equal footing 150 jurisdictions in the Global Forum on Transparency and Exchange of Information for Tax Purposes, and 116 jurisdictions in the Inclusive Framework on BEPS. They encourage intensifying the inclusion of developing countries in the tax transparency and BEPS Agenda, so they can participate on an equal footing in efforts to tackle international tax avoidance and evasion. The inclusion of many developing countries in the OECD’s work on revenue statistics, now covering over 80 countries in total, is important for providing objective and comparable data to effectively mobilise and use domestic resources and to help achieve the SDGs.

- They welcome the interim report of the OECD/G20 Inclusive Framework on BEPS on the tax challenges arising from digitalisation. They note the OECD’s analysis regarding interim measures. They are committed to work together to seek consensus-based solutions to uphold fairness in taxation and to avoid the risk of tax base erosion. They also note that the Inclusive Framework on BEPS would carry out this work with the goal of producing a final report in 2020, with an update to the G20 in 2019. They encourage efforts to improve tax certainty, including through the practical tools for the prevention and efficient settlement of cross-border tax disputes. With respect to tax transparency, the OECD will develop recommendations on how to further strengthen the criteria for assessing jurisdictions’ compliance with internationally agreed tax transparency standards, which are expected to be presented to the G20 Finance in July 2018.
They welcome the OECD’s role in and contribution to the work of the Platform for Collaboration on Tax. They note the Platform’s first conference this year and its commitment to the G20 to develop a workplan by the Annual Meetings, and deliver a progress update by 2019. They support technical assistance on tax carried out by the OECD in developing countries, including through the Global Forum and Inclusive Framework and through the OECD/UNDP Tax Inspectors Without Borders Initiative, the aim of which is to help developing countries build capacity to audit effectively.

5. International trade and investment for strong and inclusive growth

It is the understanding of the Chair that:

- They are strongly attached to the benefits of open international trade and investment for growth, productivity, innovation, job creation and development, and the importance to promote a level playing field alongside with market openness and international economic cooperation to preserve and enhance those shared benefits.

- They agree on the crucial role of a rules-based, open, free, fair, transparent and inclusive multilateral trading system, with the WTO at its centre.

- They reaffirm their commitment to keep their markets open and continue to fight all forms of protectionism, while standing firm against all unfair trade practices, and the recognition of legitimate WTO-compliant trade defence instruments in this regard.

- They reaffirm the need for the international community to deliver on the WTO call for reciprocal and mutually advantageous arrangements directed to the substantial reduction of trade barriers and to the elimination of discriminatory treatment in international trade relations.

- They reaffirm their common determination to deepen cooperation within the OECD and with non-OECD countries to ensure the effective and timely enforcement of the multilateral trading system and to improve the functioning of the WTO with a view to strengthening its negotiating, monitoring and dispute settlement functions, notably by filling all current and future vacancies on the WTO Appellate Body.

- They recognise the importance of open trade and investment for economic growth, and, at the same time, that globalisation has not benefited everyone. They stress that they need to strengthen international economic cooperation to help level the international playing field and promote trade and investment. Accordingly, they welcome the call for an integrated policy approach in the OECD’s 2017 report on Making Trade Work For All, with a more modern, comprehensive and coherent package of trade, domestic and international policies in order to make the whole system work better for more people, and encourage the OECD to continue work in this field. They also support the OECD’s work on digital trade, which is of crucial importance in the years to come. They emphasise the importance of continuing to balance on-going efforts to provide an evidence-base to inform better trade policies in line with established priorities, while at the same time calling for new analysis, on an urgent basis, to address current trade policy concerns related to distortions in international markets that contribute to global over-capacity in some sectors.

- They share the view that severe excess capacity in key sectors such as steel and aluminium are serious concerns for the proper functioning of international trade, the creation of innovative technologies and the sustainable growth of the global economy. This is exacerbated by government-financed and supported capacity expansion, unfair competitive conditions caused by large market-distorting subsidies and state owned enterprises, forced technology transfer, and local content requirements and preferences. To address this critical concern, they agreed to enhance cooperation in the WTO and in other fora, as appropriate, to eliminate these and other unfair market distorting and protectionist practices.

- They call for the urgent elimination of steel excess capacity and the subsidies and other forms of direct and indirect government support that cause it. They welcome the role of the Global Forum on Steel Excess Capacity, mandated by G20 Leaders and facilitated by the OECD, as the primary forum for collective action on steel excess capacity. They call for the full and prompt implementation of the recommendations adopted at the Ministerial meeting of the Forum in Berlin on 30 November 2017, including the identification of government support measures which contribute to excess capacity and development of time-bound steps for their elimination by June 2018. They encourage the OECD to continue to facilitate the Forum’s work and stress the urgent need to avoid excess capacity in other sectors such as aluminium and high technology.

- They agree on the need to develop more effective international rules to further address market-distorting subsidies and other forms of government support, including those provided to and by state owned enterprises. They also urge the OECD to continue reviewing the range of government support policies that lead to market distortions, especially in the aluminium sector and to consider accelerating and expanding this work to other sectors, taking a value chain approach to identify the full range of support measures along the supply chains.
- They further encourage the OECD Working Party on Shipbuilding (WP6) to undertake the tasks agreed at its 126th session, among the WP6 Members and non-OECD major shipbuilding economies, to address market distortions in the shipbuilding sector.

- They encourage the OECD export credit bodies to continue their work in creating and maintaining a level playing field for official export credits and reiterate our support for the work of the International Working Group on Export Credits and call upon the Working group to accelerate this important work.

- They recognise that there are shortcomings in other areas which can affect the international playing field or weaken inclusive and sustainable growth. They ask the OECD to facilitate dialogue among Members and Partners and carry out analyses, which they may draw upon in designing trade agreements, on the links between trade policy and responsible business conduct, the environment, labour standards and women’s economic empowerment. They call on the OECD to pursue its work on the cross-cutting integration of environmental issues, including in trade policies, so as to enhance the mutual supportiveness of trade and environment policies. In particular, they ask the OECD to pursue its analytical work on how to incorporate environmental objectives in relevant chapters and articles of trade agreements.

- They recognise the importance of fostering responsible business conduct throughout global supply chains, in order to contribute to sustainable development and to combat all forms of human exploitation, including child labour, forced labour and modern forms of slavery. They welcome the adoption of the OECD Due Diligence Guidance for Responsible Business Conduct. They undertake to actively promote the use of the OECD Guidelines for Multinational Enterprises and of the Due Diligence Guidance by firms operating in or out of our territories. They ask the OECD to continue its efforts to extend adherence to the Declaration on International Investment, which includes the Guidelines. They undertake to pursue work to promote the use of sector-specific OECD Guidance for Responsible Business Conduct in the fields of minerals, extractives, agriculture, garment and footwear as well as finance, and welcome the OECD’s regular assessment of the awareness and implementation of these standards. They welcome continued efforts to strengthen the National Contact Points (NCPs) and they reiterate the 2017 commitment to having fully functioning and adequately resourced NCPs, and to undertake a peer learning, capacity building exercise or a peer review by 2023. They look forward to the report on progress made at the MCM in 2019.

- They reaffirm that international investment, which is an important source of inclusive economic growth, job creation and sustainable development, requires an open, transparent and conducive global policy environment. The OECD Code of Liberalisation of Capital Movements plays an essential role in this regard, and they welcome the requests from Partners meeting the requirements of the Code to adhere to the Code. They would also like the OECD to continue to promote sustainable international investment and to contribute to work and discussions on improving the international framework for protecting investment. In this context, they are concerned about government practices that force investors to transfer technology to local companies, and government-driven strategic investments abroad. They recognize the need to address these issues to ensure a level playing field.

- They commend the work of the OECD to support competition authorities, identify good practices and to improve the tools of their cooperation in several areas, such as exchanges of information for investigations and the mutual recognition of decisions in so as to facilitate cooperation in many areas, including through relevant powers of national authorities. They welcome the OECD’s work on formulating better practices and recommendations in this area. In particular, they refer to the ongoing work to prepare a worldwide transparency standard for state-owned enterprises. They encourage continued efforts to coordinate on drawing up guidelines on fighting corruption and on the integrity of state-owned enterprises. They recognise the essential role of the OECD in the field of corporate governance to promote sound corporate governance frameworks and capital markets. They encourage both Members and Partners to improve their corporate governance frameworks in line with the G20/OECD Principles of Corporate Governance.

6. Climate and the environment

- They underline the urgency and importance of addressing climate change, which calls for determined and concerted action. To this end, they underscore that it is vital that a robust set of rules is finalised at UNFCCC COP 24 in Poland to make the Paris Agreement fully operational and note the significance of the Talanoa dialogue in 2018. They call for intensified action to achieve global peaking of greenhouse emissions as soon as possible and reduce rapidly emissions thereafter.

- In the context of the Paris Agreement, they welcome the OECD’s work on assisting countries in their transition to a resilient low-carbon economy and to demonstrate the positive economic impact of investments in climate, in
particular through the work on Investing in Climate, Investing in Growth and the longstanding work of the OECD/IEA Climate Change Expert Group.

- They underscore the importance of focusing on the fiscal and budgetary aspects of the transition through work on carbon pricing and the reform of inefficient fossil fuel subsidies that encourage wasteful consumption, as well as that of the work of the Paris Collaborative on Green Budgeting. They call on the OECD to continue to develop this work. They welcome the OECD's work on resilience, including on the distributional impacts of climate risks and the challenges of adapting to rising sea levels in coastal communities.

- They recognise the importance of mobilizing flows of both private and public financing to support the transition to a low-emissions economy including low-carbon efforts, climate-resilient development, sustainable use of water resources, and implementation of the 2030 Agenda for Sustainable Development. They support the important role of the OECD Centre on Green Finance and Investment. In order to speed up investment in key areas, they ask the OECD to undertake a review of efforts to develop harmonised definitions, standards and taxonomies for green assets and sustainable finance and to report back at the 2020 MCM, working in collaboration with the relevant stakeholders to harness synergies and avoid duplication. In the context of Article 2.1c of the Paris Agreement, they ask the OECD to undertake a review of policies and actions to accelerate flows of green finance.

- They recognise the importance of integrated and efficient water resources management and encourage the OECD to reinforce its work on financing water infrastructure, including through work on economic instruments, recognising the importance of water-use efficiency, water allocation among sectors and the use of alternative sources of water, as well as management of increased precipitation, preventing, reducing and managing water pollution. They recognise the supportive role the OECD Council Recommendation on Water can play in this context.

- They recognise that biodiversity is a cornerstone of natural capital and that its conservation, sustainable use and restoration, including via sustainable agriculture, fisheries and forestry, are essential. They also recognise that the loss of biodiversity and the degradation of ecosystems and their services must be addressed with urgency. Within the discussions on the global framework for post-2020 under the Convention on Biological Diversity, which they want to be transformational, they recognise the need to ensure that further-reaching and more effective policies are implemented, and that biodiversity finance is focused on the programmes which contribute most effectively to the achievement of biodiversity related goals. They welcome the work being undertaken by the OECD to: (i) enhance the measurability of the post-2020 biodiversity framework; (ii) track, monitor and assess policies, including economic instruments and the reform of subsidies harmful to biodiversity; (iii) better understand and communicate the cost of inaction in the field of biodiversity; and (iv) reflect the economic value of biodiversity and ecosystem services, including the potential contributions of ecosystems and nature-based solutions to climate change mitigation and adaptation.

- They welcome the efforts undertaken at national and international level towards circular economy and resource efficiency. They welcome the OECD’s work on reaching the 2020 target for the environmentally sound management of chemicals and waste and they call for an ambitious framework beyond 2020.

- They recognise that plastics are a part of modern life, but that their economies still have a long way to go before the design and use of plastics becomes sustainable. They underline the need to fully understand, prevent and reduce the impact of plastics waste and the chemicals used in their manufacturing on the environment, especially in the oceans, and human health, and to adopt a life-cycle approach for plastics management. Building on earlier OECD work on Extended Producer Responsibility, they ask the OECD to undertake new work on the value chain of plastics with a view to reducing their impacts and maximising economic effectiveness of policy responses, and to pursue in greater depth its work into assessing chemical-related risks. They also ask OECD to conduct policy and economic analyses into incentivising more environmentally sustainable choices of materials. They welcome efforts made by countries to phase out or reduce single-use plastics. They welcome the work undertaken by the OECD to study the ocean economy in the light of the implementation of SDGs.

- They note that the General Assembly of the United Nations adopted on May 14 the resolution 72/277, "Towards a Global Pact for the Environment", with the support of a large majority of members, including all of them.

7. Development and Sustainable Development Goals

- They welcome the OECD's contributions to major international multilateral outcomes, notably the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda as an integrated part of it. They are committed to their successful implementation, including the pledge to leave no one behind, facilitated by the continued progress in applying the OECD Action Plan on the Sustainable Development Goals, and the targeted on-demand support provided by the Organisation for implementation of the Agenda at national level. They acknowledge the need to step up collective efforts to finance the SDGs. They commend the OECD's efforts to
add greater detail to its data and analyses, especially on the transboundary effects of national policies. The OECD will continue to support the UN-led monitoring of the implementation of 2030 Agenda by leveraging OECD data and analysis. They also welcome further discussions on the Organisation’s increased cooperation with the United Nations family of organisations.

- With regard to the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, they welcome the OECD’s sustained efforts to collect data and establish innovative new frameworks for statistical measurements, such as the proposed measure of Total Official Support for Sustainable Development (TODSS), currently in discussion. They welcome the reform of the Development Assistance Committee (DAC), and especially the focus on the impact of development and the mobilisation of funding. They encourage it to finalise current efforts to modernise its measurement tools and to consider further appropriate work to contribute to the realisation of the 2030 agenda. They reaffirm our respective ODA commitments, including those of us who have endorsed the UN targets of 0.7% of GNI for ODA spend and 0.15-0.2% for ODA spend on the least developed countries. They note the slight decline in total ODA in 2017 and the positive increase of ODA to least developed countries. They acknowledge the need to step up collective efforts to provide more of total aid to least developed countries and other countries most in need. They reaffirm the contribution of ODA to sustainable development, and acknowledge the need to expand the catalytic use of ODA in mobilising and leveraging the impact of additional financial resources, including from the private sector. They are pleased to see the OECD continue its efforts to develop a cross-cutting approach to sustainable development financing, including on domestic resource mobilisation, and to continue to capitalise on its unique position regarding development finance. They recognise the role of the forthcoming Global Outlook on Financing for Development as well as the efforts to reach private sector partners and other non-governmental actors.

- The OECD, in particular through the DAC, the OECD Regional Programmes, and the OECD Development Centre, has maintained its commitment to developing countries in order to make further progress and help to establish pathways that promote poverty reduction and sustainable growth. They ask the OECD to continue to support ongoing dialogue to ensure that the tools of international cooperation, including appropriate support, partnerships and working frameworks, are fit for purpose, and for the challenges and vulnerabilities faced by countries, particularly least developed countries, as they transition through different phases of development. They recognise that middle-income countries also continue to face particular development challenges in specific areas.

8. Towards more responsive, effective and inclusive multilateralism

They understand that the ability of Governments to act in an interconnected world is based, among other things, on their understanding of these connections and the concomitant benefits and challenges, and they invite the OECD to strengthen its leadership in this field. In this context, they ask the OECD to sharpen the measurement of flows of intangibles. They encourage the Organisation to take further its analytical and statistical evaluation of the role played by multinationals. They call on the OECD to give priority to the measurement of digital flows between and within countries and to gain a greater understanding of the role of data in our economies and societies.

- They remain committed to an Organisation that is open to new ideas and new partners. They welcome collaboration with all those countries interested in sharing knowledge and expertise, promoting reform, and contributing and adhering to OECD standards. Against this background, they underline the importance of the OECD’s global relations, including its relations with Key Partners (Brazil, China, India, Indonesia and South Africa), regional programmes (EURASIA, LAC, MENA, SEA, SEE) and the country programmes (Kazakhstan, Morocco) that all play an important role in disseminating the OECD standards, good practices and recommendations. They note that the OECD accession process can be a powerful instrument for promoting domestic reforms. They welcome the launch of the Country Programme for Thailand, as well as a deepening of the strategic relationship with Southeast Asia, the strengthening of the relationship with Key Partners, based on the principle of mutual benefit, and the further progress of regional programmes. They encourage further progress in the OECD’s engagement with Sub-Saharan Africa.

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

- They encourage the OECD to increase its engagement with local authorities and civil society, especially the private sector, research institutions, business organisations, trade unions, youth organisations, and think tanks. Drawing further on outside expertise could enhance the quality of OECD analysis and policy recommendations. They encourage the OECD to consider appropriate ways to achieve this, based on the experience of its committees and its other practices, and to report to the 2019 MCM on this.

- As multilateralism moves forward, it must do so in step with regional and local territories, their local authorities, development actors and the local population. They wish to see this new approach helping regions to both reap
greater rewards from and contribute more to the economic flows facilitated by multilateralism. They therefore welcome the Champion Mayors for Inclusive Growth initiative and the establishment of the Platform of Business for Inclusive Growth. They commend the OECD for its contribution to the Habitat III conference and to the work behind the new urban agenda. They support the idea underlined by the OECD that cities and regions are important actors in driving the success of international outcomes such as the Sustainable Development Goals, the Sendai Framework for Disaster Risk Reduction 2015-2030 and the Paris Agreement. On this regard, they welcome the OECD work currently underway promoting a whole-of-government approach to tourism.

- They recognise the importance of sharing best practices, peer reviews and international standards for the functioning of an increasingly interdependent world and they commend the OECD for its role in this. They look forward to the implementation of the second phase of the standard setting review. They call on the OECD to continue examining its existing standards in key fields, assessing existing gaps in coverage or implementation, and proposing to its Members new areas for standards development when necessary.

- In order to make multilateral action more effective and to meet cross-cutting global challenges and build more inclusive and sustainable growth, they encourage the OECD to take a more cross-disciplinary approach to its work, including in its standard-setting. They encourage the OECD, in collaboration with other international organisations, to continue to identify good practice for effective regulatory cooperation at bilateral, regional and multilateral level. They also encourage it to consolidate its role as a reference organisation for the creation of standards relating to business integrity and responsible business conduct and for increasing the awareness and understanding of these standards by businesses.

- In order to improve the effectiveness of its work, notably in order to establish a level playing field, they encourage the OECD to continue promoting adherence to OECD standards beyond OECD Members, as appropriate, and developing its work on better policies and best practices that benefit economies beyond its membership.

- While they acknowledge the success of the mechanisms used by the OECD for the implementation of its standards, especially the peer review mechanisms, they call on the OECD to reflect on ways to step up the monitoring of OECD standards’ implementation by Members and Partners and to suggest possible improvements in this field. In this context, they ask the OECD to consider concrete action plans to improve the implementation of those standards considered central to the establishment of a level playing field, for example in the fields of corporate governance, the liberalisation of capital flows, anti-corruption, and responsible business conduct.

9. Management and leadership

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

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

- They welcome the designation of Slovakia as the Chair of the MCM 2019.