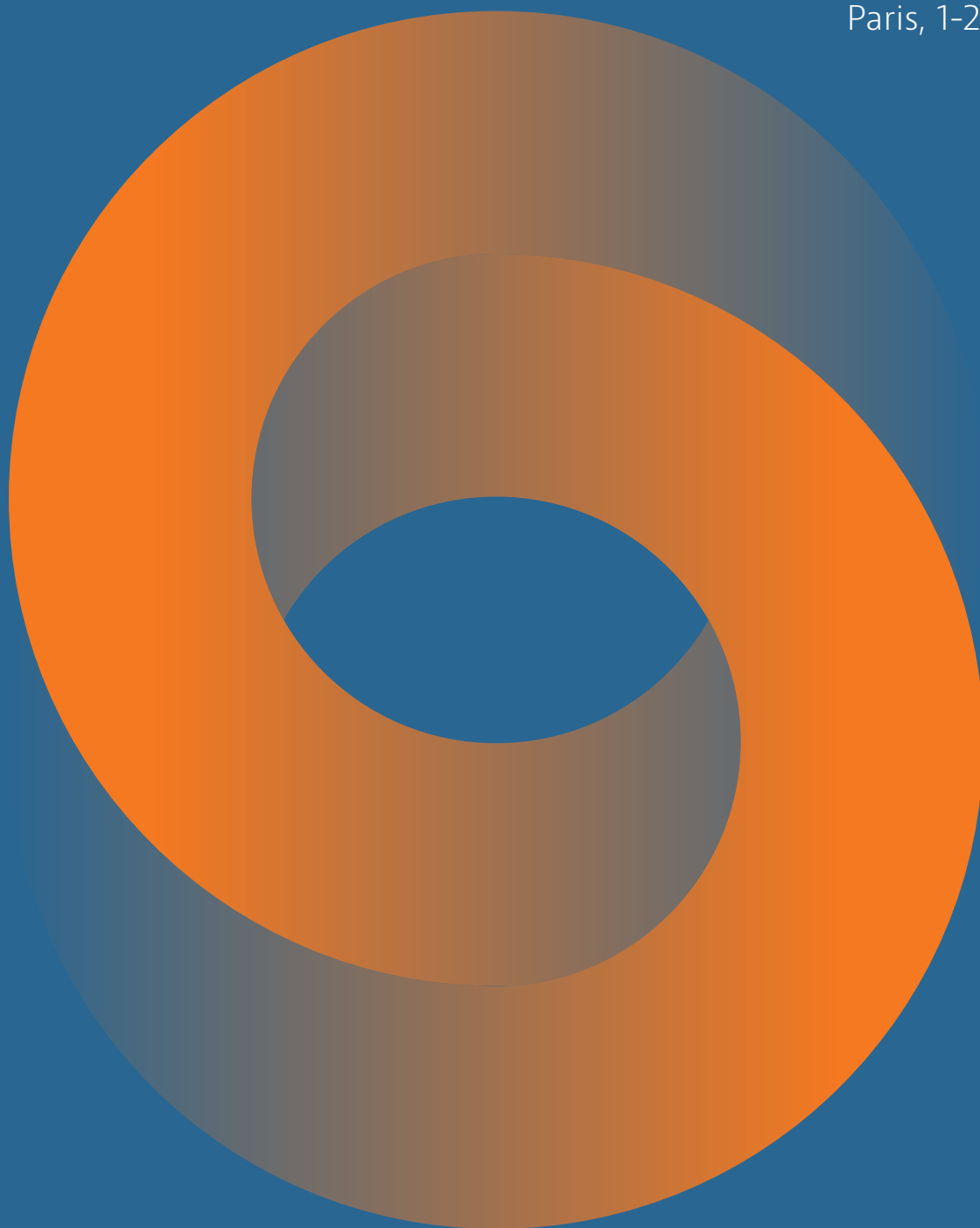


Meeting of the OECD Council at Ministerial Level

Paris, 1-2 June 2016



STRATEGIC ORIENTATIONS OF THE SECRETARY-GENERAL

Strategic Orientations of the Secretary-General

For 2016 and beyond



1. Last year, Members renewed my mandate to lead the OECD until 2021. Such renewal was based, *inter alia*, on my Proposal for the Consolidation and Further Transformation of the OECD to 2021 (“21 for 21” Agenda - see Annex), which provided a useful starting point for discussions on priorities for the Organisation in the medium- and long-term.

2. One year on, the “21 for 21” Agenda remains highly relevant. It offers a clear set of goals, and sets out a vision for the OECD as a truly global organisation with the tools and capacity to help countries address today’s challenges. Our Organisation must work with others to develop a new growth narrative based around people’s well-being and environmental sustainability, and to help countries design, implement and monitor reforms to improve both productivity and inclusiveness. It must help countries seize fully the benefits of digitalisation and the Next Production Revolution and be ready to address major emerging challenges such as international migration. It must continue to strengthen its position as relevant a global actor and support the achievement and implementation of agreements reached on the global scene in various negotiation fora. It must continue integrating the NAEC (New Approaches to Economic Challenges) “State of Mind” across its work. It should continue to identify and exploit synergies to break down policy silos and deliver relevant and timely advice on increasingly complex and interconnected policy issues.

3. My Strategic Orientations proposed this year to Ministers for 2016 and beyond are based on the substance of this agenda and also reflect the outcomes of the 2015 Ministerial Council Meeting, as well as the ongoing discussions in the Council on the preparation of the Programme of Work and Budget 2017-2018 and my discussions with leaders and different stakeholders.

Today’s global environment is an urgent call to action

4. Eight years after the crisis, the policy mix is still not delivering as it should. The pressures that have undermined the global recovery – the prolonged slowdown in emerging economies, anaemic global demand, weak trade and investment growth, financial market volatility, and the negative social impacts of the crisis – are intensifying. Increasingly, we are operating in an environment of elusive growth. At the same time, the observed slow-down in productivity growth threatens to become structural and there is evidence of a break-down of the technology diffusion machine.

5. Concerns over people’s well-being remain at the centre stage. In many countries, people have not seen their real incomes rise for several years. The increases in income inequality and wealth disparities observed in recent decades remain challenging, as do other forms of inequality which limit opportunities. Across the OECD countries, almost 40 million people remain unemployed, and while unemployment is expected to continue declining over the coming months, it will remain above 20% in the worst-hit countries. Youth unemployment remains above pre-crisis levels in nearly every OECD country. Recent widely publicised possible cases of corruption, fraud, tax evasion and tax avoidance show that we need to accelerate our efforts to strengthen global governance.

6. Protracted conflict and insecurity have, in recent months, drawn many OECD countries into the centre of the worst refugee crisis in recent history. Humanitarian migration on this scale brings with it a range of challenges to integration systems, and to host communities, as nations help refugees and their children to find their place in the labour market, in education systems, and in society at large.

Last year’s achievements in the international policy sphere must now be translated into action

7. The past year has seen a number of important developments in the global policy environment. Major agreements on the Sustainable Development Goals (SDGs) and on climate change (COP21) marked

significant international consensus, as did conferences on Financing for Development (Addis Ababa), resilience (Sendai) and trade (Nairobi).

8. In 2015, the OECD contributed – with the G20 and others – to a major re-design of the international tax system through both the Base Erosion and Profit Shifting project, and our work on Automatic Exchange of Information for tax purposes.

9. The focus of the international community – and the OECD – must now turn to implementation of these major agendas.

Top priorities for 2016-17

10. Against this backdrop, I will continue to guide the Organisation in the achievement of the vision set out in “21 for 21” Agenda. My top priorities for 2016-17 and beyond are to:

- **Sustain and deepen efforts to "go national" as we enhance the usefulness and relevance of the Organisation to Members and Key Partners.** This includes further strengthening the Organisation's work in support of policy design and implementation at the national level, and grounding these efforts in upgraded multidisciplinary tools and approaches.
- **Continue our efforts to build a new growth narrative that focuses on the well-being of people.** This includes efforts to further consider the distributional aspects of our policy advice, as well as renewing our focus on youth, women, elderly, children, migrants, the role of skills, and on the productivity-inclusiveness nexus.
- **Lead policy debates on emerging issues, while reinforcing our capacity to understand and address them.** This includes sustained efforts to integrate trends and megatrends into the work of the Organisation, in particular developing our understanding of the digital revolution and its implications, as well as the issue of job quality.
- **Advance major elements of the global agenda and support collective policy action.** This includes efforts to leverage the installed capacity of the OECD to support the implementation of the Sustainable Development Goals and the Paris agreement (COP21), as well as actively pursuing the implementation of the major agreements on tax in an inclusive manner to ensure that the existing loopholes in the international tax system are addressed effectively in the near term future.
- **Further develop our productivity and competitiveness agenda.** This includes efforts to advance policy-focused research on productivity, as well as efforts to improve the enabling environment for trade and investment.
- **Strengthen the impact of our standards and identify areas in which gaps would require that new standards should be developed.** This includes reflecting on the extent to which existing OECD standards reflect today's needs, and also deepening our understanding of the impact and outcomes of OECD standards.
- **Consolidate efforts to enhance the effectiveness, inclusiveness and global character of our Organisation.** This includes efforts to engage Key Partners more in the Organisation's work, to maximise the benefits of OECD regional and country programmes, and to further strengthen our partnerships with other international organisations.

- **Continue enhancing the quality and efficiency of the Organisation’s management, administrative, communications and financial systems.** This includes efforts to advance diversity in our workforce, to promote horizontal collaboration, and to sustain our coherent and consistent communication efforts.

11. These priorities will be supported by the inclusion of the work on the productivity-inclusiveness nexus and children well-being in the existing horizontal project on Inclusive Growth. New horizontal projects will be developed in order to advance work on migration and refugees, as well as in the area of digitalisation. The proposed contents of these horizontal projects to be developed over the 2017-18 biennium are described below.

I. MAKING OUR ORGANISATION EVEN MORE USEFUL AND RELEVANT TO ITS MEMBERS AND PARTNER COUNTRIES

12. **In the face of an uncertain and fragile recovery, monetary, fiscal and structural policy actions will continue to play central stage and must be mutually supportive.** Reliance on monetary policy alone has been insufficient to deliver satisfactory growth, so that greater use of public investment and structural levers is required. The slowdown in the structural reform momentum should be reversed. Benchmarking efforts will continue to be important, helping Members and Key Partners as they advance debates on national reform efforts. The OECD can build on *Going for Growth*, the *Economic Surveys* and its multidisciplinary approach to further help countries design, monitor and implement structural reforms, as it has done in France, Greece, Italy, Mexico, Slovenia and Spain, among others. The OECD is also well placed to provide advice on the enabling environment and governance of public investment projects. At a time of low interest rates and weak demand, public investment can both support growth and provide a more favourable environment for productivity-enhancing structural policies.

13. **The OECD’s “go-national” agenda must also further support Members and Partners in the implementation of national reforms.** Efforts to support countries in the implementation of public policies will be deepened. Examples include national skills strategies, labour market policies, tax policies, agricultural policies, and regulatory reforms to promote competition and reduce administrative burdens.

14. **These efforts will be grounded in upgraded tools and approaches that leverage the truly multidisciplinary nature of the Organisation.** Further mainstreaming of NAEC will be crucial in this regard, as is the use of new tools such as multi-dimensional living standards, and the Quality Jobs Framework. Our collective understanding of how the economy and society operate needs to be deepened, and we need to continue our efforts to quantify the impact of reforms on growth and well-being, better factoring international spill-overs and the interconnectedness of our economies in our analysis. Efforts to better understand how financial markets work, and how best to integrate them in our macroeconomic analysis, will also be sustained. We will also continue to integrate the Sustainable Development Goals (SDGs) into our policy frameworks and advice, including via the multi-dimensional country reviews for partner countries and advice to our Members on national development strategies.

15. **Environmental considerations should remain front and centre of our policy advice and should be fully integrated into our pro-growth recommendations.** Our *Economic Surveys* and other sectoral reviews already include a green growth perspective, but more targeted advice is needed. We will support Members and Partners as they internalise the transition to a low carbon economy in their structural reform agendas.

16. **We will better integrate Key Partners in our work.** A redoubling of efforts to integrate them – and a growing range of emerging and developing countries – in our datasets, flagship publications and

analysis will further enrich our understanding of shared challenges, broaden common ground, and help us better tailor our work and advice to different contexts.

II. REDEFINING THE GROWTH NARRATIVE TO PUT THE WELL-BEING OF PEOPLE AT THE CENTRE OF OUR EFFORTS

17. **More must be done to put people's well-being at the centre of all of our public policy efforts.** The last three decades have seen widespread increases in income inequality in OECD countries. The richest 10% of the population now earns on average ten times more than the poorest 10%. Inequality extends far beyond income to affect many of the outcomes that impact on people's well-being: education, health, jobs, and access to technology – to name only a few areas. Many inequalities compound each other, limiting the ability of people to fulfil their productive potential and lead fulfilling lives. We will work to increase the impact of the OECD Gender Initiative, as well as analysing the inequalities faced by lesbian, gay, bisexual and transsexual (LGBT) people.

18. **The OECD's Inclusive Growth agenda will continue to frame our analysis – and our actions.** This agenda must deliver not only improvements to material well-being for all, but also ensure that lifetime opportunities are accessible by all income groups in our societies, and in particular the most vulnerable. Aspects of distribution, participation and inclusion should be considered in our policy advice given the high inequality of incomes, outcomes and opportunities. This includes the spatial dimension of inequalities. We will renew our focus on children, analysing the role of early childhood interventions for the well-being of people, and on reducing the intergenerational transmission of disadvantages. These efforts will be pursued across the OECD in a collaborative way, drawing on NAEC analysis, and capitalising on the Centre for Opportunity and Equality.

19. **The productivity-inclusiveness nexus is central to this work.** We need a better understanding of the links between productivity and inequality. In particular, skills gaps, bad health, and deficiencies in infrastructure and social provision can undermine aggregate productivity growth and feed inequalities at both the national and regional levels. Restrictions to market access and other barriers to competition reinforce the market power of incumbents and can cause a weakening of productivity growth and worsen inequalities. Together, we need to develop policies that address jointly slowing productivity growth and the rising inequality of incomes, outcomes and opportunities in an effective way, including through policies for people, firms, regions and countries.

20. **A strong "skills" agenda will be critical.** It must provide actionable answers to the challenges of inequality, productivity, growth, sustainability and well-being, and help to anticipate skills needs for the future. Continuing to build a better understanding of education outcomes at all levels and relying on those assessments for reforms is an important part of this work. We need to pave the way for more effective connections between labour market policies and apprenticeship programmes. In this spirit, we should think not only about measures to strengthen education systems, but also pioneer ways to cultivate emotional, social and cognitive skills, and skills for citizenship that equip and empower individuals to shape prosperous futures and participate effectively in thriving, inclusive societies.

21. **We will leverage the OECD's work on migration so as to help Members manage the consequences of the ongoing migration crisis.** Existing work on the integration of migrants provides a strong foundation. We will provide additional high quality and internationally comparable evidence and analysis to help governments better facilitate migrant integration, including at school level, close knowledge gaps on the economic impact of migration, and support the exchange of views and experiences on policy responses to migration between countries. We will continue to strengthen our analysis of trends in migration flows, building on the well-established OECD International Migration Outlook.

22. **We will continue to develop our work on social protection and tax-benefit systems and their role in tackling poverty and inequalities.** In particular, the coverage, quality and costs of health systems should be evaluated and benchmarked from the patient perspective to ensure they meet the needs of citizens.

23. **We will develop analysis and tools to understand trust better.** Citizen well-being is also linked to confidence in the capacity and skills of public servants and institutions. Trust remains a complex phenomenon and policymakers need actionable advice on how to retain or rebuild trust, by improving public administration and service delivery as well by tackling corruption and tax evasion and avoidance. Our analysis of access to justice systems, as well as their quality and cost, are central components of the trust and integrity agendas, as is our work on financing democracy. Good justice systems allow markets to function and business to operate effectively. They are essential to ensure a level-playing field and support business confidence by guaranteeing the security of property rights and the enforcement of contracts, avoiding regulatory capture and fighting corruption.

III. IDENTIFYING EMERGING POLICY CHALLENGES, WHILE REINFORCING OUR CAPACITY TO UNDERSTAND AND ADDRESS THEM

24. **Megatrends such as digitalisation, ageing and climate change shape the world in which we live, as well as the policy environments in which our Members and Partners work.** We will sustain our work to anticipate, analyse and address emerging trends, opportunities and challenges. We will further mainstream horizon-scanning and scenarios work within the Organisation, and will also continue to support Member and Partner countries' demands for policy-relevant foresight, including through the OECD Governmental Foresight Community.

25. **We need to better understand how to leverage the digital revolution to strengthen productivity and improve people well-being.** To capitalise on the opportunities created by digitalisation, we need to understand better its impact on people and their skills, and how technological progress can help combat climate change, address demographic trends, and deliver better health services and more high quality jobs for all. In advancing this agenda, we will build on our broader work on innovation, the next production revolution, and policies for the Internet. Alongside these opportunities, we should also explore how the emergence of the digital economy and the Internet of things, while enabling higher productivity and growth, can be another source of inequality, and create stress on labour market regulations. We should identify policies that will help spread the benefits of digitalisation to foster better job opportunities and well-being, while limiting any potential costs.

26. **Strengthening our job quality framework is critical.** Doing so will help us understand the evolution of work in light of digitalisation, globalisation and other challenges, and help governments develop appropriate policy responses. We will review and update the OECD Jobs Strategy and strengthen its linkages with the Innovation and Skills Strategies, as well as recent OECD work on Inclusive Growth.

IV. SUPPORTING THE GLOBAL AGENDA AND COLLECTIVE POLICY ACTION

27. **The year 2015 was marked by important breakthroughs in the international agenda. Commitments now need to be put into action.** The OECD's multidisciplinary expertise is increasingly leveraged to inform national and global policy debates, and Members and Partners will continue to look to the Organisation for support and advice as they implement their respective commitments.

28. **We will leverage the installed capacity of the OECD to support the 2030 Agenda for Sustainable Development.** The Sustainable Development Goals (SDGs) present a tremendous opportunity for Members and Partners alike. Achieving them will depend in large part on the design and

implementation of sound public policies. The Organisation will implement its Action Plan on the Sustainable Development Goals, harnessing and better aligning existing tools, data, and dialogue platforms to support Members and Partners as they implement the Goals. We will place a particular emphasis on supporting accountability, as well as resource mobilisation. In doing so, we will further strengthen our collaboration with the United Nations.

29. **Having played an important role in informing the COP21 climate agreement, the OECD will now turn to supporting its implementation.** We will further advance our work on climate finance, fossil fuel subsidy reform, measuring effective carbon prices, joint modelling of growth and the environment, and promoting a policy alignment for a low-carbon economy. In doing so, we will focus our efforts on supporting countries as they meet their commitments and contribute to the collective effort with other international organisations. Our work in this area should also take advantage of the OECD's multidisciplinary character, as well as expertise in different areas such as nuclear and transport policies. We will also further develop our work on adaptation and risk prevention, particularly in areas such as water resources and food security.

30. **The OECD will broaden and deepen its efforts to achieve a fair international tax system.** Much has been achieved over the last two years in the global fight against tax avoidance and tax evasion, but efforts to implement the agreements globally need to be accelerated. The agreed standards must be deepened and consolidated to ensure that existing loopholes are effectively addressed in the near-term future. We will strengthen our efforts to provide the policy and administrative tools to better tackle tax evasion and fraud, and will support the implementation of the Base Erosion and Profit Shifting (BEPS) initiative, as well as Automatic Exchange of Information (AEOI), in an inclusive manner.

31. **We will further upgrade the OECD's anti-corruption agenda.** In doing so, we will capitalise on the analytic strengths of the OECD, and deliver policy advice to tackle corruption in its many forms, public and private, as well as working towards a more effective cross-discipline anti-corruption agenda. Our work will build on all the major anti-corruption events and related activities organised in 2016, including the OECD Anti-Bribery Ministerial Meeting on 16 March, the OECD Integrity Week in mid-April, the London Anti-Corruption Summit on 12 May and the International Anti-Corruption Practitioners Conference co-organised by the French government, the World Bank and the OECD on 14-16 June.

V. DEVELOPING FURTHER OUR PRODUCTIVITY AND COMPETITIVENESS AGENDA BY LEVERAGING OUR MULTIDISCIPLINARY KNOWLEDGE

32. **Widespread deceleration in productivity growth calls for a deepening of our understanding of the drivers of productivity.** Since 2000, one-third of OECD economies have experienced a decline in Total Factor Productivity growth of at least 1% per annum. The growing divergence in productivity growth across different firms and regions is of particular concern. While some companies and regions are at the cusp of major innovation breakthroughs, many are falling behind. We must strengthen insights into the main drivers of productivity growth to inform our work on the productivity-inclusiveness nexus and develop a better understanding of the measurement of productivity. Consideration will also be given to the territorial dimensions of productivity, and to disparities across regions.

33. **The Global Forum on Productivity will play an important role in this endeavour.** It should support and generate synergies in policy-oriented research, and facilitate the exchange of views on best practices, including institutional set-ups, as well as sharing data and results on productivity-enhancing policies, including for SMEs. Our research and advice will need to address the different aspects of the policy environment – including market competition, labour market flexibility and support, education and skills systems, infrastructure development, and research and innovation policies – and their interlinkages.

34. **We must also redouble our efforts to improve the enabling environment for trade and investment.** The OECD will support this by quantifying trade costs and further refining its global value chains (GVC), Services Trade Restrictiveness Index (STRI) and Trade in Value-Added (TiVA) databases. On the investment side, we anticipate completion of the benchmark revision of FDI data, a further refinement of the FDI restrictiveness index and greater use of the Policy Framework for Investment among Members. The “Investment-MNE part” of the TiVA database will also be developed. Efforts will be undertaken to upgrade the investment leg of GVCs, and to support the integration of SMEs in GVCs.

VI. STRENGTHENING AND MAXIMISING THE IMPACT OF OUR EXISTING STANDARDS, AS WELL AS IDENTIFYING THE AREAS IN WHICH WE NEED TO DEVELOP NEW ONES

35. **OECD standards need to reflect today’s – and tomorrow’s – economies and societies.** Strengthening the impact of OECD standards and identifying areas in which new standards should be developed is critical. We will consider the extent to which existing OECD standards remain fit for purpose, and we will further analyse areas where the OECD has been called to fill a gap, or upgrade its contributions, so as to ensure high quality global standards.

36. **We will enhance our understanding of the impact and outcomes of OECD standards.** To do so, we will deliver analytical tools and evidence-based analysis in areas where the OECD is the standard setter. This includes the areas of tax, investment, anti-corruption and integrity, corporate governance, SME financing, state-owned enterprises, consumer policy, digital economy, and development finance. Building on recent achievements on Responsible Business Conduct (RBC) and Corporate Governance, we should strive to make all OECD standards count.

37. **Good standards need to be implemented effectively.** We will continue to support countries as they implement OECD standards, leveraging relations with other multilateral institutions to ensure our standards are truly global. Analysis of other relevant areas, such as intellectual property rights in all its modalities, and assessment of the strength of the current frameworks may be needed. We will also continue our work on global investment rules, including through the review of the OECD’s Code of Liberalisation of Capital Movements and the contribution they should make to the current international debate.

VII. CONTINUING TO ENHANCE THE GLOBAL CHARACTER OF OUR ORGANISATION

38. **We welcome the successful conclusion of the accession discussions with Latvia** and encourage current active accession candidates – Colombia, Costa Rica and Lithuania – to pursue their process towards OECD membership at their own pace.

39. **We must encourage our Key Partners to join OECD bodies, adhere to our legal instruments and identify opportunities for mutually beneficial work.** We will build on the programmes of work developed with Brazil, China, and Indonesia and seek similar arrangements with India and South Africa. Advancing the OECD’s work with China will be of particular importance, leveraging the strong relationship developed through the OECD’s support for China’s 2016 G20 Presidency, and China’s membership of the OECD Development Centre. The Organisation will also increase its links with other emerging economies, and ensure that they are included in OECD databases and analysis, and that their concerns and interests are taken into account.

40. **Members have endorsed OECD regional and country programmes as a priority for the Organisation.** We should review their achievements and remaining challenges to ensure that their implementation is effective and that their benefit to the Organisation continues to be maximised. A new

chapter in our relations with Latin America and the Caribbean will open with the launch of the OECD regional programme in June. We will also seek to further strengthen our regional programmes in South East Asia, Eurasia (Eastern Europe and Central Asia), Southeast Europe, and MENA. We will work to develop further the regional dimension of our co-operation with Africa. To complement these programmes, collaboration with other regional and international organisations will be leveraged to help the OECD become an ever more effective global policy network. This includes a particular emphasis on collaboration with the United Nations system.

41. **Further strengthening the OECD's partnerships with the G7, G20, APEC, and the Pacific Alliance, will be important.** This work includes the implementation of BEPS, AEOI, the G20-OECD Principles of Corporate Governance, RBC, and the fight against corruption. Other avenues of co-operation include structural reforms and growth and poverty reduction strategies, food security and nutrition, gender equality, job quality, youth employment, trade, investment, SME financing, skills, and clean investment. Support for the G20 and other global governance mechanisms benefits all OECD Members, and will continue to be a priority.

VIII. ENSURING EFFECTIVE AND EFFICIENT FINANCIAL, ADMINISTRATIVE, COMMUNICATIONS AND MANAGEMENT PRACTICES WITHIN THE ORGANISATION

42. **The OECD will continue to pursue strong management and oversight practices, and will take steps to promote diversity in its workforce.** Talented, motivated individuals lie at the heart of the Organisation's success. We will continue in our efforts to recruit, motivate and equip our workforce with the skills needed to succeed. Efforts to achieve gender equality in leadership positions will be deepened. Diversity in all its dimensions remains a clear goal for the OECD going forward.

43. **Efforts to promote horizontal collaboration and overcome "silo" approaches will be sustained.** Given the interconnectedness of the policy challenges we face, greater collaboration between staff and across OECD Directorates is critical for strengthening economic resilience and securing better lives for all citizens. The consolidation of the Organisation's office space at OECD Boulogne provides new opportunities for horizontal collaboration and for cross-fertilisation of ideas across Directorates.

44. **OECD communication activities will project the increasingly high profile and global nature of the Organisation.** Coherent and consistent communication efforts remain crucial, helping to maintain and further enhance the OECD's reputation for objectivity and quality. The OECD will continue to embrace the opportunities provided by the digital revolution, leveraging new technologies and ways of working to deepen and broaden stakeholder engagement efforts. We will continue our efforts towards an "openness revolution", building on the Organisation's achievements to date in making all OECD data accessible, open and free.

45. In order to ensure that Members get the best value for the resources they provide to the Organisation, the **OECD will continue to ensure that the processes for producing OECD outputs are effective and efficient**, strengthen the evaluation function, and implement the Action Plan that resulted from the Value for Money (V4M) Initiative undertaken in 2013-2014.

ANNEX - FOR INFORMATION

“21 for 21”

A Proposal for Consolidation and Further Transformation of the OECD

**by Angel Gurría,
OECD Secretary-General**

My goal for the 2016-21 period is to consolidate and further develop what we have already achieved together, so as to better serve OECD Members in their collective quest for improved citizen well-being. To do so, I propose to advance along the lines developed in this document, which substantiates the request for a renewal of my mandate. Far from being a definitive view, these 21 proposals aim to inform a dialogue with Members, leading to a jointly defined roadmap to consolidate the Organisation’s transformation by 2021.

As outlined in the document “Transforming the OECD: Impact, Inclusiveness and Relevance”, circulated on 20 January 2015, we have already taken great strides towards positioning the OECD as the “go-to” institution for policy advice on promoting growth, development and well-being in our Member countries and worldwide. However, this organisational transformation, and the achievement of these shared policy objectives, are still a work in progress. For the next steps, I propose to focus efforts on the following over-arching goals:

1. Making our Organisation even more useful and relevant to its Members and partner countries.
2. Redefining the growth narrative to put the well-being of people at the centre of our efforts.
3. Identifying emerging policy challenges, while reinforcing our capacity to understand and address them.
4. Supporting the global agenda and collective policy action.
5. Developing further our productivity and competitiveness agenda by leveraging our multidisciplinary knowledge.
6. Strengthening and maximising the impact of our existing standards, as well as identifying the areas in which we need to develop new ones.
7. Continuing to enhance the global character of our Organisation.
8. Ensuring effective and efficient financial, administrative, communications and management practices within the Organisation.

Making our Organisation even more useful and relevant to its Members and partner countries

1. DELIVERING FOR MEMBERS: MORE PROACTIVE, MORE STRATEGIC, MORE HORIZONTAL, MORE USEFUL

Over the past nine years, we have managed to dynamize the OECD and to provide timely policy advice through our regular work, or through new products such as the “Better Policy Series” and the “Getting it Right” publications, reacting faster to support reform agendas in member and partner countries. However, given the prospect of a low growth scenario in the years to come, and the need to improve the economic and social outlook, we need to further strengthen and institutionalise the “targeted policy advice” we provide, and to consolidate the “whole of OECD” perspective.

Horizontality needs to become the rule, permeating the work of the whole Organisation, and adjusting its structure as necessary, to leave the fragmented “policy silo” approach behind. This will help us build more productive, more competitive, more inclusive and more sustainable economies.

2. PROMOTING AND MEASURING STRUCTURAL REFORM

We have succeeded at positioning the OECD as the ‘go-to’ place for identifying, measuring and advising on structural agendas, including their implementation and quantification of their impact and improved economic performance. This is now our undisputable trademark in the international landscape. Structural reforms can help strengthen economic performance, by removing impediments to productivity growth, enhancing labour utilisation, promoting investment, developing skills and unleashing new sources of growth. They are also important in moving towards more inclusive and more sustainable development paths.

But we cannot rest on our laurels. We should continue refining our analysis on structural issues, improving the methodology to measure its impact, drawing on our multidisciplinary expertise to deliver a “whole of the house” approach, and further broaden its scope, to fully account for the distributional and social impacts of reforms.

- re-framing the overall growth framework to target people’s well-being, instead of income, and strengthening the related modelling tools;
- extending the range of policy dimensions that can be evaluated and monitored beyond efficiency measures to include social factors, and equity considerations;
- examining the potential trade-offs and synergies of various policy objectives – equity, environment, productivity;
- enhancing the use of micro-economic evidence in the assessments;
- continuing to “go National” with our support for the implementation of reforms;
- developing the tools to identify the specific impact of reforms on different income groups, but also at the household level, consistent with the inclusive growth narrative; and
- incorporating governance and institutional settings in this exercise.

We will also complement the quantitative analysis with qualitative analysis that deals with non-quantifiable outcomes that are nonetheless central to well-being in our societies.

3. IMPROVING GOVERNMENTS' STRUCTURES, EFFECTIVENESS AND EFFICIENCY: IMPLEMENTATION, IMPLEMENTATION, IMPLEMENTATION

The effective implementation of policies and reforms is one of the greatest challenges that our countries face. First-best policy solutions do not always deliver results because of important implementation gaps, due to weak administrative and institutional capacity, high complexity in the governance and decision making frameworks, among others.

To help governments face this challenge, we will enrich our evidence-based analysis with contextual information and institutional analysis to help countries improve their understanding of the implementation challenges. We will build on our strong expertise in good governance, regulatory policy, Centres of Government, public sector innovation, anti-corruption, budgeting and public expenditure, taxation, and public administration; and our understanding of the different levels of government.

Redefining the growth narrative to put the well-being of people at the centre of our efforts

4. GOING BEYOND GDP: THE WELL-BEING OF OUR SOCIETIES

The New Approaches to Economic Challenges (NAEC) initiative has already delivered good results in upgrading our analytical frameworks, and help us redefine the growth narrative to put people's well-being at the centre of governments' efforts. It has underlined the increased complexity, uncertainty and interconnectedness of the global economy, and the need to sharpen our understanding of how the social, the financial and the economic systems operate and interact as well as the need to develop effective foresight analysis. It has also identified policy trade-offs and complementarities and unveiled the unintended consequences of certain policy choices.

With these elements in hand, we should now accelerate our work to jointly develop a new growth narrative: more sustainable, inclusive and focused on people's well-being. It should incorporate distributional and environmental concerns, along with productivity and competitiveness considerations.

In the next stage, as many members have requested, this work should be mainstreamed across all OECD activities. We need to ensure that the well-being framework complements GDP metrics incorporating additional dimensions that matter for people's lives. Our "*Better Life Index*" can be strengthened and include forward-looking well-being impact assessments.

5. DEVELOPING A STRONG SOCIAL DIMENSION AT THE OECD

The OECD has pioneered analysis illustrating how increasing inequality has an adverse impact, not only on social cohesion, but also on economic growth. However, much remains to be done to advance a more comprehensive analysis, based on a multidimensional approach, looking at income, but also at other dimensions such as health, jobs and education. It also calls for a strategy that ensures the equality of opportunities in our societies, ensuring that all individuals can develop their full potential.

Therefore, our Inclusive Growth Initiative needs to be completed and rolled out, ensuring its full impact. This means the operationalization of instruments such as Multidimensional Living Standard as a tool for governments to have a clearer picture of the impact of different policy choices, and of “going National” in our analysis.

With the new OECD Centre of Equal Opportunities we are creating a hub of international knowledge and thought leadership, building on the Organisation’s unique capacity of bringing together evidence-based policy analysis across countries and sectors and involving the whole of government.

Closing the gender gap is not only a moral and ethical imperative; it also makes a lot of sense in economic and social terms, and we should continue to roll out and increase the impact of the *OECD’s Gender Initiative* (“*Closing the Gender Gap*”, *GenderNet*, our *Gender Recommendations*, *SIGI*, *MENA Women’s Business Forum*), to achieve equality in education, employment and entrepreneurship (the “three Es”), and to narrow the gap in many other areas, including in the realm of statistics. We should also address concerns of developing countries in the context of SDG’s.

We should advance in different tracks: country survey chapters on gender, the annual update of the Gender Data portal on international Women’s Day, statistical work on female entrepreneurship, the MENA Business Forum for Women, and the upcoming Guidelines for Promoting Female Leadership in the Public Sector. We need to work more to reduce stereotyping and support girls to achieve their full academic and professional potential, including by participating in STEM tracks. We will be supporting the G20 in monitoring its target to reduce the gender gap in labour force participation by 25% by 2025 — a key commitment that the OECD contributed to achieve through its work with the Australian Presidency in 2014. Gender mainstreaming is also a strong objective of the internal Human Resource Policies at the Organization.

We need to take a hard look at migration issues, as it is a constant in our societies, the growing global demographic imbalances have already affected migration trends. The share of migrants in the population of OECD countries has grown to over 10%. Young migrants and their offspring account for an even larger share. Migration will be one factor for future growth, but this depends on sound labour migration policies and more broadly on adequate integration policies. The OECD should help member and partner countries to develop better integration and skills policies for migrants, and to ensure that that diversity and migration are seen as opportunities to renew and refresh societies to work better than before for all their members.

Addressing the high levels of unemployment and underemployment, particularly of the youth, as the major legacies of the crisis should be a priority for the Organization going forward. Not only in terms of job creation, but also by ensuring job quality. Therefore, we should mainstream job quality in our regular analysis of labour market developments and policy analysis to ensure that economies not only create jobs, but that these are high quality jobs. Further work is also needed to make our labour market more resilient to shocks. The recent crisis has provided a lot of evidence on how institutions and policies can contribute to labour market resilience and how we can use it to reinforce our Jobs Strategy.

Putting well-being at the centre of the OECD’s agenda implies redoubling our focus on better **health**, which not only contributes to individual happiness, but also has a great impact on economic progress and trust. Going forward, we should continue measuring and benchmarking both outcomes and effectiveness of health systems, which account for 9% of GDP, and help countries to tackle key long-term challenges such as the growing number of non-communicable and ageing-related diseases, the

socioeconomic implications of long-term care and pensions, and the emerging threat of pandemics that demand immediate responses. We should also work on how to mend the broken health innovation model. Overall, we must help policy-makers provide better health care that meets the needs of communities, measuring the real impact of health systems on patient well-being.

6. EMPOWERING PEOPLE WITH EDUCATION, SKILLS AND VALUES

We must consolidate and keep our leadership role on education and skills policies, but we need to go further by boosting their inclusiveness dimension. Building on the success of PISA, and its effectiveness at raising the awareness on quality and equity in education, we should continue on the effort to “*go national*” as well as “*global*” by which OECD members have discovered that many of the world’s top performing education systems –come from outside the OECD. Next we should roll out the national analysis to more countries, including developing ones.

Addressing the needs of the working population to improve their skills should have the same level of urgency as providing better education to our children. PIAAC is starting to deliver, and we should continue to expand its reach and its policy impact.

The OECD Skills Strategy is also starting to deliver, providing invaluable insights on skills formation, development and use; and on the policies required to match the demand for skills with adequate supply, as this is a critical issue in tackling unemployment, improving productivity and promoting inclusive growth. The OECD should identify concrete examples of good practices on how countries use information on skill needs to adapt migration, labour markets and education policies to foster inclusive growth.

Being at the forefront of measuring and comparing educational outcomes related to cognitive skills (through PISA and PIAAC on maths, reading, science and computer literacy) is one of the major achievements of the OECD. Such skills allow children and adults to confront the challenges of real life and provide them with the foundations for success in the modern global economy. But we have also analysed other skills, such as social and emotional skills, that foster social cohesion and better interpersonal outcomes. In the context of increased violence, fundamentalism and discriminatory practices in our societies, we should strengthen and expand this work, and ensure that our education systems not only equip individuals to succeed individually, but that they do so while contributing to their community, with a greater awareness and understanding of others, by fostering skills to collaborate and work together. More diverse and complex societies, but also the need to recover trust in institutions and among communities, require a stronger effort to develop core values of citizenship at school (tolerance, respect, fairness, personal and social responsibility, integrity and self-awareness), that will help us build more inclusive, fair, and sustainable economies and societies.

7. RECOVERING PUBLIC TRUST, CONFIDENCE AND HOPE

The OECD must work with governments to help people recover trust, confidence and hope, and to strengthen citizens attachment to democratic processes. To achieve this goal, we should advance with our Trust Agenda, including on measurement, drawing on OECD expertise in areas such as integrity, transparency, taxation, good decision making (fair and unbiased), anti-corruption and open government. But it will also cover effective public service delivery (health, education, security), access to opportunities for all, and the promotion of inclusive growth. It should engage with the business sector, so that it also contributes to societal goals and abides by high standards of responsible

business conduct. The Trust Agenda should also include different levels of interaction with governments and citizens.

Restoring trust will also help to inform and support policy reform in such diverse areas as tax policy, corporate governance, education and justice, and to advance difficult policy reforms.

Identifying emerging policy challenges, while reinforcing our capacity to understand and address them

8. IDENTIFYING, UNDERSTANDING AND ADDRESSING MEGATRENDS AND NEW LONG-TERM CHALLENGES

The OECD has to become the go-to institution for identifying, anticipating and dealing with trends and megatrends for the next half century. We need to keep strengthening our work on strategic foresight and mainstreaming it into the work of the Organisation.

I would propose to advance this work through the four key “lenses” that we discussed at our latest Global Strategy Group: *People* (inequalities, ageing, youth, intergenerational issues), *Productivity* (trends and synergies in trade, investment, innovation, education and skills), *Planet* (climate change, resource management and depletion, biodiversity), and *Polity* (connections between citizens and institutions, democratic processes and their financing, accountability, institutional issues).

9. DEALING WITH THE DARK SIDE OF THE GLOBAL ECONOMY

International economic interaction offers many opportunities to advance economic and social progress, but it can also pave the way for illegal activities, increasing the magnitude of existing threats, while giving rise to new ones.

The OECD can rely on its extensive experience in areas such as illicit financial flows, anti-corruption, tax compliance, migration and the internet economy, among many others of relevance to tackle the dark side of global economy.

In this endeavour, we need to keep ensuring the effectiveness of our anticorruption tools and activities (including the CleanGovBiz Strategy), but also continue strengthening our holistic analysis of the issues. We need to complement our work on foreign bribery with a new focus on domestic bribery, and support the existing framework of good practices in public procurement. Likewise, our expertise and experience on public integrity should be mirrored with similar work on integrity in the private sector, which goes far beyond our high impact work on Responsible Business Conduct (RBC).

Supporting the global agenda and collective policy action

10. TURNING THE OECD INTO A KEY PILLAR OF GLOBAL AND REGIONAL GOVERNANCE

The OECD is gradually becoming the “global policy network” defined in the 50th Anniversary Vision Statement through its growing engagement in crucial fora for global (G20, G7) and regional (European Union, APEC, Pacific Alliance) governance. The Organisation’s work and impact in the architecture of global governance helps us to pursue three strategic objectives in the interest of all OECD Members: (i) disseminating better policies for inclusive growth and advancing structural reform agendas on a global scale; (ii) leveraging our standards and making them universal; and (iii) enhancing our cooperation with emerging economies. We will continue to keep Members informed of this important work and I propose to organise an annual pre-briefing ahead of the annual G20 Leaders’ Summit.

During the 2016-2021 period, we propose to reinforce the OECD’s position as a hub and facilitator for global governance while addressing global challenges. We will consolidate our role as trusted advisor to the G20 and the G7 on global (trade, investment, finance) and structural, social and environmental issues. We will also develop further the connection of our role in global governance efforts with our own forward-looking initiatives, such as surveillance mechanisms, NAEC and the reinforcement of Strategic Foresight, to help shape the debate and advance the international policy agenda.

11. STRENGTHENING OUR RELATIONS WITH OTHER INTERNATIONAL ORGANISATIONS

The collaboration of the OECD with other International Organisations (IOs) is a source of efficiency and greater value for money for Member countries. It aims to increase the quality of global governance and the effectiveness in dealing with new issues, while avoiding overlaps and increased costs for governments. The OECD will continue helping both to “cross-pollinate” the work that different IOs do; and to jointly respond better and faster to emerging global challenges. This includes work on trade, investment, climate, development, food security, SDGs. We should also continue to promote and participate in joint dialogue with leaders (as the ones held with the leaders of Germany, France and the UK).

We will continue to join forces – as we have done in the past years – with other IOs: sometimes in a leading role (in areas such as structural policies, taxes, responsible business conduct or investment, or in fields in which no one is taking the initiative); and at other times as a pioneer and a pathfinder so others can eventually take over (as we did with the African Development Bank in the case of the African Economic Outlook; and, whenever necessary, as the “best supporting actor”, with other IOs in the leading role, contributing our knowledge to advance on-going processes (as we did with WTO negotiations through our work on service trade restrictiveness). We should strengthen the good collaboration with International Financial Institutions in fostering financial and economic stability, so that we can prevent another crisis. Likewise, and given that 2015 and the coming years will be critical for international negotiations on climate, gender and development, the OECD should deepen its contributions to and its co-ordination with other IOs, in particular with the UN system.

12. TACKLING THE ENVIRONMENTAL CHALLENGES: RESOURCE SCARCITY & CLIMATE CHANGE, GREEN GROWTH

The OECD is becoming a global reference in the search of a new economic model that works for the environment, not against it. But we need to redouble our efforts.

The COP21 in Paris will present an opportunity for our Organisation to be at the forefront of the climate change debate and actions, including through our joint project with the IEA, NEA and ITF on how to better align policies to transition to a low-carbon economy in order to meet the two degree goal. Beyond this, through our multi-year project on the Cost of Inaction and Resource Scarcity – Consequences for Long-Term Economic Growth (CIRCLE), we will investigate the feedback from a range of environmental phenomena - including climate change - on economic growth. In addition, we should strengthen our national environmental assessments to help countries align their economic policies for a low carbon economy. By integrating our work better with that of other IOs, we will try to capitalise on the current momentum in favour of more sustainable economic models.

Moving towards zero net carbon emissions against a global scenario of abundant and cheap energy will be a complex challenge, as will be the development and use of renewables. We need to develop the analytics around the “new normal” of abundance of energy. For this we need to ensure much closer cooperation between the IEA, NEA and the ITF. In the crucial area of water resources, we will continue helping countries address this multidimensional challenge through the development of required instruments of Water Governance and the development of new indicators, as well as dedicated analyses and publications.

As our countries face these challenges, it is imperative to accelerate our transition to an era of green growth, and continue rolling out our Green Growth Strategy. The greening of our economies can become a powerful source of growth, but we need to bring the local authorities perspectives in our analysis, as well as develop the necessary support for developing countries to benefit from it.

13. CONTRIBUTING TO A POST-2015 DEVELOPMENT AGENDA

The OECD should keep increasing its participation in, and support for the Sustainable Development Goals (SDGs). We should now increase our participation in all relevant UN SDG-related processes (financing, measuring, monitoring, etc.) and put the Organisation’s expertise and value-added at the service of achieving these goals, particularly in terms of accountability and resource mobilisation. We will also promote and maximise the role of the Global Partnership for Effective Development Cooperation (GPEDC) as a critical vehicle to ensure co-ordinated SDG implementation.

The 2016-2021 period will be critical for consolidating the change in focus of the OECD’s development work from aid effectiveness into development effectiveness, not only by putting the GPEDC at the service of the SDGs, but also through better integration of the Development Centre into the work of the OECD, a consolidation of the Organisation’s development cluster, and further progress, implementation and impact evaluation of our Development Strategy. We should increase our understanding of emerging and developing economies needs, including through multidimensional analysis, and ensure that our work is global and incorporate their perspectives and needs (such as better understanding high informality, strengthening institutions, among others). We should also consider spill-over effects of OECD countries’ policies on developing economies and vice-versa.

14. BUILDING AN EFFICIENT AND FAIR GLOBAL TAX SYSTEM

Ensuring inclusion and restoring citizens' trust in institutions calls for developing fair and efficient tax systems, and we should continue building the tax system of the 21st century. The OECD has played a leading role in the biggest changes to the global tax system of the last 100 years, but this ground-breaking work must continue to expand and increase its impact, both related to Automatic Exchange of Tax Information (AEOI) and to the G20/OECD BEPS Action Plan. The BEPS Project is not a single event – it is an on-going process. We therefore need to carefully plan the next stages, delivering on the second set of BEPS deliverables, and providing strong support for full implementation, both of BEPS and of AEOI, which will take two to three years. We should explain the benefits not only in terms of revenues (our work on AEOI has already delivered 37 billion euros to the public treasuries in the last five years), but also in terms of restoring the trust of citizens in governments, institutions, and markets by ensuring that everyone pays the tax they owe.

Developing further our productivity and competitiveness agenda by leveraging our multidisciplinary knowledge

15. HELPING TRADE REGAIN CRUISING SPEED TO DRIVE GROWTH

Recovering cruising speed in the growth of international trade flows is a pending objective. It should be underpinned by keeping markets open for trade and investment, a crucial goal to which the OECD has contributed practically since its foundation. On the other hand, our contribution to better understanding the dynamics of trade flows is just starting to bear fruit and this can make a big difference. We have only just “decoded the trade genome” with our analysis on Trade in Value Added (TiVA), Global Value Chains (GVCs) and on Services Trade Restrictiveness Index (STRI). Although this is already helping some countries improve their trade, investment and competitiveness strategies, we need to further develop this work. It will be crucial to find ways to connect this effort to the solutions that will help advance trade negotiations and increase their level of ambition, in support of the WTO.

➤ We also need to open new avenues to address the emerging issues in the international trade and investment agenda, such as analysing the interplay of the financial system with both trade and investment; exploring the synergies between the OECD's work on development, trade and investment; GVC and integration of SMEs and developing countries; quantifying the spill-over effects resulting from trade and investment flows; developing an agenda to better explain the benefits from trade liberalisation; assessing the impacts of trade liberalisation on inequality and enact policies to deal with the downside; and analysing the interplay of the digital economy with trade, investment and jobs; and continue to develop the aid for trade agenda.

16. FOSTERING PRODUCTIVE LONG-TERM INVESTMENT FOR GROWTH

International and domestic investment is one of the major pillars of the world economy that has not fully recovered from the economic crisis. Infrastructure investment has stagnated while other investments have become excessive. Both are leading to less bankable projects and reduced potential returns. Companies are not reinvesting earnings and instead accumulate cash and/or undertake share buybacks. The world seems to be awash with institutional capital, but it does not move to where it is needed. There is a need for a better understanding of the links between equity, debt and financing, and

to move away from the “financialisation” of the financial markets, We also need to understand better the workings of new financial instruments.

There is so much to do on this front in the years ahead for the OECD. We need to encourage higher levels of public and private investments in productive activities to improve growth perspectives. We also need to better understand the behaviour of international investment flows (in the context to GVCs and their quantification, including by producing new data (BMD4 and evidence base research), as well as the rules that have been developed to manage FDI and to introduce coherence, including on dispute resolution, in the context of Bilateral Investment Treaties (BITs) and multilateral agreements. We need to develop analysis and indicators on company data on infrastructure, green infrastructure investment, institutional investors, a re-launch of the FDI restrictiveness index and parallel new measures for bank and portfolio flows etc. In the face of the SDGs, we also need to enhance the contribution of investment to global development. The Policy Framework for Investment should become the most effective tool to improve investment climates, but also to expand the outreach of our investment work through National Investment Policy Reviews.

The Freedom of Investment Roundtable needs to become global; the Global Forum for International Investment should be strengthened, and it should be possible to open avenues to access the MNE guidelines in different modalities for it to become global, with a strong monitoring and peer review process. We should also encourage more countries to join the International Investment Declaration and the Codes of Investment.

17. DEVELOPING NEW SOURCES OF GROWTH: INNOVATION 2.0 AND ENTREPRENEURSHIP

Innovation is one of the strongest new sources of growth. It is also a key tool to address some of the main challenges for our Member and partner countries. Our work on Knowledge-Based Capital (KBC) is already making a difference in understanding and designing new ways to measure and promote economic activity. To help countries improve their understanding of the relationship between innovation and growth, as well as on the resulting policy implications, we need to keep developing better measurement capacities for KBC, and common measurement guidelines. We also need to deepen our work on innovation and inclusive growth, innovation and skills/ human capital; ITC and development; ‘smart specialization, and on SMEs.

We will also keep developing our work on innovation to: 1) enhance business dynamics, job creation and productivity; 2) enable the next production revolution, as an array of technological (new materials, 3D printing, big data, robotics) and non-technological innovations (new GVCs / KBC business models) are likely to significantly affect the nature of production; 3) Seize the benefits of the digital economy and advance governance of the Internet. The OECD should be a leader in this effort to create a global framework for the operation of the Internet by leveraging its work on the subject and its participation in the GCIG (Global Commission on Internet Governance); 4) Design innovation policies for inclusive growth.

SME’s analysis will be strengthened at a country level, and including financing, and new financing instruments; disseminate best practices in entrepreneurship education in schools and in vocational training; foster management and leadership capabilities in SMEs; and benchmark SMEs and entrepreneurship policies and their impacts across countries.

18. ENHANCING OUR WORK ON REGIONAL, URBAN AND RURAL DEVELOPMENT

Regional development policies are increasingly recognised as critical for national development strategies. In particular, regional divergences need to become a key policy area in OECD Member and Partner countries. A more place-based approach to regional development may help to adapt policies to the specificities of where people live and work, including sectorial policies but also improving the coherence and effectiveness of public spending, as well as closing investment gaps wherever they exist. The OECD must keep consolidating itself as one of the leading sources of regional comparative data and policy knowledge, and should continue to design and implement policies to make regions as competitive and resilient in the case of natural resources.

This includes understanding better and fostering a new dynamic of cities and metropolitan areas, as they are major contributors to national economies, but also a reflection of inequalities and fragmented governance arrangements. We should continue working with countries on their urban development policies to address a range of issues, and to increase our understanding of how cities work as engines for innovation, prosperity and growth and as laboratories for solutions to our social and environmental challenges.

It will be important also to address rural development, including gains in agricultural productivity, and develop a new “rural paradigm”, building on our unrivalled work on long-term commodity trends, price volatility in food and agricultural markets and identifying best policy practices. Given extensive producer support, and public stockholding and subsidies in agriculture and fisheries, the focus should be on continuing to enhance productivity and explore the implications in terms of food security, resource management, trade relations and sustainability. We should grasp the window of opportunity to better the lives of rural people and cultivate rural-urban linkages.

Strengthening and maximising the impact of existing standards, as well as identifying the areas in which we need to develop new ones

19. UPDATING AND MODERNISING OUR STANDARDS AND MULTILATERAL INSTRUMENTS

In order to strengthen our role as a global standard setter, we will work to update the OECD’s main standards and legal instruments to keep them at the cutting edge, to ensure they are globally applicable and that they contribute to address the challenges we confront. Thus, we will continue our review, revision and modernisation of the Organisation’s guidelines, instruments, frameworks and legal instruments and evaluate their relevance in virtually every major policy area within the OECD’s remit. We will proceed to update many of these key frameworks, for example on: investment, corporate governance, statistics, information technologies, taxes, budgets, and corruption. And we will also work on developing new standards on emerging issues, such as the internet and the digital economy. We should engage major emerging economies in this exercise, to ensure the proverbial level playing field. Last but not least, we will ensure the best implementing, peer review and monitoring mechanisms in order to guarantee their effectiveness.

Continuing to enhance the global character of our Organisation

20. BUILDING A MORE GLOBAL AND INCLUSIVE OECD

One of the major strategic goals during recent years has been the strengthening of the OECD's global reach and impact, and its relationship with emerging and developing countries. This continues to be an essential element of any roadmap going forward, given the progress we have made, but our work is not done yet. Indeed, we should continue to advance the OECD's transformation into a more global, effective and inclusive institution. Our work with key partners Brazil, China, India, Indonesia, and South Africa will remain central "with a view to possible membership", and we will continue to leverage our work with them in the context of the G20 and other international fora. Engagement with China should be a top priority, as we currently witness a new departure in our relationship, which may be further advanced during the celebration of the 20th anniversary of relations between China and the OECD, in 2015, the Chinese G20 Presidency in 2016, and beyond. To keep building and consolidating this crucial partnership, we need to dedicate more resources, more focus and more people.

Through the advancement of our regional programme, South East Asia will remain an important priority as the fastest growing region in the world. There, we will focus our more immediate efforts on engaging with Indonesia and the Philippines, as the most promising priorities, as well as with Thailand and Vietnam, depending on policy developments in each country. In Asia we will build on the very promising links established with the new Indian leaders and their request for support for their reform efforts. In Europe, we will aim to conclude the accession process of Latvia and launch the one for Lithuania, as well as deepen our collaboration with non-OECD EU Members and the South East Europe and Eurasia regions, including the programme with Kazakhstan. In light of Members' decision, we will continue technical cooperation with Russia and will wait for Members to decide on the future evolution of engagement at a political level. In Latin America, we will work to conclude the accession of Colombia and launch the one of Costa Rica, and work with Peru in its country programme. In Africa, we will continue deepening our relations with South Africa while pursuing specific programmes such as the Club du Sahel (SWAC) and the NEPAD Investment Initiative. In the MENA region, we will continue building on the governance and investment pillars of the regional programme, as well as the individual country projects supported through the Deauville Partnership; we will also advance the Morocco country programme.

We should review the mechanics of the accession process to avoid unnecessary delays, and explore the possibility of developing an "associate status", especially for Key Partners. On top of specific country projects, programmes and relationships, we will ensure that major OECD analyses and publications include coverage on emerging economies, and that our statistics on them are reinforced. Multidimensional Country Reviews offer a good modality for reinforcing collaboration, and we will capitalise more on them over the coming years. Likewise, we will continue our work to make our standards and tools more universal, and to develop joint benchmarks with these economies. Encouraging the adherence by non-members to instruments such as the Anti-bribery Convention and the Multinational Guidelines is a must, but we will further explore and develop many other fields where OECD standards may offer a good opportunity to engage with these countries.

Ensuring effective and efficient financial, administrative, communications and management practices within the Organisation

21. IMPROVING THE WAY WE FUNCTION AND OPERATE INTERNALLY

Throughout the past nine years, we have upgraded our management tools and regulations in the areas of finance, communications, human resources and operations, in response to new needs and demands. Most importantly, we have established a culture of value for money that is now delivering results. I intend to continue the search for efficiencies, and to optimise what our Members get from the public monies with which they support the OECD.

I will also maximise the increased impact of our work through effective communications, dissemination and best practices in our approach to public affairs, in line with the progress we have made to professionalise and increase the effectiveness of this important area. Our reliance on cutting-edge technologies and methodologies for communicating and achieving maximum impact should continue, as well as the development of tools and settings for interaction with different stakeholders, such as the OECD Week and its different components. Our work with parliamentarians should also be consolidated and expanded.

To serve members better, we will upgrade our communications planning tool, and share with Permanent Representatives the materials that are going to be published shortly before they are made public (we will do so under embargo, counting on them to make sure that this is respected). We will also continue to ensure consistency between the content of the analysis and the messaging going out. Communication policy and analysis is a remit of the Council, with the Executive Committee helping with implementation issues.

We have pro-actively put the Organisation on a sound financial footing with the Reform of 2008, as well as through the different contributions by staff and improvements in the governance of the Organisation. In the coming years, I will continue to ensure that the internal management of the Organisation and its finances, human resources and structures remain fully aligned with international best practices. We will continue to ensure the OECD is at the leading edge of management issues, and to modernise its processes, systems, operations and communications, both internal and external. As we do so, we should also keep in mind the ‘regulatory guillotine’ principle to avoid creating unnecessary bureaucratic burdens. Our quest to increase efficiency and to make the best out of our Value for Money initiative remains the driving force, as will our efforts to recruit, maintain, and equip our highly talented staff to deliver. We will contribute to a thorough review of the In Depth Evaluation (IDE) process, in the context of the launching of the 3rd IDE cycle. I also propose to organise a series of informative meetings on the Integrated Management Framework and its instruments (PIR, MTO, IDE).

The horizontality of our products and policy advice, capitalising on our Organisation’s multidisciplinary nature, begins with the horizontality of the way in which we work. I will continue promoting the breaking up of ‘policy silos’ that too often prevents us from connecting the dots and coming up with new breakthrough initiatives. Unlike other institutions which have embarked in long and protracted internal reform processes, I believe the OECD requires ‘evolution’ rather than ‘revolution’. Therefore, I plan to promote more cross-fertilisation among directorates by providing the

venues, tools and mechanisms to exchange information and views in order to profit more from collaborative work. I intend to redouble our efforts to advance a culture of proactiveness and leadership among our staff. We will also work with our Members so they, like the OECD, can find ways to promote cross-pollination among their own different areas of government.

Going forward, I intend to work with Permanent Representatives to ensure a better engagement with Horizontal Projects, and to this end I have suggested adopting the structure of the NAEC Group (with the wide representation of committees Chairs, Directors, experts and Permanent Representatives) as a possible platform for the oversight of horizontal projects. This approach will keep Ambassadors engaged and better informed, while retaining the flexibility and dynamism of projects. This will not substitute, however, the role of the Council as the main place where political backup and strategic guidance for new projects is gathered. I also suggest organizing an annual meeting with the Chairs of Substantive Committees and Permanent Representatives so they can exchange views and be kept informed of substantive developments across the house.

To continue developing a shared vision of the Organization going forward, I intend to organize, either at the Global Strategy Group, at the Council, or in another setting, and Annual meeting to discuss the achievements and challenges of the Organization, and to receive feedback from members in a strategic conversation (a sort of ‘GPS’). This will be on top of the many instances that Members already have to influence and define the work of the Organization (e.g. Integrated Management Framework; Substantive and Standing Committees, Advisory Bodies, Council) to help us develop a common understanding about the challenges and opportunities faced by the OECD. This exercise will be developed in full respect of the legal and operational framework of the Organization.

Finally, on “small G” and the distribution of papers for the Council this will be done within the agreed period (7 days for decision papers, 2 days for information papers). If this deadline is not met, the item will be automatically re-scheduled.

I have already achieved some notable successes in transforming the OECD into a beacon in all these fields, to the benefit of our increasingly diverse and representative membership. The request for a renewed mandate for the 2016-2021 period is meant precisely to safely steward the rich harvest our Members can expect from the many initiatives, work-streams and strategies that are in the process of maturing and bearing fruit.

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