

SECRETARY-GENERAL'S REPORT TO MINISTERS 2013



Secretary-General's Report to Ministers

2013

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The OECD at a glance

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

For more than 50 years, the OECD has helped forge global standards, international conventions, agreements and recommendations in areas such as governance and the fight against bribery and corruption, corporate responsibility, development, international investment, taxes, and the

environment, to mention a few. Co-operation, dialogue, consensus and peer review drive the OECD as it seeks to fulfill its vision of a stronger, cleaner, fairer world economy and society.

The OECD supports policy makers to identify challenges and address them through appropriate policies. It is also a source of advice on almost all areas of policy making and implementation, and one of the world's largest and most trusted sources of comparable statistical data on economics,

trade, employment, education, health, social issues, migration, the environment and many other areas developed by its committees of national experts and by a high-quality Secretariat.

The OECD includes 34 member countries and is in accession talks with the Russian Federation. Brazil, the People's Republic of China, India, Indonesia and South Africa are OECD Key Partners. The OECD also collaborates with more than 100 other economies, many of which participate in its committees and adhere to its instruments. ■



OECD Member countries: Ambassadors* and year of accession

www.oecd.org/membercountries

Australia	His Excellency Mr. Chris Barrett	1971
Austria	His Excellency Mr. Wolfgang Petritsch	1961
Belgium	His Excellency Mr. Yves Haesendonck	1961
Canada	Her Excellency Ms. Judith A. LaRocque	1961
Chile	His Excellency Mr. Raúl Sáez	2010
Czech Republic	His Excellency Mr. Pavel Rozsypal	1995
Denmark	His Excellency Mr. Poul Erik Dam Kristensen	1961
Estonia	His Excellency Mr. Marten Kokk	2010
Finland	His Excellency Mr. Antti Kuosmanen	1969
France	Her Excellency Ms. Pascale Andreani	1961
Germany	His Excellency Mr. Hans-Juergen Heimsoeth	1961
Greece	Her Excellency Ms. Konstantina Birmbili	1961
Hungary	His Excellency Mr. István Mikola	1996
Iceland	Her Excellency Ms. Berglind Ásgeirsdóttir	1961
Ireland	His Excellency Mr. Michael Forbes	1961
Israel	His Excellency Mr. Nimrod Barkan	2010
Italy	His Excellency Mr. Carlo Maria Oliva	1962
Japan	His Excellency Mr. Motohide Yoshikawa	1964
Korea	His Excellency Mr. Kyung Wook Hur	1996
Luxembourg	His Excellency Mr. Paul Dühr	1961
Mexico	His Excellency Mr. Dionisio Pérez-Jácome	1994
Netherlands	His Excellency Mr. Edmond H. Wellenstein	1961
New Zealand	Her Excellency Ms. Rosemary Banks	1973
Norway	His Excellency Mr. Tore Eriksen	1961
Poland	His Excellency Mr. Pawel Wojciechowski	1996
Portugal	His Excellency Mr. Paulo Vizeu Pinheiro	1961
Slovak Republic	Her Excellency Ms. Ingrid Brocková	2000
Slovenia	His Excellency Mr. Andrej Rant	2010
Spain	His Excellency Mr. Ricardo Diez-Hochleitner	1961
Sweden	His Excellency Mr. Anders Ahnlid	1961
Switzerland	His Excellency Mr. Stefan Flückiger	1961
Turkey	His Excellency Mr. Kadri Ecvet Tezcan	1961
United Kingdom	His Excellency Mr. Nicholas Bridge	1961
United States	Ms. Jeri Guthrie-Corn (<i>Chargée d'affaires, a.i.</i>)	1961
European Union	Her Excellency Ms. Maria Francesca Spatolisano	1961

* As of 8 April 2013

Candidate for accession

www.oecd.org/accession

Russian Federation

Key Partners

www.oecd.org/globalrelations/keypartners

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

Secretary-General's Strategic Orientations

Executive Summary

Building on the OECD 50th Anniversary Vision Statement from 2011, my Strategic Orientations for 2013 are about **IMPACT, INCLUSIVENESS AND IMPLEMENTATION** to ensure that we continue to support Member and Partner countries in the design, promotion and setting in motion of “better policies for better lives”.

With the crisis not yet behind us and many of our citizens still suffering its consequences, it is crucial that countries do not lose momentum in their reform agendas, to support the recovery, to foster long-term growth, to improve their resilience to future crises, and to increase the confidence, the hopes and the prospects of their citizens. Restoring growth, reducing unemployment, addressing inequalities and rebuilding confidence are crucial to unlocking a brighter future. At the same time, we need to acknowledge and

address a number of global trends, including: a further deepening of globalisation and shifting wealth; population ageing; migration; growing natural resource scarcity and climate change; and a technology-induced bias based on knowledge and skills.

To have **IMPACT**, the OECD must fully harness its greatest asset, the multidimensional nature of the Organisation, to deliver analysis, advice and international standards that promote stronger, cleaner and fairer economic growth. We must thus pursue a concept of economic growth that places equality, sustainability and well-being at its heart. One which promotes open markets, whilst helping countries to better understand and exploit the realities of today's global economy.

The New Approaches to Economic Challenges (NAEC)

initiative is the scaffolding that will allow us to renovate the house through a continuous improvement of our analytical frameworks and policy advice. Since the launch of NAEC at the 2012 MCM, we have made significant progress. We must now develop a coherent framework that integrates the various components into a single narrative that devises better ways to deal with competing policy objectives and exploits synergies, adopts and adapts both the latest theoretical, as well as the latest policy, developments that may seem pertinent to our work, and incorporates the realities of emerging and developing economies into our data, analysis and recommendations.

Achieving **IMPACT** requires us to build on our core strengths and consolidate existing initiatives. Our “horizontal” projects – the new normal in this Organisation – are fast becoming the magnet



(Left/right) Guy Ryder, Director-General of the ILO; Christine Lagarde, Director-General of the IMF; Angel Gurría, Secretary-General of the OECD; François Hollande, President of France; Jim Yong Kim, President of the World Bank and Pascal Lamy, Director-General of the WTO, at the OECD in October 2012

that will allow us to assemble and better organise the work of the entire Organisation. We have made important steps forward with the Strategy on Development in respect of Policy Coherence for Development and strengthening engagement and knowledge sharing with developing countries, but more needs to be done to mainstream development into our work. We are in the process of mainstreaming our Green Growth Strategy into our core policy areas, but more work is required to develop indicators and other measurement tools, enhance sectoral policy

analysis, and integrate green growth considerations into sub-national and multilateral policy. Our Skills Strategy is “Going National”, our Gender Strategy will see concrete outcomes in the form of a Recommendation on Gender Equality at this year’s MCM, and we will also revisit and update the Innovation Strategy.

“Inclusive Growth” is an essential part of the puzzle. We have to achieve a genuinely multidimensional approach to delivering growth that places equality, sustainability and well-being at its heart. That is why

our work on Inclusive Growth will first aim to identify how to best define the concept, measure and compare it, and then shed light on the policy options and trade-offs to promote growth at the same time as ensuring its INCLUSIVENESS.

Structural analysis and recommendations to promote growth, jobs and well-being will continue to be the bricks and mortar of the Organisation. In this context, I am committed to further sharpening our work on the various aspects of competitiveness, from competition to productivity,

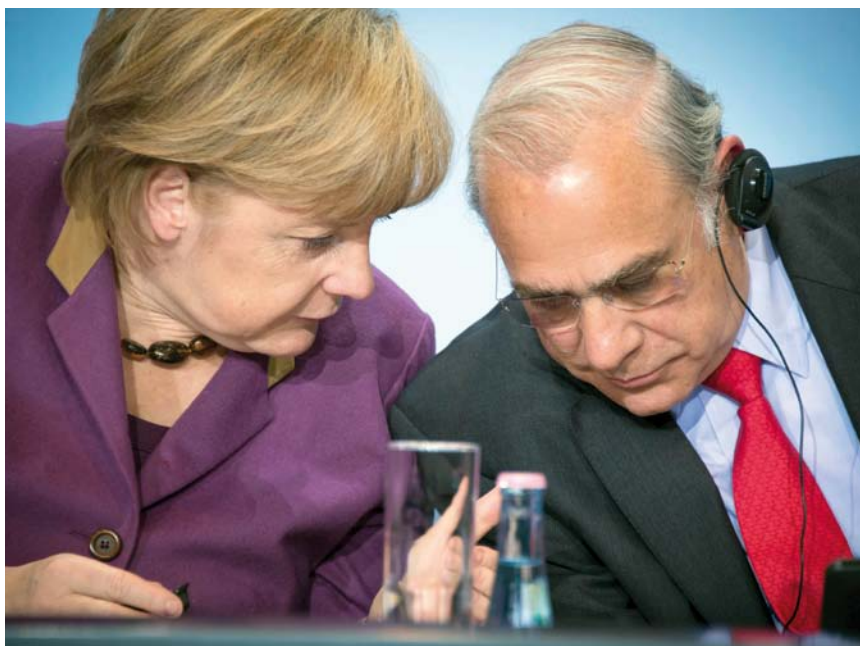
from education to skills, from labour to product market reforms, from domestic to international markets, and from innovation to the more efficient use of natural resources. In the current economic environment, a key focus of our efforts will be in areas such as activation policies for the unemployed, boosting job quality, an Action Plan for Youth Employment, migration, and addressing inequalities, including gender inequality.

We must also continue to broaden our advice to help countries deal with the significant rise in interconnectedness and complexity in the global economy. In particular, we should help governments to kick-start or boost their economies by tackling the risks and seizing the opportunities offered by

such complexity, in particular through new sources of growth. Thus, we will place even greater impetus behind new and promising agendas, such as Knowledge-Based Assets, Global Value Chains and Trade in Value Added, Green Growth and the Better Life Initiative (BLI), which will incorporate sports and culture, in the years to come. Taxation policies will also have to be adapted to an increasingly globalised economy to ensure adequate fiscal revenues and maintain sound public finances. Our work on Base Erosion and Profit Shifting (BEPS) will be a crucial step forward in making this happen.

Effective institutions are key to better IMPLEMENTATION and thus to achieving greater IMPACT. Without strong, smart and trusted institutions our efforts to deliver “better

policies for better lives” will be undermined. The OECD should support efforts to build more effective, more transparent and more open government institutions. In particular, we will look at how to pursue smarter and more effective governance through better regulation, increased resource efficiency and innovative methods and technology to facilitate and support better planning and decision-making. Improving financial transparency and accountability would also send a clear signal of a government's commitment to regain citizens' trust. We therefore intend to look at crucial issues such as the financing of political campaigns and its impact on the agenda-setting and decision-making processes. Strengthening corporate governance generally, in particular in the financial



Angela Merkel, German Federal Chancellor, and OECD Secretary-General Angel Gurría, in Berlin, October 2012

sector, also remains key to achieving these goals.

We will strengthen our IMPACT by “Going National”. In 2012 we significantly increased our impact on national agendas and served as a partner to our governments at the highest level, working hand in hand with them to create tailored policy solutions to their challenges. Looking forward, we aim to strengthen this role. In particular, we need to further focus our work on the IMPLEMENTATION side of the policy cycle, upgrading the support we provide to government officials through capacity-building programmes, workshops and training. Considering the increased interest of Leaders in visiting the Organisation, we will also build on our experience to organise these events under a “Leaders and Visions Programme”. Our new “OECD 360°” publication will give an overview of key areas of our work in each Member country in different languages. We will continue to carry out this work with due consideration for the specific needs, conditions and institutional settings of countries.

At the same time as “Going National”, we must continue to “Go Global” and further pursue our 50th Anniversary Vision to become a “more effective and INCLUSIVE global policy network”. With respect to the Key Partners, this means strengthening existing ties and pursuing specific and project-oriented tools, such as the Framework Agreement with



EU Trade Commissioner Karel de Gucht, OECD Secretary-General Angel Gurría and Pascal Lamy, Director-General of the WTO at the OECD-WTO press conference on the Trade in Value-Added (TiVA) initiative in January 2013

Indonesia. We will continue to work with the Russian Federation to complete its accession process and look forward to a decision on opening new accession discussions with other interested countries in the near future. From a regional perspective, we will continue to support reform in the MENA countries, Africa and Latin America, and make a special effort to strengthen and structure our relations with Southeast Asia. We will continue to provide timely and effective analysis in all relevant global fora, including the G20, G8, the Global Partnership for Effective Development Cooperation, the Post-2015 and Sustainable Development Goals Frameworks, and the UNFCCC negotiations. Finally, we will seek to strengthen our role as an international standard-

setter, taking stock of existing standards, identifying gaps and emerging needs in global standard-setting and considering where and how the OECD might make a useful contribution.

Last but not least, an “Efficiency Strategy” and “Strategic Efficiency” are necessary to achieve IMPACT for all our Members. In particular, we will continue to provide value-for-money for our Members, while delivering efficiencies in a challenging budgetary environment. Our corporate services will also continue to support the Organisation in achieving its strategic objectives in a number of ways, including through recruitment, talent management, knowledge management, and ensuring all OECD data is open, accessible and free by mid-2015. ■

Secretary-General's Strategic Orientations

Main Section

This note sets out my views on the strategic priorities of the Organisation for Economic Co-operation and Development (OECD) over the coming year and beyond. These priorities reflect the current policy environment, the main challenges faced by Member and Partner countries, and the policy responses required. They also draw on my discussions with Leaders, Ministers and Heads of Delegations, as well as other key stakeholders from the public and private sector and civil society.

Global Outlook and Policy Challenges

Evidence-based policy options, political leadership and decisive action are essential to the design of a successful post-crisis scenario. In many advanced economies slow growth, high unemployment, precarious public finances, unsustainable levels of public and private debt and risks surrounding the financial sector continue to loom large. As long as activity is not put firmly on an upward trend, we cannot say that the crisis is finally behind us. Promoting employment and tackling rising inequalities are key challenges in both advanced and emerging economies. The social dimension of the crisis is particularly

visible, and confidence in the ability of governments to reverse the situation needs to be rebuilt. Restoring growth, reducing unemployment and under-employment, in particular among the youth and the long-term unemployed, rebuilding confidence and addressing inequalities are crucial to unlocking a brighter future.

We have to address a number of global trends that will continue to shape not only global realities but also national strategies, and make the best out of them for all our citizens. They include a further deepening of globalisation accompanied by shifting wealth, population ageing, migration and other demographic changes, growing

natural resource scarcity and environmental challenges, and a technology-induced bias towards a global economy based on knowledge and skills. In this context, it will be paramount to ensure greater national and international efforts to create the conditions for stronger growth and employment, regain fiscal stability and address imbalances while, amongst others, tackling climate change, strengthening the multi-lateral trading system, fighting protectionism, enhancing social inclusiveness and cohesion and fostering development.

But new economic realities and upcoming megatrends will also require us to look further ahead. Our political, economic,

social and statistical systems need to take better account of an increasingly complex and highly interconnected world and better keep up with new global developments. To understand these new realities, we need to review our analytical frameworks, and question “established truths” and conventional wisdom, while revisiting and refining our policy advice. This is what we seek to achieve through the New Approaches to Economic Challenges initiative (NAEC), launched at the 2012 Ministerial Council Meeting.

The aim of these Strategic Orientations is therefore to harness the multidimensional nature of our Organisation, to mirror the interconnectedness of our economies, to connect the various policy aspects of the OECD’s work and to promote a holistic definition of growth and economic challenges that places well-being, equity and sustainability at its heart. The ability to further develop these horizontal interlinkages across different fields of public policy is one of our greatest assets and distinguishes the OECD from other international organisations. Therefore, the OECD should take full advantage of its horizontal projects and initiatives such as those on green growth, innovation, skills, development and new approaches to economic challenges, which allow us to better assemble the work of the Organisation.

New Approaches to Economic Challenges: An OECD Policy Agenda for Inclusive Growth

The NAEC initiative will help to strengthen the strategic framework for the work of the OECD going forward. This organisation-wide reflection will drive forward a continuous improvement in our analytical frameworks and policy advice. It will seek to revisit our fundamental assumptions about

of growth and ensure natural resources are used in a way that is sustainable over the long term.

This is not a project that we put on the shelf when it is done and carry on with business as usual. This is a “state of mind” to continuously challenge our own assumptions and stand ready to learn from advances in scientific, social and economic research, as well as new ideas from across the Organisation,



OECD Secretary-General Angel Gurría with Shimon Peres, President of Israel, during the President’s official visit to the OECD in March 2013

the functioning of the economy, addressing the limitations and extending the capabilities of our existing tools and models. Particular attention will be paid to better factoring in key linkages and feedbacks in our policy analysis. We aim to improve our policy advice not only to deliver higher rates of growth, but also to improve people’s well-being, support a fair distribution of the benefits

the Membership and Partner countries. This “state of mind” should continue to permeate the work of the Organisation to deliver high-quality analysis and recommendations. Since the launch of the NAEC initiative at the 2012 MCM we have made significant progress. We have built an organising structure that pulls together the main lessons from the crisis, scans the horizon for future challenges,

considers the main policy trade-offs and complementarities, and highlights some of the main institutional and governance issues that require attention.

The main challenge over the next year will be to develop a coherent framework for NAEC that integrates the various components into a single narrative. In particular, we need to focus on finding better ways of dealing with competing objectives and exploiting synergies, including between: growth and inequality; fiscal sustainability and inequality; growth and the environment; the environment and inequality; and growth and macroeconomic (in-)stability and risk. Secondly, we need to integrate new approaches to economics into our work, including behavioural economics, complexity theories, our ongoing work on looking beyond GDP to measures of well-being, and other cross-disciplinary insights. Third, we need to systematically incorporate institutional considerations into our analysis and advice, and improve our understanding of implementation and delivery capacities and gaps. Finally, we need to incorporate the realities of emerging and developing economies into our data, analysis and recommendations. All this, together, would lead to a “strategic policy agenda for inclusive growth”, as discussed by Ministers in 2012.

Our initial work on NAEC has also helped to clarify the areas in which Member and Partner countries need OECD support the

most. That is why my Strategic Orientations for the years ahead focus on delivering an OECD agenda in three broad areas:

- Inclusiveness and Growth;
- Interconnectedness for Growth; and
- Institutions and Governance for Growth.

Inclusiveness and Growth

Growth and jobs

The OECD continues to support countries in the design and implementation of a reform agenda for growth and jobs. In particular, we have built

on our structural expertise by developing tools to eliminate bottlenecks and barriers to growth. We have made the wealth of knowledge of the OECD available at strategic moments in our Members’ political life. We have stood by governments making tough decisions in favour of long-term objectives. We have doubled our efforts to support Leaders, Ministers and their governments to improve the performance of their economies and pursue their policy priorities and reform goals, including through our “Better Policies Series”, our reports on Competitiveness and our “Getting it Right Series”.



Vincent Peillon, French Minister of Education, and Angel Gurría, Secretary-General of the OECD, at the “Colloque international sur la professionnalisation de la formation des enseignants”

Going forward, the provision of structural analysis and recommendations, combined with our work on new sources of growth and jobs, will continue to be the main focus of our strategy. This is a golden thread running throughout our work and these Strategic Orientations, with proposals to focus our efforts in a number of structural areas. The OECD is the trustworthy international organisation that can both facilitate the planning of reforms as well as render itself as a catalyst for their implementation in Member countries. This includes our work on various aspects of competitiveness: from competition to productivity; from education to skills; from labour to product market reforms; from domestic to international markets; and from innovation to the more efficient use of natural resources. These areas will be at the core of our strategy in the years to come. This will be underpinned by continued work on new sources of growth, which will create more jobs, and which must be green, innovative, knowledge and skills-based, and gender-balanced. Through our analysis, we will also assist countries in designing tailored growth-friendly fiscal consolidation strategies that minimise harmful side-effects on income distribution and foster long-term prosperity, while addressing long-term challenges in pensions, health care and the environment.

Inclusive growth

However, we also need to recognise that while economic



Angel Gurría, OECD Secretary-General, is greeted by Thorbjørn Jagland, Secretary-General of the Council of Europe on the occasion of the Parliamentary Assembly in Strasbourg, October 2012

growth is an important means to an end, it is not an end in itself. Growth must become more inclusive with less pronounced gaps in outcomes and opportunities across social groups and a broader sharing of the benefits of growth. Working within the NAEC framework, and building on our flagship work on growth, inequalities and well-being, we aim to deliver a new vision that combines strong economic growth with improvements in living standards that matter for people's quality of life – good health, jobs and skills, and a cleaner environment, including from an intergenerational perspective. Policies that promote access to opportunities and resources, and shed light on the trade-offs and complementarities, should be centre stage in these efforts.

Our Inclusive Growth Initiative will provide a framework for

our multidimensional work in this area. Firstly, we aim to identify how to best define the concept of inclusiveness and measure it. This will draw on our already well-advanced work on Measuring Well-Being. Secondly, we will shed light on the policy options and tradeoffs to promote growth at the same time as ensuring that it is inclusive. Of course, at the centre of this agenda is our flagship work on growth, unemployment, inequality, education (PISA) and skills (PIAAC, Skills Strategy), entrepreneurship, financial inclusion, migration, health and development. Building on the Recommendation on Gender, to be agreed at the Ministerial Council Meeting, closing the gender gap will also continue to be a priority, not only for promoting higher levels of growth, but also for promoting fairness and equity.



OECD Secretary-General Angel Gurría and Enrique Peña Nieto, President-elect of Mexico, in October 2012

It's all about people: Jobs, Skills and Equality

The OECD is committed to drawing on all its expertise and strengths to tackle rising inequality, support and reactivate the large number of unemployed and boost the quality of jobs for all. Key priorities include:

More and better jobs – High rates of unemployment, long-term structural unemployment, in-work poverty, job instability and poor career prospects are a major concern in many countries. Further OECD work on structural reforms and activation policies in labour markets can make an important contribution. Work on more inclusive participation, including youth, older workers,

the long-term unemployed, minorities and disadvantaged populations, will continue to be key. However, we also need to assess labour market performance, not only from the perspective of creating more jobs, but also in terms of the quality of job opportunities, as measured by different dimensions. This includes their implications for subsequent employment transitions and earnings growth over the lifecycle.

Youth unemployment – Youth have been hit particularly hard by the crisis and many of them risk becoming marginalised from the labour market. The OECD has been at the forefront of addressing this problem, and has delivered specific advice.

Building on our extensive work for Member countries and our contributions to the G20, we have carried out analysis to: a) assess the labour market situation facing youth; b) highlight the major barriers that youth face to becoming durably employed and the extent to which they either lack appropriate skills, or their skills are insufficiently used; and c) pinpoint the combination of both employment and education policies needed. In the coming year we will work on an Action Plan for Youth Employment, outlining concrete policy recommendations for strengthened education and VET systems, a better transition to work, targeted support for the most vulnerable and facilitating access to training and employment.

Skills: the global currency of the 21st century – In early October we will launch our first “Skills Outlook” based on the results of the OECD Survey of Adult Skills (PIAAC). In December, we will publish the results from the next PISA round, and we will strengthen our efforts to extend the benefits of PISA to an even broader set of economies in future rounds. Building on our Skills Strategy, launched at the MCM 2012, we are now working with national governments to develop an integrated approach at both the national and local levels that not only considers how skills are provided by education and training systems, but also how firms promote the acquisition of the skills they need and how they utilise them in the production process. Given the changing skills needs in the labour market, ongoing analysis will provide guidance on how policies can be implemented in a way that maximises their impact on the quantity and quality of jobs.

Addressing inequality – Building on our ground-breaking work on inequality is a key priority for the Organisation and an area where much in-depth work remains to be done, in particular to mitigate the social costs of necessary economic adjustments. This will include further work on: how growth-enhancing structural policies affect inequality in the short, medium and long term; how inequality affects social mobility and economic growth; how redistribution can be achieved at least cost; and what new determinants of growth and inequality have emerged. We

also want to continue monitoring the evolution of social protection systems and social investments, and the tools we recommend to governments to make work pay, counter rising inequality and provide cost-effective insurance against social risks. This includes strengthening ongoing work on ageing, pensions and health.

In addition, we will take a closer look at how to better prepare the next generation for their roles as local, national and global citizens. Developing the skills necessary to find a job or start a business and find a place in a more competitive world is essential for prosperity and well-being. However, in today’s globalised world citizens also need the knowledge, attitude and skills required to function within and beyond the borders of their own cities and regions. They also need to understand how life in their communities and nations influences other nations and the impact that international events have on their daily lives. In this

context, we will begin to look at ways to enhance education systems to look beyond the traditional curricula, to promote understanding, values and skills in areas such as co-operation, respect for diversity and equality, social justice and sustainable development. A starting point will be PISA’s increasing focus on assessing social skills.

Migration is an increasingly important global trend, with huge implications for inclusive growth. Already in 2010, permanent migrants in OECD countries accounted on average for more than one in four new entrants into the working-age population. If skills are more effectively used in labour markets, migration can help address demographic imbalances between rapidly ageing countries and relatively younger emerging and developing countries. We will therefore explore the perceived and actual barriers to effective employment and



OECD Secretary-General Angel Gurría with Anton Siluanov, Finance Minister of the Russian Federation, presenting the OECD *Going for Growth* report in Moscow in February 2013

social integration of immigrants, such as the legal framework, language deficiencies, foreign qualifications, foreign work experience and discrimination. In addition, we will examine the absolute and relative importance of these factors with respect to employment, qualification/jobs-skills mismatch and earnings, with a view to improving labour market outcomes for migrants. Finally, due to the growing importance of South-South migration, the OECD will also look at how to enhance developing countries' capacity to incorporate the migration dimension into their development strategies.

In line with our Strategy on Development, we must continue to improve our response to the needs of countries and regions with different institutional settings and at different stages of development, while enhancing the contribution of OECD Members' policies to

development. We will focus on key Policy Coherence for Development challenges in such areas as global food security and illicit financial flows, and will develop targeted policy advice that will foster inclusive growth through a first set of multi-dimensional country reviews in Uruguay, the Philippines, Myanmar and other countries. Our tax and development programme is already delivering results in areas such as transfer pricing and the governance of tax incentives to attract investment. Over the coming year, while staying focused on the eradication of extreme poverty, we look forward to contributing to the shaping of a new era for global development, putting people and their well-being at the heart of our work and integrating sustainability into development. In doing so, we will contribute to the development of a post-2015 goals framework and capitalise on opportunities provided by

the Busan Global Partnership on Effective Development Cooperation, the International Dialogue on Peacebuilding and Statebuilding, the Partnership in Statistics for Development in the 21st Century (Paris 21), the G8 and G20 and other settings. We will continue modernising OECD monitoring and measuring systems to account for changes in development finance. We will also continue enhancing the role of the OECD as a platform for knowledge production and sharing, including through the Knowledge Sharing Alliance and other areas. The essence of the Strategy on Development, including the mainstreaming of development into the OECD's work, policy coherence and knowledge sharing, should now spread throughout the entire work of the OECD. This requires us to systematically consider the policy issues identified in these Strategic Orientations with a view to contributing to wider global efforts.



OECD Secretary-General Angel Gurría and Mario Monti, Prime Minister of Italy, at the Joint Italian Government-OECD conference on competitiveness, growth and jobs in Rome in September 2012

Interconnectedness for Growth

The OECD multidisciplinary structure is a tremendous asset to address the significant rise in interconnectedness and complexity that has come to characterise the global economy. Our focus on keeping markets open for trade and investment is central to this. In particular, we must help governments to kick start or boost their economies by tackling the risks and seizing the opportunities offered by such interconnectedness, in particular through new sources of growth. Harnessing these largely untapped sources will increase productivity, create jobs and fuel growth in an increasingly competitive world. That is why we will put an even greater impetus behind new and promising agendas such as Knowledge-Based Assets, Global Value Chains and Trade in Value Added and Green Growth in the year to come. We also need to find ways to better measure and increase our understanding of the interlinkages between these agendas, as well as build on our G20 work to promote efficient and productive long-term investment, including in infrastructure.

More connections and more complexity

The OECD-WTO Database on Trade in Value-Added has begun to revolutionise our understanding of what is going on in global trade, investment and production patterns. The international fragmentation of production, driven by



OECD Secretary-General Angel Gurría welcomes Robert Fico, Prime Minister of the Slovak Republic, to the OECD in April 2013

technological progress, cost, access to resources and markets, and trade policy reforms, challenges the way we look at and interpret trade statistics and, in particular, the policies that we develop around them. Our aim now is to improve the database further by extending it to more countries, including developing countries, and sectors and to take the next important step in using our analysis to develop better policies. This new database already highlights the importance of both trade facilitation and services liberalisation, and will allow us to better measure both the gains from trade and the costs of protectionism. We will examine where and what type of jobs are being generated in global value chains (GVCs) through international trade and investment. An additional, and particularly challenging step, will be to explore the role of

investment and the associated creation and appropriation of income in the context of GVCs. This includes the role that investment in and income from knowledge-based capital plays in GVCs, e.g. income from royalties, licensing and other knowledge-based assets. This work should also be extended to consider global investment flows – in the same way as we have developed a better understanding of trade – with a view to developing an investment framework that can inform our discussions in this area. In addition, the Organisation could strengthen its work on the role of Multinational corporations in trade, investment and business cycle transmission.

Ongoing regional and plurilateral trade initiatives currently under discussion are helping enhance interconnectedness across the world's largest economies and economic areas. We will advance

our analysis on the growth potential of recent initiatives, such as the US-EU Transatlantic Trade Agreement, the Transpacific Partnership (TPP), and the Transpacific Alliance (TPA) in Latin America. Further work is needed on the channels through which these initiatives can promote growth among the participant countries, as well as on the expected impacts on other parts of the world through broader trade and financial linkages.

New sources of growth

Our horizontal project New Sources of Growth: Knowledge-based Capital (KBC), launched

increases in productivity. To promote long-term growth and the jobs of tomorrow, we will continue to support governments to ensure that framework conditions, institutions and policies facilitate business investment in KBC and knowledge-based entrepreneurship. Phase 2 of our project will involve three streams of work: 1) further work on “big data” – an asset that is relatively new, growing quickly and not well understood; 2) deepening of policy analysis in two areas that require additional attention: tax and intellectual property rights; and 3) continuing the measurement and policy analysis that

Our Green Growth advice is being integrated across a range of public policy areas. We are in the process of mainstreaming the insights from our Green Growth Strategy into core economic, innovation, development cooperation, finance and urban development policy advice for advanced, emerging and developing countries. Future strategic investments, in particular in infrastructure, will play a critical role in determining how economies manage natural resource pressures and environmental pollution. Work is under way to identify the key barriers to greening long-term investments and shifting away from a path dependency that locks in fossil fuels and resource intensive practices. In the coming year, we will continue work on green growth indicators and other measurement tools, and we will deepen our sectoral policy analysis, for example on agriculture and tourism. We will also continue to enhance our modelling capacity to assess the costs of inaction in the face of environmental degradation and increasing resource scarcity, as well as the benefits of policy action.

Innovation, including R&D, remains at the core of our search for new sources of growth. The OECD Innovation Strategy, released in 2010, continues to provide a broad framework for policies to boost innovation. Since its delivery, we have used the insights from this work for the Green Growth Strategy, the project on Knowledge-Based Capital and the work on development, and



OECD Secretary-General Angel Gurría and Ólafur Ragnar Grímsson, President of Iceland, during the President's official visit to the OECD in February 2013

at the MCM 2012, shows that business investment in KBC is key to future productivity growth and living standards. Growth, particularly in advanced economies, will increasingly depend on knowledge-based

explores the links between KBC productivity gains and growth with a particular focus on “hard to measure” KBC, including investments in data, design, firm-specific training and organisational capital.

have launched new work in areas such as demand-side innovation, inclusive innovation, public sector innovation and innovative entrepreneurship. We have also undertaken in-depth evaluations of innovation with concrete policy recommendations (e.g. for the Russian Federation, Southeast Asia and Sweden). Concurrent with this work, there has been a growing interest in how governments can aid innovation through “smart specialisation” and well-targeted interventions that aid the development of science and technology and its conversion to innovation and growth. Based on lessons learned from this work, we will revisit and update the Innovation Strategy.

Sports, tourism and culture are important sources of well-being and economic activity. The lack of physical exercise is a major contributor to poor physical and mental health, damaging population well-being and costing OECD countries around \$160bn per year in health care costs. At the same time, the Sports, tourism and culture are important sources of well-being and economic activity. The lack of physical exercise is a major contributor to poor physical and mental health, affecting population well-being and costing OECD countries around USD 160bn per year in health care costs. At the same time, the sports sector generates around 2% of global GDP (close to USD 1.4 trillion in 2011),¹ and has proved to be



OECD G20 Sherpa Gabriela Ramos, OECD Secretary-General Angel Gurría, and US President Barack Obama, at the G20 leaders summit in Los Cabos in June 2012

exceptionally resilient during the crisis. The same is true of arts and culture. In many countries, arts and culture can be important catalysts for social inclusion and well-being, playing an increasingly important role in regenerating local economies and reducing inter-regional disparities, but also in the education of youth. The creative industries also contribute significantly to economic growth. In the European Union, arts and culture (Cultural and Creative Sectors) account for 3.3% of regional GDP and employ close

to 6.7 million people.² In the United States, nearly 1 million businesses are involved in the creation and distribution of arts.³ As part of our work on the OECD Better Life Index, well-being and inclusiveness, the OECD can foster the sharing of best practice and sharpen its analysis to help governments design policies that will ensure that they get the most from sports and culture, both in terms of well-being and economic growth. This could include, for example, research on the most cost-effective ways to promote

1. Developing the European Dimension in Sport. European Commission, Doc. COM(2011) 12 final. See: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0012:FIN:EN:PDF>

2. Promoting cultural and creative sectors for growth and jobs in the EU. European Commission. See: <http://ec.europa.eu/culture/our-policy-development/documents/communication-sept2012.pdf>

3. Americans for the Arts, “10 Reasons to Support the Arts”, June 2012. See: http://www.artsusa.org/pdf/get_involved/advocacy/research/2012/10reasons.pdf



OECD Secretary-General Angel Gurría meets with Mariano Rajoy, President of Spain, in Palacio de la Moncloa, Madrid, in November 2012

physical activity, or the synergies between tourism and the creative economy.

Measurement in an interconnected world

Many of the initiatives above imply significant measurement challenges. The OECD is already playing a leadership role in the measurement of multidimensional well-being, green growth and trade in value-added that reveals the increasingly interconnected nature of economies. However, helping develop evidence-based policies in areas such as Big Data, KBCs, BEPS, sports, tourism and culture, and further deepening our work on well-being and green and inclusive growth, will require significant investments in measurement and statistical capacity in all economies and an increasing shift towards the use of micro data. We are committed to working with national and international partners to develop

new statistics, indicators and accounting frameworks, but also to continue to improve conventional data where quality issues remain.

Institutions and Governance for Growth

The crisis has highlighted the need to restore confidence in markets, governments and businesses. Crisis-related and urgently needed structural reforms require strong political leadership and a foundation of trust among citizens to be successful. However, contrary to that, we continue to observe that democracies are constrained from delivering decisive action and concrete results fast and effectively, as a result of:

- a lack of efficiency in the governance system, including between central and local government;
- political economy blockages and dysfunctional

mechanisms in countries' democratic systems; and

- media monopolies.

Smarter, more transparent and more open

Policy makers in all countries must assure citizens of the reliability of their policy action. Securing stakeholders buy-in and support is necessary for bold political decisions to succeed. Without strong, smart and trusted institutions our efforts to implement and deliver better policies for better lives will be undermined. The OECD should support efforts to build more effective, more transparent and more open government institutions at all levels of administration, in particular in the following areas:

Pursuing smarter and more effective governance through better regulation, increased resource efficiency, and by using innovative methods and technology to facilitate and support better planning and decision-making

– A central area of focus will be the regulatory agenda, where our “Measuring Regulatory Performance Programme” will demonstrate how improvements to regulatory governance can cut costs and deliver actual benefits to business and citizens. It will provide the tools to identify successes and failures, to improve regulatory policies, programmes and tools, and to communicate progress. We will also do work to facilitate the implementation of institutional changes in developing countries in areas such as public procurement, public financial management and domestic accountability.

Improving financial transparency and accountability would send a clear and loud signal of a government’s commitment to regain citizens’ trust – Money in politics, or the financing of the democratic process, has remained on the sidelines of most accountability and transparency efforts thus far. Citizens expect governments

to provide assurances that the decision-making processes effectively pursue the public interest and are protected from undue influence. The OECD, with its experience in governance, integrity and transparency, is well placed to look at these aspects of the financing of political campaigns and its impact on the agenda setting and the decision-making processes. This could include an economic analysis on whether existing private political campaign financing provides an efficient allocation of resources, especially in the current crisis context.

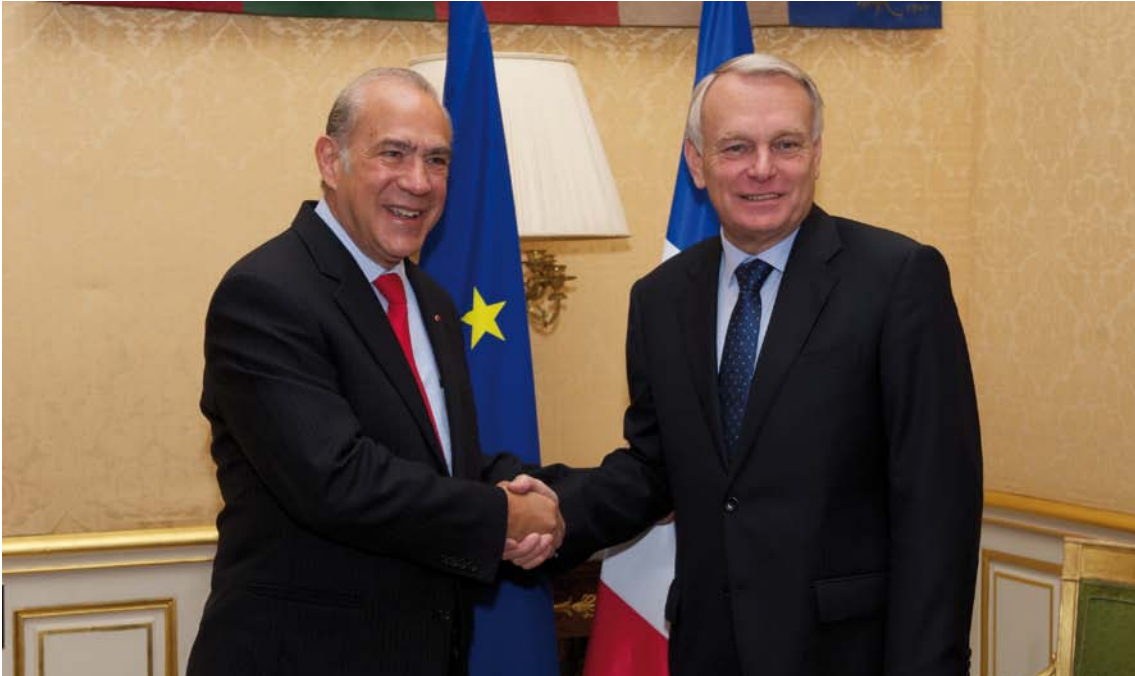
Making Governments more open and more inclusive – Building on “The Call for Innovative and Open Government: An Overview of Country Initiatives” (2011), we will develop policy recommendations to better communicate with and engage citizens and civil society in policy making. In particular, we will help governments to make the best use of existing channels

of interaction and exploit other opportunities, such as social media and open government data, so that citizens can contribute directly to finding solutions and creating public value.

Taxation policies also have to be adapted to promote a level playing field, to ensure adequate revenues and maintain sound public finances. Our work on Base Erosion and Profit Shifting (BEPS) is an important step in making this happen. This work will re-examine the international taxation rules to ensure that profits are reported for tax purposes where economic activity actually takes place. At the moment, many rules allow multinationals to shift profits to locations where they are subject to favourable tax treatment, resulting in little or no corporate tax being paid. We will develop a comprehensive Action Plan to address this issue, and to provide countries with the information, the analysis, the best practices,

G20 Sherpa’s Meeting in Moscow in March 2013





Angel Gurría, Secretary-General of the OECD, and Jean-Marc Ayrault, Prime Minister of France

the recommendations and the international instruments to better deal with the business practices of the 21st century.

Restoring confidence in the private sector

However, our governance agenda is also about businesses, which are essential to the recovery. Inappropriate company behaviour can be a source of waste, inefficiency and poor decisions and can lead to lower growth. Better corporate governance that focuses on creating value in companies for investors and all stakeholders will be a key theme in the coming year. Thus the OECD will continue to push forward work on corporate governance, including by building on ongoing work on long-term investment and SME finance. The recent

update of the OECD Guidelines for Multinational Enterprises was also a major advance in international consensus on business behaviour, but we now need to raise their global profile with other stakeholders, advise on business implementation and strengthen their unique review mechanism. We must also continue to persevere with our fight against international corruption in business.

The financial crisis has also highlighted serious failing in the regulation of the financial sector. Dynamics in corporate bond and equity markets should continue to be monitored closely in order to have a better early warning on potential bubble effects. The OECD has long argued on the need for financial regulators to address systemic vulnerabilities in the business models of large

banks. Our preference has been for some form of separation (non-operational holding company) along with a simple leverage ratio. Authorities in a few major economies have begun to separate the commercial lending side of banks from the riskier investment banking activities. Such solutions can enhance financial stability and help to direct financial resources to the real economy. However, this is being done in different ways in different countries, which creates the space for regulatory arbitrage. In this context, we will continue our work to determine which approaches work best. As with all our work, we will endeavour to co-operate, co-ordinate and share with other relevant international organisations involved in this work. However, the OECD needs to have its own evidence-based opinion in order to incorporate it

into its policy advice to Member and Partner countries.

We will also continue with our efforts to strengthen individual financial literacy, while better protecting consumers in their dealings with financial institutions and services and continue to work on access to financing as well as on effective monetary transmission mechanisms. As recognised by the G20 leaders, we are in a very good position to develop guidance and implementation methodologies on financial education and consumer protection that will help policy makers turn these policies into effective practices.

Impact and Implementation for Growth

In 2012 we significantly increased our impact on national agendas with concrete policy advice. We served as a partner to our governments at the

highest level, working hand in hand with them to create tailored policy solutions. At the political level, we strengthened our connections with political leaders and top decision-makers. Our policy advice and the Seminar on Growth with Italian Prime Minister Monti; the discussions on social cohesion with Korean President-Elect, Park Geun-hye; the visit of Mexico's President-elect Peña Nieto and his Transition Team and our concrete input to the reform agenda of the new government; the in-depth policy reform discussions with French President Hollande and German Chancellor Merkel with the Heads of the OECD and other international organisations; the dialogues with the Presidents of Iceland, Israel, Colombia, Costa Rica, Peru, Togo and Tunisia and with the Prime Ministers of Finland and Slovakia; all are proof of the increased political relevance of the OECD. However, we need to further strengthen our efforts to "Go National" to achieve greater impact.

Looking forward, we aim to strengthen our role as a partner to national and sub-national governments in the implementation of public policies by:

Further enhancing the impact of our work with national governments, including through the Better Policies brochures, our reports on Competitiveness, our Getting it Right series and Multi-Dimensional Country Reviews. This means ensuring the timeliness and further tailoring of our advice to the specific needs of countries. For example, we will work with EU Member States and regions in drawing-up Partnership Agreements and operational programmes with the EU Commission for the allocation of Structural Funds.

Better mainstreaming the political economy of reform into our work. We need to further focus our work on the implementation side of the policy cycle, looking not only at the "what to do" but also at the "how to do it." This will require us to ensure that our Reports and our Committees consider the context, institutional capacity, at national and sub-national levels, and political feasibility of the reforms we advise. We will also take a look at ways to formalise our knowledge sharing and advice to countries to effectively support the implementation of reforms. This could be done by upgrading the support we provide to government officials through capacity building programmes, workshops and training, along the lines of the existing OECD Tax Centres.



OECD Secretary-General Angel Gurría and Jyrki Katainen, Prime Minister of Finland

Considering the increased interest of Leaders in visiting the Organisation, we will build on our experience to organise these events under a “Leaders and Visions Programme”. The programme will ensure that visits are timely (for example, for governments in transition) and tailored to the requirements of the visiting parties (including expert seminars, special sessions of the Council, and public speaking events). While the initial phase of the programme will be aimed at visiting Heads of Government, we will look to extend the programme to leading thinkers, business representatives and civil society representatives in the longer term.

An Inclusive Global Policy Network for a Stronger, Cleaner and Fairer World Economy

The OECD has grown as an inclusive global partner for



Lee Myung-bak, President of the Republic of Korea, confers the Gwanghwamse Medal of Diplomatic Service on OECD Secretary-General Angel Gurría, in February 2013

growth, taking forward our 50th Anniversary Vision to become a “more effective and inclusive global policy network”. Our collaboration with emerging economies has borne important fruit. We signed a new Framework for Cooperation with Indonesia and broadened our work with all Key Partners. We have strengthened initiatives to cooperate with countries in Southeast Asia, the Middle East and North Africa, in Sub-Saharan Africa, in Latin America, in the Caribbean, in Southeast Europe and in Eurasia. A number of countries announced that they want to join the Organisation, and we are currently discussing how we can respond to their request for membership. In the past year, I travelled twice to the People’s Republic of China, then to India, Indonesia and South Africa. With the Mexican Presidency of the G20, we supported efforts to advance a green agenda, organise the first ever G20 Trade Ministerial, and contribute to the success of the G20 Los Cabos Summit. At the G8, we consolidated our presence as a valuable partner in the Deauville Partnership. We also began cooperating with the UK in the context of their Presidency of the G8, and with the Russian Federation (G20 in 2013 and the G8 in 2014), whom we are supporting in the quest to give a push to global growth and jobs, among other issues.

Looking forward to the years ahead, we will further strengthen our role as an inclusive global partner, in particular in the following areas:

Relations with Key Partners – 2012 saw the OECD successfully conclude its first “Framework for Cooperation Agreement” with Indonesia. We will continue to pursue similar agreements with other Partner countries, with a view to: creating mechanisms to jointly identify priority areas for collaboration; strengthening data exchange; fostering greater coordination through contact points in Capitals and Embassies in Paris; and, encouraging opportunities for secondments and exchanges. We have also sought to involve Key Partners in OECD projects and meetings, including in the NAEC Group, the Global Strategy Group, and, for the first time, the DAC High-Level Meeting and the first Development Centre High-Level Meeting. These efforts to engage Key Partners will be strengthened even further in the years to come.

Regional Initiatives – In the past year we have continued to build on our regional initiatives in Latin America, Eurasia, Southeast Europe, Sub-Saharan Africa and Southeast Asia. We have also significantly stepped up efforts to support transition and reform in the MENA countries, through the MENA-OECD Programme and the Deauville Partnership. Notably, the OECD has been appointed as an Implementation Support Agency for the Deauville Partnership. In the coming year, we will continue to deepen co-operation with all these regions. In particular, we will develop a regional programme for Southeast Asia, which is a region of strategic interest and priority, as outlined in the 2007 MCM

Resolution. The Programme would operate through a number of thematic regional policy networks, composed of officials from the region and delegates to selected OECD Committees. Joint priority policy areas would be determined by bringing a “whole-of-government” perspective from both Southeast Asian and OECD countries, which will also draw on the annual report *Southeast Asian Economic Outlook*. The aim of the Programme is to exchange policy perspectives and develop common understanding of joint policy challenges. It will also facilitate access to the expertise of OECD bodies and adherence to OECD instruments.

OECD Accession – We have advanced significantly in the accession process of the Russian Federation. While some Committees have closed their technical discussions and adopted formal opinions, further work remains to be done by the Russian Federation to complete the process. This coming year will be crucial with the closing of most technical reviews at the Committee level. The Council will then be required to engage in more political discussions. As called for in the 2011 Vision Statement, we have also engaged in discussing potential new candidate countries. Any new enlargement should be designed to make the OECD a more inclusive, relevant, diversified and global organisation.

Global Governance – The OECD’s contribution to the G8 and G20 has continued to increase in impact and reach, with the Organisation now contributing



OECD Secretary-General Angel Gurría and Vladimir Putin, President of the Russian Federation, Moscow, 14 February 2013

to the majority of economic, social and environmental issues on both agendas. We will continue to provide timely and effective analysis in all relevant global fora, including the Global Partnership for Effective Development Cooperation, the Post-2015 and Sustainable Development Goals Frameworks, and the UNFCCC negotiations. We will also continue to work closely with other international organisations to promote more coherent policy advice.

Global Standard-Setting – The OECD has long provided the space for countries to share experiences and best practices, but it has also set the bar high in terms of specific global standards, which have served our Members well. To enhance our impact and relevance,

we need to work proactively to update, upgrade and complement both our new as well as our existing standards and instruments. Firstly, we need to consider the views of emerging economies in the development of our standards, both by opening them to non-Member countries, as we have already done for example with the OECD Code of Liberalisation of Capital Movements, the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, the Mutual Acceptance of Data on Chemical Safety, and the Sector Understanding on Export Credits for Civil Aircraft, and by taking the specific experiences of emerging economies into consideration whenever the standards are updated. Secondly, we need to take a hard look at

our existing instruments and evaluate their relevance and effectiveness in today's policy environment, as well as assess their impact and analyse their reach in countries outside the Organisation. We will also look at mechanisms to better assist countries that wish to move towards OECD Standards and best practices through tailor-made country programmes.

Emerging needs in global standard setting - The OECD will also identify gaps and emerging needs in global standard-setting and consider where and how the OECD might make a useful contribution. Areas where we might consider future standard-setting include, for example, on statistics or on the financing of political parties. In the area of integrity or anti-corruption more generally, we have accumulated effective tools and instruments over the years and have recently made an effort to present them in a coherent manner with the CleanGovBiz initiative. To improve our impact, we will go further and regularly review

these instruments in a more systematic fashion to ensure that we address all relevant areas in the most appropriate and effective manner.

Delivering on the Basis of an “Efficiency Strategy” and “Strategic Efficiency” for our Members

We will continue to address the above mentioned strategic priorities to provide value-for-money for our Members while delivering efficiencies in a challenging budgetary environment. The Programme of Work and Budget 2013-2014 was designed in the spirit of “Impact, Relevance and Inclusiveness”. Just as this continues to be our *raison d'être*, so do “Efficiency, Transparency and Accountability” remain at the heart of our working methods. Our corporate services will continue to focus on supporting the Organisation in achieving its strategic objectives. To this end, we will establish a systematic framework to promote

efficient practices across the Organisation, engaging all staff in that effort. We will implement a talent management initiative to enhance staff motivation, performance and development. We will continue to strengthen efforts to recruit qualified nationals from underrepresented countries. We will also continue to evaluate lessons learned from horizontal management to ensure that projects deliver concrete results and useable recommendations for countries.

We are making big steps towards having free OECD data by mid-2015 and are advancing our corporate Knowledge and Information Management (KIM) Programme to ensure optimal sharing of OECD accumulated knowledge and experience. We are developing a new annual publication series called *OECD 360°*. Complementing our efforts to “Go National”, it will give an overview of key areas of our work in each Member country and in different languages, further improving our service to Members. ■



(Left/right) Luis Miguel Castilla, Minister of the Economy and Finance of Peru, Ollanta Humala, President of Peru, and OECD Secretary-General Angel Gurría, during the Peruvian President's visit to the OECD in November 2012

Secretary-General's Activity in 2012

Overview

During 2012, the OECD Secretary-General continued his very intense agenda, both in Paris and abroad, in order to advance the relevance and visibility of the Organisation. The principal focus of the Secretary General in 2012 was on providing policy advice and support to member countries in their efforts to combat the economic crisis and its social effects.

The Secretary-General carried out 49 trips abroad in 2012 to promote the work of the Organisation in Member and Partner countries. This included his participation in the main international summits that took place throughout the year, particularly the G20, where the OECD contributed very actively. In the course of 2012, the Secretary-General held 49 meetings with Heads of State and Government, 43 meetings with Heads of International Organisations and over 200 meetings with Ministers, not to mention his numerous informal interactions with Leaders in the margins of the international fora he attended. He also met with top representatives from other branches of government, business, unions and civil society, totalling close to 1 000 bilateral meetings over the year.

While carrying out his regular management and strategic duties, activities undertaken by the Secretary-General in Paris during 2012 also increased, both quantitatively and qualitatively. The number of Leaders visiting the OECD has continued growing, gradually positioning the OECD as a “go-to” place for them while in France. In addition to the Secretary-General's bilateral engagement, the Secretariat and delegations have also benefitted from the presence of Leaders at the OECD thanks to a programme of public lectures, addresses to members of the OECD Council and seminars that are gradually becoming a more consolidated and formal part of the Organisation's activities.

Media presence and coverage has also remained consistently high following the peak reached

during the 50th Anniversary in 2011, which was an exceptional year in terms of visibility for the Organisation. In 2012, the Secretary-General was quoted in over 1 100 articles. Total dissemination of OECD content grew by more than 20%. Visits to the OECD website grew by 3%, and to the OECD iLibrary by 40%. Presence in social media channels also increased considerably.

Activity abroad

Of his 49 visits abroad: 43 were to OECD countries, five to Key Partner countries and one to another non-member country. This means that the Secretary-General made an average of almost one trip every week. The number of visits was slightly higher than in 2011. In every visit the Secretary-General presented relevant OECD work and was regularly received by the Leaders and key members of the government. The main purpose of this activity was to advance the OECD's advisory role in Member countries, launch relevant OECD work, increase the Organisation's profile in Key Partner economies and represent the Organisation at the highest political level in important international summits and conferences.

Figure 1. Secretary-General's visits abroad



Visits to Member countries

During 2012, the Secretary-General made 43 visits to Member countries, 87% of his total trips abroad. Throughout the year, he visited half of the OECD membership. The country he visited the most was Mexico, given the Mexican Presidency of the G20. The OECD was the only international organisation invited at the highest level to all the Ministerial Meetings organised by the Mexican Presidency of the G20, including three meetings of Finance Ministers and Central Bank Governors, a G20 meeting of Labour Ministers and the first meeting of G20 Ministers of Trade, as well as the Los Cabos Summit held on 18-19 June 2012. The Secretary General also visited Brussels four times during the year, where he released the OECD economic surveys of the EU and Euro Area, and also attended high-level meetings with the Commission and the European Parliament. He visited Germany, Italy, Japan, Spain, the United Kingdom, and the United States on more than one occasion, and Denmark, Estonia, Israel, Korea, Poland, Slovenia, the Slovak Republic, Switzerland and Turkey once.

These visits provided an opportunity to strengthen the role the OECD plays in advising member governments on dealing with the effects of the crisis. In some cases, the visits took place at the request of governments to help move forward their structural reform agendas. In other cases, they offered an opportunity to present economic surveys and other thematic reviews. In particular, eight brochures from the *Better Policies* series were presented by the Secretary-General in 2012,

coinciding with his visits and meetings with Leaders.

The Secretary-General also represented the OECD and presented the Organisation's latest work at important international events hosted by Member countries, including the annual World Economic Forum in Davos, the World Water Forum in Marseille, the IMF/World Bank meetings held in Washington and Tokyo, the annual INET conference in Berlin, the annual economic forum in Bled and the Iberoamerican Summit in Cadiz.

During his visits, the Secretary-General met with key Ministers of all countries, as well as with Leaders, including: French Presidents, François Hollande, and Nicolas Sarkozy; US President, Barack Obama; Japanese Prime Minister, Yoshihiko Noda; German Chancellor, Angela Merkel; British Prime Minister, David Cameron; Italian President and Prime Minister, Giorgio Napolitano and Mario Monti; Spanish President, Mariano Rajoy; Mexican Presidents, Enrique Peña Nieto and Felipe Calderón; Turkish President, Abdullah Gül; Israeli President and Prime Minister, Simon Peres and Benjamin Netanyahu; Polish President and Prime Minister, Bronislaw Komorowski and Donald Tusk; Korean President and Prime Minister, Lee Myung-bak and Kim Hwang-sik; Croatian President, Ivo Josipović; Slovenian President and Prime Minister, Danilo Türk and Janez Janša; Swiss Confederation President, Eveline Widmer-Schlumpf; Crown Prince Willem-Alexander of the Netherlands; Danish Prime Minister, Helle Thorning-Schmidt; Estonian Prime Minister, Andrus Ansip; Portuguese Prime Minister,

Better Policies series in 2012

Mexico: "Perspectivas OCDE: México Reformas para el Cambio", January 2012

Japan: "Policies for a revitalisation of Japan", April 2012

France: "Promouvoir la Croissance et la Cohésion Sociale", June 2012

Mexico: "Mejores Políticas para un Desarrollo Incluyente", July 2012

Italy: "Reviving Growth and Productivity", September 2012

France: "Redresser la compétitivité", October 2012

Germany: "Addressing the Competitiveness Challenges in Germany and the Euro Area", October 2012

India: "Sustaining High and Inclusive Growth", October 2012

Pedro Passos Coelho; and Slovak Prime Minister, Robert Fico.

The Secretary-General met regularly with Members of Parliament in the countries he visited, and attended the annual Parliamentary Assembly Debate of the Council of Europe in Strasbourg. He also met with representatives from the private sector, trade unions and civil society during his trips abroad. Most of his visits featured public events in which the Secretary-General had an opportunity to address broader audiences and share the OECD's main messages with the general public. This included keynote speeches at universities, which allowed for an interaction with the student community. During 2012, the Secretary General was awarded a Doctorate Honoris Causa by the University of Economics of Bratislava, was awarded the Medal for Distinction by Mexico's National Public Administration Institute, and was admitted as Member of the Spanish Royal Academy of Economic and Financial Sciences.

Visits to Partner countries

During 2012 the Secretary-General made six trips to Partner countries, five of which were to Key Partners: the People's Republic of China (twice), Brazil, India and Indonesia. To support the Secretary-General's activities, the Deputy Secretaries-General also visited the Russian Federation and the Key Partner countries on a number of occasions. During his visits, the Secretary-General presented specific work carried out by the OECD on these economies, including economic surveys, regulatory reviews and Better Policies brochures. In the case of Indonesia, the Secretary-General concluded a Framework for Co-operation with the country's authorities. India successfully hosted the 4th OECD World Forum on Statistics, Knowledge and Policy under the theme "Measuring Well-Being for Development and Policy Making". Like every year, the Secretary-General participated in the annual China Development Forum, but also returned to the country in September to open a high-level conference on Global Value Chains in the 21st Century organised by the OECD jointly with UNCTAD, the WTO and the Chinese Ministry of Commerce. In Brazil, the Secretary General joined Leaders at the Rio+20

Summit, where the OECD contributed actively through its work on Green Growth.

2012 also marked the first visit ever by an OECD Secretary-General to Tunisia, at the request of the country's new government. The Secretary-General participated in a conference on Promoting Youth Employment in the MENA region, jointly organised with the African Development Bank and met with the Prime Minister and six Ministers. This clearly signalled the OECD's growing engagement in the MENA region, in particular, through the Organisation's participation in the G8-led Deauville Partnership.

Activity in Paris

Leaders and high-level visitors at the OECD

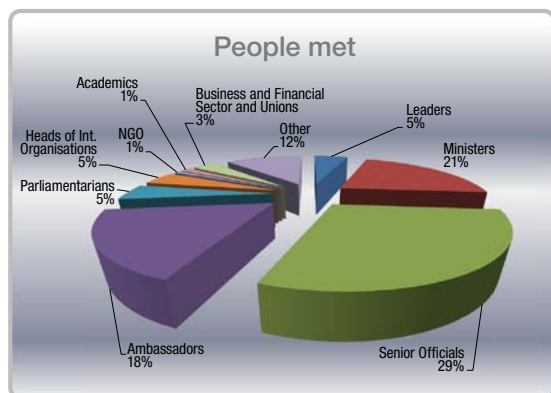
Building on the extraordinary efforts to commemorate the OECD's 50th Anniversary in 2011, the Secretary-General continued to consolidate the OECD's position as the "go-to-place" for Leaders and relevant stakeholders while in Paris in 2012. The number of Leaders visiting the OECD has continued growing, and now spans the full year, not only OECD Week, which alone attracted 6 Deputy Prime Ministers and 59 Ministers, State Secretaries or Vice Ministers from both OECD and Partner countries, and featured Her Majesty Queen Rania Al-Abdullah of Jordan, President Laura Chinchilla of Costa Rica and Turkish Deputy Prime Minister Ali Babacan, among others.

The most evident example of this growing presence of Leaders at the OECD was the meeting of the President of France, François Hollande, with the Heads of the leading economic and financial international organisations (International Monetary Fund, World Bank Group, World Trade Organisation, International Labour Organisation and OECD), which was hosted by the OECD at the request of the President. The visit in October by the President-elect of Mexico, Enrique Peña Nieto, was also particularly relevant, as he came accompanied by his Transition Team and his public addresses were complemented by a half-day seminar with OECD experts to assist in the

key areas of reform before the new administration took over. The OECD Council was also addressed by the President of Peru, Ollanta Humala, the Secretary-General of the Organisation for Islamic Co-operation, Ekmeleddin İhsanoğlu, the Colombian Minister of Foreign Affairs, María Ángela Holguín, and the Mexican Vice Minister for Foreign Affairs and Lead Sherpa during the Mexican Presidency of the G20, Lourdes Aranda. Belgium Prime Minister, Elio Di Rupo, Kazakhstan Prime Minister, Karim Massimov, and Togo Prime Minister, Arthème Séléagodji Ahoomey-Zunu, also met bilaterally with the Secretary-General at the OECD. We are now in the process of developing a “Leaders and Visions” programme to make the most of these high-level visits.

During 2012, the Secretary-General also received 278 high-level officials in Paris from capitals (an average of two senior level officials a day, excluding weekends, holidays and trips abroad), met 48 members of Parliament bilaterally and held individual meetings with 33 top representatives from the business community, unions and civil society, as well as 14 meetings with leading academics. He also received high-level representatives from sub-national levels of government, including mayors and governors.

Figure 2. Secretary-General's bilateral meetings by sector (2012)



Regular meetings at the OECD

A great part of the Secretary-General's activities during 2012 was devoted to the regular exercise

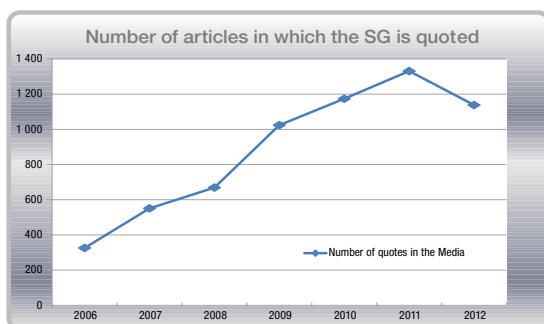
of his management and strategic direction duties within the Secretariat, as well as his chairing of the OECD Council and interaction with delegations, particularly in light of the 2013-2014 PWB process. During the course of the year, the Secretary-General held 91 bilateral meetings with OECD Ambassadors, and consolidated his hosting of regular lunches with smaller groups of ambassadors to discuss ongoing work and priorities in a more personal, relaxed setting. He chaired 16 sessions of the OECD Council, three meetings of OECD Heads of Delegations and 13 meetings with Ambassadors and Chairs of Standing Committees. The Secretary-General also delivered keynote remarks and participated in the most important events hosted at the OECD, including various conferences, global fora and high-level committee meetings.

Communication and Visibility

One of the chief communications goals of the OECD in 2012 was to maintain the level of media coverage reached in 2011, coinciding with the Organisation's 50th Anniversary. Interest in OECD data, analysis and policy advice did not fall, and indeed increased in many key areas thanks to the development of innovative communication techniques such as the embedding of videos and data visualisations within press releases and conducting webinars. The timing and nature of press events is also increasingly calibrated to fit in with the external news agenda as well as with the internal workings of the OECD. The Secretary-General was at the forefront of these enhanced outreach efforts.

During 2012, the Secretary-General delivered 220 speeches, authored 6 articles or op-eds, and presented 29 OECD outlooks and flagship publications. The Secretary-General was quoted in over 1 100 articles and gave 165 sit down interviews throughout the course of the year: 91 audio-visual interviews (radio, TV, satellite feeds, webcasts, live coverage) from the OECD studios, 40 interviews to newspapers and news agencies from Paris, and 34 interviews with national media while on mission.

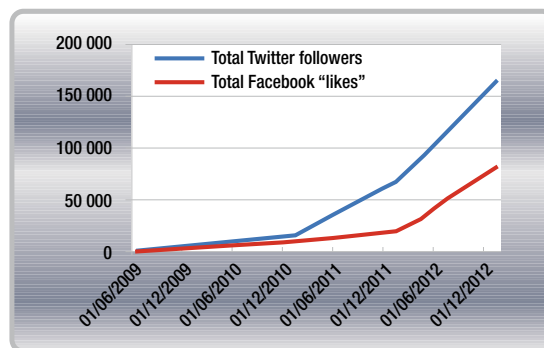
Figure 3. Presence in traditional media



The Organisation published a total of 314 titles during 2012, 236 of which were reports and 78 statistical compilations. This led to the production of 208 press releases and 67 media advisories, compared with 165 press releases and 61 media advisories in 2011. 2012 also saw an increase in the number of notes distributed to journalists. The Secretary-General took part in more than 30 out of the more than 40 press conferences organised throughout the year, mainly designed to launch OECD publications and reports. The media stories around the main flagship publications presented by the OECD Secretary-General grew considerably during 2012: 44% for the Spring Economic Outlook, 15% for the Autumn Economic Outlook, 91% for Education at a Glance and 52% for the Employment Outlook, among others. Besides the main Outlooks and At a Glance reports produced by the Organisation, the Secretary-General also presented the economic surveys of many Member countries in their respective capitals, including Switzerland, Germany, the European Union and Eurozone (Brussels), Poland, Korea, Estonia, Spain, the United Kingdom and Slovak Republic, as well as the *Economic Survey of Indonesia* during his visit to Jakarta.

Online presence and the usage of new technologies and visibility in social media platforms also continued rising during 2012. This was particularly illustrated by the popularity of OECD videos on YouTube and their embedding on top news websites, and the three-fold increase of the OECD's presence in Twitter and Facebook in less than two years. The launch by the Secretary-General of key publications such as the *Economic Survey* made the OECD a traffic leader on Twitter up to five times in 2012.

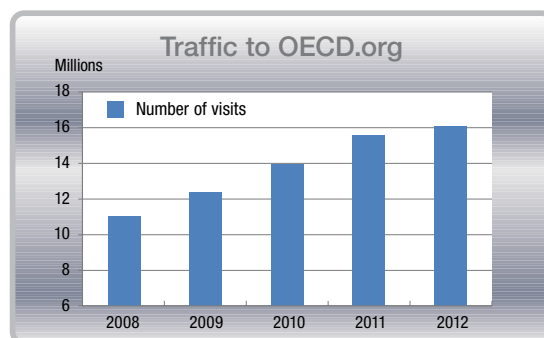
Figure 4. Social media: Twitter followers and Facebook Likes, 2009-2012



This chart reflects all corporate Facebook and Twitter accounts across the OECD. The number of Facebook "likes" from 2009 to mid-2012 is based on extrapolation reflecting varying start dates and traction.

As a result of this continued media presence, total dissemination of OECD content grew by at least 20% during 2012, to more than 12 million downloads, online readings and print copies shipped, up from 10 million in 2011. Of this, approximately 250 000 are printed works, the rest online editions. Traffic to the OECD iLibrary rose to 4.2 million sessions from 2.7 million individual visitors (an increase of 38% and 40% respectively). The number of institutions subscribing to the OECD iLibrary now exceeds 2 500 from 104 countries.

Figure 5. Traffic to OECD.org, 2008-2012



In 2012 and under the Secretary-General's leadership, the OECD launched its "Open, Accessible, Free" Programme to implement the 2011 Council decision to make all Part I data free by mid-2015. ■

Secretary-General's Cabinet



OECD Secretary-General since June 2006, **Angel Gurría** has reinforced the OECD's mission of "better policies for better lives". He is promoting an open and inclusive organisation, which is responsive to Members and Partner needs in the current difficult context. He has opened the door to new members and deepened links with emerging economies. Secretary-General Gurría has strengthened the role and impact of the OECD as a supporter of best practices and policy reform. He has launched major high profile initiatives to promote higher productivity and growth such as innovation, green growth, gender, development, skills and water. In 2012, he initiated the "New Approaches to Economic Challenges", an Organisation-wide reflection to distil the lessons from the economic crisis, upgrade OECD's analytical frameworks and develop a comprehensive agenda for sustainable and inclusive growth.



Deputy Secretary-General **Pier Carlo Padoan** took up his duties in June 2007. Since December 2009 he has also been Chief Economist. Mr. Padoan is the G20 Finance Deputy for the OECD and also leads the Strategic Response to the financial and economic crisis, as well as the Green Growth and Innovation Strategies. He also oversees Statistics, Trade and Agriculture.



Deputy Secretary-General, Ambassador **Richard A. Boucher** took up duties in November 2009. Among his responsibilities, he spearheads the Organisation's global relations portfolio, including outreach and accession. He also has oversight of the OECD's work in anti-corruption, science and technology, investment and corporate affairs and private sector development.



Deputy Secretary-General **Rintaro Tamaki** was appointed in August 2011. His portfolio includes the strategic direction of OECD policy on Environment, Development, Green Growth, Financial Affairs and Taxes.



Deputy Secretary-General **Yves Leterme**, formerly Prime Minister of Belgium, was appointed in December 2011. He is in charge of Health, Social and Welfare Policy, Education, Governance and Entrepreneurship, Gender Equality including gender mainstreaming in the Organisation and co-ordinates, together with the Office of Secretary-General, the preparations of the annual meetings at ministers' level.



Gabriela Ramos is Chief of Staff of the OECD and OECD Sherpa. Since 2006, Mrs. Ramos has been advising and supporting the Secretary General's strategic agenda. Along with DSG and Chief Economist Padoan, she coordinates the contributions of the Organisation to international governance bodies such as the G20 and G8, and now oversees the New Approaches to Economic Challenges initiative.

2012 Ministerial Council Statement



Family photo of the OECD Ministerial Council Meeting 2012

On the occasion of the 2012 OECD Ministerial Council Meeting, we¹ have assembled under the Chairmanship of Turkey and the Vice-Chairmanship of Chile and Poland. Our discussions benefited greatly from the participation of the Russian Federation, which is in the accession process to the OECD and our Key Partners – Brazil, the People's Republic of China, India, Indonesia and South Africa – and international organisations.

We welcome the solid progress that has been made to implement the OECD 50th Anniversary Vision Statement adopted at the 2011 MCM and collectively engage to translate it into concrete results. We welcome the role the Secretary-General has played in proposing new initiatives, including his Strategic Orientations, and increasing the Organisation's visibility and impact.

Inclusive Growth and Jobs

In light of the current economic situation, we are strongly committed to achieving inclusive growth and jobs through effective structural reforms, responsible fiscal and social policies, and appropriate measures to stabilise the financial sector. Sustainable economic growth is a critical objective

1. Ministers and Representatives of Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and the European Union.

and future OECD strategies will promote green growth. We underscore the importance of empowering people and enterprises to overcome current economic challenges, including the worrying trend of rising inequality and high levels of unemployment in many countries. We therefore encourage further investment in people's skills, and better matching skill supply and demand. We underline the importance of the full participation of women for the success of our economies. We welcome the OECD's new initiatives, namely the Skills Strategy and the Gender Initiative, as well as the ongoing work on Inequality, Innovation, Green Growth and New Sources of Growth, like Knowledge-based Assets, and on Measuring Progress. They provide significant insights and guidance and serve as important tools for employment-oriented growth and valorisation of human capital. We also welcome the OECD's work to promote open markets and legal certainty for international investment and responsible conduct of multinational enterprises, and to ensure competitive neutrality between public and private owned-businesses. We will continue to promote competition as the driving force of modern, open-market economies that fosters innovation, enhances efficiency, and expands the welfare and well-being of citizens.

We reaffirm our commitment to an open multilateral trading system, to further liberalisation, to fight protectionism in

all its forms, and to refrain from adopting measures, which restrict trade and are detrimental to investment. To this end, we agree on standstill and roll back commitments as they were reaffirmed at the G20 Cannes Summit and ask the OECD to monitor such measures, and for the Trade Committee to carry out its decision to provide a report and a workshop assessing the impact of traderelated measures. We welcome the OECD's work on the relationship between trade and jobs, global value chains, the measurement of trade in value added terms and services trade restrictions, and the contributions it can make, in cooperation with the

We are committed to analysing the root causes of the crisis and drawing lessons from it, and to updating the OECD's economic analysis and policy recommendations where needed. We therefore launch today the initiative on "New Approaches to Economic Challenges."

Development Strategy

We endorse the OECD Strategy on Development as an essential tool to ensure that the Organisation's work on development is strengthened, mainstreamed and is responsive to fast-changing global realities where countries at varying



Karl Viktor Erjavec, Deputy Prime Minister and Minister of Foreign Affairs of Slovenia, and Angel Gurría, OECD Secretary-General

WTO, to the multilateral trade agenda. We call upon the OECD to accelerate and broaden its work on the development of a services trade restrictiveness database and index and to extend the work to all countries that are, or aspire to be, major services providers.

levels of development can contribute to global sustainable growth. Building on the Organisation's core policy expertise and experience, we will work together for the implementation of the Strategy. We will strive to strengthen policy coherence



Pierre Moscovici, Minister of Economy of France, and Ed Fast, Minister for International Trade, Canada

for development and facilitate knowledge sharing.

We welcome the outcomes of the Busan High Level Forum on Aid Effectiveness, and support their implementation including the agreement to establish the Global Partnership for Effective Development Co-operation. We will strengthen our dialogue with various stakeholders, including emerging economies.

Global Policy Network

We note with satisfaction the Russian Federation's completion of the WTO accession negotiation, its ratification of the OECD Anti-Bribery Convention and its joining of the Nuclear Energy Agency. We look forward to further progress in the accession process of the

Russian Federation to the OECD in accordance with the 2007 roadmap. Strong engagement on specific issues including the environment, taxation, corporate governance and the business climate is essential.

We underscore our commitment to work with each of our Key Partners (Brazil, the People's Republic of China, India, Indonesia and South Africa) to develop new forms of partnership and collaboration. We will seek to further strengthen these relations, in a mutually beneficially manner, through such means as framework agreements, their further participation in committees, and enhancing communication.

We will continue to deepen our policy dialogue with other

countries and regions based on mutual benefit and interest. We will work together with our partners through the OECD's global policy network to collectively realise shared goals such as global sustainable growth. We look forward to the early conclusion of work to improve the rules on participation by partner countries in OECD activities and bodies. We welcome the recent adherence of many countries to OECD instruments. We welcome reforms in the MENA region and the OECD's work to support these reforms, including the MENA-OECD initiative on Governance and Investment for Development and through active participation in the Deauville Partnership.

We value the OECD's contributions in global economic governance, including with regard to anti-corruption, taxation, investment and corporate social responsibility, the environment and sustainable development. We welcome the OECD's active role in various fora including the G8 and G20 processes in those areas where it has comparative advantage, and its contributions to meet global challenges.

Efficiency, Effectiveness and Transparency

Noting the drive for economies in our respective domestic administrations we encourage the OECD to intensify efforts to improve efficiency, effectiveness and transparency and we welcome the OECD's commitment to open data and its efforts to embody best management practices. ■

Ministerial Council Meeting 2012

Chair's summary

Ministers from OECD countries met under the Chairmanship of the Republic of Turkey and the Vice-Chairmanship of Chile and Poland in Paris on 23-24 May under the heading “All on Board: Policies for Inclusive Growth and Jobs” to define the policy strategies needed to support the recovery from the worst financial and economic crisis of our lifetimes, promote inclusive growth and deliver much needed jobs. The MCM 2012 benefited from the participation of the Russian Federation, and Brazil, the People's Republic of China,

India, Indonesia and South Africa. They issued the 2012 Ministerial Council Statement, which provides Ministerial guidance on the current and proposed OECD programme of work.

Ministers underlined the importance of promoting inclusive growth and creating jobs through structural reforms, fighting youth unemployment, increasing long term investment and regional integration, as well as to repair, reform and strengthen the financial system to make it more resilient.

They also called for the OECD to give strong attention to the development challenge, and underlined the importance of OECD work on inequality.

They also highlighted the need to communicate with citizens and cooperate with social partners, the need for coordinating policies and the exchange of best practices, as well as the usefulness of benchmarking performances. They called on the OECD to continue its leading role in doing so.

Ali Babacan, Deputy Prime Minister for Economic and Financial Affairs of Turkey, and Angel Gurría, OECD Secretary-General





(left/right) Ed Fast, Minister of International Trade of Canada; Pascal Lamy, Director General WTO; Craig Emerson, Minister for Trade and Competitiveness of Australia; Ron Kirk, US Trade Representative

Ministers called upon the OECD to continue delivering first-class policy analysis and advice, in particular by integrating and deepening its advice to “go structural”, “go social”, “go green” and “go institutional”, as these four elements would provide the solid foundations required to restore confidence and to promote inclusive growth and jobs. In this context, Ministers expressed strong support for and agreed to launch the initiative New Approaches to Economic Challenges, which should analyse the root causes of the crisis, draw lessons from it and, as appropriate, adjust the OECD’s economic analysis and policy recommendations. They called for focusing on delivering practical policy recommendations to Members and underlined the importance of horizontality in doing so. Ministers invited the Russian Federation and the Key Partner

countries to be involved in the work from the outset. The OECD work on Measuring Progress will contribute to this endeavour. They called for the process to be inclusive, remain focused and with an important role for OECD Committees, particularly the Economic Policy Committee. The exact modalities and scope of its implementation, including the establishment of a group chaired by the Secretary-General and reporting to Council, will be decided by the Council after the MCM and before the Summer break. They asked the Council to provide regular guidance on the initiative and for the Organisation to provide a progress report at the next MCM in 2013.

Ministers recognised that structural policies, green growth, and science, technology and innovation policies can be mutually reinforcing. They

called upon the Organisation to implement the Innovation and Green Growth Strategies endorsed at the 2010 and 50th Anniversary 2011 MCMs, by mainstreaming their related policy recommendations into its regular policy analysis and dialogue, by monitoring progress through peer reviews and further development of Green Growth indicators and the compilation of relevant data. More broadly, they committed to supporting policies for greener growth and development and to contributing to the up-coming UN Conference on Sustainable Development (Rio + 20) and to future G20 discussions. In addition, Ministers endorsed the policy statement from the EPOC Ministerial Meeting and from DAC SLM to the Rio +20. They also noted the importance of the Green Growth Strategy at both urban and regional levels, as well as developing appropriate

risk management. They also welcomed the interim report on “New Sources of Growth: Knowledge-Based Capital”, underlying that the emerging policy issues being raised in this work will be central to growth and innovation for the foreseeable future. They called upon the OECD to prepare an integrated policy report for the next meeting in 2013.

Ministers discussed the trend of rising inequality and recognised the related economic, social and political challenges. They welcomed the OECD analysis of trends and drivers of inequality, as well as of the policy options for its mitigation. Ministers agreed that ongoing fiscal consolidation and structural reforms should take account of the challenging social situation and the need to lift economic growth prospects. In particular, they called upon countries to tackle increasing inequalities through “making work pay” approaches, support for low-income households, financial inclusion, as well as investment in people and jobs. They welcomed the OECD’s path-finding work on strategies to tackle youth unemployment. They noted the OECD recommendations on labour and product market reforms as well as tax and benefits systems to promote a better distribution of income without unduly blunting incentives, and to consider how public services or in-kind services contribute to reducing inequalities. Financial education and financial consumer protection are also key in this context and can also contribute to the sustainability

of the financial systems after the crisis. Ministers asked the OECD to continue and deepen its work in these areas and to provide policy options to address these challenges.

Ministers endorsed the OECD Skills Strategy, which provides for investing in people’s skills and education to improve their marketability in the current juncture. They recognised the value of the Strategy in helping countries to identify the strengths and weaknesses of their national skills systems, benchmark them internationally, and develop policies through a whole-of-government approach that can help to transform better skills into better jobs, contributing to economic growth and social inclusion. Ministers committed to reflecting on the policy advice provided in the Strategy and to taking concrete measures to foster the relevant skills and ensure a better match between available skills and

those needed in the labour market. Ministers recognised the relevance of cross-border skills policies and the importance of flexibility and agility to respond to emerging needs and to be effective in different local contexts. Ministers noted that integrating various human resources, including under-represented groups, such as women, migrant workers and people with disabilities, into the labour force has a great potential to increase the skills base in an economy.

They agreed on a mandate for the OECD to assist countries with the design of national and local skills strategies, to put such strategies into practice and to extend this work to developing countries. Ministers welcomed the unique opportunity provided by the OECD Survey of Adult Skills to measure available capacities in the market, to improve the use of skills in the workplace and to



Riadh Bettaieb, Minister of Investment and International Co-operation of Tunisia, and Angel Gurría, OECD Secretary-General, at a signing ceremony with Tunisia and Morocco



Mohamed Najib Boulif, Minister Delegate for General Affairs and an Good Governance of Morocco, and Angel Gurría, OECD Secretary-General, at a signing ceremony with Tunisia and Morocco

assess how skills translate into economic and social outcomes. They encouraged the OECD to highlight the main insights of the Survey of Adult Skills in the OECD Skills Outlook and looked forward to subsequent editions, providing comparative and country-specific analysis featuring the OECD's ongoing work on skills, and offering related policy advice. They also supported the establishment of an interactive, online portal for skills – Skills@OECD – which will allow governments, researchers and other stakeholders to access the OECD's stock of data and analysis on skills in the most up-to-date form. The Ministers noted the Chair's intention to host an informal meeting for Ministers of Education on 2-3 October 2013 on the theme of fostering skills.

Ministers discussed the persisting gender gaps in education, employment and entrepreneurship, and recognised that gender equality is a constant challenge and deserves higher priority in the governments' agenda, not only for reasons of fairness and equity, but also to strengthen inclusive growth, reduce poverty, improve governance, encourage innovation and help mitigate the effects of ageing populations. They also highlighted that economic empowerment of women is a prerequisite for achieving the MDGs and a catalyst and multiplier of development efforts.

They welcomed the work carried out by the OECD Gender Initiative to highlight these

gaps, share policy experiences and good practices in reducing them. Ministers agreed on the need to change attitudes towards the role of women in society and the economy and to develop appropriate working environment; encourage more female participation in science and technical fields; provide good-quality affordable childcare and ensure that work pays for both parents; promote better sharing of parental leave and work at home; introduce targets and measures to increase female representation in management, on company boards and in politics, and ensure equal access to finance for male and female entrepreneurs. Ministers called upon the Organisation to finalise this work, in particular by continuing to build up the database on female entrepreneurship. Based on the final report of the Initiative, they also mandated the relevant Committees to update, broaden and, where appropriate, strengthen the OECD 1980 Declaration on Policies for the Employment of Women and to develop a Recommendation on Gender Equality. They also asked for the Organisation to monitor and benchmark progress and report back regularly.

OECD work on competitive neutrality was welcomed. The OECD was asked to expand this work, in co-operation with the Russian Federation and Key Partners, and to engage in a dialogue on policies by home and recipient countries related to state-controlled enterprises' international trade and investment, to promote

a level global playing field, to fight protectionist practices and support growth and development.

Ministers also recognised the contribution of small and medium-sized enterprises (SMEs) to growth and innovation, job creation and social inclusion and called upon the Organisation to continue its work in this area, including on SME finance.

Ministers discussed the results of the OECD-led International Collaborative Initiative on Trade and Employment (ICITE) as a timely contribution to efforts to promote job creation and to spread the benefits of trade broadly. They welcomed progress made to date in the identification and cataloguing of regulatory barriers to trade in services. Ministers welcomed OECD efforts in measuring trade in value-added terms, and asked the Organisation to analyse the policy implications of rising global production networks on employment and growth among OECD Members, the Russian Federation and the Key Partner countries for the MCM in 2013.

Ministers reaffirmed their commitment to an open multilateral trade system, to further liberalisation, to fight against protectionism and to refrain from adopting measures, which restrict trade and are detrimental to investment. Some Ministers highlighted the importance of the conclusion of the WTO Doha Round. To this end, Ministers agreed on standstill and roll back commitments, as it was also

reaffirmed in the G20 Cannes Summit of last year. They asked the OECD in continued collaboration with WTO and UNCTAD to monitor such measures, and for the OECD Trade Committee to carry out its decision to provide a report and a workshop assessing the impact of trade related measures, for their next meeting in 2013. They encouraged the OECD to accelerate and broaden its work on developing Services Trade Restrictiveness Indices and to extend this work beyond OECD Members to include, as a priority, the Russian Federation and the Key Partner countries,

aid-for-trade. Ministers also encouraged the OECD to maintain its prominent role in promoting open markets and legal certainty for international investment and responsible conduct of multinational enterprises in close co-operation with the Russian Federation and Key Partners.

Ministers reaffirmed their commitment to global development and endorsed the OECD Strategy on Development as an essential tool to ensure that the Organisation's work in this field is strengthened, mainstreamed and responsive



Angel Gurría, OECD Secretary-General, with Andrey Ivanovich Denisov, First Deputy Minister of Foreign Affairs of the Russian Federation, during the accession of the Russian Federation to the Nuclear Energy Agency (NEA)

with results expected at the MCM in 2014. Ministers recognised trade facilitation as a major driver of competitiveness and an important tool to increase jobs and growth and invited the OECD to contribute its expertise, including on

to fast-changing global realities where countries at varying levels of development can contribute to global sustainable growth. Ministers welcomed that the Organisation would apply a more comprehensive and inclusive approach to



Her Majesty Queen Rania Al-Abdullah of Jordan and Angel Gurría, OECD Secretary-General, arriving at the 2012 OECD Forum

development, strengthen its work on policy coherence for development, and further deepen its contribution to global processes and development architecture. Ministers called upon the OECD to strengthen its policy dialogue with developing countries through effective and mutually beneficial collaboration to help make reform happen. Recognising that there is “no one-size-fits-all” approach, Ministers welcomed innovative approaches such as multi-dimensional country reviews, as well as “cluster approaches” applied to countries facing similar structural features of policy challenges. They also called upon the

OECD to reassess and adapt, where relevant, its frameworks and mechanisms for broader application in a more diverse set of country circumstances. Ministers emphasised the need to prioritise and sequence the follow-up activities for effective implementation of the Strategy.

Ministers welcomed the OECD’s efforts in forging the Global Partnership for Effective Development Co-operation, which was endorsed in Busan at the end of 2011 by a broad range of countries, including the Russian Federation, Brazil, the People’s Republic of China, India, Indonesia and South Africa, and international organisations.

They called for the continued contribution of the OECD Development Assistance Committee to support the effective functioning of the Partnership, which embraces diversity and recognises the distinct role that different actors can play in supporting the achievement of inclusive growth and sustainable development, and to strengthen the Organisation’s dialogue with various stakeholders, including emerging economies.

The Ministers welcomed current efforts by the Organisation to remain at the forefront of integrity and anti-corruption efforts, and called for it to

strengthen its standard-setting role and peer review process in this area. They welcomed the Russian Federation and Colombia as new members of the Working Group on Bribery in International Business Transactions, and the recent OECD Recommendation on Public Governance of Public-Private Partnership. They also reaffirmed their commitment to implementing the OECD Anti-Bribery Convention and other anti-corruption related instruments. In this regard, they welcomed the adherence by Tunisia, Morocco, and Colombia to the Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance. They noted the CleanGovBiz initiative, building on the PIT Declaration, as well as the possibility to undertake “Integrity Scans” based on the OECD Toolkit for

Integrity. They finally welcomed the role the OECD has played as coordinator of the G8 Deauville Partnership in its efforts to improve governance.

Ministers underlined the importance of Russian accession for the OECD and for Russian Federation itself, and emphasised that this should be considered as a means to modernise the Russian economy and improve the well-being of its citizens. They welcomed the accession of the Russian Federation to the Nuclear Energy Agency and called for a fruitful co-operation that will support the Agency in its mission of maintaining and further developing, through international co-operation, the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear

energy for peaceful purposes. They also congratulated the Russian Federation on its accession to the WTO and encouraged the Russian authorities to take all the additional steps necessary to advance the OECD accession process towards a successful conclusion in accordance with the 2007 Roadmap. They welcomed the Russian Federation's willingness to meet the standards required for accession to OECD membership. They called for engagement of the Russian authorities in all policy areas and underlined the importance of implementation and enforcement, as well as of strengthening the effectiveness of the rule of law. They insisted that OECD high standards and values must be maintained and warned against overly lengthy transition periods to meet with them.

OECD MCM 2012 Opening Session: All on Board: Policies for Inclusive Growth and Jobs





Angel Gurría, OECD Secretary-General, with Robert Hormats, Under-Secretary for Economic Growth, Energy, and the Environment, Department of State, United States, at the OECD Forum

Ministers welcomed the OECD's efforts and progress in strengthening its relationship with Key Partners (Brazil, the People's Republic of China, India, Indonesia and South Africa) as a critical avenue to implementing the 50th Anniversary Vision Statement's call for the OECD to become a global and inclusive policy network. They underlined that this co-operation with Key Partners is of strategic importance and of mutual benefit, and critical for the Organisation to remain relevant and inclusive. They underlined the importance of focusing on the actual needs of Key Partners and to listen to their views, while maintaining the Organisation's standards and values. They called upon its Secretary-General to look at practical ways to facilitate and deepen the relationship, to work on specific strategic programmes of mutual interest through such means as framework agreements, their further

participation in committees, enhancing communication, as well as the possible establishment of dedicated contact points in capitals. They noted formal expressions of interest from some countries for membership and asked, based on rules and procedures of the Organisation, for a general

reflection in the Council on how to move forward, including a discussion on accession criteria.

The Ministers expressed their intention to deepen policy dialogue with other countries and regions based on mutual benefit and interest. They shared the view that becoming



Ewa Björling, Minister for Trade, Ministry for Foreign Affairs of Sweden, and Angel Gurría, OECD Secretary-General, at the OECD Forum

more inclusive also calls for strengthening regional initiatives in Latin America, Eurasia, Southeast Europe and Sub-Saharan Africa, in addition to Southeast Asia, which has already been identified as a strategic priority for the Organisation. They also looked forward to the early conclusion of work on new and simplified rules on participation by partner countries in OECD bodies.

Ministers welcomed the OECD's support to MENA governments in their reform efforts, as well as to donors to refocus their assistance programmes to meet the region's key policy priorities. They underlined the importance of economic reforms that need to go hand in hand with political ones, include a strong social dimension, and lead to an expansion of trade and investment through regional integration. They re-affirmed their support for engagement with the region, which has substantial development needs that require appropriate response. Therefore they called on the OECD's engagement with this region to be accelerated, go beyond usual OECD outreach activities and look for concrete results. Ministers also underlined the importance of adopting a long-term perspective as well as a demand-driven, differentiated and country-specific approach, together with a reinforced regional approach. They welcomed the strong role played by the OECD in the Deauville Partnership platform. They expressed support to the OECD work on



Michelle Bachelet, Executive Director of UN Women, and Angel Gurría, OECD Secretary-General, at an OECD Forum press conference

Open Government Agenda and welcomed its implementation in Tunisia and Jordan. Ministers further encouraged the OECD to offer structural assessments, monitoring tools and thematic support to offer guidance and ways for improving governance and integrity, investment, social justice, economic performance and job creation, entrepreneurship, gender equality, education and territorial development. They also welcomed efforts by MENA countries to adopt OECD instruments, in particular the adherence of Tunisia to the OECD Declaration on International Investment and Multinational Enterprises. They also recognised Member countries' contributions to support the OECD MENA programme.

Ministers welcomed the significant contributions by the OECD to the international governance architecture, in particular to the G8 and G20 processes in those areas where it has competitive advantage, including the Framework for Strong, Sustainable and Balanced Growth, food security, green growth, taxes, anticorruption, trade, development, financial education, financial consumer protection, disaster risk management, and employment, as well as its contributions to meet global challenges.

Finally, Ministers encouraged the OECD to intensify efforts to improve its efficiency, effectiveness and transparency and welcomed the OECD's commitment to open data and its efforts to embody best

management practices. They considered various reports and suggestions for new areas of work and noted that, for an effective delivery, they should be reflected in the upcoming Programme of Work and Budget of the Organisation, and adjusted depending on the level of financing. ■

More information about the OECD's Ministerial Council Meeting 2012 is available at: www.oecd.org/mcm



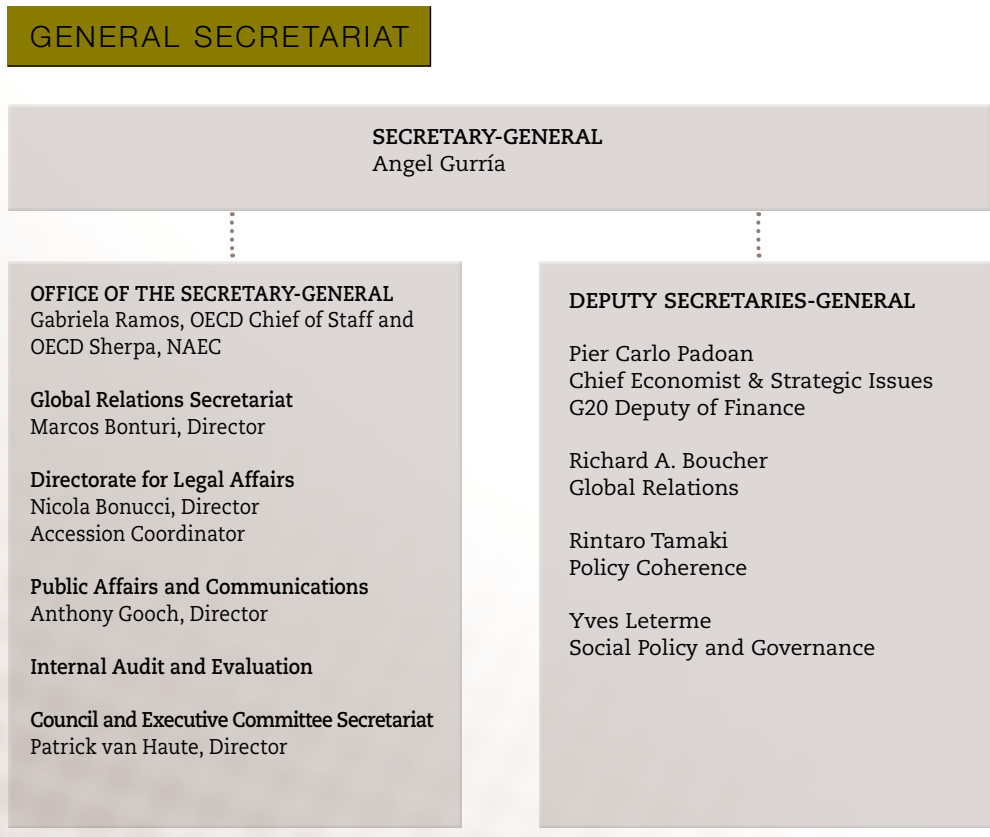
Felipe Larraín, Minister of Finance of Chile, Ali Babacan, Deputy Prime Minister for Economic and Financial Affairs of Turkey, OECD Secretary-General Angel Gurría, and Waldemar Pawlak, Deputy Prime Minister of Poland, at the OECD Ministerial Council Meeting closing press conference



Pedro Passos Coelho, Prime Minister of Portugal, and Angel Gurría, Secretary-General of the OECD, during the Prime Minister's official visit to the OECD, May 2013

Organisation chart

www.oecd.org/organisationchart



May 2013

DIRECTORATES

Development Co-operation Directorate <hr/> Jon Lomoy Director	Economics Department <hr/> Pier Carlo Padoan Chief Economist	Directorate for Education and Skills <hr/> Barbara Ischinger Director	Directorate for Employment, Labour and Social Affairs <hr/> Stefano Scarpetta Director	Centre for Entrepreneurship, SMEs and Local Development <hr/> Sergio Arzeni Director
Environment Directorate <hr/> Simon Upton Director	Executive Directorate <hr/> Anthony Rottier Director	Directorate for Financial and Enterprise Affairs <hr/> Carolyn Ervin Director	Directorate for Public Governance and Territorial Development <hr/> Rolf Alter Director	Directorate for Science, Technology and Industry <hr/> Andrew Wyckoff Director
Statistics Directorate <hr/> Martine Durand Director	Centre for Tax Policy and Administration <hr/> Pascal Saint-Amans Director	Trade and Agriculture Directorate <hr/> Ken Ash Director		

SPECIAL ENTITIES

Africa Partnership Forum <hr/> David Batt Director	Financial Action Task Force <hr/> Rick McDonnell Executive Secretary	International Transport Forum <hr/> José Viegas Director	Sahel and West Africa Club <hr/> Laurent Bossard Director
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KEY ACTIVITIES



New Approaches to Economic Challenges (NAEC)



Angel Gurría
 OECD Secretary-General
 E-mail: naec@oecd.org

“The global crisis was a wake-up call to policy makers around the world. Market and governance failures have led to the most pressing financial, economic and employment crisis of our lifetimes and we are still wrestling with its dire consequences. At the same time, we are confronted with the implications of major trends, including globalisation and shifting wealth, population growth and ageing, environmental challenges and natural resource constraints, and skill-biased technological change. Against this background, a simple return to ‘business as usual’ is not an option.”

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

The ultimate objective of NAEC is to develop a strategic policy agenda for inclusive, sustainable growth. To do so, NAEC will first reflect on the lessons from the crisis, identify areas where our analytical frameworks need to be adjusted and examine the potential for mainstreaming new economic tools and approaches. Second, NAEC will recognise the importance of economic growth as a means rather than as an end of policy making, by focusing on wellbeing, and specific improvements that matter for people's quality of life (e.g. good health, employment, community support). Third, NAEC aims to improve our understanding of the complex and interconnected nature of the global economy and find better ways to deal with policy trade-offs and synergies, such as between growth, inequality, stability and the environment. Fourth, NAEC aims to enable governments to identify, prioritise and combine reforms to support sustainable, inclusive growth. This involves upgrading regulatory and institutional capacities, as well as rebuilding trust in governments.

To co-ordinate and drive forward this agenda, a NAEC Group was established, which comprises representatives from OECD Member and Partner countries, policy committees, as well as the Business and Industry Advisory Committee (BIAC) and Trade Union Advisory Committee (TUAC), and is chaired by the OECD Secretary-General. To advance this initiative the Secretary-General has appointed a NAEC Co-ordinator under the oversight of the OECD Chief of Staff and G20 Sherpa. ■

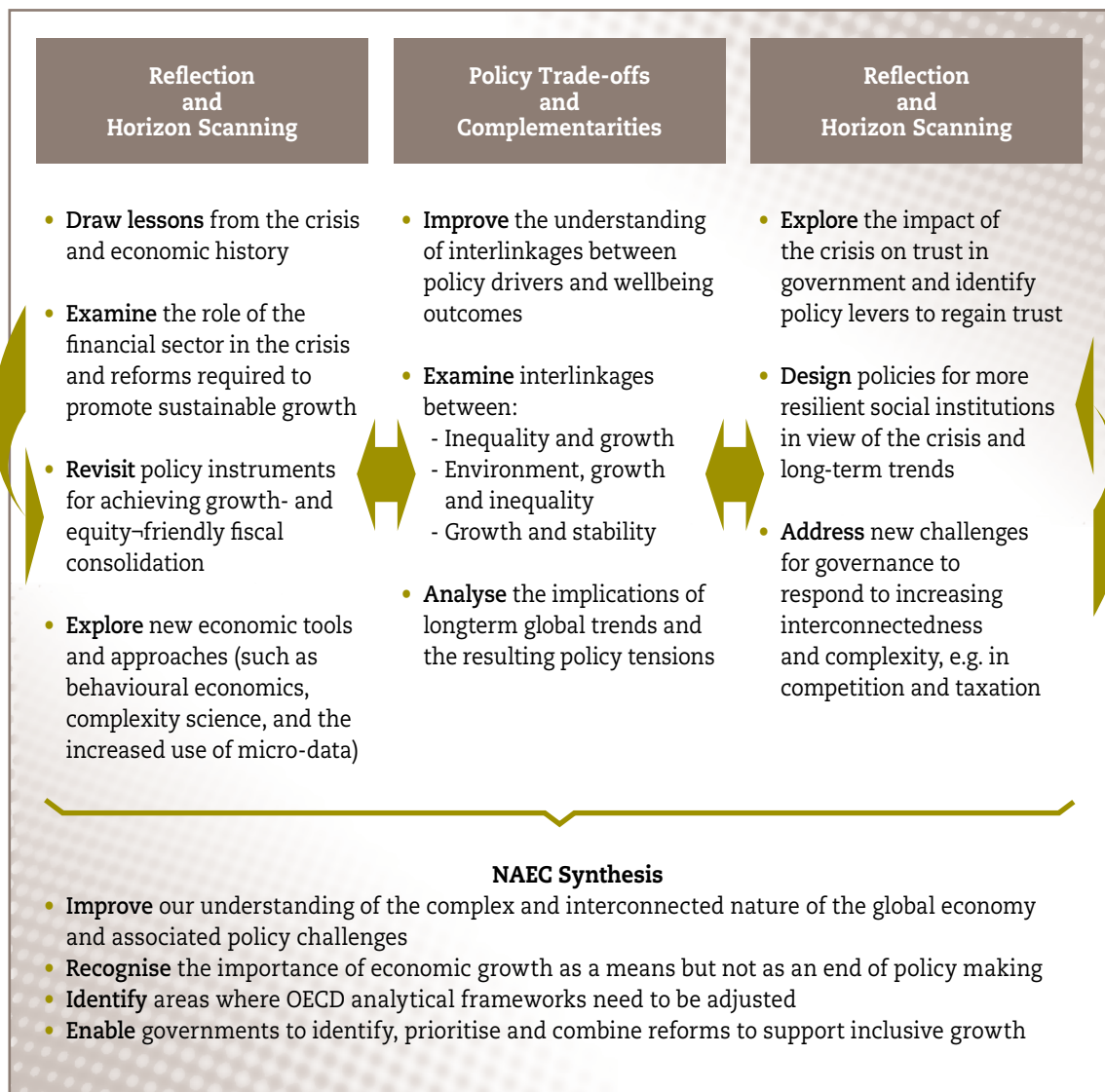
■ Key publications

- *NAEC framework paper*
- *NAEC mandate*
- *Background note for the first meeting of the NAEC Group on 24 October 2012*
- *Interim Report to Ministers*

■ Key events

- First meeting of the NAEC Group, Paris, France, 24 October 2012
- Second meeting of the NAEC Group, Paris, France, 11 February 2013

Organising structure for NAEC work



Office of the Secretary-General



Office of the Secretary-General
E-mail: secretary.general@oecd.org

“Impact, relevance and inclusiveness are our *raison d'être*. This is even more important in the current crisis context in which the rich and diverse work of the OECD can support Member and Partner countries in pursuing their reform agendas by “going structural”, “going social” and “going green”.”

The Office of the Secretary-General (OSG) supports the Secretary-General in delivering his strategic vision for the Organisation. Led by the Chief of Staff and G20 Sherpa, and the Deputy Chief of Staff, OSG works to increase the relevance, impact and visibility of the Organisation: to ensure that it remains at the cutting edge of policy analysis; to deliver timely and targeted policy advice; and to supervise and create synergies, together with the Deputy Secretaries-General, in the work carried out by the Organisation.

In order to be at the forefront of policy developments and to offer the best service to policy makers in Member and Partner countries, the Office of the Secretary-General has initiated and oversees the New Approaches to Economic Challenges (NAEC) initiative and Inclusive Growth. OSG and the Deputy Secretaries-General also promote and oversee horizontal projects, such as Skills, Innovation, Green Growth and Gender.

In 2012 OSG experienced another very intense agenda with more than 1 000 meetings at the OECD headquarters and more than 49 visits abroad by the Secretary-General. OSG also produced over 220 speeches, processed an average of 500 e-mails per day and prepared more than 20 000 pages of briefing notes over the year. The principal focus of this work was to provide policy advice and support to Member countries in their efforts to tackle the economic crisis and its social effects. Deputy Secretaries-General also contributed with an intensive agenda and in overseeing specific subject areas and products to ensure the highest profile for the OECD.

www.oecd.org/secretarygeneral

With the support of OSG, the Organisation made great strides in 2012 to increase its impact on national agendas. In particular, OSG was at the centre of efforts to produce the *Better Policies* brochures, as well as organising numerous visits and events at the highest political level. This included:

- The seminar on growth with Italian Prime Minister Mario Monti;
- The discussions on social cohesion with Korean President-elect, Park Geun-hye;
- The visit of Mexico's President-elect Enrique Peña Nieto and the presentation of the *Getting it Right* publication which contributed significantly to the programme of the new government, along with the signature of a partnership agreement;
- The in-depth policy reform discussions with French President Hollande and German Chancellor Merkel with the heads of international organisations;
- The policy dialogue and seminars with the Prime Ministers of the Slovak Republic and Portugal, the First Deputy Prime Minister of the Russian Federation, as well as the mid-term review of Finland's Government Programme with the Prime Minister of Finland and his cabinet.
- And the dialogue and Council discussions with the Presidents of Iceland, Israel, Colombia, and Peru.

OSG also coordinates, in close cooperation with DSG Leterme, the substantive and organisational preparations of the annual ministerial meetings. The Office organises exchanges with leading thinkers, such as Daniel Kahneman, James Kenneth Galbraith and Alan Kirman, in order to make sure that the Organisation is always linked to major new developments in the academic world. Looking ahead, OSG will seek to strengthen the OECD's role as a hub for Member and Partner countries: first, by building on the *Better Policies* series to ensure the timeliness and further tailoring of our advice to the specific needs of countries; second, by looking at ways to upgrade the support we provide to government officials on implementing reforms through capacity building programmes, workshops and training; and third, by building on our experience of organising high-level visits to create a more formal "Leaders and Visions Programme". ■

■ Key publications

Better policies series:

- Mexico: "Perspectivas OCDE: México Reformas para el Cambio", January 2012
- Japan: "Policies for a revitalisation of Japan", April 2012
- France: "Promouvoir la Croissance et la Cohésion Sociale"
- Mexico: "Mejores Políticas para un Desarrollo Incluyente", July 2012
- Italy: "Reviving Growth and Productivity", September 2012
- France: "Redresser la compétitivité", October 2012 and updated March 2013
- Germany: "Addressing the Competitiveness Challenges in Germany and the Euro Area", October 2012
- India: "Sustaining High and Inclusive Growth", October 2012
- Finland: "Fit for the Future", February 2013
- Slovakia: "Fostering Inclusive Growth and a Job-Rich Recovery", April 2-13
- The Russian Federation: "Modernising the Economy", April 2013
- Portugal: "Reforming the State to Promote Growth", May 2013

Sherpa Office



Gabriela Ramos
 OECD Chief of Staff and
 Sherpa to the G20
 E-mail: osg@oecd.org

“As the premier forum for international economic cooperation, the G20 plays a crucial role in driving forward the international economic reforms necessary to overcome the crisis and deliver strong, inclusive and sustainable growth. In order to support this process with substance, evidence and deliverables, the G20 relies on the experience, knowledge and data of international organisations. The OECD is honoured to have contributed to this process since 2008, with over 50 years of expertise in providing better policies for better lives.”

The Sherpa Office supports the OECD Secretary-General, the OECD Chief of Staff and Sherpa, and the Deputy Secretary-General and Chief Economist, by coordinating the development of contributions to the G20 and the support to successive G20/G8 Presidencies across the whole of the OECD.

In 2012, the Mexican Government asked the OECD for input and support for their G20 policy priorities. This input included a particular focus on incorporating the green growth dimension into G20 countries' structural reform agendas and on elaborating a non-prescriptive toolkit for inclusive green growth to be used by policy makers in developing economies. In the context of the “Framework for Strong, Sustainable and Balanced Growth,” the OECD provided an integral contribution to the Los Cabos Action Plan by helping countries prioritise their structural reform commitments.

In Los Cabos, G20 Leaders also committed to more active engagement with the OECD working group on bribery and adopted a set of principles on asset disclosure jointly drafted by the OECD and the World Bank. In October 2012, G20 Sherpas adopted a new Anti-Corruption Action Plan, prepared with the support of the OECD. The Organisation also made key contributions to the G20 discussions on employment, development and trade and to the first G20 Trade Ministerial Meeting in Puerto Vallarta, focused on global value chains. The OECD was further asked to substantiate the work on financial inclusion, as well as on disaster risk management, and helped develop an agenda to increase productivity in the agricultural sector.

Going forward, the OECD is now supporting the Russian G20 Presidency in the preparation of meaningful deliverables for the Saint Petersburg Summit, including its Action Plan. The Russian Presidency is particularly focused on unlocking sources for the financing of investment, for which the OECD is developing a set of High-Level Principles. The Organisation is also supporting efforts to achieve fiscal sustainability and fairness, with work on Base Erosion and Profit Shifting and automatic tax information exchange. The OECD continues to be actively involved in development, employment, anti-corruption, and energy. The Russian Presidency is also interested in the OECD's work on trade in value-added and global value chains and will host a seminar back-to-back with our Ministerial Council Meeting on 29 May 2013.

The G8 also relies on the OECD's expertise and know-how. Through the Deauville Partnership, we support Transition Countries' efforts to promote growth, jobs, investment and governance. As an Implementation Support Agency, the OECD is active in the Deauville Partnership Transition Fund. Under the UK G8 Presidency in 2013, we have contributed to the priority areas of tax, trade and transparency. The Secretary-General has been invited to the G8 Summit in June to discuss these issues. ■

www.oecd.org/g20

■ Key publications

- *Pursuing Strong, Sustainable and Balanced Growth: A Note on Implementation of G20 Structural Reform Commitments*, June 2012
- *Boosting Jobs and Living Standards in G20 countries*, a joint report by the ILO, OECD, IMF and the World Bank, June 2012
- *Action Plan on Effective Practices to Support the Implementation of the High-Level Principles on Financial Consumer Protection*, June 2012
- *International Network on Financial Education (INFE) High-level Principles on National Strategies for Financial Education*, August 2012
- *Interim Progress Report on the Action Plan's implementation to support the development of Local Currency Bond Markets*, prepared by the World Bank, Regional Development Banks, IMF, OECD, BIS and FSB, June 2012
- *Tax Transparency: Report on Progress on the Global Forum Activities*, regularly prepared and updated for Summits, June 2012
- *Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms*, a joint report coordinated by the FAO and the OECD, jointly prepared by Bioversity, CGIAR Consortium, FAO, IFAD, IFPRI, IICA, OECD, UNCTAD, UN High Level Task Force on the Food Security Crisis, WFP, World Bank, and WTO, prepared for the Agricultural Deputies meeting in Mexico, May 2012
- *A Toolkit of Policy Options to Support Inclusive Green Growth*, Submission to the G20 Development Working Group by the AfDB, the OECD, the UN and the World Bank, June 2012
- *Incorporating Green Growth and Sustainable Development Policies into Structural Reform Agendas*, a report to the G20 by the OECD, World Bank and the United Nations, June 2012
- *Improving the Assessment of Disaster Risks to Strengthen Financial Resilience*, A Special Joint G20 Publication by the Government of Mexico and the World Bank, (with OECD contribution), June 2012
- *OECD Voluntary Framework to Facilitate implementation of Disaster Risk Management*, November 2012
- *Pension Fund Financing for Green Infrastructure and Initiatives*, a G20/OECD policy note, June 2012
- *G20 Trade and Investment Measures*, a joint report by WTO, UNCTAD and OECD, mid-October 2011 to mid-May 2012
- *G20 Principles on Asset Disclosure of Public Officials*, June 2012
- *Addressing Base Erosion and Profit Shifting*, February 2013

■ Key events

- OECD-G20 Presidency Stocktaking Seminar on Global Value Chains, Paris, May 2013
- High-level Anti-Corruption Conference for G20 Governments and Business, Paris, April 2013
- Workshop on Energy Regulation in Sustainable Development, Paris, November 2012, at OECD
- High-level seminar on Green Growth open to OECD Members and Partner countries, May 2012
- High-level private public meeting on anticorruption, Paris, October 2012
- Anti-corruption working group meetings, Paris, October 2012
- B20 Task force on Transparency and Anti-corruption, Paris, October 2012
- First meeting of G20 Trade Ministers, April 2012, in Puerto Vallarta
- G20 Trade and Investment Promotion Summit, November 2012, in Mexico City
- G8 Deauville Partnership Conference on Building Open, Fair, and Transparent Government for Growth and Development, 24 November 2012

“Go horizontal” – OECD initiatives and projects to better respond to interconnected policy challenges

Complex policy challenges need cross disciplinary responses

As outlined in the Strategic Orientations, the much more complex world in which we live leads us to focus more on cross-cutting issues, synergies and trade-offs between various fields of public policies.

The OECD is the only international organisation which can combine the in-house expertise on economic, employment, education, social, environment and social policies. “Go horizontal” is an important pillar in the Secretary-General's Strategy to make the best value-added of OECD's expertise for its Members and Partners, and to mirror the new realities and our citizens needs in a globalised and interconnected world.

Strategically this is reflected in the New Approaches to Economic Challenges (NEAC), but also on a variety of horizontal projects and initiatives like the Strategies on Innovation, Green Growth, Development and Skills, the Gender Project and the Better Life Initiative.

The Green Growth Strategy

The economic crisis coincided with gathering concern about environmental pressure and in particular the need to transform energy systems to combat climate change. The need for green economic activity was identified as a potential source of growth through the development of new technologies and innovations. The OECD Green Growth Strategy underlines the message that “green” and “growth” must go together.

Our Strategy aims to foster economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To do this, governments must catalyse investment and innovation, which will underpin sustained growth and give rise to new economic opportunities. This horizontal work calls for new sources of growth, but also for a “greening” of current practices, particularly as economies try to come out of the crisis.

The Green Growth Strategy provides recommendations to help governments identify the policies that can help achieve the most efficient shift to a greener growth path for our economies. These include the elimination of environmentally harmful subsidies, a shift of taxation towards environmental externalities and ensuring that environmental assets are properly valued. Good policy execution along these lines can support the more efficient use of resources and technology innovation.

The OECD has made good progress in mainstreaming green growth into its regular economic and environmental surveys and extended its analysis to the particular challenges and opportunities faced by developing countries. Conscious efforts are being made to ensure that key directorates are working together to ensure that recommendations on economic, innovation, investment, governance and sectoral policies deliver a consistent green growth message. Key work areas in the year ahead include:

- Green investment, institutional investors and infrastructure
- The relationship between environmental policies and economic outcomes
- The further development of green growth indicators
- Aspects of environmental taxation
- Green growth and agriculture

The Green Growth Strategy is coordinated by the Green Growth Unit and overseen by DSG Padoan and DSG Tamaki.

For more information see: www.oecd.org/greengrowth/towardsgreengrowth.htm

The Innovation Strategy

Investing in new sources of growth and strengthening innovation performance continues to be of key importance on the road out of the crisis. It is a way to stronger growth, improved international competitiveness, and can help address a range of social and environmental challenges. However, in the current context of budgetary restraint, the design of policies for innovation is crucial. It remains important to invest in research, skills, infrastructure and policies that help strengthen innovation capabilities, but such policies should be well-designed and meet their goals as efficiently as possible. At the same time, making the structural reforms – in product, labour and financial markets – that can help unleash innovation and entrepreneurship is more important than ever.

Following the release of the OECD Innovation Strategy in 2010, innovation has become an integral part of a range of OECD strategies and horizontal projects. Green growth relies to no small extent on specific policies and incentives to unlock green innovation; and development requires a strong focus on innovation, but tailored to the specific needs of developing economies. Work has also been undertaken to tailor the recommendations of the Innovation Strategy to specific national contexts, through Innovation Policy Reviews for both OECD (e.g. Mexico and Sweden) and non-OECD economies (e.g. the Russian Federation and Southeast Asia). And work continues to further deepen the understanding of innovation. For example, recent work shows that investments in knowledge-based assets, including software, design, data, R&D and organisational capital now are larger than investment in tangible capital in several OECD countries, requiring policy adjustment in many areas.

Next steps and the way forward: Work will continue to better measure and evaluate the impacts of investment in innovation, including R&D tax credits, which is the most expensive instrument supporting innovation in many OECD countries. Further national reviews of innovation policy will also be undertaken, e.g. for France, Colombia, Vietnam and the Netherlands. Work will be deepened on policies for knowledge-based capital, including in the area of big data and intellectual property rights. And in the context of the OECD's NAEC project, analysis will be undertaken of the future prospects for innovation, with the aim to better understand the determinants of long-term productivity growth. Finally, the Innovation Strategy itself will be revisited, to update and sharpen its recommendations and analysis on the basis of work conducted since 2010, including in ensuring that innovation contributes to inclusive growth.

The work on Innovation is coordinated by the Directorate for Science, Technology and Industry and overseen by DSG Padoan and DSG Boucher.

For more information see: www.oecd.org/site/innovationstrategy

The Skills Strategy

Skills are the currency for the 21st century – they will be decisive for economies, societies and the prospects of people. The OECD Skills Strategy was endorsed by Ministers at the 2012 Ministerial Council Meeting (MCM). It aims at strengthening skills systems through the coherent development, activation and effective use of skills to promote economic prosperity and social cohesion, reflecting a strong focus on “lifetime employability”.

Spending on education and skills is an investment in the future, and developing the skills of young people and adults must be a priority, particularly in a world where knowledge assets are critical and when young people struggle to gain a foothold in the labour market if they lack work-relevant skills. But developing skills is not enough: labour market and social policies and practices that discourage people from supplying their skills to the labour market or prevent their effective utilisation need to be changed. The OECD Skills Strategy highlights the importance of taking a whole-of-government, cross-sectoral approach to skills, and engaging all stakeholders, including employers and trade unions, in order to achieve better economic and social outcomes.

The OECD is now working with individual countries on developing more effective skills strategies at national and local levels, using an innovative collaborative approach. This new approach involves tailoring the collaboration of different stakeholders around the needs and priorities of the country, using OECD tools and techniques to foster a horizontal approach within countries to identify strengths and challenges for the country's skills system, identify policy options and develop an action plan for implementation of better policies that reflects national ownership and engagement across all stakeholders. Such collaborations are currently underway with Austria, Korea and Norway and possible projects are under discussion with several other countries. As part of this process, the OECD will also be working with countries more specifically to identify good practice in anticipating changing skill needs and developing information systems that will allow individuals, employers, trade unions and education and training institutions to better respond to these needs. And, also building on the Skills Strategy, the OECD will be assisting countries to develop their own national Youth Action Plans.

The OECD will launch the first edition of the *OECD Skills Outlook* in October 2013, which will provide the first results of the OECD Survey of Adult Skills (PIAAC). In future years, the annual *Skills Outlook* will provide an ongoing horizontal OECD perspective on skills development, activation and effective use, by drawing together deeper analytical work as well as country experience in tackling specific skills challenges, for example, improving outcomes for youth.

The Skills Strategy is co-ordinated by the Directorate for Education and Skills, together with the Directorate for Employment, Labour and Social Affairs and in close collaboration with LEED, the Development Centre, the Centre for Tax Policy and Administration, and other directorates as required. The Strategy is overseen by DSG Leterme.

For more information see: skills.oecd.org/ and www.oecd.org/edu/oecdskillsstrategy.htm

The Gender Initiative

The OECD's Gender Initiative aims to strengthen gender equality in education, employment and entrepreneurship (the “three Es”) – three key dimensions of economic and social opportunities. Gender equality is not just about economic empowerment; it is about fairness and equity, and it includes many political, educational, socio-economic and cultural dimensions which need to be addressed together in order to tackle gender gaps. The Gender Initiative follows a horizontal, whole-of-government approach, involving nine Directorates and their respective Committees, Working Parties and Governing Boards.

The OECD Gender Initiative clearly shows why countries should act now to reap the benefits of greater gender equality of opportunities. Greater educational attainment, especially among women, has boosted economic growth over the last 50 years, and closing the remaining gaps will further promote development. Moreover, higher female labour force participation will play a key role to address the challenges of population ageing. The Gender Initiative also highlights the valuable contribution that female entrepreneurship can make to economic growth provided that it is supported by appropriate policies.

The evidence on the linkages between parental leave and childcare, and employment and wage gaps shows a crucial role for policy in reducing gender inequality in paid and unpaid work, and addressing the disproportionate share of women among the most vulnerable groups of informal workers around the globe.

The Gender Recommendation to be adopted by Ministers at the 2013 MCM is a powerful instrument to promote policy change. It outlines a set of policy tools to achieve greater gender equality in countries, such as providing equal access to education, promoting family-friendly policies and working conditions, fostering participation of fathers in unpaid work, working towards a better gender balance in leadership positions, reducing barriers to female entrepreneurship, and also ensuring equality before the law and full respect of social and political rights. The Gender Initiative is helping shape national debates, as evidenced by requests for OECD input to policy discussions both at the national level and in international decision-making bodies, such as for example the European Parliament and the European Commission. The OECD is also involved in international data collection efforts through its participation in EDGE, in co-operation with UN Women and other agencies.

The Gender Initiative is co-ordinated by the Directorate for Employment, Labour and Social Affairs and overseen by DSG Leterme.

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

The Strategy on Development

Development has always been at the core of the OECD mission, and at the OECD's 50th Anniversary Ministerial Council Meeting (MCM) in 2011, Ministers welcomed a new comprehensive approach to development across the Organisation. The OECD Strategy on Development outlines how the Organisation can develop and adapt analytical approaches and policies for achieving higher, more inclusive and sustainable growth for the widest number of countries.

Members and Partner countries have identified specific areas where the OECD can provide value-added. These include Multi-Dimensional Country Reviews, taxation and domestic resources mobilisation, gender equality, migration, innovation, education, and inclusive green growth. These projects also further strengthen the OECD's work on Policy Coherence for Development and Knowledge Sharing, and its contributions to global processes such as the post-2015 agenda and the G20.

The array of progress witnessed over the last year reflects the range of projects launched. As knowledge sharing is fostered through mutual learning and by engaging developed and developing countries around a shared agenda, two innovative policy sharing networks have been launched – respectively on Global Value Chains and extractive industries – as well as a Knowledge Sharing Alliance. To further evidence-based policy making, new analyses, approaches and tools are to be undertaken, piloted and tested. One forthcoming OECD report, *Illicit Financial Flows from Developing Countries*, will reveal gaps in how OECD countries are implementing international standards. Work on Policy Coherence for Development and Global Food Security identifies ways to reform policies and ensure co-ordinated action at the global level. The Multi-Dimensional Country Reviews approach to simultaneously examining multiple development objectives is being implemented in several developing countries including the Philippines, Myanmar and Uruguay. In education, a pilot is adapting an existing tool for assessing educational quality to make it more useful for a wider array of developing countries. Other policy tools, such as domestic resource mobilisation and combatting illicit flows, are already showing concrete impacts in Partner countries, where results range from increased tax revenue from transfer pricing audit adjustments, or changes in laws and regulations regarding tax incentives and exchange of information between countries.

Synergies and coherence have already been developed with the Green Growth Strategy and the Gender Strategy. Additional steps will be taken to identify synergies with other relevant in-house strategies and initiatives, (e.g. NAEC, Inclusive Growth, Skills Strategy, OECD Action Plan for Youth). In doing so, the focus needs to remain on ensuring current and new concepts will be relevant to Members, developing and emerging economies. We will examine how the Organisation is working with Partner countries and regions at different stages of development, enhancing its role as a platform for knowledge production and sharing, and modernising its development-related monitoring systems.

The Strategy on Development is overseen by DSG Tamaki.

For more information: www.oecd.org/pcd/towardsanoecdstrategyondevelopment.htm

The OECD Better Life Initiative

For many decades, gross domestic product has been the main indicator used by national and international institutions to define and measure progress. But this focus on economic growth fails to capture many factors which affect people's lives. Over the last decade, a number of countries and institutions have set out to identify alternative ways to measure the progress of societies. Launched in 2011 and part of international efforts to go beyond GDP, the OECD Better Life Initiative introduces an OECD Framework for analysing well-being and societal progress.

The *How's Life?* report, launched in 2011, brings together for the first time international comparable measures of well-being based on people's material conditions and quality of life in eleven dimensions: income and wealth, jobs and earnings, housing conditions, health status, work and life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjective well-being. The second edition of *How's Life?* will be released later this year.

Also in its first year, the initiative pioneered the OECD Better Life Index, an interactive online platform that invites the public to visualise well-being outcomes in OECD countries according to criteria that are most important to them. So far the OECD Better Life Index has attracted over 1.5 million users from over 180 countries. It is updated annually and in 2012 expanded to include Brazil and the Russian Federation, and a French and Russian language version.

The OECD is now working to link the measurement of well-being to policy making. This starts with identifying synergies and trade-offs between well-being dimensions. OECD work has shown, for example, that income inequalities have been rising, leading to social tensions in some countries that policy needs to address. Achievements across well-being dimensions also vary between men and women and the OECD has measured the gender dimension in the OECD Better Life Index, and provided comprehensive information through its Gender Portal which forms part of the organisation-wide work on gender.

Dealing with multiple dimensions of well-being is complex for analysts and policy makers. The challenge ahead is to examine how macroeconomic and sectoral policies bear on the various aspects of well-being so as to distil practical messages for policy makers. OECD work in this direction has started, in the context of country reviews, in the context of the Organisation's Inclusive Growth project and as part of NAEC.

The work on measuring well-being is coordinated by the Statistics Directorate.

For more information: www.oecd.org/statistics/betterlifeinitiativemeasuringwell-beingandprogress.htm

The OECD Better Life Index is coordinated by the Directorate for Public Affairs and Communication.

For more information: www.oecdbetterlifeindex.org

Development Co-operation Directorate



Jon Lomoy

Director

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“The world is changing, and we are changing with it to make international development co-operation work better. This means: getting financing right – broader development financing and the smarter use of aid; getting policies right – through smart partnerships and by digging into OECD’s treasure chest and making its policy networks work for development; and getting members’ development co-operation right – through Peer Reviews and a focus on results.”

In a context of decreasing official development assistance, the world is currently examining both its outstanding development goals – the MDGs – and the framework that will guide development co-operation post-2015. It is increasingly clear that aid cannot provide all the solutions. The key to success will be engagement with much wider initiatives and mechanisms for funding and promoting development. As we look to 2015, it is evident that poverty will continue to be a fundamental concern – despite clear progress on halving poverty, we are far from achieving the overarching goal of eradicating extreme poverty. At the same time, to be sustainable, solutions to poverty must incorporate environmental sustainability, education, social equity, green growth and a number of other complex factors. To contribute to understanding of this multi-faceted challenge, the Development Co-operation Directorate (DCD) made progress in 2012 on integrating the concepts of green growth into development. We tracked diverse flows for development, in particular through the expansion of our Creditor Reporting System and through our annual report on multilateral aid. And we explored – in cooperation with the OECD Centre for Tax Policy and Administration – the mechanisms of illicit flows in developing countries, and what donors can do to counter them. Many of these challenges will be examined in the upcoming Global Forum on Development and in our 2013 *Development Co-operation Report*.

The Development Co-operation Directorate supports the Development Assistance Committee (DAC) in developing better policies for better lives by tracking development finance, making sure it is invested effectively and promoting good policy.

Through inclusive partnerships for development, it provides an open forum to share good practice and build knowledge. ■

■ Areas of focus

- Aid architecture and financing: www.oecd.org/dac/scalingup
- Aid effectiveness: www.oecd.org/dac/effectiveness
- Aid for trade: www.oecd.org/dac/aft
- Aid statistics: www.oecd.org/dac/stats
- Conflict and fragility: www.oecd.org/dac/incaf
- Engagement: www.oecd.org/dac/opendoors
- Environment and development: www.oecd.org/dac/environment
- Evaluation of development programmes: www.oecd.org/dac/evaluation
- Gender equality and development: www.oecd.org/dac/gender
- Governance and development: www.oecd.org/dac/governance
- Peer reviews of DAC members: www.oecd.org/dac/peerreviews
- Statistics for development: www.paris21.org

■ Key publications

- *Aid Effectiveness in the Health Sector: Progress and Lessons*
- *The Architecture of Development Assistance*
- *Development Co-operation Report 2012: Lessons in Linking Sustainability and Development*
- *Evaluating Peacebuilding Activities in Settings of Conflict and Fragility – Improving learning for results*
- *Fragile States: Resource Flows and Trends*
- *Green Growth and Developing Countries*
- *Improving International Support to Peace Processes: The Missing Piece*
- *Poverty Reduction and Pro-Poor Growth: The Role of Empowerment*
- *Tax and Development: Aid Modalities for Strengthening Tax Systems*
- Three volumes in the Lessons from peer reviews series: *Towards Better Humanitarian Donorship, Supporting Partners to Develop their Capacity, and Partnering with Civil Society*

■ Key events

- Global Forum on Public Governance: Better Governance for Inclusive Growth, Paris, 21 November 2012
- OECD Global Forum on Agriculture: Policy Coherence for Food Security in Developing Countries, Paris, 26 November 2012
- DAC High Level Meeting 2012, London, 4-5 December 2012 (including the launch of the *Development co-operation report 2012*)
- Workshops on Green Growth in Africa: Concepts, Tools and Strategies for Building Greener Economies and a Sustainable Future, Lusaka, 15-18 January 2013
- Aid for Trade Policy Dialogue 2013, Paris, 16-17 January 2013
- 2013 Global Forum on Development, Paris, 4-5 April 2013

Economics Department



Pier Carlo Padoan

Deputy Secretary-General and
Chief Economist

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“After five years of crisis, the global economy weakened again towards the end of 2012, driven by a significant drop in confidence. This lack of confidence reflects ineffective short-term action as well as a lack of credible long-term strategies. The policy response should be based on all available policy tools: monetary, financial, fiscal, and structural. The Economics Department can support this with its invaluable policy advice, rooted in sound economic analysis.”

In 2012, the Economics Department (ECO) focused its policy advice on promoting structural reforms which, at a time when macroeconomic policies are under acute pressure, have become the policy tool of last resort. Structural reforms are important both on the conventional grounds that they boost long-term growth and welfare but also because they can take some pressure off macroeconomic policies. Better structural policies will help achieve fiscal sustainability, provide greater leeway for monetary policy and – if well designed – can foster inclusive and green growth. Importantly, structural reforms can bolster confidence. For these reasons they are more than ever a priority for the OECD. They feature prominently in G20 action plans and work agendas, to which ECO will continue to contribute extensively in the pursuit of strong, sustainable and balanced global growth.

Over the past 12 months, ECO has published 23 country surveys, including for the Enhanced Engagement country Indonesia. Work on areas related to the OECD mandates from the G20 is continuing. In 2012 ECO started a new series of OECD *Economic Policy Papers* alongside its flagship publications the OECD *Economic Outlook* and *Going for Growth*, designed to disseminate selected studies on structural and macro-economic policy issues of current interest. Three issues were released in 2012 on, respectively, long-term growth scenarios for the world economy up to 2060, vulnerabilities associated with international capital mobility and fiscal consolidation in the wake of the crisis. The Economics Department also published 85 working papers in 2012, including the 1 000th working paper in the series, detailing the long-term scenarios up to 2060.

The Economics Department carries out multilateral, country-specific and structural policy surveillance of OECD member countries as well as the Accession and Partner countries. ■

www.oecd.org/eco

■ Areas of focus

- Country economic surveys: www.oecd.org/eco/surveys
- Cross-country structural policy analysis and advice: www.oecd.org/economy/goingforgrowth
- Economic outlook: www.oecd.org/oeconomicOutlook
- Economics Department policy notes: www.oecd.org/economy/policynotes
- Economics Department policy papers: <http://www.oecd.org/eco/economicpolicypapers.htm>
- Economics Department working papers: www.oecd.org/eco/workingpapers
- Monetary and financial issues: www.oecd.org/eco/money
- Public finance: www.oecd.org/eco/public_finance

■ Key publications

- *Economic Policy Reforms 2013: Going for Growth*
- *OECD Economic Outlook*
- *OECD Economic Surveys (member countries and selected non-member countries)*
- *OECD Journal: Economic Studies*
- *Promoting Inclusive Growth: Challenges and Policies*

■ Key events

- Launch of *Going for Growth 2013*, Moscow, 15 February 2013
- Launch of *Interim Economic Outlook for major world economies*, Paris, 28 March 2013
- Launch of *OECD Economic Outlook*, Paris, 28-29 May 2013

Directorate for Education and Skills



Barbara Ischinger

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“Skills change lives and drive economies. This is because skills have an increasing impact on labour market outcomes and social participation. If we fail to ensure that people’s knowledge and skills match the changing demands of jobs and occupations the consequences will affect everyone in both the short term, through skill shortages, and in the longer term through the impact on economic growth and equality of opportunities.”

In May 2012, the OECD delivered the “OECD Skills Strategy” to the Meeting of Council at Ministerial level. This cross-cutting initiative, the most prominent one in 2012 led by the Directorate for Education and Skills, will support country efforts to promote social progress and sustainable economic growth by improving educational outcomes, fostering human capital and boosting employment. To help countries get a clearer picture of their workforce’s skills and see how they compare to other countries, the OECD is carrying out the most comprehensive international survey of adult skills ever conducted. This involves testing more than 5 000 people aged 16 to 65 in each of the 26 countries taking part. The first results of the OECD Survey of Adult Skills will be published in October 2013 in the inaugural *OECD Skills Outlook*.

The Programme for International Student Assessment (PISA) shows countries where they stand – in relation to other countries and individually – in how effectively they educate their children. The results of the 2012 survey will be published in December 2013. PISA 2012 focused on the mathematics skills of 15-year-olds as well as assessing their skills in reading and science.

The Directorate for Education and Skills (EDU) leads the Organisation’s work to help member and non-member countries achieve high-quality learning outcomes for all, design better skills policies, and turn them into jobs and growth. In doing so, it and we underline that skills need to be acquired and updated all along the life cycle. The Education Policy Committee provides strategic guidance and oversight of OECD work on education and skills. ■

■ Areas of focus

- Centre for Educational Research and Innovation (CERI): www.oecd.org/edu/ceri
- Early childhood education and care: www.oecd.org/edu/earlychildhood
- Education indicators: www.oecd.org/edu/eag2011
- Educationtoday blog: <http://oecdeducationtoday.blogspot.com>
- Equity in education: www.oecd.org/edu/equity
- Evaluation and Assessment Frameworks for Improving School Outcomes: www.oecd.org/edu/evaluationpolicy
- Facilities and infrastructure: www.oecd.org/edu/facilities
- Feasibility Study for the International Assessment of Higher Education Learning Outcomes (AHELO): www.oecd.org/edu/ahelo
- OECD Survey of Adult Skills (PIAAC): www.oecd.org/site/piaac
- OECD Skills Strategy: <http://skills.oecd.org/>
- Programme for International Student Assessment (PISA): www.pisa.oecd.org
- Programme on Institutional Management in Higher Education (IMHE): www.oecd.org/edu/imhe
- Teaching and Learning International Survey (TALIS): www.oecd.org/edu/talis

■ Key publications

- *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies Education at a Glance 2012*
- *Education Today 2013: The OECD Perspective*
- *Grade Expectations: How Marks and Education Policies Shape Students' Ambitions*
- *OECD Reviews of Evaluation and Assessment in Education: Synergies for Better Learning: An International Perspective on Evaluation and Assessment*
- *Let's Read Them a Story! The Parent Factor in Education*
- *Teachers for the 21st Century: Using Evaluation to Improve Teaching*
- *Teaching Practices and Pedagogical Innovations: Evidence from TALIS*
- *The Experience of New Teachers: Results from TALIS 2008*
- *Trends Shaping Education 2013*

■ Key events

- 15th OECD/Japan Seminar: "Global Strategies for Higher Education – Global Trends and Rethinking the Role of Government", Tokyo, 6-7 February 2013
- 2013 International Summit on the Teaching Profession, Amsterdam, 13-14 March 2013
- Education at a Glance 2013 launch, Brussels, 25 June 2013
- Informal Meeting of Ministers of Education on Fostering Skills and Employability through Education, Istanbul, 2-3 October 2013
- Launch of the OECD Skills Outlook, Brussels, 8 October 2013
- Launch of the results of the 2012 Programme for International Student Assessment (PISA) survey, Washington DC, 3 December 2013

Directorate for Employment, Labour and Social Affairs



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“This is clearly a demanding time for policy makers. They are facing numerous challenges including a slow and uneven recovery, persisting high levels of unemployment and tight budget constraints. Policy makers need to push ahead with implementing bold structural reforms, while at the same time investing in cost-effective labour market policies that provide adequate support to the unemployed while preserving work incentives. In this way, they can best tackle long-term unemployment, boost job creation, and improve employment prospects and opportunities for youth.”

In 2012, the OECD helped countries find better ways of dealing with the impact of the crisis on jobs and incomes. The 2012 *Employment Outlook* analysed the role that policies play in supporting the unemployed while promoting their quick return to work. The Organisation actively contributed to the background documentation for the third G20 Employment and Labour Ministerial meeting in May. The OECD also released a ground-breaking report, *Closing the Gender Gap: Act Now*. Ongoing work considered policies to integrate immigrants with the publication *Settling In: OECD Indicators of Immigrant Integration 2012* presenting the first international comparison of the economic and social integration of immigrants and their children in the OECD countries. Many countries are benefiting from targeted advice on how to reform their health systems, particularly via the OECD's *Reviews of Health Care Quality: Raising Standards. Health at a Glance: Asia/Pacific 2012*, a new publication done in collaboration with the World Health Organisation, presents the latest comparable trends on key aspects of health and health systems in selected Asia/Pacific countries and economies. In the coming years, the OECD's activities on employment, labour and social challenges will continue to concentrate on reconciling short-term pressures brought on by the crisis and weak recovery with the longer term challenges of population ageing and globalisation. In particular, more needs to be done to improve labour market outcomes for youth and to promote equality of opportunities. Meanwhile, strengthening prevention and management of chronic diseases will be a central feature of the work on health care, including ground-breaking reports on alcohol and cancer.

The OECD Directorate for Employment, Labour and Social Affairs (ELS) leads the Organisation's work on employment, social policies, international migration and health. It oversees work on the interrelated policy areas that help countries boost employment and improve social welfare and health outcomes in a context of population ageing, globalisation and rapid technological change. ■

www.oecd.org/els

■ Areas of focus

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

■ Key publications

- *Closing the Gender Gap: Act Now*
- *Connecting with Emigrants: A Global Profile of Diasporas*
- *Health at Glance: Asia/Pacific 2012, Europe 2012*
- *Health at a Glance: Europe 2012*
- *OECD Health Data 2013*
- *A Good Life in Old Age? Monitoring and Improving Quality in Long-term Care*
- *Strengthening Social Cohesion in Korea*
- *International Migration Outlook 2013*
- *Mental Health and Work: Belgium, Denmark, Norway, Sweden 2013*
- *OECD Employment Outlook 2013*

■ Key events

- Meeting of OECD Health Data National Correspondents, Paris, 11-12 October 2012
- OECD Gender Forum: Closing the Gender Gap: Act Now, Paris, 17 December 2012
- Seminar for the launch of *Mental Health and Work: Belgium*, Brussels, 29 January 2013
- Seminar for the launch of *Mental Health and Work: Denmark*, Copenhagen, 25 February 2013
- Conference in Norway for the launch of *Mental Health and Work: Norway*, Oslo, 5 March 2013

Centre for Entrepreneurship, SMEs and Local Development



Sergio Arzeni

Director

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“The global economy needs to be set on firmer ground. Small businesses and entrepreneurs must be enabled to play their part in growth, employment and social inclusion. To do this, they need the right skills and the finance to implement their business strategies. An integrated approach to employment, entrepreneurship, skills and economic development needs to be taken to develop effective job creation strategies.”

The Centre for Entrepreneurship, SMEs and Local Development (CFE) helps countries design and implement effective policies for local economic and employment development, SMEs and entrepreneurship, and tourism. It produces peer reviews at both the national and local levels and contributes to OECD initiatives on New Approaches to Economic Challenges, Inclusive Growth, Skills, Green Growth and Gender. The CFE also draws on the expertise of its extensive network of international experts and carries out regular consultations with civil society.

In 2013, the CFE will continue to expand its Scoreboard on SME and entrepreneurship financing. It will also launch new work on alternative financing instruments for SMEs and on skills for innovation in SMEs, as well as examine how the unemployed, people with disabilities and ethnic minority groups are seizing opportunities for entrepreneurship.

In the year ahead, the CFE will gather a set of indicators on countries' capacities to contribute to the creation of more and better jobs by effectively implementing active labour market programmes and innovative entrepreneurship policies locally. It will devise cross-cutting strategies for youth employment, as well as area-based strategies to tackle exclusion from the labour market at a time of limited resources, and will examine ways to foster the development of green skills to support the transition to a low-carbon economy. Work will also focus on helping communities deliver effective local development and build their capacities through peer learning and exchange forums, notably at the LEED Trento Centre for Local Development.

Other work will focus on reviewing effective tourism policies for growth, with particular attention paid to those policies and practices supporting greener, stronger and more inclusive growth. The CFE will also work with governments and industry to support quality jobs in tourism, examine the economic impacts of tourism at sub-national level, and review policies and practices in relation to both tourism taxation and tourism and the creative economy. ■

www.oecd.org/cfe

■ Areas of focus

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

■ Key publications

- *Clean-Tech Clustering as an Engine for Local Development: The Negev region, Israel*
- *Demographic Change and Local Development: Shrinkage, Regeneration and Social Dynamics*
- *Financing SMEs and Entrepreneurs 2013: An OECD Scoreboard*
- *Green Entrepreneurship, Eco-Innovation and SMEs*
- *OECD Tourism Trends and Policies 2012*
- *Promoting Graduate Entrepreneurship in Tunisian Universities*
- *Skills Development and Training in SMEs*
- *Skills for Growth: Implementing Locally*
- *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*

■ Key events

- 9th Annual Meeting of the Forum on Partnerships and Local Governance – Implementing Change: A New Local Agenda for Jobs and Growth, Dublin-Kilkenny, 26-27 March 2013
- 4th International Summer School for Local Development in Latin America, Trento, 15-25 July 2013

Environment Directorate



Simon Upton

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“In hard economic times, it is understandable that governments and businesses take a short-term view. But for many environmental challenges, this will be very costly in the long run. This is particularly so for long-lived investments in infrastructure if they do not take account of the impacts and costs of climate change in the future. We are enhancing our capacity for long-term economic-environmental analysis to help countries get a better understanding of the economic benefits of environmental action.”

The OECD *Environmental Outlook to 2050* and *Green Growth and Developing Countries* were key OECD inputs to the UN Conference on Sustainable Development and Rio+20, in June 2012. A roundtable on Mobilising Private Investment in Low-carbon Climate-resilient Infrastructure in September 2012 brought together policy makers and experts to discuss how to integrate investment and climate change policies to provide a coherent, stable, long-term policy framework to catalyse investment in low-carbon, climate-resilient infrastructure. The meeting of COP18 of the Framework Convention on Climate Change in Doha in November-December 2012 was a crucial international effort to address climate change. Relevant OECD studies were highlighted at several side events. A seminar organised jointly by the OECD and the French General Commission for Sustainable Development (*Commissariat général au développement durable*) examined the link between assessment of ecosystem services and the design and enforcement of public policies at national and local levels. OECD Environmental Performance Reviews of Italy, Mexico, Austria, South Africa and Colombia are being released or prepared during 2013.

The Environment Directorate helps countries to design and implement efficient and effective policies to address environmental problems and manage natural resources in a sustainable way. It examines the linkages between the environment and economic, sectoral or social concerns, in areas such as climate change; biodiversity; water; waste; environmental taxes; safety of chemicals, nanomaterials and genetically modified crops; agriculture; transport; trade; investment; and development. ■

www.oecd.org/environment

■ Areas of focus

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

■ Key publications

- *Effective Carbon Prices*
- *Energy and Climate Policy: Bending the Technological Trajectory*
- *Environment at a Glance 2013: OECD Indicators*
- *OECD Environmental Performance Reviews: Germany 2012, Slovenia 2012, Mexico 2013, Italy 2013, Austria, South Africa, Colombia*
- *Scaling Up Finance Mechanisms for Biodiversity*
- *Greening Household Behaviour: New Insights from the Second Survey*
- *Illegal Trade in Environmentally Sensitive Goods*
- *Material Resources, Productivity and the Environment*
- *Sustainable Materials Management: Making Better Use of Resources*
- *Water and Climate Change Adaptation: Policies to Navigate Uncharted Waters*
- *Water Security: Managing Risks, Improving Resilience*

■ Key events

- Green Growth and Sustainable Development Forum, Paris, 23 November 2012
- Seminar on the Assessment of Ecosystems Services and its Use for Public Policies, Paris, 1 February 2013
- Second Annual Conference of the Green Growth Knowledge Platforms, Paris, 4-5 April 2013
- OECD Global Forum on Environment: Economic Instruments for Material Management, Paris, 2-6 December 2013

Directorate for Financial and Enterprise Affairs



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“The OECD works hard to help governments honour their commitments to open markets and foster business integrity in support of society and development.”

The Directorate for Financial and Enterprise Affairs (DAF) helps governments improve domestic and global policies that affect business and markets. It works in the fields of anti-corruption, corporate governance, competition law and policy, debt management, investment, financial markets, insurance, private pensions, and private sector development.

Through instruments such as the Anti-Bribery Convention, the Declaration on Investment, and the Corporate Governance Principles, DAF helps create a level and predictable playing field for business. The Russian Federation and Colombia's adherence to the Parties to the Anti-Bribery Convention brings the total to 40. DAF continues to engage with Key Partners such as the People's Republic of China and Indonesia towards drafting anti-bribery legislation. Tunisia joined 43 other adherents to the Investment Declaration and accompanying MNE Guidelines. India's extensive reform of its corporate governance framework was based on the Corporate Governance Principles. The Due Diligence Guidance for sourcing minerals responsibly extended its remit to include a section on gold. The OECD has provided dedicated support and guidance to member countries that have been particularly affected by the economic crisis, for example in the area of competition policy.

DAF contributes to the implementation of the OECD Strategy on Development through work on Gender Equality and Women's Empowerment and Domestic Resource Mobilisation. The Review of the Policy Framework for Investment, which has been most recently used in Malaysia and Tanzania, along with a project on facilitating long term investment in infrastructure in developing countries are among the 13 “proposals for action” highlighted in the Development Strategy.

In 2012, G20 Finance Ministers and Central Bank Governors adopted the G20/OECD Methodological Framework for Disaster Risk Assessment and Risk Financing. The OECD delivered the OECD/INFE High-level Principles on National Strategies for Financial Education to the G20 Leaders Summit in Los Cabos in June 2012. On financial consumer protection, work is now focused on the implementation of the High-level Principles. The South Africa based Centre for African Debt Management and Bond Markets, a joint venture of the OECD and South Africa, provides an important platform for analytical work and capacity building of local currency bond markets. G20 economies are firmly committed to open trade and investment and to resisting protectionism. Mandated by the G20 since 2009, the OECD, WTO and UNCTAD have been monitoring policy developments and reporting the results publicly at six-monthly intervals. ■

www.oecd.org/daf

■ Areas of focus

- OECD Anti-Bribery Convention: www.oecd.org/daf/nocorruption
- Bid rigging in public procurement: www.oecd.org/daf/competition/fightingbidrigginginpublicprocurement.htm
- Competition assessment toolkit: www.oecd.org/daf/competition/competitionassessmenttoolkit.htm
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas: www.oecd.org/daf/investment/mining
- Financial consumer protection: www.oecd.org/finance/financialconsumerprotection.htm
- Financial markets: www.oecd.org/daf/fin
- Freedom of investment process: www.oecd.org/daf/investment/foi
- OECD Guidelines for multinational enterprises: www.oecd.org/daf/investment/guidelines
- Institutional investors and long-term investment: www.oecd.org/finance/lti
- Insurance: www.oecd.org/daf/insurance
- International gateway for financial education: www.financial-education.org
- OECD Principles of Corporate Governance: www.oecd.org/daf/ca/oecdprinciplesofcorporategovernance.htm
- Private pensions: www.oecd.org/daf/pensions
- Public debt management: www.oecd.org/daf/publicdebtmanagement
- Sovereign debt and financial stability: www.oecd.org/finance/sovereigndebt
- State-Owned Enterprises in the Marketplace: www.oecd.org/daf/ca/soemarket.htm

■ Key publications

- *Annual Report on the Guidelines for Multinational Enterprises 2012*
- *Competitive Neutrality: Maintaining a level playing field between public and private business*
- *Corporate Governance, Value Creation and Growth: The bridge between finance and enterprise*
- *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2nd edition including a supplement on gold)*
- *Identification and Quantification of the Proceeds of Bribery, A joint OECD-StAR analysis*
- *OECD Investment Policy Reviews: Malaysia, Tunisia, Colombia*
- *OECD Pensions Outlook 2012*
- *OECD Sovereign Borrowing Outlook 2013*
- *Typology on Mutual Legal Assistance in Foreign Bribery Cases*

■ Key events

- High-level seminar on Capital flow management and liberalisation: The role of international co-operation, Paris, 9 October 2012
- OECD-Asian Roundtable on Corporate Governance, Tokyo, 24-25 October 2012
- Colombia-OECD-World Bank Conference on Financial Education: Progress of global policies and practices and Latin American experience, Cartagena, October 31-November 1 2012
- Latin America and Caribbean: Conference on international value chains, San José, 31 October-1 November 2012
- Eurasia Group on Corporate Governance for Capital Market Development, Istanbul, 13 December 2012
- 12th Global Forum on Competition, Paris, 28 February-1 March 2013 Paris
- Latin American Meeting on Private Sector Responsibility in the Fight against Corruption, Bogotá, 7-8 March 2013
- Third Annual High-Level Anti-Corruption Conference for G20 Governments and Business, jointly organised by the Russian G20 Presidency and the OECD, with UNODC support, Paris, 25-26 April 2013

Directorate for Public Governance and Territorial Development



Rolf Alter

Director

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“Effective strategies to create jobs and stimulate growth depend on governments’ abilities to generate a virtuous cycle of citizen engagement, trust and effective policy implementation.”

Prolonged economic uncertainties are straining the relationship between governments and citizens. Governments struggle with a clear vision for recovery. Unprecedented cuts in public expenditure and poorly identified costs and benefits of structural reforms raise citizens’ concerns about the capacities of governments to create jobs and generate growth. The OECD provides unique sources of data and wide-ranging policy analysis of how to build an innovative and results-oriented public sector, strengthen public governance, and promote policies that respond effectively to today’s diverse and disruptive challenges on the basis of greater trust between citizens and governments.

Highlights in 2012 included a critical focus on integrity, major public governance reviews of France, Poland and Slovenia, preparing the operational phase of the OECD Observatory on Public Sector Innovation, the second edition of *Restoring Public Finances* and pioneering analytical work on regional development with the publication of *Redefining Urban: A New Way to Measure Metropolitan Areas* and *Promoting Growth in All Regions*.

Broadening the scope of instruments for a performing public sector, the OECD Principles for Governance of Public/Private Partnerships were endorsed by the Council, as well as the Principles for Regulatory Policy and Governance. New networks for policy dialogues were developed in innovative fields such as water governance, health budgeting and risk management.

Non member countries regularly express strong interest in OECD’s governance work as an important pillar of the OECD Development Strategy. Regional networks support policy dialogue in Asia, Eastern Europe, Latin America, the Middle East and North Africa.

Looking ahead, 2013 will see important contributions on governance in the NAEC initiative, a new edition of *Government at a Glance* with ground-breaking data on open government and on public trust. A new *Regional Outlook* will coincide with the Ministerial Meeting on regions and cities in Marseilles in December. ■

www.oecd.org/gov

■ Areas of focus

- Budgeting and public expenditures: www.oecd.org/gov/budget
- Fighting corruption in the public sector: www.oecd.org/gov/ethics
- Government at a Glance: www.oecd.org/gov/indicators/govataglance
- Public employment and management: www.oecd.org/gov/hrm
- Public governance reform in the Middle East and North Africa: www.oecd.org/mena/governance
- Public sector innovation and e-Government: www.oecd.org/gov/egov
- Regional statistics and indicators: www.oecd.org/gov/regional/statisticsindicators
- Regional, urban and rural development: www.oecd.org/gov/regional
- Regulatory policy: www.oecd.org/gov/regref
- Risk management: www.oecd.org/gov/risk
- SIGMA (Support for Improvement in Governance and Management): www.oecd.org/gov/sigma

■ Key publications

- *Compact City Policies: A Comparative Assessment*
- *Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys*
- *Meeting the Water Reform Challenge*
- *Promoting Growth in All Regions*
- *OECD Public Governance Reviews: France – An International Perspective of the General Review of Public Policies*
- *Public Sector Compensation in Times of Austerity*
- *Redefining “Urban”: A New Way to Measure Metropolitan Areas*
- *Restoring Public Finances, 2012 Update*
- *OECD Reviews of Regulatory Policy: Indonesia – Strengthening Co-ordination and Connecting Markets*
- *Value for Money in Government: Australia 2012*

Series:

- *OECD Journal on Budgeting*
- *OECD Public Governance Reviews*
- *OECD Reviews of Regulatory Reform*
- *OECD Territorial Reviews*

■ Key events

- 4th OECD Urban Roundtable of Mayors and Ministers: Mobilising Investments for Urban Sustainability, Job Creation and Resilient Growth, Chicago, 8 March 2012
- Annual Meeting of Senior Budget Officials, Reykjavik, 7-8 June 2012
- Meeting of the Network of Senior Officials from Centres of Government, London, 23 October 2012
- 1st OECD Global Forum on Governance, Paris, 21 November 2012
- High-Level Risk Forum, Paris, 13-14 December 2012

Directorate for Science, Technology and Industry



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“To promote long-term growth and the jobs of tomorrow, governments must facilitate business investment in knowledge-based capital. Investment in areas such as research, design, software, large databases, networks and smart organisations will boost productivity, drive competitiveness and unleash new sources of growth.”

Investment in OECD economies is increasingly driven by knowledge-based capital and we will further explore the potential for assets such as big data, design, and intellectual property to support long-term social and economic growth.

As the world economy continues to adjust to globalisation, we are seeing a transformation not only in how and where production takes place but also in the factors that lead to value creation. The joint project with the Statistics Directorate and the Trade and Agriculture Directorate on Trade in Value-Added (TiVA) has produced innovative indicators to improve the mapping of global production networks and to analyse the chain of value-added created at each stage. Forthcoming work will further examine the rising role of knowledge in global value chains for growth, job creation and the future of manufacturing.

Science, technology and innovation can also help address global challenges like climate change, sustainable development, ageing societies and inequality. For example, developments in nanotechnology and biomedicine have the potential to stimulate significant gains in the health sector, while information and communication technologies can be used to help elderly people live independently for longer. Our project on inclusive innovation in collaboration with EDU, GOV and DCD will contribute to the OECD Development Strategy.

Our work on reviewing the measurement framework for innovation, developing a data infrastructure to trace global knowledge flows, as well as sound metrics for policy evaluation will contribute to a deeper understanding of the sources of growth. Finally, we hope to increase the relevance of our statistics and policy analysis by providing more country-tailored policy advice through such interactive web-based tools as the forthcoming STI e-Outlook and Innovation Policy Platform.

The OECD Directorate for Science, Technology and Industry (STI) develops evidence-based policy advice on the contribution of science, technology and industry to well-being and economic growth. ■

www.oecd.org/sti

■ Areas of focus

- Biotechnology: www.oecd.org/sti/biotech
- Broadband and telecom: www.oecd.org/sti/broadband
- Consumer policy: www.oecd.org/sti/consumer
- Industry and globalisation: www.oecd.org/sti/ind
- Innovation: www.oecd.org/innovation
- Internet economy: www.oecd.org/internet
- Science and technology: www.oecd.org/science

■ Key publications

- *Business Investment and Knowledge: New Sources of Growth and New Thinking on Policy*; OECD Communications Outlook 2013
- *Interconnected Economies: Benefiting from Global Value Chains*
- *Main Science and Technology Indicators*
- *OECD Internet Economy Outlook 2012*
- *OECD Reviews of Innovation Policy: Southeast Asia, Slovenia, Sweden, Vietnam*
- *OECD Science, Technology and Industry Outlook 2012*
- *OECD Science, Technology and Industry Scoreboard 2013*
- *Space Technologies and Food Security*
- *Strategic Transport Infrastructure Needs to 2030*

■ Key events

- Global Forum on the Knowledge Economy, Seoul, 18-19 September 2012
- Global Forum on Biotechnology, Paris, 12 November 2012
- Patent Statistics for Decision Makers, Paris, 28-29 November 2012
- Final Conference on Maximising the Benefits of Knowledge-Based Capital, Paris, 13-14 February 2013
- Global Forum on the Knowledge Economy, Istanbul, 22-23 October 2013
- Patent Statistics for Decision Makers, Rio de Janeiro, 12-13 November 2013

Statistics Directorate



Martine Durand

Director and Chief Statistician

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“We need to keep up with the evolving and increasingly complex reality of trade in goods and services. Policy making, including trade negotiations, need to be based on solid evidence. This is why we are working in collaboration with other Directorates and the World Trade Organisation to develop measures which will provide new insights on the actual value-added of trade and how this affects jobs, wages and profits.”

The Statistics Directorate (STD), the Directorate for Science, Technology and Innovation (STI), and the Trade and Agriculture Directorate (TAD), in collaboration with the World Trade Organisation, have recently launched a database of Trade in Value-Added indicators and aim to mainstream the production of these indicators within the international statistics system. Also in collaboration with STI, STD produced the 2012 *OECD Compendium of Productivity Indicators*, which provides a timely response to the increasing need for policy advice on issues related to productivity and international competitiveness.

In response to ongoing gender inequalities, and in collaboration with the Directorate for Employment, Labour and Social Affairs and the Directorate for Education and Skills, STD recently launched the OECD Gender Data Portal, which includes selected indicators that shed light on gender inequalities in education, employment and entrepreneurship.

Work on measuring well-being continues to move forward. The findings of *How's Life?*, a report which provides a comprehensive picture of well-being in OECD countries and other major economies, were the basis for the discussions which took place at the 4th OECD World Forum on Statistics, Knowledge and Policy: Measuring Well-Being for Development and Policy Making in New Delhi in October 2012. In co-operation with the Environment Directorate, STD has followed up on the Green Growth Indicators report delivered to the 2011 Ministerial Council Meeting as part of the OECD Green Growth Strategy. Work has focused on the development of headline indicators, contributions to the Green Growth Knowledge Platform and the drafting of applications and extensions as a supplement to the new international standards on environmental-economic accounting (SEEA). The Statistics Directorate has also started the process for the future collection of core tables according to the new international standards.

The OECD Statistics Directorate collects and analyses economic and social statistics from Member and Partner countries. We aim at disseminating data that is as comparable internationally as possible. The Directorate is responsible for the co-ordination of all OECD statistical activities and the development of the OECD statistical information system. It promotes the dissemination of key OECD statistics through tools such as the *OECD Factbook*, dynamic graphics and innovative web-based tools. ■

www.oecd.org/std

■ Areas of focus

- OECD Better Life Initiative: www.oecd.org/betterlifeinitiative
- Composite leading indicators and business tendency surveys: www.oecd.org/std/clits
- Entrepreneurship indicators and business statistics: www.oecd.org/std/business-stats
- Financial statistics: www.oecd.org/std/fin-stats
- Gender equality: www.oecd.org/gender
- Green growth strategy: www.oecd.org/greengrowth
- International trade and balance of payments: www.oecd.org/std/its
- Labour statistics: www.oecd.org/std/labour-stats
- Measuring well-being and progress: www.oecd.org/measuringprogress
- Measuring Trade in Value Added: www.oecd.org/trade/valueadded
- National accounts: www.oecd.org/std/na
- Prices and purchasing power parities: www.oecd.org/std/prices-ppp
- Productivity statistics: www.oecd.org/std/productivity-stats

■ Key publications

- *OECD Compendium of Productivity Indicators 2012*
- *Entrepreneurship at a Glance 2013*
- *OECD Factbook 2013 – Economic, Environmental and Social Statistics*
- *How's Life? Measuring Well-being*
- *National Accounts at a Glance 2013*

■ Key events

- European Conference on Measuring Well-being and Fostering the Progress of Societies, Paris, 26-28 June 2012
- 4th OECD World Forum on Statistics, Knowledge and Policy: Measuring Well-Being for Development and Policy Making, New Delhi, India, 16-19 October 2012
- OECD-Universities Joint Conference: Economics for a Better World, Paris, 3-5 July 2013

Centre for Tax Policy and Administration



Pascal Saint-Amans

Director

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“The major crisis we’ve been going through has also affected the tax area, placing an increased burden on citizens almost everywhere, with confidence in the tax system being put to the test in many countries. Restoring confidence in the tax system while favoring pro-growth tax design is at the heart of our activity. To respond to the G20’s call on this issue, emphasis will be placed on addressing base erosion and profit shifting (BEPS), which results in unintended double non-taxation. An action plan will be developed in the first half of the year to restore confidence in the fairness of our tax system.”

The Centre for Tax Policy and Administration (CTPA) is the hub for the OECD’s work on taxation. The Centre provides technical expertise and support to the Committee on Fiscal Affairs. Its work covers international and domestic tax issues, direct and indirect taxes, tax policy and tax administration. The CTPA’s work is developed with strong input from OECD and non-OECD economies and receives valuable input from business representatives and civil society.

Eliminating double taxation to facilitate cross-border investment and enhancing tax co-operation among tax administrations remain the core missions of CTPA. We have been active in assisting member countries in moving towards better exchange of information and more effective transparency. The Global Forum has started to examine the effectiveness of information exchange and we have facilitated the implementation of automatic exchange of information for interested countries. We have also launched important work to address the issue of base erosion and profit shifting, which results in unintended double non-taxation. This work is essential to ensure the fairness of our tax system and is strongly supported by the G20 finance ministers who have mandated us to develop an action plan to address this issue by June 2013. CTPA has also developed its tax policy analysis to promote efficient and environmentally friendly tax systems, for example, for the first time, we have measured the effective tax rates of energy use, as a useful tool for policy makers. Finally, we have strengthened our work on tax and development, which includes work on transfer pricing, tax incentives and also the launch of the initiative “Tax Inspectors without Borders”. ■

www.oecd.org/tax

■ Areas of focus

- Base Erosion and Profit Shifting: www.oecd.org/tax/beps.htm
- OECD Tax Database: www.oecd.org/ctp/taxdatabase
- Tax policy analysis: www.oecd.org/ctp/tpa
- Tax treaties: www.oecd.org/ctp/tt
- Transfer pricing: www.oecd.org/ctp/tp
- Convention on Mutual Administrative Assistance in Tax Matters: www.oecd.org/ctp/eoi/mutual
- Consumption tax: www.oecd.org/ctp/ct
- Exchange of information: www.oecd.org/tax/eoi
- Forum on Tax Administration: www.oecd.org/tax/fta
- Tax and crime: www.oecd.org/ctp/crime
- Global relations in taxation: www.oecd.org/tax/tax-global
- LAC-OECD Fiscal Initiative: www.oecd.org/tax/lacfiscal

■ Key publications

- *Automatic Exchange of Information: What It Is, How It Works, Benefits, What Remains to Be Done*
- *Keeping It Safe: The OECD Guide on the Protection of confidentiality of Information Exchanged for Tax Purposes*
- *Revenue Statistics 1965-2011, 2012 Edition*
- *Consumption Tax Trends 2012*
- *Revenue Statistics in Latin America, 1990-2010*
- *Taxing Energy Use: A Graphical Analysis*
- *Addressing Base Erosion and Profit Shifting*
- *Electronic Sales Suppression: A threat to tax revenues*
- *Aggressive Tax Planning based on After-Tax Hedging*
- *Comparative Information Series 2013*
- *Taxing Wages 2013*

■ Key events

- OECD-USCIB International Tax Conference, Washington D.C., 4-5 June 2012
- 2nd Annual Forum on Tax and Crime, Rome, 14-15 June 2012
- 2nd meeting of the LAC Tax Policy Forum, Bogotá, Colombia, 12-13 July 2012
- Global Forum on Tax Treaties and Transfer Pricing: 17th Annual International Meeting on Tax Treaties, Paris, 12-13 September 2012
- Global Forum on Transparency and Exchange of Information for Tax Purpose, Cape Town, 26-27 October 2012
- Global Forum on VAT, Paris, 7-8 November 2012
- OECD/IMF Roundtable, Fiscal Policy for Greener Growth, Paris, 24 January 2013
- 2nd Annual Meeting of the Global Forum on Transfer Pricing, Paris, 6-7 March 2013
- 8th Forum on Tax Administration, Moscow, 16-17 May 2013
- OECD-USCIB International Tax Conference, Washington D.C., 3-4 June 2013

Trade and Agriculture Directorate



Ken Ash

Director

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“The emergence of global value chains and new measures of the income generated by trade strengthens the case for eliminating border bottlenecks and opening markets further, in particular for services. Trade openness also requires complementary public and private investment - in people, in skills, and in innovation. This is equally true in traditionally sensitive sectors such as agriculture, where often inefficient subsidies have little rationale, particularly in this strong market environment.”

OECD work on trade aims to clarify the relationship between trade openness and inclusive growth. Work on trade, growth and jobs, and the role of complementary policies, continues. The new Trade in Value Added data base breaks new ground in clarifying the underlying economic structure and beneficiaries of trade. The OECD has also developed a set of trade facilitation indicators that identify concrete areas for action.

Work on services is expanding both in sector and country coverage. A regulatory database and services trade restrictiveness indices are being constructed for 40 countries and all major services sectors, with a target release date of mid-2014. OECD work covering trade restrictions in sensitive sectors such as raw materials and agriculture complements earlier work on import restrictions, and helps to clarify the damaging effects of such measures and the range of alternative, more efficient ways to achieve the desired results.

The OECD helps its member governments' reform efforts in agriculture by providing in-depth analysis of policy impacts, risk management, agricultural trade policies, environmental performance and innovation systems. The 2012 edition of the *OECD-FAO Medium-Term Agricultural Outlook* has a special feature on biofuels policies and the 2013 edition will focus on the People's Republic of China. The *OECD Agricultural Policy Monitoring and Evaluation* report provides the only internationally comparable measures of agriculture support in OECD countries. The 2013 edition will also include Brazil, the People's Republic of China, the Russian Federation, South Africa, Ukraine, Indonesia and Kazakhstan. In 2013, OECD will publish a comprehensive synthesis report on global food security, distilling key conclusions and policy recommendations from work undertaken in recent years, including for the G20. OECD also works on a wide range of fisheries and aquaculture policy issues and in 2012 published a major policy report: *Rebuilding Fisheries: The Way Forward*.

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

www.oecd.org/tad

■ Areas of focus

- Agricultural policies: www.oecd.org/agriculture/policies
- Agricultural trade: www.oecd.org/agriculture/trade
- Benefits of trade liberalisation: www.oecd.org/tad/benefitlib
- Environment and trade: www.oecd.org/trade/env
- Export credits: www.oecd.org/trade/xcred
- Fisheries: www.oecd.org/fisheries
- Trade and development: www.oecd.org/trade/dev
- Trade and employment: www.oecd.org/trade/employment
- Trade facilitation: www.oecd.org/trade/facilitation
- Services trade: www.oecd.org/trade/services
- Standards for seeds, tractors, forest, fruit and vegetables: www.oecd.org/agriculture/code
- Sustainable agriculture: www.oecd.org/agriculture/env

■ Key publications

- OECD-FAO Agricultural Outlook 2013-2022
- *Agricultural Policies: Monitoring and Evaluation 2013: OECD Countries and Emerging Economies*
- *OECD Compendium of Agri-environmental Indicators*
- *Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013*
- *Agricultural Policies for Poverty Reduction*
- *Livestock Diseases: Prevention, Control and Compensation Schemes*
- *Rebuilding Fisheries: The Way Forward*
- *OECD Review of Agricultural Policies: Indonesia 2012*
- *OECD Review of Agricultural Policies: Kazakhstan 2013*
- *Water Quality and Agriculture: Meeting the Policy Challenge*

■ Key events

- Global Forum on Trade – Trade and Services: What is at stake and what is to be done, Paris, 8 November 2012
- Global Forum on Agriculture – Policy Coherence for Food Security in Developing Countries, Paris, 26 November, 2012
- Official launch of Trade in Value Added Database, Paris, 16 January 2013
- International Business Dialogue: Barriers to 21st Century Commerce, Paris, 4-5 March 2013
- Agriculture Market Information System (AMIS) meeting, Paris, 22-24 April 2013
- G20-OECD GVC-TiVA Stocktaking Seminar, Paris, 29 May 2013

Global Relations Secretariat



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Director

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“The OECD facilitates the sharing of expertise between countries at different stages of development, so they can develop a common understanding of joint challenges. It fosters dialogue on policies to ensure inclusive and sustainable economic development. The participation of Partner countries in OECD work brings new perspectives, insights and experiences, increasing the relevance of policy debates.”

The Global Relations Secretariat (GRS) advises the Secretary-General on the Organisation's strategic directions in relation to its partners. It facilitates the engagement of different OECD policy communities with Partner countries and assists in the design of work programmes with Key Partners and other strategically important countries and regions.

The OECD is a global policy network that helps member and partner countries develop a common understanding of the challenges they jointly face and on ways to deal with them. Guided by the Organisation's evidence-based policy advice, they share knowledge and expertise in support of policy reforms. This helps ensure the long-term, global relevance of the Organisation.

The OECD works closely with Key Partners – Brazil, the People's Republic of China, India, Indonesia and South Africa – in the full breadth of its work programmes, including through the OECD's contributions to the G20. We aim to create mechanisms to have these countries more closely involved in jointly developed priorities for common work. It is important that their interests and perspectives help shape our work.

The Organisation is also extending its engagement with other emerging economies. The aim is to support their development and reform process by helping them benefit from the Organisation's policy expertise and global standards in a number of thematic policy areas. New impetus is also being given to the OECD's regional programmes and networks, particularly in Southeast Asia, which member countries have defined as a region of strategic interest. ■

■ Areas of focus

- OECD global relations, Key Partners, regional programmes and Global Forums: www.oecd.org/globalrelations
- Africa: www.oecd.org/africa
- Brazil: www.oecd.org/brazil
- China (People's Republic of): www.oecd.org/china
- India: www.oecd.org/india
- Indonesia: www.oecd.org/indonesia
- Latin America: www.oecd.org/latinamerica
- Middle East and North Africa: www.oecd.org/mena
- South Africa: www.oecd.org/southafrica

■ Key publications

- *China in Focus, Lessons and Challenges*

OECD brochures:

- *Active with Africa, Special focus on South Africa*
- *Active with Brazil, For a Stronger, Cleaner, Fairer World Economy*
- *Active with India, Better Policies for Better Life*
- *Active with Latin America and the Caribbean, Better Policies for Better Lives*
- *Active with the People's Republic of China, Better Policies for Better Lives*
- *Active with Southeast Asia, Special Focus on Indonesia*

Public Affairs and Communications



Anthony Gooch

Director

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“At a time of crisis, people need clear and precise information to help them understand the challenges their societies face, and how to respond to them. It is our job to show citizens and policy makers how OECD work helps improve inclusiveness and restore public confidence. Initiatives such as the OECD Better Life Index and the OECD Forum are encouraging more people to play an active role in shaping better policies for better lives.”

The Public Affairs and Communications Directorate (PAC) has continued to effectively harness radical transformations in its spheres of competence – communications, public affairs, public diplomacy and dissemination – to reinforce the OECD’s capacity to deliver on its mission of developing the best in public policy and to deliver improvements in the lives of citizens in OECD countries and around the world. Its corporate role in leading and co-ordinating communications campaigns on behalf of the OECD has been stepped up, adding measurable value and impact for the Organisation, as has focus on boosting dissemination and improving engagement with all non-governmental stakeholders in public policy on a global scale.

Co-ordinated, proactive campaigns around the communications priorities of promoting inclusive growth, rebuilding trust and fostering sustainability, have succeeded in framing and positioning the OECD at the heart of key policy discussions and on key global concerns such as the fight against inequality and the promotion of tax transparency. PAC has been instrumental in drawing attention to ground-breaking OECD work on knowledge-based capital, global value-chains and trade in value-added, while continuing the effort to promote major OECD transversal initiatives on Green Growth, Gender, Innovation and Well-Being, and advance pioneering work on well-being through the OECD Better Life Initiative. It was instrumental in developing a network of relevant non-governmental figures and entities that could accompany and contribute to the project on New Approaches to Economic Challenges.

The OECD Better Life Index (BLI), the communications instrument to promote the OECD’s leading role in the international debate on well-being and the quality of life, has been an unqualified success, reaching 1.7 million in over 180 countries and with a marked increase in citizen participation and feedback to the benefit of OECD. The impact of launching the BLI in French and Russian bodes well for further global growth in interest.

In the last year, major OECD flagship reports and forecasts, such as the Economic Survey of the EU (+170%), Education at a Glance (+90%), the May 2012 Economic Outlook (+60%) and the Employment Outlook (+50%), have seen significant increases in media impact compared to previous editions.

Our panoply of dissemination channels has delivered impressive results: in 2012 total dissemination of OECD content grew by over 20% (12 million downloads, online readings and print copies); visits to OECD iLibrary rose by nearly 40% to over 4 million; half a million people downloaded the OECD Factbook. The effectiveness of www.oecd.org was enhanced with launched new data visualisation tools. Social media use expanded too, with over 70,000 followers for OECD on Twitter.

www.oecd.org

Beyond its role as a knowledge hub, PAC is building the OECD's reputation as a "listening" Organisation, by engaging with new audiences, and extending existing global partnerships with international foundations and think-tanks, to include among others, the Institute for New Economic Thinking, India's Observer Research Foundation and the Russian Presidential Academy for National Public Administration. It continues to foster dialogue, through the OECD Forum (80% of the near 2,000 participants rated the 2012 edition entitled "From Indignation and Inequality to Inclusion and Integrity", as being excellent or very good), the growing Global Parliamentary Network and close liaison and interaction with representatives from business (BIAC), labour (TUAC) and NGOs. The *OECD Observer* magazine and the *OECD Yearbook* continue to promote high-level discussion among policy makers, stakeholders and OECD experts.

Looking ahead, the OECD aims to provide free access to all OECD data by 2015. This presents communications, technological and investment challenges, and will measure its success by the continued increase in dissemination and "democratisation" of OECD work. The Media, Public Affairs and the Publishing Divisions of PAC, together with the OECD Centres in Berlin, Mexico City, Tokyo and Washington DC, will coordinate the organisational efforts to meet the ongoing challenge. ■

■ Areas of focus

- Centres abroad: www.oecd.org/centres
- Civil society: www.oecd.org/civilsociety
- i-Library, dissemination and knowledge: www.oecd-ilibrary.org
- Images and videos: www.flickr.com/OECD; www.youtube.com/OECD
- Internet site: www.oecd.org
- Media relations: www.oecd.org/media
- OECD Forum: www.oecdforum.org
- OECD Observer: www.oecdoobserver.org
- OECD Yearbook: www.oecd.org/yearbook
- Parliamentary relations: www.oecd.org/parliamentarians
- Publishing activities: www.oecd.org/publishing
- Web 2.0 activities: www.facebook.com/TheOECD; www.twitter.com/OECD
- Well-being, "beyond GDP": www.oecdbetterlifeindex.org

■ Key publications

- *OECD Observer*, 50th anniversary special edition: "Policy making and the information revolution", No 293, Q4 2012
- *OECD Yearbook* 2013
- OECD Insights publication series: www.oecd.org/insights
- Online blogs: OECD Insights <http://oecdinsights.org> and BLI
- *OECD Factbook*
- *Secretary-General's Report to Ministers* 2013
- Visualisation: A Global Vision of Long term Growth: Top video in 2012 with 40 000 views over a two-month period; and first data visualisation competition

■ Key events

- OECD Forum 2012: "From indignation and inequality to inclusion and integrity", Paris, 22-23 May 2012
- The OECD Secretary-General addressed a major conference of international civil society leaders (Global Perspectives Conference), Berlin, 31 October 2012
- First OECD Parliamentary Days, Paris, 11-13 February 2013
- OECD Forum 2013: "Jobs, equality and trust", Paris, 28-29 May 2013
- OECD High-level Parliamentary Seminars "on the road", hosted by the Swedish Parliament, Stockholm, 17-18 June 2013

Executive Directorate



Anthony Rottier

Director

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“The Executive Directorate provides the means through which the Organisation can deliver on its strategic objectives, and do so as efficiently and as effectively as possible. My goal as the new Executive Director from late 2012 is to strengthen these efforts and ensure the OECD remains at the forefront of international organisations in its management policies and practices.”

The Executive Directorate (EXD) provides the policies and operational means needed to get the most from the OECD's resources, human and financial. It contributes to the delivery of outputs through information and communication technologies, conference, language and security services, and ensures that buildings and site operations provide delegates, visitors and officials with the means to be as productive as possible.

In 2012, EXD was closely involved in the development and negotiation of the OECD's Programme of Work and Budget for 2013-14, approved by Council in December. This included presentation of the first multi-year investment plan for fixed asset replacement. The second biennial OECD Efficiencies Report was issued, evidencing increased value for members. The changing role of the OECD was reflected in the evolving responsibilities of the corporate services, including an increased number and scale of high level events at the Organisation's headquarters and greater attention to mission security as officials engage with a growing range of countries seeking OECD policy analysis and advice.

In 2013, efforts will continue to better organise and leverage the considerable knowledge that exists across the Organisation, and to encourage talent. Efficiency will be further strengthened, both in on-going operations and in managing long-term liabilities. We will pursue the “greening” of the Organisation's buildings and operations, including offsetting the carbon footprint of our missions. We will enhance coordination among the different corporate services to better manage priorities and to ensure a coherent and consistent message on corporate policies and practices. ■

Internal Audit and Evaluation

“Internal Audit and Evaluation both play a key role in OECD governance. Internal Audit provides the Secretary-General with independent assurance as to the quality of controls over a wide range of risks. Recommendations have contributed towards improving accountability and efficiency in directorates as well as in the main corporate services. Evaluation focuses on the substantive outcomes of the Organisation and examines the relevance, effectiveness and efficiency of the OECD’s substantive committees. Recommendations have contributed towards improving committee performance and reinforcing their accountability to Council.”

In addition to the annual reviews of the Process for Managers’ Assertions and of Voluntary Contributions, key risk-based internal audits in 2012 comprised: Horizontal Projects; IT security; the staff recruitment process; language translation activities; controls over access to headquarters; and security of staff missions abroad. Internal Audit also carried out a wide range of advisory assignments aimed at further improving the risk management system and enhancing directorates’ organisation and work methods.

Evaluation activities in 2012 focused on launching the second In-Depth Evaluation (IDE) cycle. Building on a first cycle, which concentrated largely on improving the functioning of committees, the second cycle is more centred on reinforcing their relevance and effectiveness, while at the same time accelerating and further embedding IDE within the Organisation’s Integrated Management Cycle. 2012 also saw the introduction of a framework for the identification, analysis and dissemination of good committee practices and the launching of a pilot evaluation of the Innovation Strategy. ■

www.oecd.org/general/internalauditandevaluation.htm

Directorate for Legal Affairs

The Directorate for Legal Affairs continued in earnest the co-ordination with all stakeholders of the accession process of the Russian Federation. Russian Federation is now a member of the OECD Nuclear Energy Agency.

Since the 1990s, the Directorate for Legal Affairs has been responsible for the preparation of the terms, conditions and procedure for accession as well as the technical co-ordination of the accession process thanks to its corporate view of the Organisation and its expertise on the OECD legal instruments which are at the centre of the accession discussions. The Directorate acts as the central contact point and facilitator for the candidate countries as well as the OECD Committees and Directorates undertaking accession reviews, and reports to Council on progress made. In the last year, the Directorate for Legal Affairs has been heavily involved in providing support for the accession discussions with the Russian Federation which have intensified, with 22 technical reviews by OECD Committees running in parallel and high-level contacts with the Russian authorities. The Directorate has also been closely involved in discussions with regard to new requests for the opening of accession discussions.

The Directorate has supported the Organisation's work in tax matters, providing assistance with the Base Erosion and Profit Sharing (BEPS) project, the Global Forum on Transparency and Exchange of Information in Tax Matters and the Convention on Mutual Administrative Assistance in Tax Matters. This Convention now has 45 signatories, and will soon be joined by other countries.

The Directorate has also contributed to the development of various legal instruments dealing with clinical trials, biobased products, financial consumer protection, public procurement, fisheries, regulatory policy, export credits and the governance of the Codes of Liberalisation of Capital Movements and of Current Invisible Operations.

It participates in ongoing discussions on the possible enlargement of the OECD and on the governance of the Organisation undertaken in this context. It advises on engagement with non-members and has contributed to the work on the new Resolution on Partnerships governing their participation in OECD bodies. Finally, it has co-ordinated efforts to protect IGO names/acronyms in the new generic top-level domains initiative (gTLDs) launched by the Internet Corporation for Assigned Names and Numbers (ICANN).

The Legal Directorate advises on the legal, institutional and procedural aspects of the Organisation's activities, including the development of its legal instruments. It provides legal support on contracts, cooperation agreements, voluntary contributions and intellectual property. Finally, it represents the Organisation in legal proceedings and supports its financial and human resources reforms. ■



Nicola Bonucci

Director

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“Now the law can be soft, but the monitoring and the implementation of the recommendations is not soft. In the peer review process, the monitoring, the follow-up, ensures a level of understanding, acceptance and implementation that is probably much higher than is usual in other international organisations.”

www.oecd.org/legal

Council and Executive Committee Secretariat



Patrick van Haute
Director

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

The Council Secretariat serves the Council and its Standing Committees, the Heads of Delegation meetings, the Global Strategy Group, and the Ministerial Council Meeting (MCM). The Council Secretariat advises the Secretary-General on the general policy of the Organisation, provides advice and assistance on institutional, policy and procedural aspects of the Council's activities and serves as a liaison between the Secretariat and Member Delegations in the management of the Council's work programme.

The Council Secretariat continues to serve Council and the Executive Committee in their daily operations. Both Council and Executive Committee are particularly efficient, reaching the necessary consensus to take decisions timely and effectively. The Council Secretariat's dialogue with the Directorates facilitates their engagement with Members.

Within the available resources, the Council Secretariat will continue to upgrade its service to Council, its Chair and the Executive Committee, moving higher on the value chain by collecting timely information from the different networks, circulating it and streamlining the processes for the production of documents. ■

OECD AGENCIES AND OTHER SPECIAL ENTITIES



Development Centre

The OECD Development Centre, established in 1962, carries out two mutually reinforcing pillars of activity: multidisciplinary research and evidence-based policy dialogue. The research pillar is largely focused on social cohesion and competitiveness and growth at the global and regional levels. The policy dialogue serves its 41 member countries, including 17 emerging and developing economies along with 24 OECD member countries.

Through this multidisciplinary research and evidence-based policy dialogue, the Centre identifies effective policy solutions for growth, poverty alleviation and the reduction of inequality, relevant to the diverse contexts of its member countries. Initiatives like the annual regional forums on Africa and Latin America, as well as the OECD Global Forum on Development allow the Centre to engage with strategic partners in the development arena, including the private sector, think tanks, networks and foundations. Meanwhile, partnerships with regional actors, e.g. The UN Economic Commissions and regional development banks, underpin the regional macroeconomic and policy analysis that shapes the annual publications: *African Economic Outlook*, *Latin American Economic Outlook*, *Southeast Asian Economic Outlook* and *Perspectives on Global Development*.

As an important contributor to the OECD Strategy on Development, the Centre offers tools to assist countries in crafting effective reforms and implementation strategies. These include: multi-dimensional country reviews that seek to identify the binding constraints to development and suggest national strategies with specific policy recommendations and reform sequencing; policy dialogue platforms among countries facing similar structural challenges; and Platforms for Regional Economic Monitoring that contribute to regional integration and equitable economic development, notably in Southeast Asia. ■

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

Nuclear Energy Agency

The Nuclear Energy Agency (NEA) is a specialised agency within the OECD. Following Russian accession on 1 January 2013, its 31 member countries now account for about 90% of global nuclear energy generating capacity. Through international co-operation, the NEA helps its member countries maintain and further develop the scientific, technological and legal bases required for a safe, environmentally friendly and economical use of nuclear energy for peaceful purposes. It provides input to government decisions on nuclear energy policy and to broader OECD policy analyses. NEA activities are carried out in the areas of nuclear safety and regulation, radioactive waste management, radiological protection, nuclear science and data, nuclear development and the fuel cycle, and legal affairs. In addition, the NEA conducts a series of international research projects and acts as the technical secretariat of two very important international initiatives, the Multinational Design Evaluation Programme, which aims to enhance co-operation on safety design reviews of new reactors, and the Generation IV International Forum, which is co-ordinating members' research and development efforts for the next generation of nuclear energy systems.

Since the Fukushima Daiichi nuclear accident in March 2011, the NEA has provided direct assistance to the Japanese authorities in the development and implementation of national safety reviews and stress tests, main elements to achieve effective regulatory reform, best practices in the remediation of land contaminated with radioactive materials, planning and effective management of decontamination activities, and long-term planning for the decommissioning of the plant. It has organised numerous international activities, including joint research projects and meetings among nuclear regulators, nuclear safety experts, public health specialists and civil society stakeholders. A summary report of key NEA actions and member country responses to the Fukushima Daiichi accident is under preparation for publication mid-2013. To facilitate the exchange of information among Member countries, a dedicated section of the NEA website has been made available. ■

For more information see: www.oecd-nea.fr

International Energy Agency

The global energy map is changing. This was a clear conclusion of the IEA analysis in 2012 and a theme repeated across IEA reports, public engagements, and political consultations. The changes now underway will recast expectations about the role of different countries, regions and fuels over the coming decades.

IEA work revolved around the “4 Es” of energy security, environmental sustainability, economic development, and engagement worldwide. Activities in market analysis, emergency response preparation, international outreach, and energy statistics management supported those goals.

The *World Energy Outlook 2012* broke sales records and received high acclaim in Member and Partner countries. It highlighted energy efficiency, unconventional oil and gas extraction (including “Golden Rules” to maintain those “revolutions”), and Iraq as a potential game-changer in global oil markets.

The IEA's *Medium-Term Market Report* series now includes annual five-year forecasts for oil, gas, coal, and renewable energy technologies. Energy efficiency, the “hidden fuel”, will be added in 2013.

Energy Technology Perspectives 2012 continued the biennial series on clean energy technology development, with an outlook to 2050. It showed that wind and solar panel technologies were broadly “on-track” to achieving long-term climate goals, but that other sectors lagged behind, mostly due to policy gaps or shortcomings.

External partnerships were strengthened (particularly with Key Partner countries, such as the People's Republic of China, India, the Russian Federation, Brazil, Mexico, Indonesia, and South Africa), following the adoption of an enhanced Global Engagement Strategy and Implementing Guidelines. Emergency Response Exercises to enhance preparations for oil and gas supply disruptions included participation from non-members, as well as tailored exercises and events in Delhi, Beijing, and Bangkok.

All of our work is supported by on-going improvement of data collection and management (including support to the Joint Organisations Data Initiative), and a Communications Strategy to maximise the impact of IEA work. Both were important contributors to a surge in publications revenues to their highest level ever. ■

For more information see: www.iea.org

Africa Partnership Forum

The Africa Partnership Forum (APF) is a senior political forum that discusses key policy priorities and tracks progress against commitments related to Africa's development. It was established in 2003 following the G8 Summit in Evian, as a way of extending existing dialogue between G8 countries and NEPAD to include Africa's major bilateral and multilateral development partners. Its members include all African members of the New Partnership for Africa's Development (NEPAD) plus the Africa Union and other key African institutions, and Africa's main development partners. In 2005, APF members agreed to establish an OECD-hosted support unit to act as a Secretariat, and undertake ongoing monitoring and analytical work.

The APF met twice in 2012: in April (in Paris) to discuss energy issues, and in November (in Cotonou, Bénin) to discuss illicit financial flows. It also met in London in April 2013 to discuss transparency issues, prior to the G8 summit at Lough Erne. With the United Nations Economic Commission for Africa, the Support Unit has also prepared the 2012 and 2013 "Mutual Review of Development Effectiveness in Africa" reports, which review the delivery of commitments by Africa and development partners, the results achieved and future priorities. The 2013 edition was made available for the APF meeting in London. The Unit is also involved in the overall work on OECD development strategy. ■

For more information see: www.africapartnershipforum.org

Financial Action Task Force

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

In February 2013, the FATF adopted the *Methodology for Assessing Technical Compliance with the FATF Recommendations*. The Methodology provides the framework for determining how well countries achieve the objective of fighting money laundering and the financing of terrorism. Future assessments will focus on both the technical compliance with the specific requirements of each of the FATF Recommendations and the effectiveness of national anti-money laundering and countering the financing of terrorism (AML/CFT) systems.

The FATF published the guidance, *National Money Laundering and Terrorist Financing Risk Assessments*, which will assist countries in understanding the risks they face so that they can adapt their AML/CFT systems accordingly. The FATF also updated its 2011 *AML/CFT and Financial Inclusion* guidance which focuses on how to reconcile financial integrity and access to financial services. Both of these reports were published in February 2013.

In June 2012, Bjørn Skogstad Aamo from Norway assumed the role of FATF president. Since May 2012, the FATF has welcomed two new observers: the *Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)* will help promote AML/CFT regimes in its 15 African members, and the *Organisation for Security and Co-operation in Europe (OSCE)* will expand the FATF's global reach in the greater European region. ■

For more information see: www.fatf-gafi.org

International Transport Forum

The International Transport Forum (ITF) is an intergovernmental organisation with 54 member countries and part of the OECD family. The mission of the ITF is to advance transport policy and practice, with a view to ensuring transport's contribution to economic growth, environmental protection and social inclusion. In this spirit, ITF acts as a think tank for policy makers and the global transport community, providing evidence-based insights on transport policy issues. This work is underpinned by economic research, statistics collection and policy analysis.

Working Groups bring together global knowledge on topics from “Infrastructure Adaption to Climate Change” to “Pedestrian Safety, Urban Space and Health. Recent Roundtables covered issues such as “Expanding Airport Capacity under Constraints in Large Urban Areas”, “Long-run Trends in Travel Demand” and “Managing Risk and Optimism Bias in PPPs”.

ITF also organises an Annual Summit of Transport Ministers. The Summit has established itself as the leading global platform for high-level debate on transport policy and brings together ministers from ITF member countries as well as decision makers from business, civil society and academia.

In May 2012, the Annual Summit on “Seamless Transport: Making Connections” brought together a record 1 000 delegates in Leipzig, Germany. Ministers called to pursue the “powerful and ambitious strategic vision” of seamlessness as a driver for better mobility and sustainable economic growth. OECD Secretary-General Angel Gurría gave a keynote address and presented ITF’s 2012 Transport Outlook, entitled *Seamless Transport for Greener Growth*. At the Summit, José Viegas of Portugal was elected the new Secretary-General of ITF.

The international Transport Forum’s 2013 Summit on 22-24 May focused on the theme “Funding Transport”. ■

For more information see: www.internationaltransportforum.org

Sahel and West Africa Club

The Sahel and West Africa Club (SWAC) is the oldest initiative of solidarity and partnership between the OECD and Africa. It was founded by OECD member countries in 1976 to raise international support for and awareness of the drought crises in the Sahel. In response to growing regional interdependence, its geographic coverage was extended in 2001 to encompass all West African countries. Founded on the principle of sharing knowledge and experience, the Club capitalises its resources in support of the agenda and leadership of West Africa’s regional organisations. In 2011, the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA) and the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) joined the Club as Members. SWAC Members share the determination to work together for the development and integration of West Africa. To this end, the Club observes the region’s socio-economic, political and environmental trends, conducts prospective analyses, and promotes dialogue. In 2013 and 2014, the SWAC Secretariat continues to focus on the regional governance of food and nutritional security. More particularly, it facilitates the Global Alliance for Resilience Initiative (AGIR) which was launched in Ouagadougou in December 2012. A new platform for reflection will be opened on the Saharo-Saharan areas, focusing more particularly on transhumant pastoralism. These two areas of work will be supported and complemented by cross-cutting activities which are focused on fostering the impact of SWAC work on policy making and on providing services to Members. ■

For more information see: www.oecd.org/swac and www.westafricagateway.org

Business and Industry Advisory Committee

Founded in 1962, the Business and Industry Advisory Committee to the OECD (BIAC) is officially recognised by the OECD Council as the representative body of the OECD business community.

BIAC brings an independent, cross-sectoral and multidisciplinary view to the OECD's work. It engages over 2 800 business representatives from 52 national business organisations in OECD member countries and major non-member economies, as well as over 35 sectoral supra-national associations. These work together in 38 different policy groups that aim to cover the full spectrum of OECD-led policies.

As an independent international business association, BIAC advocates consensus-based industry positions to the OECD and its member governments with the aim to ensure that resulting policy instruments enable private sector led growth and prosperity.

Over the past year, BIAC's overarching priority has been to work with the OECD to foster robust private investment-driven global economic growth and job creation. BIAC has urged governments to implement policies enhancing employability, innovation, green growth, and open trade and investment. BIAC emphasised that the best way to strengthen the economy is to focus on the fundamental values of the market economy.

In reflection of the global environment in which business operates, BIAC aims to keep advancing its co-operation and co-ordination with business communities in non-OECD countries, thereby promoting the engagement of these countries in the OECD. ■

For more information, please visit the BIAC website www.biac.org

Trade Union Advisory Committee

The Trade Union Advisory Committee to the OECD (TUAC) is the interface of the Organisation with organised labour. TUAC has 59 affiliated trade union centres in OECD countries, representing more than 61 million workers. It also has associate members in Brazil, Indonesia, Russian Federation and South Africa. Over the past year, TUAC has focused on the response to the economic crisis, stressing the need for anti-crisis policies that stimulate growth and protect and create jobs, together with stronger regulation of the financial sector. TUAC calls for a paradigm shift in the underlying economic model so as to deliver a stronger global economy that reduces income inequality.

TUAC, working with the International Trade Union Confederation, has co-ordinated trade union input to the G20 and G8 Summits through the L20, and took part in the G20 Employment Task Force, and employment conferences. It also co-ordinated trade union input in the book *Exiting from the Crisis: Towards a Model of More Equitable and Sustainable Growth*.

TUAC and its Global Union partners have also contributed to updating the *OECD Guidelines for Multinational Enterprises*, and TUAC has launched a database and website of trade union cases submitted under the Guidelines since 2000.

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

For more information see: www.tuac.org, www.tuacoecdmguidelines.org/Home.asp



Budget and Finance

www.oecd.org/budget

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The Organisation applies results-based management to its planning, budgeting and financial management, identifying the policy impacts its members are seeking; deploying resources flexibly to achieve these outcomes through the evolving work programme; and evaluating performance after the fact. The OECD budget and the content of its work programme are established every two years by the OECD's governing body, the Council, based on recommendations from the Secretary-General. The budget for 2013 is EUR 354 million,

increased approximately by a third from voluntary contributions, extrabudgetary resources that are planned but variable, provided mainly by governmental bodies and institutions.

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

Members' assessed contributions, 2013

All member countries contribute to the outputs funded by "Part I" of the budget, which accounts for 53% of the overall budget of the Organisation. "Part II" outputs, of interest to a more limited number of members or relating to special policy sectors not covered by Part I, account for a further 26%. Other budgets, including pensions and special budgets, account for the rest. Contributions to Part I are based on both a proportion that is shared equally and a scale reflecting the relative size of member economies (based on national income). Part II programmes are funded by a scale or other arrangement agreed among participating countries. ■

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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

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

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

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