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PROGRESS REPORT ON THE IMPLEMENTATION OF THE OECD STRATEGY ON DEVELOPMENT

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BETTER POLICIES FOR BETTER LIVES

Progress Report on the Implementation of the OECD Strategy on Development

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INTRODUCTION

1. In the aftermath of the worst global economic and financial crisis of our lifetime, the near-term global economic outlook remains weak. Unemployment remains high and public finances are in a perilous state in most countries of the OECD. At the same time, the emerging-market economies have slowed and millions have fallen back into poverty in the developing world. Last but not least, inequalities keep rising worldwide, including in some fast growing emerging-market economies.

2. Especially in this time of economic stress, development remains a key challenge and policy priority for the international community. Sluggish growth, stretched public finances, high levels of unemployment and growing inequalities put pressure on our development commitments, but we must overcome this pressure and strive to meet our targets. It is regrettable that that Official Development Assistance (ODA) fell for a second year in real terms, declining by 4 % in 2012 after the 2 % drop of 2011, stalling the upward trend since 1997. It is particularly worrying that Africa and the Least Developed Countries (LDCs) are affected by the biggest reduction in ODA flows (respectively minus 10 and 13% for bilateral ODA in 2012 over 2011 for bilateral ODA) at a time where fiscal resources and macroeconomic buffers are being exhausted. While we need to double our past commitments experience with the Millennium Development Goals (MDGs) underscores that aid will not be the main driver of development and growth. We need to exploit better the whole range of knowledge, partnerships and policies that can impact on growth and development and that can help developing countries to reduce dependency on aid.

3. More than ever, and in a context of global transformation and shifting wealth where key development issues are closely interlinked and increasing in complexity, there is a need for a more comprehensive approach to development that cuts across different policy domains and taps into the diverse experiences and knowledge of countries, international and regional organisations, as well as key stakeholders. The OECD Strategy on Development responds to these historic changes in the global economic landscape, and what has been learned about development. It builds on the work of the OECD and recognises that we are all in this together. Development challenges are increasingly global challenges. The OECD Strategy endorsed by Ministers in May 2012 has provided the OECD with a great opportunity to fulfil its original mission of promoting policies that will improve the economic and social well-being of people worldwide and contribute to the global development agenda. The Strategy calls upon the OECD to adapt its analytical frameworks, policy tools and instruments, upgrade its skills, and foster and deepen partnerships with other actors to enhance its contribution to global development.

4. The plan for implementing the OECD Strategy on Development is organised along a two-track approach, as outlined in the Strategy document:

1. ***Developing the project proposals and cross-cutting areas*** (highlighted in the Annex to the Strategy) that may yield early deliverables as well as insights on how OECD can work better and smarter on development; and

2. ***Mainstreaming development across the OECD***. This effort includes engaging developing countries on topics of shared interest and fostering partnerships with international organisations, Members and others with an operational presence in developing countries. It also consists of

targeted actions to raise awareness and align the work across the Organisation to the principles and criteria set out in the Strategy.

5. This Progress Report is presented to the 2013 Ministerial Council Meeting for information in accordance with the mandate of the Strategy. An Interim Progress Report was discussed at the Council's annual session devoted to development on 17 January 2013. The Development Strategy Informal Working Group (IWG) reviewed a preliminary version of this Report on 26 March 2013.

6. This year progress has been made in applying a whole-of-OECD approach to development. Cross-directorate work on the Strategy projects is growing, as is our collaboration with Members and with multilateral and regional development organisations. Although the Strategy was only approved last year, several projects are already yielding promising results, as judged by our Partner countries and detailed in this progress report. Over the coming year, we look to contribute to helping shape the new post-2015 era for global development. We will share what we are learning on how to put people and their well-being at the heart of development, to integrate sustainability into development and to promote inclusive growth.

7. The Progress Report provides an overview of this work and key steps that have been undertaken across the Organisation to broaden, deepen and align the work of the OECD on development to the Strategy approach and objectives. The Report is structured according to the work plan set up for implementation.

- Section 1 introduces the OECD's vision for addressing development in a changing global environment.
- Section 2 provides information on the progress in mainstreaming development across the Organisation.
- Section 3 presents an update on the status of the 13 project proposals in the Annex to the Strategy, plus the additional proposal on inclusive innovation.
- Section 4 summarises actions carried out to address the cross-cutting themes of the Strategy.
- The last section gives details on the resources related to the Strategy in the 2013-14 PWB.

8. The Report puts emphasis on the progress in taking forward the core elements of the Strategy: knowledge sharing (KS) and policy coherence for development (PCD).

1. DEVELOPMENT IN A CHANGING GLOBAL ENVIRONMENT

9. The current context of global transformation is creating new opportunities and challenges which call for inclusive and comprehensive approaches to development. The new geography of growth, global poverty, rising new economic actors, increasing diversity of policy solutions, and a more interconnected global economy, all reinforce the need to broaden our approaches and enhance policy coherence and coordination at national, regional and global levels. Comprehensive approaches are needed to sustain the global development partnership and to create more inclusive and effective platforms for the sharing of policy experiences. `

10. These tools can help build capacity and empower countries and their people to improve well-being and to ensure intergenerational prosperity. In the changing global environment, countries are faced with social unrest and demand for improved conditions to reroute the world onto a more equitable path. The last 30 years of prosperity *did* make a mark on poverty, but there are still far too many people who go hungry worldwide – 1 in 7 – and insufficient protection mechanisms to prevent people from slipping back into the vicious cycle of poverty. This is not helped by the lack access to basic services, which hinder the ability of many to improve their lives. And the income inequality is at an all-time high, and widening in a vast number of countries worldwide, is not helping the bottom 40%. There is also soaring unemployment: people are either remaining out of work or they are underemployed, especially the youth where in some countries the unemployment rate of this group is over 20%. The status quo today is not ameliorating the lives of many.

11. A new development vision is critical during this period of transition that puts people first, and this includes safeguarding our natural resources and our planet. This means the will to divert from our current patterns of economic growth that have the world in a precarious spot and did not result in better lives for all, but rather better lives for some. It is time to come together around a common goal – *sustainable and inclusive development* – to put the world back on track. The OECD, its Member countries, Key Partners and the developing and emerging world at large all have a role to play. Our starting points and available resources are different, but we all share the same aspiration. Through the implementation of its Strategy on Development, the OECD is exploring new approaches, strategies and tools that better reflect and respond to such a changing environment and enhance its contribution to worldwide development.

New trends, new actors and increasing diversity of development strategies

12. New poles of growth have emerged in the global economy, moving the centre of gravity of global economic activity from North to South and from West. Since the early 2000s, developing countries have achieved strong growth, often outperforming OECD countries. Our estimates show that while only 12 developing countries were growing at least twice as fast as the OECD average in GDP per capita terms, in the 1990s, the number of such rapidly growing countries reached 83 since 2000.[1] More recent OECD forecasts suggest that income gaps between developed and developing countries will continue to shrink. In particular, China and India will experience more than a seven-fold increase of their income per capita by 2060 and their combined GDP (in PPP terms) should exceed that of the entire current OECD membership

1 OECD (2010), Perspectives on Global Development: Shifting Wealth, OECD Publishing, Paris.

by 2060.[2] Still, despite strong growth, differences in per-capita GDP levels remain and will continue to be very significant. In 2010, 109 countries still had a GDP per capita lower than 25% of that of the United States. Even maintaining current strong growth rates, only 60 developing countries would be able to double their per capita income in the next 20 years.[3]

13. Many emerging countries are becoming important actors in international finance, trade, investment, innovation and development co-operation (increases in South-South trade and investments, the rising importance of "new" trade partners) changing the patterns in global value chains and allowing for a better mobilisation of untapped development resources. The policies put in place by many developing economies have produced beneficial results.

14. The geography and nature of poverty are also changing. Thanks to sustained growth, there are around 620 million fewer extremely poor people in the world today than in 1990.[4] But the poor are increasingly concentrated in middle-income countries and in urban areas, and global poverty has become increasingly concentrated in Africa and South Asia. In addition, while strong growth and poverty reduction helped expand the size of the global middle class, these new middle-income sectors remain vulnerable to slipping back into poverty.

15. Inequality between individuals world-wide has declined slightly over the last twenty years, but inequality amongst citizens within a country has increased in many nations throughout the world. There is now more solid evidence that high income inequality can have perverse economic and social effects on current and future generations. Without prospects for a better future, citizens are more prone to disenchantment which can lead to social upheaval.

Increasing complexity of National Strategies

16. While the shifting of wealth has generated enormous opportunities for worldwide development, and enriched the set of good practices, a number of new structural challenges need to be confronted, both in developed as well as in emerging and developing economies. These include, *inter alia*, job creation, rising inequalities, further eradication of poverty, reducing vulnerability and increasing resilience across the whole spectrum of societies, and meeting citizens' rising expectations in terms of standards of living and access to opportunities. For many countries, these challenges represent a test to their capacities for policy making, design and implementation.

17. The extent to which countries will be able to face these challenges depends on their capacity to identify the main binding constraints, to design, coordinate and sequence policies to tackle them, and to mobilise specific resources to address them. Past prescriptive approaches assumed that all developing countries faced similar problems, and that general economic reforms in areas like financial and trade liberalisation, deregulation and privatisation of public services would lead to similar results. However, in today's evolving economic landscape there is an increasing recognition that:

a) There is a growing diversity of growth and development models which underscores that there are no one-size-fits-all solutions. Simply replicating policies which worked in one country may not be effective in another, given that country specific bottlenecks and constraints can often interact with one another, reducing the efficiency of "imported" reforms as well as their impact on growth.

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2 OECD (2012), Looking to 2060: Long-Term Global Growth Perspectives, OECD Publishing, Paris.

3 OECD (2010), Perspectives on Global Development: Shifting Wealth, OECD Publishing, Paris.

4 World Bank (2010), World Development Report, 2010, World Bank, Washington.

b) Development is complex and multidimensional. It implies not only the economic transformation of society and a shift towards patterns of resource use that are economically, socially and environmentally sustainable, but also improvements in non-economic conditions.

c) Development is a long-term process of economic and social transformation. Attention should be paid to development trajectories and policy mix and sequencing rather than to static comparisons. Individual policies should be part of an overall national development strategy, which in turn is rooted in diagnostics rather than prescriptions.

18. In addition, the reach and interconnection of economic activities across countries have grown. As a consequence, countries are becoming "spatially" smaller and cross-country externalities and connectivity are becoming larger. External conditions can in this way constrain the policy space available to governments when designing development strategies, thus requiring increasingly complex government action. Interactions at the international level will increasingly have to be considered in country-level development strategies, as decisions taken in international processes and fora have growing impacts at the national level. Moreover, the impact of policy externalities from OECD and other countries on the development prospects of lower income countries call for increased efforts to promote policy coherence.

The need for sharing policy experiences

19. In this evolving global landscape, the effective sharing of policy experiences has become more important than ever. Many emerging and developing economies need to ensure they are well positioned to fully leverage the opportunities and tackle the challenges associated with their integration in the changing global economy. At the same time, in an interconnected global economy, the number of issues that require coordinated action is on the rise, as well as the impacts and spillovers of national policies in other countries. In fact, the multidimensionality and interconnectedness of development challenges require approaches that cut across multiple disciplines, that tap into the diverse experiences, knowledge and perspectives from countries, international organisations and key stakeholders, and that take into account the need for policy coherence for development at the global and national level.

20. But it is not a simple process. On the one hand, the sources of knowledge on what works and does not work to generate growth and sustainable development have broadened substantially, as new "best practices" emerge. As a result, flows of knowledge are becoming more and more multi-directional. On the other, the increasingly diverse supply of development experiences is met by a growing demand for knowledge sharing. Inclusive spaces for policy dialogue are crucial to bring countries together, allow them to exchange experiences with one another as they hone their own development strategies and manage their implementation. This is an area where the OECD can offer a unique contribution by engaging with Non-Members and engaging in mutually beneficial policy dialogue and knowledge sharing.

The implementation of the Strategy: Tools for responding to a changing environment

21. The implementation of the OECD Strategy on Development offers a series of tools to enable developed and developing countries to reap the benefits and better face the challenges of the new global economic landscape. In the light of these new trends and increasingly complex and interconnected development challenges, the implementation of the Strategy aims at answering to the need for: more comprehensive approaches to the design and implementation of development strategies and policies; an effective collective action to tackle global public goods and bads, involving key actors and stakeholders through inclusive policy dialogue and stronger partnerships; and a better understanding of the development implications of domestic policy choices for policy coherence for development.

22. Hence, the actions included in the implementation the Strategy include:

a) Taking a more strategic “whole of OECD” approach to development, building on its established competencies, capabilities and track record. This approach will allow for: integrating, where appropriate, the diverse perspectives of developing countries into OECD’s work, combining OECD’s expertise more effectively and better leverage OECD’s policy recommendations, practices and instruments to provide a more coherent approach to development. But it will also favour and promote engagement with developing countries on topics of shared interest and foster partnerships with international organisations, Members and others with an operational presence in developing countries.

b) Supporting countries to benefit from the opportunities and address the challenges created by the changing global context by:

- contributing to the international processes and global development architecture, in particular to the Post MDGs and to the monitoring process of Busan’s outcomes;

- strengthening OECD Member’s capacities to design policies consistent with development;

- strengthening engagement with developing and emerging economies on key issues, through policy dialogue in an effective and mutually beneficial collaboration to “make reform happen”. With this objective in mind, innovative approaches such as multi-dimensional country reviews and “cluster approaches” applied to countries facing similar economic challenges are being put in place;

- creating platforms on cross-cutting themes where the OECD knowledge is spread throughout the Organisation (inclusive green growth, gender equality and women’s empowerment, domestic resource mobilisation and education for development).

2. PROGRESS IN APPLYING THE WHOLE-OF-OECD APPROACH TO DEVELOPMENT

23. Implementation has focused on achieving the Strategy on Development's three main objectives (paragraphs 4 and 5 of the Strategy document):

1) Integrate, where appropriate, the diverse perspectives of developing countries into OECD's work;
2) Combine OECD's expertise more effectively;
3) Better leverage OECD's policy recommendations, practices and instruments to provide a more coherent approach to development.

24. This is being accomplished by applying the **guiding implementation principles** set out in the Strategy (paragraph 20 of the Strategy), which include:

- align relevant OECD work to the Strategy;
- ensure that the Strategy-related activities are demand-driven and of mutual benefit;
- be consistent and transparent in managing diverse demand and designing activities;
- ensure transparency through full availability of information on the development-related activities;
- promote horizontal collaboration, involving relevant OECD Committees and Directorates;
- ensure cross-checking of recommendations provided within the Strategy's activities;
- utilise the Strategy to deepen and expand OECD partnerships;
- ensure OECD's value-added complements and links with the efforts of others;
- co-ordinate work internally based on clear roles and responsibilities; and
- ensure regular monitoring and review of progress of the Strategy and its activities.

Applying a multi-dimensional perspective to development

25. Based on the principle that development issues require a multi-dimensional approach, several actions have been taken to bring together the expertise of different policy communities in a wide range of areas and to foster cross-fertilisation of expertise. They include in particular:

i). **Centrally monitoring development-related activities** across the Organisation, seeking to identify opportunities for enhanced coordination throughout the Organisation and its Committees and with other International Organisations and Members; and

ii). **Promoting cross-fertilisation of expertise** across Directorates and policy communities.

26. The targeted actions that are contributing to these efforts fall into **four work streams**:

a) Horizontal collaboration and information sharing

27. Horizontal collaboration and cross-fertilisation of expertise among Directorates and policy communities in Committees has been enhanced in a variety of ways, facilitated by a **network of**

Development Strategy Focal Points created since the endorsement of the Strategy on Development. Examples include:

- ***Organisation of key joint events*** such as the Global Forum on Public Governance (21 November 2012), which entailed collaboration between GOV, DCD, and DEV; the Green Growth and Sustainable Development Forum (23 November 2012); and the Global Forum on Agriculture (26 November 2012), which focused on Food Security and Policy Coherence for Development, involving collaborative work between TAD, DCD, and PCD.
- ***Establishment of horizontal secretariat task teams***, such as the Task Team on Post-2015 (DCD, DEV, STD, PARIS21, PCD) that is engaging with all relevant Directorates and Units to develop a shared vision and identify and discuss possible OECD contributions to the post-2015 debate and agenda.
- ***Major OECD Strategies, horizontal projects and initiatives***, such as the Green Growth Strategy, the Skills Strategy, the Innovation Strategy and the Gender Initiative, which are based on cross-directorate work and are incorporating a development dimension.[5]
- ***Formal Joint subsidiary bodies*** such as the recently created Advisory Group on Investment and Development (AGID), which aims to reinforce the links between investment and development.
- ***Cross-checking of policy recommendations*** through horizontal channels mentioned above and consultation processes, mutual involvement in peer review of analytical documents and associated recommendations.

28. Other efforts are also being made to strengthen co-ordination among Directorates, including electronic tools such as **the Development Strategy SharePoint**, the calendar of development related events, and missions planning. These tools were created to support information sharing and joint collaboration among Directorates.

29. Information is also shared on a regular basis with representatives from Permanent Delegations through the **Informal Working Group (IWG)** which plays the role of sounding board providing guidance for the process, establishing priorities and building agreement on steps going forward. As highlighted in [C(2011)105], the IWG provides "an informal setting where Members and partners can discuss both substantive and process aspects of the strategy among themselves and engaging relevant secretariat before it becomes a part of the formal decision-making process in Council". The IWG has been meeting three to four times a year with good participation from ambassadors, deputies and in some cases, DAC delegates. Meetings on 21 September and 27 November provided opportunities to report on the status of the Strategy implementation process and on activities related to knowledge sharing, including the creation of the Knowledge Sharing Alliance. The meeting on 27 February provided the opportunity for an in-depth discussion on Policy Coherence for Development. The purpose of that meeting was to reach a common understanding of what PCD means in the context of the Strategy, and to discuss how it is being applied to global food security and illicit financial flows – two key PCD priorities highlighted in the Strategy.

b) Strategic alignment

30. A first step to foster strategic alignment of ongoing and new activities with the approach, priorities and principles of the Strategy has consisted of **informing Committees** on the purposes, scope

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5 The OECD Informal Task Force on Tax and Development's work is another example: it involves joint collaboration between CTPA, DCD, and DEV; the MENA OECD Governance Programme, which has strong links with the MENA-OECD Investment Programme involving GOV and DAF; the LAC Initiative; or the Oslo Dialogue involving horizontal work between DAC, GOV, DCD and FATF.

and proposed actions of the Strategy. Twenty-three OECD Committees and bodies considered and discussed the Strategy on Development in 2012.[6]

31. **Collaboration and communication among Committees** is increasing as a result of this strategic alignment effort. The Education Committee and the Development Assistance Committee, for example, have started to reflect on how they could better capitalise on the PISA tool and make it more applicable for a wider range of developing countries. The change of the mandate of the Advisory Group on Investment and Development (AGID) is another example. It is now functioning as a joint Investment Committee-DAC body, and this increased collaboration will help to strengthen the investment-development nexus. This change has also resulted in greater collaboration in the organisation of joint events. For example the Global Forum on Public Governance on "Better Governance for Inclusive Growth" included participation of four Committees this year: PGC, RPC, TDPC and DAC, which will contribute to the development of an OECD good practice framework on this issue.

32. Another step consisted in the **Secretary-General's guidance** to all Directorates to take into account the OECD Strategy on Development as a strategic priority area in the preparation of their 2013-14 PWB. At the same time, the Secretariat developed specific measurement tools in the PWBs to identify and take better account of work on development in substantive committees – the so-called "markers". This information will help to assess progress in the alignment of relevant OECD work to the Strategy.

c) Monitoring performance

33. Monitoring performance will take place at several levels: (i) Committees (ii) IWG (iii) Council, and (iv) centrally. To support this overall monitoring, a framework has been articulated to use in conjunction with these four levels, comprising three main components: *1)* status of projects designated as priorities under the Strategy; *2)* status of mainstreaming activities across the Organisation; and *3)* engagement of OECD with developing countries and others.

i. **Committees:** One of the main purposes of the Strategy is to foster mainstreaming of development in the work of all the thematic committees and in the PWBs for 2013-14. To achieve the mainstreaming, several committees have held dedicated discussions on the Strategy to consider how the Strategy might impact on the POW (Programme of work) and ways to strengthen the development dimensions, such as through greater inclusiveness, knowledge sharing and applying the PCD lens to the work. As part of the PWB process over the past year, managers were asked to assess the relevance of their proposed outputs to a number of cross-cutting topics, including development, using the "markers" system. For the 2013-14 biennium, the list of markers includes "Development" and "The Development Strategy". A development marker existed in the previous biennium, but to assess the extent to which directorates and committees were reorienting their work towards the principles and approaches outlined in the Strategy, a distinction was made between the two markers. This system provides a key measurement tool to assess how the PWB aligns with, and reflects the Organisation's new top-down priorities.

ii. **Informal Working Group** (IWG): While the IWG was established through a mandate in 2009, its mandate was extended with the endorsement of the Strategy as a mechanism for coordination,

6 Including the Executive Committee, the Development Assistance Committee; the Development Centre Governing Board, the External Relations and Budget Committees; as well as the Committee on Public Governance; Regulatory Policy; Territorial Development Policy; Statistics; Industry, Innovation and Entrepreneurship; Fiscal Affairs; Education Policy; Investment; Insurance and Private Pensions; Financial Markets; Competition; Corporate Governance; Trade; Agriculture; Fisheries; and Environment Policy.

information sharing, guidance and monitoring. As noted in [C(2011)105], maintaining the IWG as an informal and open-ended working group at ambassadors level and with the participation of the Key Partners dedicated to the Strategy implementation is important as it *(i)* provides a whole of OECD perspective, bringing together different strands of OECD Committee work in a neutral setting; *(ii)* considers how to reconcile potentially competing priorities in response to the growing requests from developing countries for OECD policy advice; *(iii)* ensures that policy coherence issues are factored in; and *(iv)* ensures synergies among the various corporate programmes, including the Global Relations Strategy. The IWG is co-chaired by a Deputy Secretary-General and an ambassador.

iii. **Council**: The Council remains the main body for monitoring the Strategy elaboration and implementation process. This is particularly important since the Strategy is more than a horizontal project. It is a corporate endeavour aimed at the whole of OECD. According to a mandate in 2009, [C(2009)66], monitoring of development work was to be achieved through an annual Council meeting each January starting in 2010 based on an annual report. Bringing system wide development work to the attention of Council would facilitate assessing results and enhance Council's capacity to provide guidance and oversight for a coherent approach to development issues.

iv. **Central monitoring**: Mainstreaming is also the responsibility of central management as set out in the Strategy section VII. The Deputy Secretary-General leads the work on the Strategy implementation; organises regular cross-secretariat meetings at the working level; meets with Directors and staff engaged in projects; engages with Committees on development related issues and informs the IWG and Council on progress, all with a view to foster mainstreaming and ensure organisational effectiveness. The Office of the DSG tracks implementation of the Development Strategy projects and coordinates with the Strategy Focal Points. Directorates also provide feedback to the DSG on actions that could improve the operational performance of the OECD in supporting development. The above referenced "PWB "markers" is one example of how, by use the same definitions regarding development at the OECD, directorates are now becoming more aligned and able to plan activities together. In addition, the Office of the DSG has provided opportunities to hear the views of interested Members on possible approaches to develop a framework for monitoring how development is being mainstreamed across the OECD.

d) Communication

34. The Secretariat is working to strengthen and unify OECD messages on development to improve communication on what the whole-of-OECD does on development and to consolidate OECD's voice on key development issues. Efforts include better identifying the needs of specific audiences, both internal – Directorates and Bodies – and external – non-Member countries engaged in specific activities, generic public; redesigning the Organisation's web-portal on development; enhancing its brochure "Active in Development"; and highlighting and simplifying access to the various tools and resources of potential benefit to partner countries and organisations. The DSG is chairing a cross-directorate effort to set up an integrated communications plan on development at the OECD.

Towards a more inclusive policy sharing Organisation

35. The OECD is a **knowledge producing and sharing organisation**. There are several mechanisms and platforms to share knowledge with partner countries and key stakeholders. For instance, the web-based OECD Innovation Policy Platform (IPP) is a joint project with the World Bank aiming at facilitating collective learning processes around innovation policy. It constitutes a large set of 'information nodes' of various status (relating to actors, processes, policies, etc.) and various nature (policy briefs, case studies,

statistics, video etc.) related to one another by links of various types (reflecting causality, correlation or illustration). The IPP will have a world-wide coverage. A Beta version will be made available by June 2013, while the official launch of the IPP will take place in September 2013. The IPP is currently working with the KIM project of OECD (Knowledge and Information Management), which aims to upgrade the way OECD seizes the opportunities offered by IT in order to evolve its working methods and communication channels.

36. To exploit the full potential of the OECD's diverse knowledge sharing mechanisms, the Strategy on Development highlights the need for the OECD to seek **strategic alliances that build on the expertise of its own Members** (Box 1). This will help to create new synergies and generate greater impact through innovative knowledge sharing. Intensive discussions have been held with representatives from partner institutions, such as the GIZ/BMZ, the Korean Ministry of Strategy and Finance and KDI. A workshop in the context of the Strategy Informal Working Group contributed to build a common understanding and identify ways to proceed collectively to launch an effective knowledge sharing alliance between the OECD and partner institutions with implementation and analytical capacity.

Box 1. The Knowledge Sharing Alliance (KSA)

The **Knowledge Sharing Alliance** was launched in January 2013.with the following objectives:

i). open up OECD's knowledge, inter-disciplinary policy expertise and peer learning networks to Partner countries that seek this access;
ii). facilitate peer learning on a regional or cluster basis; and
iii). establish feedback loops in order to upgrade the Organisation's knowledge, policy instruments, frameworks and skills.

The aim is to share with and learn from developing countries in their policy reform processes and generate greater development impacts.

The KSA is an integral part of the Strategy implementation process. It has secured dedicated resources to help leverage networks and support partnerships with members' institutions and international and regional organisations able to facilitate the implementation of policy reforms. This will help to enhance impact of OECD products as well as expand their relevance to the contexts faced by developing countries. A key part of the process will be to ensure learning is integrated in the OECD Committees with a view to better mainstreaming development and upgrading of OECD tools and instruments as well as learn from partnering with other institutions for better implementation.

Building on work underway in the OECD thematic Committees, exploratory work is starting on:

- Urban Green Growth/Green Cities;
- Inclusive Growth/Social policies and Social Cohesion;
- Making Reform Happen in South East Asia; and
- Investment Climate/Policy Framework for Investment and potentially also with Tax Reform contributing to the topic of Mobilising Resources.

The KSA will work closely with all interested directorates. It will build on continuous collaboration with agencies having field presence and implementation capacity; the learning experiences on the ground and in the OECD will be harnessed by creating double feed-back loops. The institutional learning will be monitored and made available for all actors involved.

Applying a "PCD lens" to OECD's work

37. Policy coherence for development (PCD) aims at ensuring that broader policies pursued by countries are consistent with the goal of promoting worldwide development. This entails having well

informed domestic policies to avoid (unintended) negative impacts that affect the growth and development prospects of developing countries. It also involves designing more effective policies that create positive synergies across different areas that can be conducive to development.

38. The OECD Strategy on Development encourages a broad approach to PCD as a way to address key global issues such as global food security, illicit financial flows and green growth. It underlines the need to foster coherence at different complementary levels: mainly at the level of Member countries, but also at the level of the Organisation itself, and at the level of emerging and developing countries. This recognises that PCD is becoming less about individual countries' policies and more about global challenges where collective and coherent action at the national, regional and global levels is required. By applying a PCD lens to OECD's work, the Organisation contributes to injecting "development friendliness" at an early stage of policy advice and design. This section outlines a few examples where a PCD lens is being applied more systematically to OECD analysis of key issues.

39. The global nature of economic and environmental challenges requires that policy actions to implement **green growth** projects are inclusive, collective, and coherent. From a PCD perspective, the same policy actions (*e.g.,* in the areas of environment, agriculture, trade and health) need to also be coherent with development objectives. OECD analysis shows that advanced economies' green growth policies can affect the pace of economic growth and poverty reduction in developing countries, and thereby their prospects for transitioning to green growth. For example, biofuel mandates in OECD countries influence production and trade patterns in developing countries. Similarly, investment and tax incentives set by international agreements impact on production and competition. Given these and other policy inter-linkages, the OECD addresses the impacts of regulation, taxation, technological progress and market structures, as well as international collaboration and incentive structures in order to better understand the costs of incoherence and the benefits of coherence.

40. Recent OECD work on **information and communication technology** has also been viewed through a PCD lens. A paper entitled "The Relationship Between Local Content, Internet Development and Access Prices", written in collaboration with UNESCO and the Internet Society, points out the links between technological development, Internet access and prices on the one hand, and infrastructure, education, and competition on the other. Mutually reinforcing policies in these diverse areas are needed in order to strengthen Internet access and local content, and to reduce the cost of access in developing countries. The analysis also distinguishes between PCD at the level of developing countries and PCD at the level of advanced economies, stressing that high costs arise from diverting Internet flows from developing countries to OECD countries and back again.

41. Equally important as applying a PCD lens to OECD analysis is communicating the results ("the evidence") to a broader audience. The first issue of *PCD in Focus*, published in January 2013, sets out to do precisely this by synthesising technical OECD material into short documents for non-experts, with an emphasis on development outcomes. More specifically, it examined policy coherence in the design and application of **non-tariff measures in agri-food trade**. The lack of transparency concerning the scope and effect of non-tariff measures makes it very difficult to assess their economic impact. With a high share of agriculture in GDP and in exports, food regulation compliance costs have relatively higher overall economic impact in low income countries than in high income countries. This strand of OECD work introduces a framework for cost-benefit analysis, which – in the absence of concrete PCD indicators – can be used to identify least-cost solutions of non-tariff measures, while at the same time avoiding unintended effects on vulnerable groups, particularly in developing countries. It urges OECD countries to engage in systematic regulatory impact assessment prior to policy changes.

Box 2. The importance of coherent policies for development

Aquaculture has had the highest growth rate among food commodities for decades (+8 per cent per annum for a twenty year period). It is an important source of food, jobs and export revenue in many developing countries. Trade barriers, subsidies and differences in environmental requirements and sanitary regulations – if not properly designed - can hinder development. Development assistance itself may lead to problems, such as the development of shrimp aquaculture, which can have negative environmental impacts and questionable sustainability. This suggests that there are important links to the aquaculture governance system. Addressing environmental and governance issues coherently, and improving our understanding of the global value chain for aquaculture can help both developed and developing countries.

Mobile phones and ICT technologies, if coupled with enabling policies, can contribute to knowledge sharing, accountability, banking, and overall development. The M-Pesa money transfer system in Kenya, for instance, allows users to deposit, withdraw, and transfer money easily with a mobile device. Since its launch in 2007, it had grown to 19.5 million m-money subscribers in Kenya in 2012, transferring nearly USD 8 billion per year and with transfers still growing. Continuous backing by the government has led the M-Pesa system in Kenya to see higher growth than similar systems in other developing countries, and coherent policy making – *e.g.* the liberalisation of the mobile market, investment in infrastructure, the facilitation of the initial pilot, and an enabling legislation – has contributed to successfully harnessing the increased use of mobile phones in line with market demand.

When designing national environmental policies, it is imperative that the potential for encouraging illegal behaviour is considered so that the consequences can be assessed and enforcement activities and other possible interventions can be better targeted. Illegal trade, for example, in **environmentally sensitive goods** results in the loss of revenues due to the non-payment of taxes and revenues. A study of illegal logging in Tanzania estimated that the country could be losing as much as USD 58 million per year in revenues. While some of this "lost" revenue will go to local people, much of it falls into the hands of elites, and so the contribution of the sector to development and poverty reduction is minimal.

Most developing country exports go to high-income countries, but trade with other developing countries is increasingly important and dynamic. While all countries have benefited from widespread tariff liberalisation in the past decades, all countries still have an important market access agenda in reducing avoidable trade costs that arise from behind the border measures. OECD analysis finds that the trade cost impacts of non-tariff measures (NTMs) are in fact more important than prevailing tariff rates in obstructing trade. This is true even in the more sensitive and hence tariff-protected sectors of processed foods and motor vehicles. So while good regulation can facilitate trade and help spur economic growth and development, the coherence challenge remains to separate protectionist and non-protectionist measures and to identify alternative policies that are less onerous for trade.

Deepening partnerships and ensuring complementarities

42. The OECD Strategy on Development emphasises the need for deepening and broadening strategic partnerships with International and Regional Organisations. A first step to fulfil this mandate and complement the extensive collaboration at operational level, is to strengthen dialogue at strategic level with partner organisations. In 2012 the World Bank, IMF and UNDP as well as the regional development banks were invited to provide their views on the draft OECD Strategy on Development. The same organisations were invited to the 2013 Council on Development. The purpose is to engage in a more systematic and strategic dialogue on key development issues to identify further areas of collaboration and complementarities, including on the post- 2015 development agenda and framework.

43. Several international organisations have engaged in a more strategic manner with the OECD, as witnessed for example by their participation in the Annual Meeting of the Council on Development (19 January 2012 and 17 January 2013) as well as their involvement in the Development Centre High Level Meeting (HLM, 1 March 2012) and DAC HLM (London, 5-6 December 2012). International and Regional Organisations have also expressed interest in active collaboration in the implementation of specific projects associated with the Strategy.

44. **Multiple mechanisms** are helping to deepen partnerships and complementarities with other International Organisations, for example:

- ***Joint contribution to global initiatives* -** the Busan Partnership for Effective Development Co-operation is jointly supported by the OECD and the UNDP;

- ***Multi-stakeholder platforms* -** the Secretariat of the International Tax Dialogue is hosted by the OECD and involves joint efforts with the IMF, World Bank and EC.

45. **Other informal mechanisms** emerged from joint initiatives **-** the Informal Task Force on Tax and Development has brokered partnerships and helped identify possible areas of overlap (e.g. the tripartite transfer pricing programme of the OECD, World Bank and EC).

46. Extensive **collaborative networks with other International Organisations and regional institutions** have also been established including:

- *Within the context of the G20*:

  – The OECD coordinated joint work by International Organisations (World Bank, IMF, UN, FAO, ILO and others) in five of the nine pillars of the G20 Seoul Multi-Year Action Plan on Development and the elaboration of the different reports commissioned by members of the Group ***under the development agenda of the G20*** (e.g. on skills indicators and Human Resource Development; Private investment and job creation; Food security, food price volatility and productivity in agriculture; Domestic Resource Mobilisation; Knowledge Sharing).

  – Responding to a request by the Mexican Presidency of the G20, the OECD designed, jointly with the WB, UNDP and the AfDB, a ***toolkit on inclusive green growth***.

  – Beyond the development agenda, the OECD also cooperated with other IOs in ***other tracks of the G20 that have an impact on development***, including participation in the implementation of the Agricultural Market Information System (mainly with FAO, WB, IFAD and WFP); contribution to a synthesis report to G20 Finance Ministers in October 2011 on climate finance (with IMF, WB and RDBs); and delivery of several reports on the phasing out of fossil fuel subsidies (with WB, IEA and OPEC).

- Joint specific thematic works

  – Agricultural Outlook with FAO;

  – Monitoring African Food and Agricultural Policies, with FAO;

  – ***Regional work:*** African Economic Outlook with AfDB, UNECA, UNDP; Latin American Economic Outlook, with IADB; and the Southeast Asian Economic Outlook with ASEAN; Government at A Glance for LAC with IADB;

  – ***G8 Deauville Partnership* -** the MENA-OECD Governance programme is collaborating with the World Bank, IMF, ERDB, AfDB, the Arab Fund for Economic and Social Development, the Arab Monetary Fund, the European Investment Bank, the International Finance Corporation, the Islamic Development Bank, the OPEC Fund for International Development, the Arab League, and the UN organisations;

  – ***Cooperation with regional economic communities* -** such as the Southern African Development Community (SADC), to implement country-level investment policy reviews undertaken by regional initiatives with partner developing countries, including NEPAD and ASEAN;

– ***OECD work at the country level with participation of partner organisations* -** Joint Education Reviews for example include Thailand (with UNESCO), Egypt (with the World Bank), Colombia (regional review with the World Bank), as well as Gabon and Mauritius (with the Association for the Development of Education in Africa).

47. **Extended partnerships with regional organisations and developing countries** are being developed by some OECD Committees, including the Environment Policy Committee and the Development Assistance Committee (sharing practices on aid data, and awarding the status of DAC observers to all regional development banks). A new program of work was signed between the African Budget Officers, CABRI, and three OECD bodies, the DAC, Development Centre and Governance Committee. In some Directorates, such as ELSA, the experience of working with Key Partners proved more successful with the involvement of partners such as the World Bank and World Health Organisation.

Responding to the demand of Partner countries

48. With the implementation of the OECD Strategy on Development, the Organisation is moving towards **a more strategic engagement with developing countries**. Engagement is usually initiated through a formally expressed interest from a Partner developing country in specific subjects and Committees or in co-operation and integration in OECD's work. A good example is the recent *Framework of Co-operation Agreement between the OECD and Indonesia* signed in September 2012, which sets up a mechanism to determine joint priorities for co-operation. General and thematic country reviews are another example of OECD's work on the basis of formal demand and engagement with developing countries.

49. The participation and active involvement of developing countries in meetings and OECD bodies and initiatives are the primary means by which Directorates assess the demand from developing countries. Some Directorates, such as DAF, are using several indicators to assess demand, including, for instance, high level active commitment (letters of commitment), participation and level of representation to meetings, submission of material (papers, documents, statistics) or application and use of OECD policy tools, recommendations and guidance.

50. The **diverse mechanisms** through which the OECD engages with **developing Partner countries** include:

- ***Global Forums*** – which provide opportunities for developing countries to highlight their needs and priorities and inform OECD work. For example, work on competition law and policy promotes the development and implementation of international standards on enforcement and co-operation, taking into account the perspective of developing and emerging countries through discussions at the Global Forum on Competition and the Latin American Forum on Competition.
- ***International partnerships and specialist networks*** – such as the Global Partnership for Effective Development Co-operation, in which developing countries form part of the governance structure and participate actively in defining agendas, providing feedback and contributing to develop products. Initiatives, such as the one on Aid for Trade, also involve an extensive and specialised network of developing and emerging Partner countries. The OECD Informal Task Force on Tax and Development is another mechanism that involves business, NGOs, civil society, developing countries and OECD countries. The MENA – OECD Governance Programme also engages a range of stakeholders in the dialogue, from policy-makers, practitioners to NGOs and academics from both OECD and MENA countries.

- ***Regional initiatives, programmes, roundtables and networks*** – which serve to disseminate and engage developing countries in knowledge sharing and obtain feedback, and in which Partner countries play an active role determining priorities and directions. Some examples are: the MENA-OECD Governance Programme; the MENA-OECD Investment Programme; the NEPAD-OECD Africa Investment Initiative; the LAC Initiative; regional networks of Senior Budget Officials in MENA, Africa, LAC, Asia and Central, Eastern and South-Eastern Europe; the Round Table on Capital Markets in Asia; the International Network on Financial Education (INFE); and regional private sector development programmes in Eurasia, Latin America, MENA, and South East Europe. Regional initiatives and networks are also used to engage developing countries in knowledge sharing, for example on corporate governance both in the private sector and for state-owned enterprises. The work of regional networks in Asia and Latin America has also been used to enrich discussions of the Corporate Governance Committee. The OECD has developed a joint proposal on the efficiency of educational spending with the Southeast Asian Ministers of Education Organization (SEAMEO).
- ***Specialised multilateral centres*** – such as the OECD network of five Multilateral Tax Centres (in Austria, Hungary, Korea, Mexico and Turkey), where the OECD engages in dialogue and capacity building with developing countries.
- ***Subsidiary bodies*** – such as the Board on Co-operation with Non-OECD Economies of the Committee on Fiscal Affairs and its Advisory Group, which aim to strengthen co-operation with developing Partner countries.
- ***Global relations programmes*** – in which developing Partner countries are integrated into governing structures. Some examples are: the regional roundtables on corporate governance; the Southern Africa Network on State Owned Enterprises; the Africa Centre for Public Debt Management; the Eurasia Competitiveness Programme; and the ADB/OECD Anti-Corruption Initiative.
- ***Comparative analyses and databases*** – which in many cases include Key Partner countries as well as developing countries. For example, Key Partner countries are now included in the key labour market and social policy databases and in the comparative analyses of labour market and social developments, also as part of OECD's contribution to the G20 process. Many developing countries are also included in the OECD database of immigrants in OECD and non-OECD countries (DIOC), based on the recent 2010-2011 round of population censuses prepared in collaboration with the World Bank. Efforts are currently underway to develop a regional edition of the OECD Government at a Glance publication for Latin American and Caribbean countries, jointly with the Inter-American Development Bank. This work would reinforce complementarities of both institutions by adapting a core OECD product to the specific regional needs. A possibility of publishing a regional edition of the Government at a Glance for the MENA region is also being explored.

51. **Consultation** with developing countries is becoming a key part of the working methods of the Organisation. For example, the 2011 update of the MNE Guidelines involved a wide process of consultation with a broad range of stakeholders, including from developing countries. Now the follow up agenda includes dedicated awareness building effort worldwide. The new Global Forum on Responsible Business Conduct will assist with this effort.

52. Many OECD policy communities are making efforts and taking specific steps to ensure **a more active participation of developing countries in OECD work**. For example, the DAC has taken steps to deepen relationships with emerging economies, and activities are now progressing with Brazil, Indonesia, China, India, and Russia, as well as an analytical effort to look more closely at triangular cooperation. At the Committee for Agriculture as well as the Trade Committee, G20 countries have *ad hoc* observer status.

Involvement of these countries in these two areas is demand-driven, with countries' policies analysed according to the same principles employed for OECD countries. Going forward, the Participation Plans to be developed by and for each OECD body by virtue of the Resolution of the Council on Partnerships [C(2012)100/FINAL] will provide a new tool to assess demand among developing countries in Committees' work.

3. STATUS OF STRATEGY PROPOSALS

53. The initial phase of implementation has focused on gauging demand, refining the approach, scope and outputs of the project proposals outlined in the Annex to the Strategy. These "***proposals for action***" aim to deepen existing initiatives, offer innovative approaches to work with Partner countries on development issues, and forge new synergies between diverse areas of expertise within the Organisation, as stated in the Strategy. This section describes progress across the 13 annex project proposals plus the additional one on inclusive innovation. They are listed below and organised based on the three levels of engagement outlined in the Strategy. A summary table on the projects, timelines, and deliverables is provided in the Annex to this report.

1. Strengthening OECD Members' capacities to design policies consistent with development

Proposal 1: Curbing illicit financial flows (IFFs)

Key Policy Messages

- A broader approach to PCD is being applied to illicit financial flows (IFF) which strips resources from developing countries that could otherwise finance development. The fight against this must be led by developing countries through structural reforms that address wider governance weaknesses. OECD countries also have an important role to play by denying safe haven to stolen assets and by strengthening systems to combat money-laundering, tax evasion, bribery and supporting developing countries to build the necessary capacities to combat financial crime.
- Performance on anti-money laundering is weakest in customer due diligence, including politically exposed persons, access to beneficial ownership information on companies and trusts, and regulation and supervision of institutions at risk of money laundering. The fight against international tax evasion is being fought through an expanding network of exchange of information agreements between OECD countries and developing countries; however, developing countries need to expand their network, use existing agreements and strengthen their transfer pricing regime. In the area of bribery there has been progress, but several OECD countries have yet to sanction companies or individuals for bribery. Modest progress has been made to track, freeze and return stolen assets to foreign jurisdictions. OECD countries can do more to put in place the necessary legal and institutional framework to facilitate this process. Development agencies can also do more on IFF to build the necessary political support and provide targeted technical expertise for a scaled up effort against illicit flows.

54. Illicit financial flows (IFFs) are thought to significantly exceed ODA and inward investments from OECD Member countries, although estimates are contested. IFF strip resources from developing countries that could finance development. To advance the project on this important challenge, a cross-directorate effort (DCD, DAF, CTPA, FATF) is working to deliver a comparative report on institutional, regulatory and legal arrangements in place in OECD countries. Entitled "***Illicit Financial flows from developing countries: measuring OECD responses***", the report will provide information on how OECD countries are performing on various elements of the IFF agenda. The report focuses on (i) tax evasion (ii) money laundering (iii) trade mispricing (iv) bribery and corruption (v) stolen asset recovery and (vi) how development agencies can support the IFF agenda further.

55. Emerging findings show that OECD countries have a mixed record in the areas of due diligence on customers, the availability of beneficial ownership information, and in their regulation and supervision

of trust and company service providers. In the tax area, OECD countries have significantly expanded their network of tax information exchange agreements with developing countries, a critical instrument in combating tax evasion. Recent progress has been made on recovering stolen assets. Between 2010-12, six countries froze more than 20 billion USD and five countries returned over 3 billion USD. Finally, development agencies are playing an increasingly important role with regards to building systems and capacities in developing countries to prevent, detect and prosecute IFF related crimes.

56. Complementing this work on IFF are the newly launched "Oslo Dialogue on tax and crime" and a "capacity building programme".

- The **Oslo Dialogue** aims at enhancing interagency co-operation to better fight tax crime, money laundering and corruption. Financial crime is a major threat to the economic and social well-being of people around the world. Untaxed economic activity represents an estimated 17% of the total global economy. Tax evasion, corruption and money laundering cost developing countries alone an estimated USD 1.26 trillion per year. These crimes are growing in sophistication and increasingly involve cross-border activity, which makes them harder to deter, detect and prosecute. The 2012 report entitled "Effective Inter-Agency Co-operation in Fighting Tax Crimes and Other Financial Crimes" contains a number of recommendations to improve inter-agency cooperation including that 1) countries consider introducing an obligation for the tax administration to report to relevant law enforcement agencies evidence of a serious offense, suspected money laundering or terrorist financing activities and to share information relevant to investigations into these offenses or activities; 2) that tax administrations be provided information such as Suspicious Transaction Reports through direct access or spontaneous exchange from relevant agencies, FIUs or law enforcement authorities, as appropriate and applicable.

- The OECD has developed a **unique capacity building programme** to provide criminal tax investigators and related specialists with the essential skills to successfully conduct modern and effective financial investigations. A pilot training programme on criminal investigation will take place from 8 April to 3 May 2013.[7] Following the course, participants should be better equipped to conduct successful investigations and in particular will have i) the key skills required in financial investigations, including the ability to trace money through complex financial arrangements and use sophisticated techniques to identify links between suspects and illicit financial activities; ii) an increased awareness of the risks to countries posed by corruption and money laundering and the ability to better combat these offences; iii) a good understanding of the importance of effective co-operation with other government agencies and other countries, as well as how they can participate in such co-operation; and iv) the ability to share these skills and knowledge within their agencies following completion of the course, to ensure that countries sending participants obtain the maximum benefit from their investment.

Proposal 2: Global food security and policy coherence for development

Key Policy Messages

- The challenge of ensuring global food security is first and foremost one of raising the incomes of the poor so that they can afford the food they need to lead healthy lives. In many countries, the majority of the poor make their livelihoods through smallholder farming, therefore, agricultural development, plays a role in raising incomes. Fostering wider economic growth that creates diversified rural economies with jobs

7 Invited developing countries include Burkina Faso, Cameroon, Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa, Tunisia, Uganda, Azerbaijan, Georgia, Kazakhstan, Russian Federation, Serbia, Ukraine, Argentina, Bolivia, Brazil, Colombia, Costa Rica, Guatemala, Jamaica, Peru, Uruguay, Afghanistan, China, India, Indonesia, Malaysia, Philippines, Latvia and Lithuania.

both within and outside agriculture is also important. Social protection instruments are needed to bolster incomes, consumption and nutrition in the short-term, and in the longer term, to build resilience and stimulate productive investment and local economic development.

- Increased investment, primarily from the private sector, is needed to raise incomes and increase the supply of food sustainably, notably by raising productivity. For this to happen, greater trust is needed between investors, governments and local communities including farmers. Governments have an important role in establishing framework conditions that complement and encourage responsible public and private investment. Priority areas for public spending, with aligned ODA, include basic services in education and health, rural infrastructure and, research and extension.
- Trade will have an increasingly important role to play in ensuring global food security. Countries need to avoid policies that distort world markets and make them a less reliable source of food supplies. Support for supply-side capacities may be needed to help poorer countries and population groups benefit from trade reform, along with complementary measures to minimise adjustment costs.

57. Ensuring food security is a **major global challenge**: Approximately 870 million people are undernourished and 2.6 million children die every year from malnutrition. The problem persists, despite technological advances in food production, unprecedented global wealth and rapid economic development in many parts of the world. The principal challenge is to raise the incomes of the world's poorest, and with it their access to food, while providing vital complements such as access to education, clean water-sanitation and basic health and nutrition services.

58. This chronic problem has been aggravated by **high food prices**. In 2007-08, world food markets were exposed to a severe shock, with world prices for major food staples showing their biggest increase in real terms since the 1970s, with wheat prices more than doubling and rice prices increasing by more than three-fold. Since then, there have been two further price spikes. This frequency is unprecedented in recent times. In addition to long standing concerns with high levels of support and protection in many developed economies, high food prices have led to the emergence of new issues with potential implications for food security, including in particular the use of export restrictions. Policies of emerging economies are increasingly important, since these economies are of rising importance to agricultural trade and investment.

59. The project will suggest ways in which OECD countries can contribute to improved global food and nutrition security via **more coherent policies and knowledge sharing with developing countries**. It will work towards offering recommendations in three areas:

- *Recommendations for specific reforms*, in terms of avoiding policies that create negative spillovers (such as trade distortions and biofuel mandates) and adopting beneficial policies. The latter extends to sharing knowledge that can be of help to developing countries (for example, in research and development, or in the design of risk management tools). This corresponds to the Policy Coherence for Development agenda.

- *Suggestions on how policy advice can be tailored to country-specific circumstances*. The aim is not to produce country-specific prescriptions, but to clarify more broadly how the preferred policy mix is likely to vary according to a country's level of economic development and its structural circumstances, including its comparative advantage in agricultural activities.

- *Recommendations on how OECD actions and policies in developing countries*, including development cooperation policies, can be more coherent with national food and nutrition security priorities and strategies. This will involve recommendations on how common approaches (including mutual learning processes) on key policy areas can be agreed between governments and donors and on how coherence for food and nutrition security can be strengthened more generally across ODA programmes and other areas of co-operation.

- *Identification of priorities for global action*, noting where OECD analysis might have insights not stressed in current policy thinking, or can help inform more specific recommendations, with clearer links to implementation.

60. Finally, the project will identify **information gaps**, where OECD analysis can make an effective contribution, as part of a wide collaborative effort to furnish policy makers with the information they need to improve policies at the national and international levels.

61. The work will be informed by recent collaborative efforts to provide policy advice to G20 countries, including the report by OECD and nine other IOs to the French Presidency of the G20 on "Price Volatility and Agricultural Markets: Policy Responses" and the report by twelve agencies to the Mexican Presidency on "Sustainable Agricultural Productivity Growth and Bridging the Gap for Small-Family Farms" (FAO, OECD *et al.*, 2012). It will also build upon a recent *Global Forum* held jointly by the Committee for Agriculture and the Development Assistance Committee, on "Policy Coherence for Food Security in Developing Countries". The Forum suggested some priorities where explicit policy recommendations are needed, including on the potential trade-offs between the production of food and biofuels, and on the links between investment in research and agricultural productivity. It also underlined the importance of stakeholder consultation, of dialogue across public and private sectors and civil society, and of improved predictability of aid and coherence of donor policies. The Forum stressed the importance of linking PCD work at country level back to the domestic PCD agenda in OECD countries and suggested that existing work should be built on to analyse the impacts of OECD policies on food security outcomes in specific developing countries, including through country case studies.

62. This, and other work being undertaken across the Organisation, will feed into the 2013 edition of the *PCD Flagship on Global Food Security*. They are also helping refine planned work as well as identifying potential partners for such work.

2. Contribution to international processes and global development architecture

Proposal 3: Post-2015 development goals

Key Policy Messages

- The OECD stands ready to support the post-2015 agenda and framework.
- A post-2015 goals framework should be global, holistic, measurable and meaningful.
- It should combine a 2-level-approach: A global level with a small number of high profile goals and targets plus a national level consisting of goals, targets and indicators defined and tailored to the diverse starting points, specific contexts, priorities and capacities of each country.

63. The OECD played a pivotal role in defining **the Millennium Development Goals** (MDGs), especially through the Development Assistance Committee (DAC) publication *Shaping the 21st Century* (OECD, 1996). The MDGs have been instrumental in mobilising worldwide awareness, leveraging resources and guiding global development efforts. With two years to go, the OECD is actively increasing its efforts to support the achievement of the MDGs, recognising that despite progress in some areas, improvements have been highly uneven across goals, countries and regions, especially in fragile states and countries affected by conflict (Box 3).

64. The OECD is committed to supporting a post 2015 agenda, and to this end is closely following and, where invited, contributing to discussions at the UN on how to frame the agenda. For example, the Education Directorate is an active member of the Advisory Group on the post-2015 education agenda, co-chaired by UNESCO and UNICEF. Most recently, EDU helped moderate an online discussion on the

quality of learning. The OECD is also organising roundtable discussions, regional conferences (e.g. the African regional conference on measuring progress) and key development forums on the post-2015 agenda, such as the Fourth OECD World Forum on Measuring Well-Being for Development and Policy Making, the DAC HLM in London, the 2013 Council meeting on development and the 2013 OECD Global Forum on Development.

Box 3. Post 2015-Agenda: Where do we Stand?

Although it is uneven within countries and regions, the progress of MDGs still represents a huge advancement in the reduction of human suffering and validation of the MDG approach. The results-based, output driven approach put forth by the MDGs highlights the power and value of building consensus around a small set of clear, politically salient, meaningful, measurable and time-bound global development goals. Going forward, the approach can serve as springboard for emerging development frameworks.

Key milestones include:

- Extreme poverty halved five years ahead of 2015 deadline (MDG 1A)
- Primary school enrolment equal for girls and boys (MDG 2A)
- Accelerated progress in reduction in child and maternal mortality (MDG 4A and MDG 5A)
- Lack of sustainable access to safe drinking water and basic sanitation halved (MDG 7C)
- Improvement in slum conditions achieved – double the 2020 target (MDG 7D)

Reaching key milestones deserves recognition and praise but more effort is necessary on the part of the international community, civil society and the private sector. While it is widely agreed that the MDGs have been effective in mobilising worldwide awareness, leveraging resources, guiding global development efforts and increasing accountability, the global community must now not lose track of the end goals: while it moves ahead with planning for the future, it needs to maintain focus and momentum on 2015. It is possible, albeit challenging, to achieve the MDGs by 2015. Success in many ways hinges on the fulfilment of MDG 8: Develop a Global Partnership on Development. More effort is therefore necessary from the international community, civil society and the private sector to forge an effective global development partnership. This is especially true given the change in global development landscape since the onset of the global economic crisis and the resulting need to come up with new approaches to tackling MDG challenges.

The **UN High Level Panel of Eminent Persons** (HLP) will play a key role in defining a post-2015 framework. Appointed by the UNSG to advise on the global development agenda beyond 2015, it includes 26 eminent persons from all walks of life and is co-chaired by President Susilo Bambang Yudhoyono of Indonesia, President Ellen Johnson Sirleaf of Liberia and Prime Minister David Cameron of the UK. The HLP is expected to submit a report to the Secretary-General in May 2013. It will serve as a key input to the UNSG's report to the special event to follow upon efforts made towards achieving the Millennium Development Goals and to discuss the possible contours of the Post-2015 Development Agenda to be organised in the context of the UNGA in 2013.

65. An **OECD Secretariat task force** has been set up to discuss the post 2015 framework and agenda that brings together experts from across the OECD. The Secretariat has started to identify several key in-house areas of expertise that could provide valuable contributions to the post-2015 agenda. A **new OECD series "*OECD contributions to post-2015 reflections*"** will reflect the OECD mission of supporting governments to share expertise and knowledge through mutual learning, respecting countries' ownership of their own development; and to strive towards more coherent approaches to development. The first paper in this series of contributions ("*Beyond the Millennium Development Goals: Towards an OECD contribution to the post-2015 agenda*") outlines a preliminary (not exhaustive) list of ideas (see box below) how the OECD could start to get involved. More detailed papers are intended to be published in co-operation with different directorates. One of the first brochures will be on education, and how the OECD could contribute to measuring educational quality in a wider range of developing countries.

**Box 4. “Beyond the Millennium Development Goals:
Towards an OECD contribution to the post-2015 agenda”**

This paper – the first in a series of contributions – outlines a preliminary proposal for a contribution to the post-2015 era which reflects the OECD mission of supporting governments in designing “better policies for better lives”. The proposal outlined intends to help provide a global, holistic, measurable and meaningful development framework. It involves a two-level approach:

1) A global level with a small number of high profile goals and targets; and

2) A national level consisting of goals, targets and indicators defined and tailored to the diverse starting points, specific contexts, priorities and capacities of each country.

The paper explores two types of contributions: outcomes (i.e. goals) and tools (i.e. means to achieve goals):

A/Outcomes including principles underlying future goals

Element 1: Measuring what you treasure, putting people at the heart of development
Element 2: Developing a universal measure of educational success
Element 3: Achieving gender equality and women’s empowerment
Element 4: Integrating sustainability into development

B/Tools for developing and achieving future goals

Element 5: Strengthening national statistical systems
Element 6: Building effective institutions and accountability mechanisms
Element 7: Developing and promoting peace and statebuilding goals
Element 8: Ensuring policy coherence for development
Element 9: Sharing knowledge and engaging in policy dialogue and mutual learning
Element 10: Promoting the Global Partnership for Effective Development Co-operation
Element 11: Measuring and monitoring development finance

Proposal 4: Monitoring progress on Busan outcomes

Key Policy Messages

Through its lead role in monitoring implementation of Busan commitments, OECD makes its tools, methods and analytical capacity available to the Global Partnership and contributes to an evidence-based political dialogue on effective development co-operation – a first stock take of progress will be available by October 2013. Three policy messages emerge from the process to date:

- OECD’ work in this area is a tangible contribution to realise MDG8 on global partnerships: efforts to assess the quality of aid since 2005 have been an essential to international discussions on financing for development which focus on the quantity of aid (e.g. Monterrey Consensus).
- The monitoring framework of the Global Partnership is an entry point for OECD Members to engage in a political dialogue as equal partners with the full range of stake-holders supporting the Busan agenda (including developing countries, emerging economies, the private sector and civil society organisations) on the future role of development co-operation in the post-2015 development framework. However, the focus on accountability, which remains a central feature of the Global Partnership, needs to be balanced against its broader scope as a space for learning, knowledge-sharing and identifying global solutions.
- The implementation of Busan commitments by OECD/DAC members is seen as central to the credibility of the Global Partnership. As previous targets had not been met, developing countries are concerned that the broader co-operation agenda results in donors backing away from previous commitments on aid. OECD Ministers need to act now to deliver on their promises as anecdotal evidence suggests that OECD/DAC members have not systematically integrated Busan commitments in their policies and processes and taken the necessary action to address political constraints.

66. The OECD will support jointly with the UNDP the **global accountability for the implementation of the Busan commitments**, by monitoring and supporting its execution. DCD is leading this work within the Organisation, with the involvement of other directorates expected where they can provide useful inputs in tracking progress on selected Busan commitments. This work could potentially

cover all countries which have affirmed their support to the Busan Partnership agreement. The Busan Partnership steering committee has had its first meeting to identify priorities for their November 2013 ministerial. The stakeholders adhering to the commitments reached at Busan have agreed to **ten indicators for monitoring progress** (Table 1). Five are new, including on gender equality and transparency. Five continue from the earlier Paris Declaration monitoring survey. As there are data gaps in what is collected by international data sets, data for five of the indicators will be collected in developing countries (see *italicised indicators*).

Table 1. Indicators for the global monitoring framework

	Themes	Indicators
1	**NEW** -- Development co-operation is focused on **results** that meet developing countries' priorities	*Extent of use of country results frameworks by co-operation providers (specific criteria to be finalised).*
2	**NEW -- Civil society** operates within an environment which maximises its engagement in and contribution to development	Enabling environment Index
3	**NEW --** Engagement and contribution of the **private sector** to development	Measure to be identified
4	**NEW -- Transparency**: information on development co-operation is publicly available	Measure of state of implementation of the common standard by co-operation providers
5	Development co-operation is more **predictable**	*a) annual: proportion of aid disbursed within the fiscal year within which it was scheduled by co-operation providers* *b) medium-term: proportion of aid covered by indicative forward spending plans provided at the country level*
6	Aid is on budgets which are subject to **parliamentary scrutiny**	*% of aid scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries*
7	**Mutual accountability** among development co-operation actors is strengthened through inclusive reviews	*% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments*
8	**NEW -- Gender equality** and women's empowerment	% of countries with systems that track and make public allocations for gender equality and women's empowerment
9	Effective institutions: developing **countries' systems** are strengthened and used	(a) Quality of developing country PFM systems *(b) Use of country PFM and procurement systems*
10	Aid is **untied**	% of aid that is fully untied

3. Strengthen engagement with developing countries

Proposal 5: Multi-dimensional country reviews

Key Policy Messages

- A multidimensional approach which simultaneously targets multiple policy objectives will better promote citizens' well-being than a traditional sectoral approach. The MDCRs will look at the multiple objectives of (i) how to boost economic growth and its potential, (ii) how to make development sustainable, and (iii) how to design development strategies that reduce inequalities. In addressing these multiple objectives, the MDCRs will bring together theoretical, practical and political economy considerations and will take into account the country's historical, geopolitical and cultural background.
- The pursuit of multiple objectives requires enhanced policy co-ordination because policy choices may not always be compatible and may involve trade-offs they need to be evaluated to select the best policies. The simultaneous scrutiny of the multiple objectives of growth, equity and sustainability will take into

account synergies and potential trade-offs between the objectives, the factors driving them, and most importantly, the policy choices to address them.

- A cross-cutting approach conducive to identifying and addressing economy-wide binding constraints that may be common across several sectors. The underlying binding constraints to a country's development appear to be related to one of the types of capital, i.e. human, institutional, social, physical or natural therefore addressing the problem at its core can have an economy-wide impact. A cross-cutting approach will also better take into account for interactions across policy areas and for adopting consistent policy sets in different areas. The cross-cutting issues are identified as a result of diagnostic analyses and jointly with the government to enhance policy relevance and impact.

67. The primary goals of multi-dimensional country reviews (MDCR) are to identify the **binding constraints to development** and to suggest a country strategy with specific policy recommendations and reform sequencing. The MDCRs should support the multiple objectives of economic and social development and the well-being of citizens. They do not make assumptions *a priori* about the policies that are needed to stimulate development in a country, but rather identify the main binding constraints to development. MDCRs take an 'outcome-oriented' rather than 'input-oriented' approach, which places importance on the development outcomes resulting from policy action. The issues included in the reviews will differ from country to country, depending on which 'binding constraints' to development are identified. This innovative approach does not assume that all developing countries face similar problems and have weak context-specific constraints.

68. A descriptive note, prepared by DEV, ECO and STD with inputs from ELS, has started to be distributed to countries that have shown interest in being reviewed or in funding a MDCR of another country, in particular LDCs. A broader scoping paper is currently being written, which will be ready by January 2013. This work will identify possible synergies with the New Approach to Economic Challenges (NAEC) initiative, the work on long-term growth scenarios within the OECD@100 project and other related projects will be identified.

69. The MDCR concept has been discussed with **several developing countries** in different continents, including Morocco, Senegal and Tunisia; El Salvador, Peru and Uruguay; Myanmar, the Philippines and Vietnam; and the Secretariat has received letters of interest from three of these countries (Uruguay, the Philippines and Myanmar).[8] This will strengthen OECD ties with these countries. Collaboration with regional institutions (funding and content partners) should also be strengthened as a result of the concept. For instance, ECLAC (United Nations Economic Commission for Latin America) will co-operate with the OECD on MDCRs in Latin American countries as well as CAF (Corporación Andina de Fomento), and the Asian and African Development Banks have expressed an interest in participating in their respective regions.

70. The first exploratory missions to present and discuss the MDCR revealed that interested governments consider the exercise useful for two main reasons (Box 5):

1) **Identify inclusive, pro-growth strategies**: In countries, such as Uruguay, Peru, Malaysia, Thailand which have reached middle-income status due to sustained growth over the last decade, there is a need to develop measures to further accelerate growth and make it more broad-based and inclusive. Such countries are seeking measures to change the pattern of growth towards one that also relies on more productive, technological intensive and value-adding activities.

8 Uruguay: letter sent by the Finance Ministry; The Philippines: letter sent by the National Economic and Development Authority; Myanmar: letter sent by the Ministry of National Planning and Economic Development.

2) **Identify binding constraints to development and response measures**: Some low-income countries, such as Myanmar or lower middle income countries such as the Philippines which are either in a phase of transition, are drafting or have just drafted their new development vision and strategy, have found the MDCR concept particularly interesting in light of their need to identify and tackle the main constraints to growth and focus on strategy implementation.

Box 5. Findings from preliminary consultations with Uruguay, Myanmar and the Philippines

Uruguay has experienced an impressive economic growth record over the last ten years. Since its recovery from the 2002 financial crisis, real GDP has expanded at an annual rate of approximately 5.2%. Uruguay has been an upper-middle income economy for 17 years, unable to converge in income towards rich economies and to overcome the middle-income trap (countries that have successfully overcome this middle income trap are – those whose income levels were below USD 13,000 in 1980, and greater than 23,000 in 2008).

Projections show that the country has the ability to become a high-income economy over the next decade if it is able to sustain current growth levels. At present, the country faces some challenges in maintaining its growth rates. The preliminary discussions have raised several questions that point to issues that require action.

- What types of policies should be pursued in the areas of innovation, regulation and industrial policy to increase productivity?
- How can bottlenecks in skills and technical education that could help to develop further certain activities be overcome?
- How can public sector effectiveness (instruments and processes to deliver better policy outcomes) be improved?

OECD experience would be very valuable in all of these areas. Other areas of concern are transport and electricity infrastructures. A new public-private-partnership (PPP) framework has recently been approved to address these issues, but it is unclear if it will deliver sufficient funds to cover the needed increase in investment. Social issues are another area where the country faces challenges. Despite progress in creating a fairer tax system and targeted social programs, inequality – although low by Latin American standards – has remained relatively high in the last ten years (the Gini coefficient decrease from 0.45 in 2007 to 0.40 in 2011). Thus, the government is concerned about how to make growth more broad-based and what policies would be effective to transform the growth paradigm. Similar issues, such as how to sustain current high levels of growth, how to increase to diversify the very natural resource-based economy and increase social cohesion, have also been at the core of preliminary discussions with **Peru**.

Myanmar's choice to embark upon a path to democracy has opened up ways to explore possible development strategies. The first mission to start the diagnostic phase of the multi-dimensional review of Myanmar confirmed that the challenges the country faces are multi-dimensional. These challenges include i) how to transform the economy from a subsistence agriculture-based economy to a modern, partly agriculture, but increasingly manufacturing and services-based economy; ii) how to achieve middle-income status in the medium term by adopting best practices and learning from others' mistakes; iii) what types of activities would be promising to engage in the short to medium term; and iv) what institutions/regulations are needed to make the economy competitive. Although the country enjoys the rare combination of abundant natural (both agricultural and mineral) resources, large and low-cost labour force, significant potential for services industries, the Myanmar economy is largely agriculturally based (supporting 70% of the country's labour force). As the most important sector of the country's economy, agriculture represents the 42% GDP and agricultural exports are valued at USD 379 million a year, rice being the major crop, covering 60% of cultivated land. In order to free up labour for manufacturing and services industries, which would help to diversity the country's economy, agricultural productivity needs to be boosted. Further, the country must be able to attract domestic private and foreign capital, to invest in the industries. For this to happen large infrastructure needs have to be met and more information should be disseminated on the opportunities available in the country. There are territorial hurdles that also need to be surmounted. Manufacturing activities are concentrated in a few areas, and there are significant differences across regions. The recent decentralisation in Myanmar should address local needs, though there is ample room to seek efficiency in the allocation of responsibilities.

The growth momentum of the **Philippine** economy was robust in 2012 and this favourable trend will continue for the coming years (average 5.5% over 2013-17). The current favourable macroeconomic situation has opened a window of opportunity to facilitate several reforms. The NEDA-OECD-ADB Joint Kick-off seminar in March 2013 in Manila set the direction for the MDCR for the Philippines, by identifying the main binding constrains to development faced by the country. Job creation is a critical structural problem in the Philippines - high unemployment and underemployment have plagued the country for decades. The structural problems as represented by a dismal unemployment rate also reflect mismatches between supply of labour and industry demand. Skill shortages are especially acute in several industries, notably engineering and business process outsourcing activities that require technical skills. Goods produced by the economy need to be upgraded and diversified as well. In addition, several other issues such as quality of institutions and rural development will be discussed in other subsequent phases of the review.

The MDCRs aim at capturing momentum and political will to adopt large sets of reforms in the above and other areas. Moreover, they bring together scattered efforts to better align and improve policies in across sectors.

Proposal 6: Platforms for regional economic monitoring

Key Policy Messages

- Strengthening regional dialogue on macroeconomic policies is increasingly important. Co-operation with regional institutions is vital for effective regional economic monitoring.
- Policy co-ordination at the regional level will be important under increasing integration of economies.
- OECD country experience in terms of transformation of their growth models towards more inclusive and sustainable economies could inform regional discussions.

71. Regional groupings are increasingly looking to OECD expertise for enhancing their **economic monitoring** capacities and contributing to regional integration and equitable economic development. Amid increasing integration of economies in most regions in recent years, a certain number of topics and policy issues are relevant to discuss at the regional level, rather than country level. Policy coordination in the region is therefore increasingly important. Building on the OECD Regional Economic Outlooks, the Platforms aim to **strengthen regional dialogue and peer-learning in the areas of**: **i) near-term** macroeconomic management and policy coordination, and, **ii) medium- and long-term growth and development strategies**. The co-operation with regional institutions is key to build up this platform.

72. **The regional dimension will be of great importance in Asia**, where there are several regional and sub-regional initiatives. In fact, regional integration and co-operation has been advancing for twenty years within ASEAN and its neighbouring countries, for instance, under the framework of ASEAN+3. The region maintains strong growth dynamism supported by these regional initiatives. According to the latest edition of the OECD *Southeast Asian Economic Outlook: with Perspectives on China and India*, the economies in the region show resilience amid global uncertainties and growth for Emerging Asia (i.e. ASEAN-10 countries, China and India) is expected to reach 7.4 % over the period of 2013-2017. To maintain the strong growth momentum, however, the region needs to cope with several near-term policy challenges, such as tackling capital inflows and developing domestic bond markets. Over the medium term, Asia’s performance will have to increasingly rely on domestic demand and progressively less on exports. The export-led growth strategies which were successful in the past have shown some limitations under the recent global uncertainty and many Asian countries are now searching for new growth models towards more inclusive and sustainable economies. Such transformation in the nature of growth will require changes in structural policies.

73. The platform for regional economic monitoring will **promote knowledge sharing between the OECD and partner governments and institutions in the region**. In the context of Asia, collaboration with the ASEAN+3 Macroeconomic Research Office (AMRO) has already been established to carry out this project. The first of a series of Roundtables was co-organised by OECD and Asean+3 Macroeconomic Research Office (AMRO), in co-operation with the ASEAN Secretariat and the Economics Department,

OECD, on 26 September 2012 in Singapore. This 2012 Regional Roundtable[9] brought together around 100 senior level participants including an Assistant Minister of Indonesia and a Deputy Secretary General of Cambodia, to discuss i) euro-area uncertainty and its implication for Asian economies and ii) new *models in Asia*. The 2nd OECD-AMRO Asian Regional Roundtable will be organised around summer 2013. Its topics and focus will be; i) implications of monetary easing in OECD economies for Asia; and, ii) middle income traps in Asia. This regional roundtable could also provide an opportunity to present the results of region-wide indicators and statistics of relevant OECD Directorates for instance, the revenue statistics, skills-related and other structural indicators. An OECD-AMRO joint study will be prepared after the second regional roundtable as a follow up.

74. In **Latin America**, a regional approach has proven a successful means for knowledge sharing in the area of **fiscal policy**. The second meeting of the ***LAC (Latin America and Caribbean) Tax Policy Forum*** held on 13-14 July 2012 in Colombia, consolidated this regional forum as a platform for policy dialogue on fiscal issues, where senior officials of LAC countries can engage in dialogue with experts from the relevant OECD Committees and other regional organisations to address fiscal policy challenges at national and regional levels. The next meeting of the *LAC Tax Policy Forum* is scheduled for 4-5 July 2013 in Uruguay.

75. This regional platform has been supported by the development of internationally comparable tax statistics for Latin America, ***Revenue Statistics in Latin America***, a joint initiative of the OECD Development Centre and the Centre for Tax Policy and Administration, elaborated in close collaboration with ECLAC and CIAT.[10] The aim of this statistical work is to provide developing countries in the region with the same statistical indicators available to OECD tax policy makers so as to better inform their tax policy decisions, improve their ability to mobilise domestic resources to support sustainable economic growth and address inequality. This database has been very valuable to foster policy dialogue and provides evidence based input to OECD assistance to countries in the region with the design and implementation of fiscal reform measures (e.g. the recent report on *Fiscal Policy for Development in the Dominican Republic*).

76. For the period 2013-2014, it is not only envisaged to extend this database for Latin America (to include more countries and period covered) but also to expand this work to the Asian and African regions. A pilot project covering Indonesia and Malaysia is planned for 2013, and a comprehensive database for at least 10 countries in the Asian region by the end of 2014 (***Revenue Statistics, Trends and Policy Challenges in Asia***). A similar two-year project is currently planned for the African region in close collaboration with AfDB and ATAF, which will start in the second trimester of 2013 (***Revenue Statistics in Africa***).

77. A comprehensive regional database on revenues in Latin America, Africa and Asia, comparable with the existing OECD database, will help to improve the consistency, quality and accessibility of revenue statistics and tax indicators in developing and emerging economies. In particular, reliable international comparative data on tax revenues is key to the development of sound statistical work and analysis which in turn supports better policy making, including by sharing knowledge on fiscal reforms to foster economic development and tackle poverty.

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9 http://www.oecd.org/dev/asiaandpacific/oecddevelopmentcentre-amrojointasianregionalroundtable htm

10 The second edition of Revenue Statistics in Latin America was published in November 2012, covering detailed revenue data for 15 LAC countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Mexico, Peru, Uruguay and Venezuela) for the period 1990-2010.

Proposal 7: A review of the Policy Framework for Investment (PFI)

Key Policy Messages

- The Policy Framework for Investment (PFI) has been used by over 25 countries worldwide to improve their investment climates in line with their development objectives. Established Regional Economic Communities (RECs), such as the Southern African Development Community (SADC) and the Association of Southeast Asian Nations (ASEAN), and regional policy networks are also using the PFI to support their efforts of investment policy harmonisation and economic integration.
- The review of the PFI will enhance its contribution to advancing development objectives, including in such sectors as agriculture and energy, and will respond to the call in the Busan declaration for engaging the business community in support of inclusive growth in developing countries.
- The PFI review process systematically engages developing and least developed countries, who contribute to improving the instrument by providing feedback on its application.

78. The PFI has been used by partner developing countries at varying levels of development and from all continents (Box 6). In addition, established regional economic communities (RECs), namely the Southern African Development Community (SADC) and the Association of Southeast Asian Nations (ASEAN) are currently using the PFI to promote regional investment policy dialogues and policy harmonisation among their members.

79. In the process of applying the PFI across different countries, a clear need for **revising and updating this policy instrument** has emerged. The relevance of PFI questions to specific country contexts has been put to the test, and this had shed light both on areas of the PFI which bring important value-added, and also on certain shortcomings. In particular, it is envisaged to incorporate a chapter on Green Investment, included in recent OECD Investment Policy Reviews, as well as a revision of the tax chapter in co-operation with the joint CFA/DAC Tax and Development programme. The ongoing process of revising the PFI and making it a more 'user-friendly' and manageable policy tool further aims to facilitate its application and create an effective feedback loop of past, ongoing and future reviews. The PFI review will be undertaken through an inclusive and structured consultation mechanism, ensuring active participation of developing and emerging countries.

80. Over the second half of 2012, the **review of the PFI has progressed in several ways**. A new questionnaire on the infrastructure chapter of the PFI has been developed in cooperation with Tanzania; sectoral tools derived from the PFI have been developed to enhance the policy framework for investment in: (i) agriculture; (ii) and clean energy; a new questionnaire on green investment has been developed and used for drafting special chapters on green investment of PFI-based Investment Policy reviews. Myanmar is the one of the latest countries to use the PFI to assess and reform its investment policies. It has created a taskforce of 17 different agencies to undertake an investment policy review based on the PFI. Myanmar is also using the PFI to build capacity on investment policy within the government.

81. Revisiting the PFI, taking into account the vast experience Partner countries and RECs have gathered with the instrument in their efforts to strengthen their respective investment policies, would serve to ensure the PFI's continuing effectiveness and value to users. Evaluating the PFI will contribute to strengthening OECD partnerships and mechanisms for knowledge sharing and policy dialogue with developing countries, and to increase the relevance of the PFI as an instrument for fostering policy coherence for development.

Box 6. Examples of policy actions generated by IPRs in developing countries

PFI-based Investment Policy Reviews (IPRs) have served to support over 25 countries in self-assessing their investment policies and are supporting two regional economic communities – the Southern Africa Development Community (SADC) and the Association of Southeast Asian Nations (ASEAN) - in enhancing their regional investment policy frameworks. Below are examples of policy actions generated by IPRs using existing country systems to reform investment policy through national task forces:

Fostering cross-government and participatory approaches:

Burkina Faso: The IPR (focus on agriculture) was led by 17 agency task force, including the private sector and the donor co-ordination group for agricultural development.

Tanzania: Cross-government task force established at Permanent Secretary level led by the office of the Prime Minister.

Myanmar: 15 agency task force established under the auspices of the Minister of National Planning and Economic Development.

Impact at country-level:

Mauritius (IPR to be published in 2013): draft recommendations have fed into the 2013 Budget (released on 9 November 2012). Several of the recommendations have already entered the budget process and were henceforth agreed upon for implementation in the coming year. This includes recommendations on: codifying investment regulations within a single legal text; updating the Model BIT of Mauritius; and streamlining the administration of Intellectual Property Rights.

Botswana: The government is committed to implementing the central recommendation of the IPR, to group all relevant legislation for investor protection and investment restrictions within a single investment instrument, or Investment Code.

Zambia: PPP Training Programme implemented as a result of an IPR recommendation to strengthen capacity of PPP officials (2011). Mozambique has expressed similar interest.

Burkina Faso (2012): The government is undertaking to develop an agriculture investment code as a result of the IPR in agriculture.

Malaysia (IPR to be published in 2013) will implement recommendations relating to Key Performance Indicators (KPIs) in order to expand their scope to include qualitative measures of the impact of investment.

IPRs to reach new frontiers for OECD investment work and regional co-operation:

Myanmar: The OECD IPR is the government's first international co-operation in the area of investment. The project is key in supporting efforts to open up the economy and an associated ambitious reform agenda.

SADC Investment Policy Framework: The 14 Members of SADC have collectively decided to use the PFI to develop their regional investment policy framework. The project is backed by an official request from the SADC Executive Secretary to the OECD Secretary General.

ASEAN-OECD Investment Programme: The 10 ASEAN Member States have agreed to use the OECD PFI-based IPRs to assess their investment policies and to contribute to investment policy harmonisation in the region.

Proposal 8: Addressing common challenges in commodity-based economies

Key Policy Messages

- Recent OECD work shows that there is no "resource curse": while depending on a limited number of natural resources is bad, resource abundance in itself is good. Properly managed natural resource endowments can be turned into opportunities for broad-based socio-economic development. Widespread dependence on exporting basic commodities and a lack of diversification into higher value added products is one of the major factors explaining the challenge of least and low-income countries' structural transformation.
- The intensified competition among firms and the trend among extractive industries to concentrate on their core competences are opening concrete opportunities for market driven process of linkage development and business-based solutions to poverty in low income resource-rich economies. For example, as a result of the push towards specialisation and outsourcing, the global mining and oil and gas industries are increasingly looking for low cost suppliers and efficient processors of non-core activities that may enable the upgrade of local suppliers.

- Addressing the challenges of natural resource booms and escaping the "resource curse" may have a strong regional dimension that would require co-ordination among neighbouring countries for the creation of win-win outcomes and the creation of mutually beneficially solutions that reflect the comparative advantage and actual position in the development cycle of the countries concerned.

82. The rising demand for natural resources, mainly driven by higher consumption patterns in emerging economies, offers resource-rich developing countries a window of opportunity to escape the vicious cycle of poverty and underdevelopment, especially in Africa.

83. However, many resource-rich countries are still struggling to reap the developmental benefits from the exploitation of their natural resource endowments and promote more inclusive growth. This is attributable to a combination of factors, including rising exchanges rates in export-driven economies, inefficient revenue management and the weak integration of extractive sector with the rest of the economy.

84. The policy dialogue on natural resource-based development aims to identify under what conditions and how natural resources can play a transformative role and have a multiplier effect on the local economy. The dialogue is intended to build capacity in policy making via peer-learning and help countries identify possible policy options through evidence-based analysis. The multilateral setting promotes exposure to different models as governments come together on an equal footing to discuss their experiences. Possible thematic areas for discussion may include "how to" enhance transparency, optimize revenue systems while ensuring an adequate rate of return on investments, create appropriate social and economic linkages for diversification, foster appropriate use of resource revenues for broad-based development (e.g. spending options for revenues channelled through sovereign or stabilisation funds), promote ways to maximise the contribution of the private sector to the development of the local economy, including through public-private partnerships that support long-term development objectives while preserving host countries' ability to attract investments.

85. The high degree of variation in economic performance among resource-rich economies demonstrates that there is much scope for good practices to be shared across countries. The experience of OECD resource-based industrialised economies – such as Chile, Norway or Canada – and to some extent more recently that of upper middle income countries like Brazil, Chile, Indonesia, Malaysia and South Africa demonstrate how natural resource booms can be managed to catalyse diversified industrial development and broad-based socio-economic growth. However, historical as well as more recent experiences in industrialised economies may not be easily replicated given the different local circumstances and the changing global context.

86. The policy dialogue will build on the analysis and recommendations contained in the *African Economic Outlook 2013* as well as any relevant work across the Organisation (CTPA, DAF, DCD, STI and TAD). Consultations with OECD and Partner countries to establish the Cluster are underway coupled with efforts to map institutions working on similar issues, such as the EITI, the IMF and the World Bank, with a view to avoid duplication of work and target areas in which the OECD could bring real added value, in particular on diversification and linkages. In this regard, a partnership with the African Mineral Development Centre (AMDC) designed to support the successful implementation of the Africa Mining Vision is being explored. It is expected that the OECD policy dialogue will complement AMDC's work by enabling the identification of best practices and operational frameworks that could inform the customisation of specific solutions tailored to regional or country contexts.

87. The OECD Development Centre, DCD, STI and TAD received seed funding from CPF to start working on the cluster. CTPA received voluntary contributions to start work on tax and natural resources. It is envisaged that participating producer countries will meet for the first time on 7-8 November 2013 to collectively identify the priority issues to be addressed in the first cycle of the policy dialogue (2013-2015) and possibly agree on the three-year work-programme. The Development Centre, with input from other

relevant Directorates, will develop a scoping paper to support the selection and prioritisation of issues by participating countries. The payment of one-off entry fees has been contemplated to kick-off the process. Substantive work, including thematic country peer-reviews and or thematic comparative surveys, will depend on voluntary contributions from participating countries.

Proposal 9: Addressing the challenges of knowledge development and upgrading in Global Value Chains

Key Policy Messages

- The global fragmentation of production associated with the rise of GVCs brings a new set of opportunities for economic development. The fact that a single final good is produced along separate geographical and functional boundaries allows countries to find competitiveness niches in specific stages of the value chain, without having to assume the entire set of skills and resources needed for the production of the good. This is important especially for developing countries, many of which lack a diverse enough set of capabilities. Particularly in these cases, GVCs offer an alternate path for integration in the global economy.
- Access to these production networks varies significantly, and depends on an array of factors including resource endowments, infrastructure, availability of skilled human capital, innovation, as well as other relevant domestic policies. The GVC Cluster participants will look at the country as well as regional level determinants to provide a more cohesive picture of the tools and policies options available for facilitating access, particularly for developing countries.
- Gaining a better understanding of how to maximise the benefits of GVC participation has become easier as new analytical tools are becoming available. In the context of increasing dispersion of production and the development of new analytical tools such as the Trade in Value Added database made available by the OECD/WTO, policy makers are given the opportunity to see their country's GVC participation and positioning through a new lens of value distribution throughout the production process. These new perspectives provide countries in the OECD and beyond with a critical policy space in which to compare country policy frameworks and productive upgrading outcomes.

88. Global Value Chains (GVCs) refer to the organisation of international production, trade and investment whereby different stages in the production process are located across different economies. The increasing fragmentation of production, with significant flows between China and all other major regions, and the emergence of production hubs in Asia, Europe and the Americas, is exemplified by the growing import-content of exports, especially in emerging and developing countries that are integrated in these value chains. The share of imported inputs in Chinese exports rose from 15% in the mid-1990s to 25% in the mid 2000s – a figure that is likely to continue growing.

89. **Participation in GVCs can enhance competitiveness** by allowing producers to focus on specific tasks rather than the entire production process. The specialisation implied, however, may lead to a 'lock-in' effect whereby a country is trapped in low-wage and low-value added activities. To overcome this effect and increase positive spillovers to the domestic economy, firms need to overcome diverse challenges such as availability of skills, competitive pricing of imported inputs, effective logistics, access to credit, investment in innovation, or adequate provision of services. For example, a recent Development Centre analysis of Costa Rica's experience in attracting knowledge-intensive FDI suggests that there is a significant misalignment between the supply of graduates and the skills required by industry and that investment in R&D is low (around 0.4% of GDP in 2010, in contrast with an OECD average of 2.3%).

90. The proposed **multi-annual policy dialogue** will foster the exchange of experiences and peer-learning among a limited number of countries integrated into GVCs on how best to design and implement policies to attract and retain investment and promote upgrading of skills, technology and other knowledge-based assets. Regular meetings of participating countries as well as analyses to feed the dialogue and comparative reviews on the challenges and policy options will be part of the deliverables of this initiative.

91. A concept note prepared by DEV, DCD, STD, STI and TAD identifies and distils the necessary analytical inputs to feed the network, based on, inter alia, the work undertaken in the framework of the Trade in Value Added (TiVA) project; the synthesis report on Global Value Chains; the Aid for Trade monitoring and evaluation exercise; and *Perspectives on Global Development 2013*. The first meeting of network was held in Paris on 19 March, jointly with the Korea Development Institute (KDI), and back-to-back with the meeting on 20 and 21 March of the OECD Committee on Industry, Innovation and Entrepreneurship. The Development Centre hosted a more informal meeting on 18 March with a core group of countries interested in the initiative. The purpose of the first meetings is to take stock of existing work on global value chains, engage countries in knowledge-sharing based on their policy practices, and define the medium-term work programme and thematic focus of the network based on country priorities and needs. The government of Costa Rica has expressed an interest in hosting a follow-up policy dialogue event in the second semester of 2013.

Proposal 10: Incorporating inclusive green growth into development policies as part of efforts to promote sustainable development

Key Policy Messages

- Well-designed green-growth policies could contribute to more inclusive societies in developing countries. Replacing harmful energy subsidies by cash transfers targeted to the poorer households, or improving access to basic water and sanitation services would be an efficient way to combat poverty and contribute to reduce social inequalities.
- The long-term benefits of green growth (e.g. in terms of lowering local pollution and more generally improving the quality of life) far outweigh the potential short-term fiscal costs. Flexible labour markets, forward-looking skills policies and a favourable business climate will lower transition costs.

92. The pursuit of an inclusive green growth policy agenda raises a number of specific challenges and opportunities in developing countries as the context for green growth is different from that in developed and emerging countries, with high levels of poverty, greater dependence on natural resources for development and the need for accelerated development changing the trade-offs between environmental benefits and human welfare in the short and long term (Box 7).

Box 7. Greening Growth in Developing Countries: Opportunities and Challenges

In the 20th century, the world population grew 4 times, economic output 22 times and fossil fuel consumption 14 times. Humanity's ecological footprint is 50% higher than the earth's ability to support it. The resilience of a wide range of environmental systems is now being tested by the requirements of a rapidly growing global population and increased levels of economic activity. This includes meeting the energy, food and water needs of 9 billion people by 2050.

Developing countries are both contributing to and being affected by increased stress on natural resources and the environment. They are sources of global economic growth, but also emissions. They are vulnerable to environmental risk, including economic, social and ecological threats from climate change and extreme weather risks. The Intergovernmental Panel on Climate Change (IPCC) warns that projected reductions in crop yield in some African countries could be as much as 50% by 2020 and crop net revenues could fall by as much as 90% by 2100 due to changes in climate patterns and associated extreme weather events.

These factors undermine development. Sustaining and enhancing natural capital – the wealth of poorer countries -- is to achieve development objectives and address inequality. Green growth will play a critical role. It can improve the resilience of developing economies by reducing the risk of negative shocks to growth from resource bottlenecks or imbalances in natural systems. It can open up new sources of income and tax revenues, employment and opportunity from innovation and the emergence of green goods, services and markets. It should contribute to more resilient livelihoods, disaster proof infrastructure and wider access to energy supply and public transport.

Yet, developing countries are facing specific obstacles to realising green growth, including limited institutional capacity, capital, and market failures. In this context green growth demands an holistic strategy, encapsulating equitable and efficient tax systems, phasing out environmentally harmful subsidies, free and open trade including for environmental products and services, policies that incentivise investment in green technology and practices, industrial and other sector policies that promote innovation, risk assessment and management and knowledge spillovers, labour market and skill policies that maximise the benefits for workers and help to insure that adjustment costs are equitably shared as well as a host of flanking and complementary policies.

To be successful, green growth objectives must be incorporated across national (and sub-national) development planning and broader economic policymaking.

93. This proposal is a collection of **horizontal activities** that will clarify how the green growth concept as well as the recommendations of the *OECD Green Growth Strategy* (GGS) could be tailored to reflect growing experience in a range of developing countries. The activities listed below will help to support developing countries in designing and implementing green growth strategies.

94. One of the central goals of these horizontal activities is building the evidence base and exchanging knowledge and experiences on emerging green growth policies in developing countries. Specific areas of focus for these countries include strengthening mechanisms for multi-level governance, greening cities and integrating sustainable and inclusive development into urban, regional and national planning, greening of infrastructure investment, building good development co-operation practices and developing indicators measurement tools to support efforts to green growth in developing countries.

95. To provide tailored policy advice in these areas, the OECD is mainstreaming green growth into its national and multilateral policy surveillance. In this context, developing countries are increasingly embracing and working with the OECD on green growth policies.[11]

96. In addition, in the context of the G20, the OECD worked with the AfDB, World Bank and the UNDP to produce an internationally-recognised policy toolkit to support developing countries to integrate green growth considerations in their development plans. This toolkit aims to provide policy-makers from developing countries with:

- A framework to help develop inclusive green growth strategies that are well anchored into countries/regions/cities' broader development goals, and that efficiently and consistently combines the many instruments that are needed in a coherent policy package;
- An overview of some of the key tools and approaches developed by the different international organisations that can specifically help developing countries to address the challenges raised by making growth green and inclusive;
- A discussion of knowledge sharing and capacity building challenges and solutions, including the Green Growth Knowledge Platform (GGKP) developed by the GGGI, the OECD, UNEP, and the World Bank to help identify major knowledge gaps in green growth theory and practice, to support countries to design and implement green growth policy and create communities of practice.

11 This can be seen in a number of areas. For instance, the 2011 Investment Policy Review of Tunisia included a chapter on "Investment in support of green growth". The Green Cities Programme is partnering with the Asian Development Bank to hold a workshop on Fast-growing Cities in Asia in Q1 2013 in Manila, Philippines. The forthcoming 2013 Economic Survey and Environmental Performance Review of South Africa will both cover green growth considerations.

97. An important milestone of this part of the Strategy is the publication on ***Green Growth and Developing Countries***, which will be finalised in April 2013. Building on the findings of the *Green Growth Strategy* (2011), the book builds on experience and evidence in developing countries to complement OECD's experience. It sets out a twin-track approach to guide national decision-making and international support to developing countries aiming to green growth. The book builds on extensive country consultations to gather evidence and gain better understanding of country specificities including two country case studies, carried out by the OECD in cooperation with the governments of Ethiopia and Cambodia. It also draws on a joint OECD/AFDB Workshop on Green Growth in Africa (held 15-18 January 2013, in Lusaka, Zambia), where representatives from 18 Sub-Saharan African countries joined others from OECD countries and international organisations to share experience on green growth and related policies in the context of national development policy and planning. This work shows that while specific priorities differ among countries, there are common elements of strategies to put green growth at the heart of development policies. These include high level political support and stakeholder engagement to set out a vision for the long-term development pathway; assessment, review and feedback mechanisms to consider development options in view of socio-economic and environmental change; emphasis on programmatic and cross-sector collaboration; and design and implementation of policies to deliver green growth.

Box 8 Green Growth, Development and Developing Countries

- Greening growth in developing countries will recognise and integrate the value of natural capital into policy decisions. It will also give attention to pressing social issues that include a lack of access to basic services and infrastructure, high vulnerability and threats to stable livelihoods from resource scarcity or mismanagement.
- This report provides a twin-track agenda to guide national and international action on green growth. It responds to developing country concerns about the technical challenges arising from early efforts to "go green" and documents a wealth of practical examples from developing countries to examine the trade-offs, costs and benefits of policy choices at national level.
- At the national level, a green growth agenda requires leadership to establish a long-term vision to guide public policy; policy reform and implementation; mechanisms to govern and support good decision-making, engagement and enable continuous learning. International co-operation is also essential to support developing countries make the transition to green growth including through flows of development finance, strengthening trade in green goods and services, and sharing of technical and technology know-how.

98. In 2010, the OECD launched the Green Cities Programme, which has explored the way to assess urban green growth policies across a range of geographical, economic and environmental contexts. One lesson that has come out of this Programme is the need to adapt urban green growth models to different development contexts. Cities in the urbanising world exhibit a diverse form of development, characterised by rapid and continuous urbanisation, increasing in carbon emissions and energy consumption, increasing risks of global warming impacts and localised environmental disasters, disparities in income, education levels and job opportunities among urban populations. This calls for a green growth model considering the local circumstances specific to cities in developing countries. In December 2012, the OECD started a new project "**Green Growth in fast-growing Asian cities: Learning from the Diverse Contexts**" to discuss urban green growth strategies in Asian cities context by elaborating the green growth concepts for fast-growing Asian cities, along with 4-6 case studies and knowledge sharing among cities in OECD and non-OECD countries.

99. Policies that promote green growth and development need to be supported with appropriate information to monitor progress and gauge results. Indicators can be used to raise the profile of green growth issues, inform the public debate and evaluate how well policies are performing. The measurement

framework for green growth developed by the OECD highlights some of the issues and considerations specific to developing countries, including practical challenges in putting in place indicators to track progress. The OECD is active in developing countries to enhance statistical capacity and advance the green growth measurement agenda. A number of developing countries have adopted the OECD framework, including Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Paraguay and Peru as part of the OECD-UNIDO project “Monitoring green growth in the LAC region”. The OECD is collect indicators for emerging and developing Asian economies with the aim to fill statistical gaps and gain feedback on the indicators’ policy relevance in these countries.

100. Other activities under development include: the project “*Toward green growth in emerging and developing Asia*” developed in the context of the 2012 East Asia Climate Partnership Program; regional support to EECCA’s transition economies for greening growth and reforming water policies; work on mobilising long-term investment by institutional investors in green infrastructure, case studies on Green Investment Policy; integrating green investment chapters in Investment Policy Reviews; Domestic Incentive Measures for Green Goods with Possible Trade Implications; and Policy Instruments to Support Green Growth in Agriculture, and collaborative work to strengthen good practice and effective development cooperation so as to better support the design and implementation of national green growth strategies in developing countries; this will be done in collaboration with selected developing countries and development co-operation partners (including AfDB).

Proposal 11: Addressing the challenges of migration and development

Key Policy Messages

- A better understanding of the interlinkages between migration and sectoral policies will help policy makers in developing countries design better and more coherent development strategies. Migration in both origin and destination countries have impacts on different development sectors, such as agriculture, trade, labour market, social protection, education and environment. In turn, sectoral policies have an impact not only on migration flows but also migrants’ conditions.
- Because of the multiple interactions between migration, public policies and development, different Ministries should be involved in migration-related policies. Migration-related decisions should not only be managed by the Ministry of Foreign Affairs and/or the Ministry of Interior, but should also involve other Ministries, such as the Ministries of Education, Labour and Social Affairs, or still Agriculture and Environment. Other actors, both from the public and private sectors, should also be included.
- Because of the growing importance of South-South migration, developing countries also need to design development policies encompassing immigrants. Many developing countries have recently tried to maximise the benefits of emigration, in particular by trying to channelling remittances towards productive investment or by involving diasporas in development programmes. But the challenge of immigration has not really been taken into account in most developing countries. Issues such as the consequences of immigration on labour markets, but also in terms of social protection, education and health need to be tackled in the countries of destination.

101. This project aims at enhancing the understanding of the **impact of migration on development** by facilitating knowledge sharing and policy dialogue among immigration and emigration countries, both OECD and non-OECD Members, and by working in co-operation with other international and regional organisations dealing with migration issues.

102. In the context of this project, new statistical work is being carried out to identify migrants by skill levels and country of origin, but also by gender and age, based on the latest available data from the 2010/11 round of population censuses in OECD, Key Partners countries and other large receiving countries. The update of the DIOC database (Database on Immigrants in OECD and non-OECD Countries) is carried out in cooperation with the World Bank.

103. Additional work is being carried out for the organisation of the set of **regional consultation processes** (Baltic States, Asia, MENA countries, as well as, possibly, Latin America) involving OECD Member countries, Key Partner countries and developing countries:

- “Identifying and mobilising migrants’ skills for development” (Paris, October 2012) supported by France and based on two publications: "Connecting with emigrants: a global profile of diasporas", and “Harnessing the skills of migrants and diasporas to foster development: policy options" (Box 8).
- “The economic impact of emigration in Latvia and the other Baltic countries: challenges and policy implications”(Riga, December 2012) in collaboration with the Latvian Ministry of Foreign Affairs.
- “Labour Migration in Asia: Assessing Labour Market Requirements for Foreign Workers and Developing Policies for Regional Skill Mobility” (Bangkok, January 2013) with the Asian Development Bank Institute and the International Labour Organization.
- “Mobilising migrants’ skills for development in the Mena region: making the most out of young migrants skills“(Tunis, May 2013) with UNFPA.

104. These consultations should form the basis of a synthesis report on “*The international mobility of skills for Development*” that will serve as one of the background documents for the 2014 High-Level Policy Forum on migration.

Box 9. Identifying and mobilising migrants’ skills for development

At the OECD Conference on “Identifying and mobilising migrants’ skills for development, 5 October 2012, Paris” the conclusions from the following studies were presented to participants:

- ***Connecting with Emigrants, a Global Profile of Diasporas***: this publication gathers a broad range of statistical information on migrant populations and their children worldwide by origin country which can be of use for policy makers to tailor policies to the population groups in question. Governments of origin and destination countries can indeed facilitate the involvement of diasporas, by supporting networks, by facilitating communication channels with the country of origin, by creating an enabling environment, or – more directly – by easing skill mobility and use. In this regard, the capacity to characterise the profile of diasporas is instrumental.
- ***Harnessing the Skills of Migrants and Diasporas to Foster Development***: In 2010 the total number of migrants worldwide was estimated at 214 million, of whom 147 million were born in a country of the South; of these, half (73 million) now live in another country of the South. The publication proposes ways of thinking about new public policies that could better harness the skills of diasporas to foster development in the countries of origin. These options revolve around a central objective - to better identify needs and the supply of skills so that public policy actions in countries of origin and destination can be targeted more effectively - and three main axes: (i) improving access to information; (ii) supporting initiatives by Diaspora members; and (iii) increasing the involvement of local authorities and employers. The main recommendations of the report include:
    - Pursue efforts to collect statistics on the skills of migrants and diasporas in order to assess the changes at work in recent migration flows and the expectations of migrants;
    - Collect more systematically information on the determinants of return migration and reintegration;
    - Get employers (public and private) to better identify the types of skills that are required and refocus pre-departure training and re-integration programmes in the countries to suit requirements;
    - Facilitate exchanges of information between institutions in countries of origin and destination countries regarding labour needs and the recognition of qualifications and skills;

– Improve foreign students' access to information about employment opportunities in their home countries and develop, in co-operation with employers, recruitment processes in main destination countries, in sectors where demand is substantial and recruiting conditions sufficiently attractive.

The conference fits into the framework of the preparations for the upcoming Global Forum on Migration and Development (GFMD), and more particularly into the framework of round table 1.2 on "Supporting Migrants and Diaspora as Agents of Socioeconomic Change", which is co-chaired by France, Kenya and Morocco.

105. A new project, supported by the European Union and entitled "Interrelations between public policies, migration and development of partner countries: case studies and policy recommendations", was launched at the beginning of 2013. The overall objective is to enhance developing countries' capacity to incorporate the migration dimension into the design and implementation of their development strategies and other public policies through a better understanding of the implications of public policies on migration issues. The project focuses specifically on developing countries of both origin and destination. More specifically, the project aims at proving relevant stakeholders with:

- Evidence-based analysis on the impact of public policies on migration patterns and migrants' situation and, reciprocally, on the impact of migration on other policy domains and ultimately on the socio-economic development of Partner countries;
- Policy recommendations on how to incorporate the migration dimension into partner countries' development strategies and other sectoral policy areas, and how to ensure policy coherence between migration policies and other policy areas;
- Guidance for policy dialogue.

106. The project will be carried out in ten low and middle-income countries (three in Asia; two in Sub-Saharan Africa; two in the Middle-East and North Africa; three in Latin America), with the full ownership of relevant authorities. The activities of the project will have five main phases: (i) inception (4 months); (ii) conceptual and methodological frameworks (8 months); (iii) field work (9 months); (iv) comparative analysis and policy recommendations (9 months); and (v) guidance for action (6 months). A final report will highlight what kinds of policies are more successful in maximising the benefits of migration in terms of development. It will also emphasise how non-migration policies need to take into account migration issues as a key variable to foster development. Policy recommendations should be useful not only for all participating countries, but also for other countries with similar characteristics.

Proposal 12: Facilitating long-term institutional investment into infrastructure projects in developing countries

Key Policy Messages

- Institutional investors such as pension funds, insurance companies, and sovereign wealth funds, are an important, largely untapped, source of long term financing for developing countries that are seeking investors to fund critical infrastructure needs.
- Through data collection and monitoring, analytical research and policy recommendations the long-term institutional investment project looks for ways to remove potential regulatory and other obstacles to long-term financing by institutional investors.
- The project will benefit countries that rely predominantly on non-concessional financing sources, and will be piloted with Indonesia and South Africa initially, followed by other countries such as Brazil, Colombia, India and African countries.

107. This project proposal aims to facilitate long-term investment (LTI) in developing countries by institutional investors, such as pension funds, insurance companies, and sovereign wealth funds, addressing both potential regulatory obstacles and market failures. Drawing from international experience, the

proposal focuses on **how to engage the private sector** (both domestic and foreign) in financing infrastructure; making the asset class financially attractive to institutional investors; and complementing the role of the public sector, banks and development agencies. OECD work has highlighted a funding gap but also underexploited opportunities to draw financial resources from institutional investors, especially pension funds (Box 9).

108. The main deliverables of this project will be data collection and monitoring, analytical research and policy recommendations aimed at facilitating infrastructure investment by institutional investors in developing countries. The results will be widely disseminated through high-level and technical events that involve policy makers and investors from developing countries as well as OECD Member and other Partner countries. The project will build on initial research undertaken for a wider project managed jointly by the OECD's Insurance and Private Pensions Committee and the Committee and Financial Markets and to be led by the newly created Taskforce on Institutional Investors and Long-Term Financing.

109. The LTI project has gained momentum from parallel G20 initiatives. The G20 has recognised that scope for some sources of long-term financing, including local currency bond markets, domestic capital markets, and institutional investors to play a larger role for investment in infrastructure, in particular in emerging and developing countries. The OECD will provide analysis of different government and market-based instruments and incentives used for stimulating the financing of long-term investment, as well as a survey report on pension funds' long-term investments. The OECD will also report on the "High Level Principles of Long-Term Investment Financing by Institutional Investors" at the Leaders` Summit in St Petersburg. Results from G20 work will support the Development Strategy LTI project.

110. A background report on *Infrastructure Investment by Pension Funds in Developing Countries* was published in October 2012, and other reports have been prepared on matters relating to infrastructure investment data and classification, solvency regulation and other policies to facilitate infrastructure investment.[12]

12 They include for instance the following: Large Pension Funds Survey 2011 (September 2012), Trends in Large Pension Funds Investment in Infrastructure (November 2012), The Effect of Solvency Regulation and Accounting Standards on Long-Term Investing (December 2012), Infrastructure Investment in New Markets (October 2012), Definition of Green Investment (August 2012), The Role of Institutional Investors in Financing Clean Energy (August 2012), Pension Fund Investment in Infrastructure in Canada and Australia (December 2012/January 2013), Investment Models for Financing Infrastructure (January/February 2013), Investment in Real Estate: Lessons for Other Real Asset Classes (January/February 2013), Insurers as Long-Term Investors: Approach to Infrastructure Investment (January/February 2013).

Box 10. Institutional investors as a potential source of infrastructure investment in developing countries

Recent OECD estimates put global infrastructure requirements at around USD 40 trillion to 2030, or an investment flow of roughly USD 2 trillion per year. Today, only roughly USD 1 trillion is estimated to be invested annually in infrastructure through domestic and foreign investments, public and private channels (WEF, 2012); this leaves an annual investment gap of USD 1 trillion that needs to be addressed. The gap is not surprising considering the **existing funding gap** induced by the deleveraging process that has been underway since the financial crisis: traditional sources of capital, both public and private, have been indeed drying up as a result. According to many, the traditional model for infrastructure financing, the project finance model based on long-term, low-cost loans secured by the income stream of the underlying assets, is actually broken.

Although there is a funding gap, there is no shortage of capital to finance infrastructure. Alternative infrastructure financing solutions exist even in developing countries. One method is through institutional investors. The main institutional investors in the OECD are pension funds, insurance companies and mutual funds. Pension funds alone, according to OECD statistics, they held over USD 20 trillion in assets in 2011. Sovereign Wealth Funds are also a driving force as they manage approximately USD 5 trillion in assets and are currently among the most important source of institutional capital in emerging countries. Yet, institutional investors are investing in infrastructure only marginally. A recent OECD report (Trends in large pension fund investment in infrastructure, 2012)[1] shows that less than 1% of OECD pension fund assets are allocated directly to infrastructure projects – a minor share of these investments is flowing to developing countries. There are indeed many obstacles to increasing such allocations, e.g. the illiquid nature of infrastructure assets, the lack of adequate financing vehicles, or the existence of regulatory impediments that warrant further examination and call for adequate solutions.

1. Della Croce, R. (2012), "Trends in Large Pension Fund, Investment in Infrastructure", OECD Working Papers on Finance, Insurance and Private Pensions, No. 29, OECD Publishing. http://dx.doi.org/10.1787/5k8xd1p1p7r3-en

111. The LTI project focuses on countries that rely **predominantly on non-concessional financing sources**. The initial focus of the project is on Indonesia and South Africa, followed by other countries such as Brazil, Colombia, and India, which have expressed interest in the project. In Africa, several countries (Kenya, Nigeria and Ghana) are also being considered. The project could expand to other countries, especially if country-focused projects and events draw interest from neighbouring countries.

112. On February 7-8, 2013 in Paris, the OECD, Asian Development Bank (ADB), and the International Chamber of Commerce (ICC) organised a technical workshop on enhancing the sustainability of infrastructure projects in developing and emerging economies. The workshop brought together some 40 experts from MDBs, DFIs, OECD, ICC, long-term investors and private sector representatives.

113. The OECD will organise a high-level seminar on long-term investment financing in Paris on 28 May, with the participation of senior policymakers and institutional investors from around the world, including developing countries. In August 2013, the OECD will organise with the Indonesian Ministry of Finance a seminar on infrastructure financing, under the aegis of Indonesian APEC presidency and potentially with the help of the Asian Development Bank.

114. Collaboration is also being explored with the African Development Bank (AfDB) and the Inter-American Development Bank (IADB). The World Bank and the IFC are active players on infrastructure financing in developing countries and their participation in the project is actively sought. Close collaboration is envisaged with private investors who will participate in the meetings and consultations, which will build on the existing network of institutional investors for the long-term investment project.

Proposal 13: Sound budgeting for fiscal transparency

Key Policy Messages

- Public governance is a vital component of development across its different dimensions. Sound public governance does not only contribute to fostering growth by lowering transaction costs, but also to reducing inequalities by levelling the playing field in the economy and society. Moreover, good governance can help reduce the trade-offs between growth, equity and environmental sustainability by allowing the public sector to prevent, mitigate and compensate the costs of economic growth and to invest in human and social capital that are essential to sustain development in the long run.
- Effective public governance can increase trust in institutions that is essential to the effectiveness of public policies and to guide decisions by businesses and households. In developing countries, limited resources, low institutional capacity, informality in the public sector and dominance of the powerful on policy decisions erode trust in institutions, driving people to the informal economy and fostering an environment of risk aversion. Yet, implementing effective development policies require active support and mobilisation of citizens, which depends on their confidence in the process and government institutions. Trust and confidence are vital for legitimising effective action by governments, improving business and investment climate and supporting economic stakeholders in making decisions. They can also mobilise support for policies, lower transaction costs of law enforcement, and reduce informality.
- Breaking away from the vicious circle of mistrust, low institutional capacity and informality in which some developing countries are trapped requires a consistent agenda, building consensus across society and learning from good practice elsewhere. Leaders and policymakers that are willing to face the challenge of improving governance and building trust should not feel alone in this effort.

115. Budgets are essential for public governance. Budgets provide the institutional basis to mobilise public resources in the pursuit of policy objectives, they are one of the main subjects that legislatures discuss, they are the main instrument of fiscal policy and they provide the template for governments to be accountable to citizens. The soundness of budget institutions determines to a great extent the **soundness of governance**. This is especially so in developing countries, as the gap between public resources and potential demands on government action is far larger than in OECD countries. On the revenue side, developing countries can only count at most half the resources than OECD countries as a proportion of GDP. On the expenditure side, poverty alleviation and social development needs are far greater than in OECD countries.

116. This project aims to promote knowledge sharing and policy dialogue with senior budget officials from developing countries in an area that is key for the effective and transparent management of governments. The project aims at collecting up-to-date data on **budgeting practices and procedures in OECD and Partner countries,** comparing results with good practices on fiscal transparency and responsibility in OECD countries, and identifying best practices and innovations in the field of budgeting (e.g. participatory budgeting, etc.). This would provide valuable inputs to regional networks of senior budget officials that could eventually lead to a set of indicators on Public Financial Management and/or the design of regional standards that could be owned by countries. To this end, a survey to collect data and information on the overall state of budgeting practices and procedures has been developed and is being sent to participating countries and regional budget officers' networks. The databases will not only inform reforms and practices at the country level, but will also provide an input into studies on the connection between budget institutions, fiscal outcomes and development.

117. Throughout 2012, the Budget Practices and Procedures survey was presented at the meetings of the five regional SBO networks (LAC, Africa, MENA, Asia, and Eastern Europe and Central Asia). GOV has just signed an agreement with the Inter-American Development Bank to build the budgeting survey of Latin America and the Caribbean and is in consultation with CABRI for Africa and with PEMPAL for

Eastern Europe and Central Asia. The results of the survey of Latin America and the Caribbean will be published in 2013-14, with the results from Eastern Europe and Central Asia and Africa following shortly thereafter. Arrangements for running the survey in Asia and MENA are also underway. The results of the survey will be analysed and discussed in each of the regional OECD Senior Budget Officials networks.

Additional Proposal: Inclusive innovation

118. Rising income inequalities within countries across OECD and non-OECD countries illustrate that the benefits of growth do not automatically trickle down to generate more equal societies. Innovation is central for development both to address social challenges and to improve economic performance and create jobs. However, the impacts of innovation and growth are not always inclusive from various perspectives: first, they are not necessarily "socially" inclusive as they can increase inequalities in income and opportunities of different groups in society. A majority of the world poor now live in middle income countries where the inequalities in income and opportunities across individuals are strikingly skewed. The realities in many emerging and developing countries are such that a small group have access to wider resources and opportunities while others lack even access to the most basic. The objective to achieve inclusive development is also at the top of many governments' agendas because high levels of inequalities can negatively affect growth. Second, innovation dynamics and policies have impacts on "industrial inclusiveness" i.e. the extent to which an economy's firms differ in their innovation and productivity performance. Many emerging and developing economies have economic structures characterised by "islands of excellence" – very innovative world-leading businesses – co-exist with a group of weakly performing firms and a substantial informal economy. Industrial inclusiveness has potentially important impacts on social inclusiveness. Third, "territorial inclusiveness" i.e. the geographic dimensions of industrial and social inequalities are an important facet of those inequalities.

119. Addressing the needs of policymakers in both emerging and developing countries, the aims of the *Knowledge and Innovation for Inclusive Development* Project are to:

- Provide evidence on the impacts of innovation and related policies on inclusive development focusing on industrial, social and territorial inequalities; and

- Develop concrete policy solutions to support countries in reconciling their innovation and inclusive development agendas, including options for scaling up inclusive innovations in education.

120. General lessons for other emerging and developing, but also OECD countries, were discussed at a *High-level Conference on Innovation for Inclusive Development* organised jointly by the South African Department of Science and Technology and OECD, held in South Africa on 21 November 2012. The conference also offered policy makers with insights on practices and perspectives from developing, emerging and developed economies. It provided particular emphasis on the **South African policy experience**. The conference was a first step towards creating a network of interested stakeholders for exchanging experience and jointly engaging in research on the role of innovation for inclusive development. It brought together stakeholders from South Africa; developing and developed countries including also India and Brazil; as well as representatives from international organisations, NGOs, foundations and the private sector. Discussions focused on various policy challenges and resulted in the provision of feedback orienting future work on the innovation and inclusive development to best serve urgent policy needs.

121. The initial 2012 project will serve as a pilot project for a wider set of activities that combine competencies across directorates towards addressing inclusive development. The emphasis placed on the active role of G20 members (China, India, Indonesia, South Africa) will help foster mutual learning

processes of OECD countries and other G20 members. Some 2012 deliverables of the pilot phase include, in addition to the above-mentioned South Africa Conference, the publication of a chapter on "*Innovation for Development*" as part of the OECD Science, Technology and Industry Outlook 2012; a brochure on innovation for development work conducted at STI for wider dissemination of relevant projects; a brochure on innovation and inclusive development; presentations of work projects at international conferences in Indonesia and Korea. The project now aims to establish a framework to analyse innovation policies from the perspective of industrial, social and territorial inclusiveness. This will allow developing specific policy recommendations for countries to better reconcile innovation and inclusive development agendas. In order to reach this objective the project will have four strands of work, each mobilising areas of OECD competence in innovation, education, and regional development, and development co-operation.

4. CROSS-CUTTING THEMES

122. Work on the cross-cutting themes of the Strategy do not reflect single projects, but a series of related although **distinguishable efforts**. The cross-directorate meetings convened by the Deputy Secretary-General in charge of development, as well as nomination of Development Strategy Focal Points within Directorates are contributing to bring the different directorates together and ensure more closely coordinating and/or linking efforts. Further details on the objectives, timelines and deliverables are provided in the Annex.

Inclusive Green Growth

123. The OECD has developed expertise on inclusive green growth and development and is currently working in partnership with the African Development Bank and several LICs to support the design and implementation of national green growth strategies. This work from the OECD, along with that from other international organisations, has supported an initiative of the G20 Development Working Group on inclusive green growth.

124. Directorates across the OECD produce reports and indicators, publications, good practice guidance, frameworks, and presentations on this topic, to support countries in regions all over the world and in cooperation with governments, regional and international development banks, development agencies and partners. This work includes: a report entitled Putting Green Growth at the Heart of Development; work "Toward Green Growth in Emerging and Developing Asia"; Green Growth Indicators in Latin America; regional support to EECCA's transition economies for greening growth and reforming water policies; case studies on Green Investment Policy; collaboration on promoting long-term investment in support of green growth; integrating green growth into OECD Investment Policy Reviews (IPRs); Green Growth in Fast-Growing Asian Cities; Domestic Incentive Measures for Green Goods with Possible Trade Implications; and Policy Instruments to Support Green Growth in Agriculture.

Box 11 "Toward green growth in emerging and developing Asia"

This 2-year project started in November. The project is divided into 3 scopes:

1) A policy brief, "What can we learn from attempts of implementing green growth policies?" drawing on OECD ongoing work on green growth. This work will be published in the coming weeks.
2) A report, "Toward green growth in emerging and developing Asia".
3) A database of green-growth indicators for emerging and developing Asia countries.

Tentative policy conclusions include the following:

- Well-designed green-growth policies could help ASEAN economies make their society more inclusive. Indeed, although poverty has declined in most countries in the region, inequality remains high. Replacing harmful energy subsidies by cash transfers targeted to the poorer households, or improving access to basic water and sanitation services would be an efficient way to combat poverty and contribute to reduce social inequalities.
- The long-term benefits of green growth (e.g. in terms of lowering local pollution and more generally improving the quality of life) far outweigh the potential short-term fiscal costs. Flexible labour markets, forward-looking skills policies and a favourable business climate will lower transition costs.

Gender Equality and Women's Empowerment

125. Progress on implementing the **OECD's sixteen gender activities with a focus on development** is proceeding as planned. Almost all involve multiple directorates and bodies, and other international organisations. These include:

1) Publication of Closing the Gender gap - Act Now. This report provides evidence and analysis on barriers to gender equality in Education, Employment and Entrepreneurship and actionable policy messages for OECD and Key Partner countries;
2) Submission of Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship;
3) Launch of Gender Data Portal in December 2012 and update in March 2013 with addition of indicators focusing on areas where gender statistics are lacking;
4) The OECD Gender Forum (December 2012) brought together leading policymakers and representatives from business and civil society to discuss what steps governments and the private sector can take to achieve greater gender equality in economic opportunities;
5) Project on new indicators of gender equality in the three areas of entrepreneurship, time use and violence against women (2013 and 2014);
6) Participation in the Evidence and Data for Gender Equality (EDGE) Initiative that will develop new gender data on entrepreneurship and asset ownership. The main partners of EDGE are UN-Women, UNSD, UN Regional Commissions, the World Bank, the OECD, Mexico and Philippines;
7) New gender indicators on institutional and policy frameworks for gender equality in the MENA region;
8) Women in Government Report, which would illustrate enabling factors and barriers to women's access to public life;
9) Empowerment of Women through Financial Education and Awareness, which aims to develop evidence and international policy guidance, and will feed into the G20 financial education and inclusion agenda;
10) OECD-MENA Women's Business Forum (WBF), which seeks to enhance support for women business development and women' economic empowerment in MENA region, published *Women in Business: Policies Supporting Women's Entrepreneurship Development in the MENA Region*;
11) The MENA-OECD Investment Programme is engaged in "Women as economic actors" in Algeria, Egypt, Libya, Jordan, Morocco and Tunisia, to raise awareness among decision makers as well as the international community of women's potential as economic actors and means to overcome barriers to women's economic activities;
12) Social Institutions and Gender Index which measures discrimination against women in developing countries;
13) Wikigender, a global platform for dialogue on gender equality and development;
14) Gender Focus Group of the MENA-OECD Governance Programme including the report on *Gender, Law and Public Policy: Trends in the Middle East and North Africa*;
15) Collaboration with South Africa and Brazil on gender equality and mainstreaming questions; and

16) Gender equality and women's rights in development co-operation (the DAC Network on Gender Equality, GENDERNET).

126. The most important achievements so far have been the following:

- The OECD Gender Data Portal was launched during the high-level OECD Gender Forum in December 2012. The Portal will feature the results of the Global Gender Statistics Programme, collaboration between the UN, the OECD and the World Bank helping countries gender mainstream the full process of statistical production and dissemination.
- The report ***Closing the Gender Gap: Act Now*** published in December 2012 examined the existing barriers to gender equality in education, entrepreneurship and employment. It was developed as an integral part of the wider policy imperative for new sources of economic growth (Box 10).
- **GENDERNET** has successfully influenced global processes, including agreement to a global monitoring indicator on gender equality to measure the implementation of Busan Partnership for Effective Development Co-operation commitments, and for prioritising gender equality in the allocation of remaining IDA 16 funds.[13]
- OECD report on Gender, Law and Public Policy: Trends in the Middle East and North Africa" will be published in 2013.
- OECD report on "Gender differences in financial literacy and financial education programmes addressing women and girls' needs" will be published in 2013.
- The Wikigender platform on gender equality has launched a partnership with the School of Economics and Public Policy at Srinakharinwirot University, Bangkok (Thailand) to build capacity amongst young researchers on gender and development and bring them into a global network of gender and development researchers.

Box 12. Key messages from *Closing the Gender Gap: Act Now* for developing countries

Investing in the human capital of women is key to economic growth and social cohesion, especially in developing countries where the gender gap in education is still wide. Women's economic empowerment and access to public life are prerequisites for sustainable development, pro-poor growth, and the achievement of the Millennium Development Goals (MDGs). Investment in gender equality yields the highest returns of all development investments.

With many countries mandating schooling from around the age of six onwards, primary school enrolment is near-universal in most regions of the world. Exceptions are chiefly countries in Sub-Saharan Africa. In most developing countries, however, girls are still less likely than boys to enrol in secondary education. The average patterns of women's labour force participation in developing countries are mixed, ranging from a low of 21% in the Middle East and North Africa region in year 2010, to a high of 71%in the East Asia & Pacific region. The gender gaps in labour force participation are also highest in the Middle East & North Africa and South Asia regions, where men's participation rates exceed women's by over 50 percentage points. In many countries a considerable share of women work in the informal sector; women in informal employment are more likely than men to be in the most vulnerable groups of informal workers. Women also represent an important share of small and micro-businesses owners, especially in the informal sector.

13 The International Development Association (IDA) is the part of the World Bank that helps the world's poorest countries. IDA is funded largely by contributions from the governments of its richer member countries. The sixteenth replenishment (IDA16), was finalised in December 2010, and raised USD 49.3 billion to finance projects over the three-year period ending June 30, 2014. IDA influenced the World Bank to prioritise gender equality investment with these funds.

Across the world, persisting gender gaps in education, employment and entrepreneurship are related to discriminatory social institutions, defined as laws, social norms and practices, which restrict the economic and social roles of girls and women. Moreover, the capacity of the public sector to embed gender equality principles in all government policy-making and service delivery is critical to address gender gaps in a sustainable manner.

The OECD report "Closing the Gender Gap: Act Now" helps governments promote gender equality in education, employment and entrepreneurship. It looks at the state of play from a gender perspective across all three issues. It examines how and why inequalities have developed, and which obstacles must be overcome to move towards greater equality. The report provides concrete policy recommendations to governments on measures that can create a more level playing field, including:

- Education - reducing the direct and indirect costs of schooling (e.g. abolishing school fees and providing free stationery, uniforms, and meals); reducing drop-out rates and encouraging returns to education through gender-sensitive awareness campaigns; improving the quality of schools; hiring more female teachers; adapting curricula to the needs of the labour market;
- Employment - specific interventions targeting home-based and domestic workers (among which women in informal employment tend to be over-represented) in order to guarantee their rights and working conditions; introducing better gender-disaggregated statistics particularly in those employment categories that are usually unaccounted for, such as domestic and home-based workers; encouraging greater participation and representation of women in politics and public life, including in government, parliaments, local authorities, and the judiciary system;
- Entrepreneurship - reducing the administrative burdens of entrepreneurship registration, which tend to weigh particularly heavily on women entrepreneurs who must contend with time and resource constraints; enforcing equal rights to property to foster gender equality in access to credit; supporting the provision of loans to women entrepreneurs by strengthening their training in planning, management, and financial literacy.

Domestic Resource Mobilisation

Key Policy Messages

- Domestic revenue provides a sustainable basis for development and reduces aid dependency; and a stable, credible and fair tax system provides a key platform for trade and investment while promoting statebuilding by encouraging governments to be more accountable to their citizens.
- The OECD recognises that creating an enhanced enabling environment to assist developing countries collect taxes effectively and fairly requires the expertise of various policy communities. The Task Force on Tax and Development brings together Member countries, developing countries, international and regional organisations, civil society, and business to advise the OECD's tax and development committees. Internally, the Tax and Development Programme, a horizontal initiative bridges the development and tax directorates, and works closely with the Development Centre, the investment directorate and others.
- This approach is working. By building capacity, creating tools, sharing knowledge and experience, and providing policy advice common solutions to global challenges are being identified and implemented.

127. Domestic resource mobilisation —taxes and domestic savings— remains the primary source of sustainable MDG financing. Developing countries have made some progress in improving tax collection in the past decade, yet half of sub Saharan African countries mobilise less than 17% of their GDP in tax revenues, below the minimum level considered by the UN as necessary to achieve the MDGs[14]. Several Asian and Latin American countries exhibited even lower collection rates, in all tax categories. Moreover, in Africa, the increase has been primarily driven by resource-related tax revenues in oil-producing

14 What Will It Take To Achieve the Millennium Development Goals? An International Assessment, UNDP, June 2010, page 26.

countries. Crisis-induced domestic revenue reductions threaten USD 12 billion of core public spending in the poorest countries[15].

128. The shift away from tariffs and customs duties in favour of value added taxes (VAT) is a difficult transition for developing countries to manage. Moving towards simpler, more equitable and more transparent tax systems and broadening the tax base are not easy to achieve, but would reap benefits over time. Many developing countries exhibit high levels of informality, hence their narrow tax bases. Perceptions of corruption and weak capacity mean that progress will be incremental. The external environment poses new challenges too. Striking the right balance between an attractive tax regime for local and foreign investment, by using tax incentives for example, and securing the necessary revenues for public spending, is a key policy dilemma. Competition between developing countries for investors can trigger a race to the bottom, further undermining the revenue base. Globalisation may also exacerbate these fiscal problems, as internationally mobile capital becomes more difficult to tax. The taxation of natural resource extraction is a further challenge for some, with risks of territorial inequalities in the absence of compensating mechanisms; most face challenges in designing and implementing effective transfer pricing, to ensure taxable profits are not shifted offshore and in improving information exchange regimes and more generally in improving transparency.

129. The OECD's Committee on Fiscal Affairs (CFA) sets many of the norms, standards and instruments on international tax matters, including the *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations*. In addition OECD and non-OECD economies are working together to improve transparency and establishing effective exchange of information through the Global Forum on Transparency and Exchange of Information for Tax Purposes. The 43 Commissioners comprising the OECD's Forum on Tax Administration set the informal peer standard for an increasing number of developing country members in a range of administrative matters. These and other tax matters have been the basis for an OECD outreach programme of over 70 technical policy dialogue events delivered for developing countries each year for over a decade.

130. The OECD has taken on a leading and decisive role in fostering international co-operation with developing countries in the realm of taxation in response to these challenges. It set up the *Task Force on Tax and Development* that brings together representatives from OECD countries, developing countries, international and regional organisations, civil society, and business. Building on the work carried out by the Task Force, the OECD co-ordinated the Domestic Resource Mobilisation pillar of the G20 Seoul Multi-Year Action Plan on Development. The OECD was particularly influential in the establishment of the African Tax Administration Forum (ATAF). ATAF and its Latin American counterpart, the Inter American Center of Tax Administrations CIAT, are key partners for the OECD's Tax and Development Programme. The OECD also provides assistance to developing countries through its Global Forum on Transparency and Exchange of Information for Tax Purposes.

131. The OECD is also supporting domestic resource mobilisation by providing essential statistical tools to inform tax policy design. The OECD is now preparing the third annual Revenue Statistics for Latin America, and has launched work leading into a Revenue Statistics publication for Asia and for Africa.

15 OECD Ensuring Fragile States Are Not Left Behind. Development Co-operation Report 2010, pp. 75-85, OECD, Paris.

132. For 2012-13, outputs of the Tax and Development Programme include:

- capacity development on taxing Multinational Enterprises (transfer pricing) through policy dialogue in Colombia, Ghana, Kenya, Rwanda and Vietnam in partnership with the World Bank, the European Commission and several donors on the ground;
- tax and investment reviews to help developing countries improve the effectiveness of their tax incentives for investment based on the *Draft Principles to Enhance the Transparency and Governance of Tax Incentives for Investment in Developing Countries*; first round with Ghana, Tunisia and Senegal, with several others in the works;
- a feasibility study on the proposal to establish 'Tax Inspectors Without Borders', a new initiative to make tax experts available to developing countries to help with international tax audit cases;
- Principles for International Engagement in Supporting Developing Countries in Revenue Matters that set out practical steps donor countries can take to support tax systems; informed by a major study, Tax and Development: Aid Modalities for Strengthening Tax Systems;
- a Practical Guide on Exchange of Information for Developing Countries published as a collaborative venture with ATAF;
- key publications, such as reports on the public disclosure of company accounts, tax morale and taxpayer education;
- work with ATAF and others to support the post-Busan Global Partnership for Effective Development Co-operation's thematic priority on domestic resource mobilisation.

133. The initial results are encouraging. In one country, for instance, the impact of applying the Tax and Development Programme's tools has resulted in increased tax collections of 75% over what previously been collected as a result of audits of multinational enterprises.

134. Discussion of domestic resource mobilisation needs to be placed within the broader context of sustainable, efficient, effective and transparent management of public finances. As countries move from heavy dependence on ODA to self reliance, they need to be able to assess and make better use of the fiscal space they have. Moreover, the development financing which complements domestic resources is increasingly channelled through national budgets (direct budget support).

135. As noted earlier in the section on Proposal 13, the OECD has collected a wealth of good practices from Member and non-Member countries that can be shared more broadly, including tools to assist governments seeking to generate fiscal space and better allocate limited public resources (e.g. efficiency dividends, sunset clauses, evaluations and reviews, rationalisation of tax expenditures, portfolio reviews of public privation partnerships, overlapping zero-based budgeting exercises, cost containment programmes, and fiscal sustainability of new legislation…). In particular, use of performance information and exercises such as spending reviews are critical tools for developing countries seeking to better link spending with measurable results – meeting the MDGs and poverty reduction – and to identify options for efficiency gains. This work is pursued under the Working Party of Senior Budget Officials' Network on Performance and Results. The Network develops tools and exchanges lessons on how results information can be used to (re-) allocate of resources from lower to higher priority areas, and to secure value-for-money in government operations. The Network serves as a platform for policy dialogue which in turn drives innovative research and analysis. In 2012-13 the network surveyed Member countries and the Russian Federation on the use of performance budgeting. The rich dataset from this survey forms the basis of two new publications which will be shared with our regional senior budget officials networks: (1) *Budgeting Levers, Strategic Agility and the Use of Performance Budgeting* (2012) and (2) a paper forthcoming in 2013 that examines the lessons learnt on how and when spending reviews deliver budgetary impact.

Education for Development

Key Policy Messages

- While the education-related MDGs focused primarily on access to primary education, a consensus is emerging that we also need to improve the quality of education, to achieve better learning outcomes. PISA provides a comprehensive and rigorous international assessment of learning outcomes and, as such, is well suited as a metric to measure learning performance in a post-2015 framework.
- PISA has taught us that there need not be a trade-off between equitable access to education and better learning outcomes. Many strong performers and successful reformers have shown that equity and quality can be combined.
- To be competitive in the modern global economy, countries need their students to leave school with a new set of skills. Being successful is no longer merely a question of reproducing subject matter. Students need to reason creatively and apply their knowledge in novel situations. By shedding light on the acquisition of these 21st Century skills, PISA can help policymakers prioritise actions to strengthen their countries' human capital.

136. **Progress in education**, training, and human resource development is essential for achieving sustained economic growth and poverty reduction, and for responding to the changes in technology and demographics that are re-shaping labour markets. Education systems need to provide high quality and equitable learning opportunities – starting in early childhood and continuing throughout life. Specific targets on education are set out in the MDGs: universal primary education and the elimination of gender disparity at all levels of education. Access to basic education has improved tremendously in developing countries in recent years but these gains have not always translated into improved learning outcomes.

137. People with sound baseline qualifications who then enter into targeted training programs systems are able to achieve **higher skill levels and possibly increased social mobility**. Labour-market outcomes are particularly strong for graduates skilled in areas demanded by employers. In many countries, there is a significant mismatch between the skills in the labour market and the demands of potential employers. For example, in Egypt 1.5 million youth are unemployed while 600 000 jobs need to be filled. In South Africa, the situation is even more extreme: there are 800 000 jobs unfilled with 3 million young people neither employed nor in training. In Africa, an estimated 40 million young people are currently unemployed or under employed. Like Europe, Africa needs more growth with better jobs. Within the next 10 years, 130 million young Africans will be leaving the education system.

138. To be effective, education policies need to be measured, tracked and evaluated. The **OECD's Program for International Student Assessment, or PISA**, provides a comprehensive and rigorous international assessment of learning outcomes. Over 70 countries and economies have benefitted from participating in OECD's Programme for International Student Assessment (PISA), including many countries of the developing world. PISA has given them the opportunity to benchmark progress, learn from best practice and sharpen the focus of their policies on key learning outcomes.

139. Brazil presents an excellent example of the progress that can be made in improving schooling outcomes. When Brazil first participated in PISA in 2000, it performed lower than any other country in the assessment. Ten years later, by using both national and international benchmarking to focus efforts and establish tools to improve their education system, the average PISA scores for 15-year-old students in Brazil have improved in each of reading (13 score points), mathematics (30 score points) and science (15 score points).

140. The OECD plans to extend these benefits to a greater number of developing countries including both middle-income (MIC) and least-developed (LDC) countries. A new project will explore how PISA survey instruments can be enhanced to be more relevant for the contexts found in developing countries,

while producing scores that are on the same scale as the main PISA assessment. In a post-MDG context, broadening participation in PISA will also provide an important opportunity for the international community to measure progress in improving learning outcomes.

141. The project's objectives will be achieved over a 36 month period through a partnership involving 5-7 Partner countries from the developing world, the OECD as well as bilateral and multilateral development agencies.

Box 13. Lessons from PISA for a post-2015 development landscape

The education-related MDGs focused mainly on access to primary education. In the lead-up to 2015, a consensus appears to be emerging that, while improving access, we also need to improve the quality of education, i.e. to achieve better learning outcomes.

PISA has taught us that there need not be a trade-off between equitable access to education and better learning outcomes. Many strong performers and successful reformers have shown that equity and quality can be combined.

As a comprehensive and rigorous international assessment of learning outcomes, PISA is well suited as a metric to measure learning performance in a post-2015 framework.

Analysing their PISA results can also help policymakers prioritise actions to strengthen human capital and modernise skill sets. To be competitive in the modern global economy, countries need their students to leave school with a new set of skills. Being successful is no longer merely a question of reproducing subject matter. Students need to reason creatively and apply their knowledge in novel situations.

5. RESOURCE ALLOCATION

142. The momentum achieved in the process of elaborating and endorsing the Strategy in 2012 helped to launch a number of early harvest activities on development already in 2012 drawing on existing resources and, in some cases, also new VCs. However, the main thrust of work was to raise the profile of development as part of each Committee's Programme of Work and Budget (PWB) for 2013-14. Managers were therefore asked in the Secretary-General's guidance to Directorates to assess the relevance of their proposed outputs to a number of cross-cutting topics, including development, using a system of "markers". This system provides a key measurement tool to assess how the PWB aligns with, and reflects the Organisation's new top-down priorities.

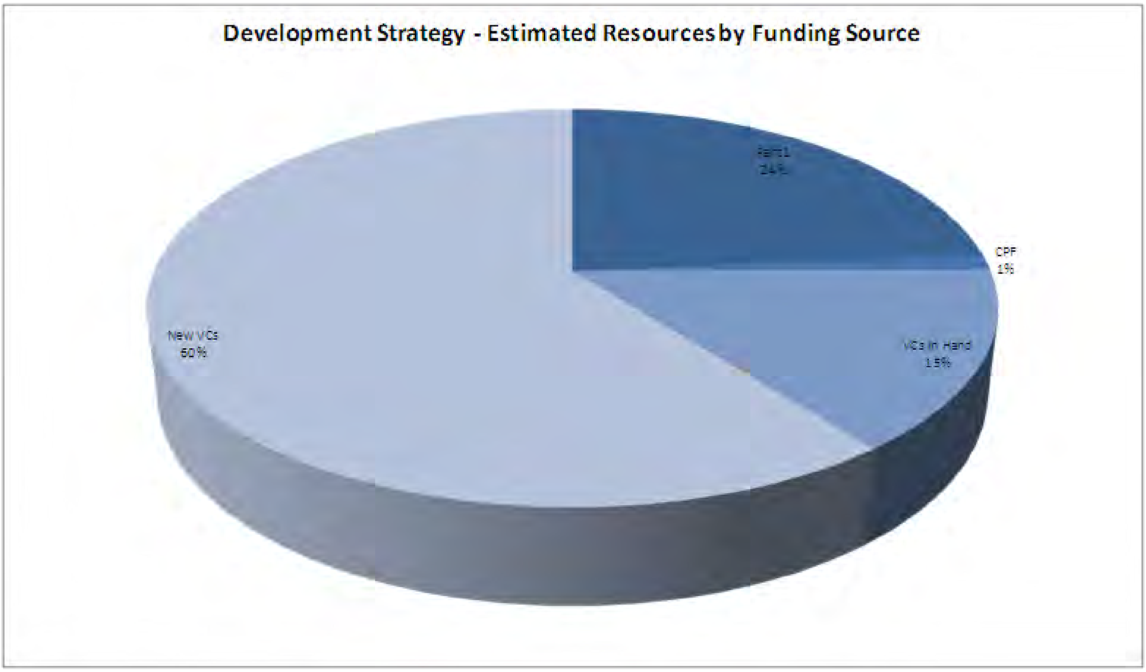
143. For the 2013-14 biennium, the list of markers includes "Development" and "The Development Strategy". A development marker existed in the previous biennium, but to assess the extent to which Directorates and Committees were reorienting their work towards the principles and approaches outlined in the Strategy, a distinction was made between the two markers. For the purposes of this exercise:

- The **marker on "Development" (MD)** was defined as: "OECD work on social and economic policies, including those associated with knowledge sharing, policy coherence for development, assistance, cooperation and aid effectiveness that benefit those countries defined as eligible recipients of official development assistance and forums addressing regional and global development challenges."

- A **sub-set of the MD,** the **marker on "The Development Strategy" (MDS),** new for the biennium, was defined as: "New elements, approaches, or mainstreaming efforts now supported or encouraged by the Development Strategy, including efforts towards greater mutual learning, more inclusive partnerships with non-Members and other international organisations and stakeholders, better knowledge sharing and policy coherence, and additional contributions to addressing global challenges and opportunities."

144. Table 2 indicates the estimated resources for the **two development markers** (**MD and MDS)** relative to other markers for horizontal themes for the 2013-14 biennium. The best estimate for the 2013-14 resources attributed to the two development markers amounts to MEUR 149, including MEUR 93.7 for the sub-set marker on the development strategy (MDS) (Table 3). The estimated resources related to the sub-set marker on the development strategy (MDS) will be three quarter funded by VCs (including 15% of VCs in hand) (Figure 2).

Figure 1. Development Strategy 2013-14 - Breakdown of Estimated Resources by Funding Source



Note: VCs in hand are the value of voluntary contributions previously accepted and intended to be committed to fund specific Output Results in the biennium. New VCs are the estimate of voluntary contributions not yet accepted that form part of the Total Estimated Costs of an Output Result.

Table 2. Total estimated resources of the two development markers compared to other horizontal themes 2013-2014

Horizontal Themes	2013-2014 Totals (KEUR)				
	Part I	CPF	VCs in Hand	New VCs	Total
Climate Change	8 852	200	593	6 380	16 025
Demographics	4 298	-	990	2 735	8 023
Development	32 065	1 018	33 052	83 317	149 451
Development Strategy	21 858	-	13 705	57 169	94542
Gender	4 177	274	1 702	5 613	11 767
Green growth	21 285	649	4 601	17 523	44 058
Health	6 820	-	543	4 697	12 059
Innovation/New Sources of Growth	14 156	1 030	5 622	6 189	26 996
Knowledge Based Assets	5 347	970	2 622	1 393	10 333
Measuring the Progress of Societies	10 307	314	649	3 849	15 118
New Approaches to Economic Challenges	22 632	649	7 321	10 600	41 202
Sustaiinable Development	23 884	593	8 080	26 385	58 842
Trade in Value Added	5 936	130	3 520	2 164	11 750
Unemployment/Skills/Jobs Growth	19 916	200	11 888	14 799	46 803
Water	2 649	230	1 233	2 624	6 736
G20 & International Governance Arrangements	3 520	2 164	17 687	130	23 501

Note: VCs in hand are the value of voluntary contributions previously accepted and intended to be committed to fund specific Output Results in the biennium. New VCs are the estimate of voluntary contributions not yet accepted that form part of the Total Estimated Costs of an Output Result.

Table 3. Total Estimated Part I Budget Resources 2013-14 for the marker on the development strategy

Development Strategy	2013-2014 Totals (KEUR)				
	Part I	CPF	VCs in Hand	New VCs	Total
1.2 Industrial and Sectoral Policies	225	-	-	119	344
1.3 Science and Technology Policies	220	560	520	30	1 330
2.1 Human and Social Capital	66	-	-	62	127
2.2 Employment Policies and Social Cohesion	184	-	-	380	564
2.3 Environmental Sustainability	699	-	1 645	6 629	8 972
2.4 Health System Performance	201	-	0	233	433
3.1 International Trade	3 910	-	-	610	4 521
3.2 Agriculture	4 837	120	-	1 243	6 200
3.3 Taxation	277	-	179	1 092	1 549
4.1 Business Climate	1 040	80	7 211	5 133	13 465
4.2 Competition and Market Efficiency	1 981	-	216	1 262	3 458
4.3 Public Sector Economics and Governance	1 971	150	3 649	20 421	26 190
5.1 Development	6 130	900	256	19 812	27 098
6.2 Statistics	116	-	30	143	289

Note: VCs in hand are the value of voluntary contributions previously accepted and intended to be committed to fund specific Output Results in the biennium. New VCs are the estimate of voluntary contributions not yet accepted that form part of the Total Estimated Costs of an Output Result.

145. Resources for the *OECD Strategy on Development* (**marker on Development Strategy - MDS),** within the 2013-14 PWB have **two elements**:

- The first reflects a small proportion associated with the direct costs of co-ordination (e.g. CPF funding represents only 1% of Development Strategy resources).
- The second reflects the orientation and reorientation of the Programme of Work across the various substantive Committees towards this top-down priority through the marker system.

146. This orientation is captured through managers indicating the proportion of resources (mostly staff time), for each Output Result, that are contributing to the Development Strategy. These estimated resources provide a useful indication of the extent to which Committees have responded to the Development Strategy as a priority.

147. It is important to note that these resources are embedded in outputs within relevant Committees' Programmes of Work. As such, they do not represent a fungible cash resource 'budget' for the Development Strategy. Indeed, the MEUR 149 are not additional resources but represent the overall leveraging that substantial Committees have allocated to outputs related to development.

ANNEX
AN OVERVIEW ON PROGRESS TO DATE

The following matrix is organised in three sections covering different but complementary efforts across the Organisation to fulfil the mandate received with the endorsement of the Strategy. Section 1 provides a brief update on the progress in taking forward the core elements of the Strategy: *i.e.* knowledge sharing (KS) and policy coherence for development (PCD). Section 2 includes a summary on the status of work in implementing the 13 proposals set out in the annex to the Strategy as well as an additional proposal on inclusive innovation for development. Section 3 includes a summary of the progress made in each of the cross-cutting themes identified by the Strategy on Development: *i.e.* Inclusive Green Growth, Gender Equality and Women's Empowerment, Domestic Resource Mobilisation, and Education for Development. All information contained herein is work in progress and will be updated periodically.

1. The two core pillars of the Strategy

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Knowledge Sharing (KS)					
Knowledge Sharing Alliance (KSA)					
Open up OECD's knowledge, inter-disciplinary policy expertise and peer learning networks to Partner countries based on mutual learning according to the approach and principles of the OECD Strategy on Development. Facilitate peer learning on a regional or cluster basis. Support policy reform on the ground (close the implementation gap). Establish feedback loops to upgrade the Organisation's knowledge, policy instruments, frameworks and skills.	*Three to five projects* of mutual interest for short-term delivery (e.g. green growth, investment policies, public sector reform and country reviews). *Models and mechanisms to foster KS,* including: an umbrella for sub-platforms; Making Reform Happen; Global Forums; structured dialogue among clusters of countries; and exchanges on South-South and Triangular co-operation Web-based platform and learning loop to absorb feedback from Partners and upgrade our skills and instruments. Knowledge sharing through regional networks, including networks of senior budget officials.	Phase 1 (2013) to create the strategic and operational frameworks for implementation projects. Phase 2, from 2013 and beyond, to ensure co-ordination for the process; develop tools and mechanisms for the various types of knowledge sharing; and address the implementation gap on a systematic basis.	All KSA activities will draw on a wide range of directorates and feed into OECD committees as relevant.	OECD Members, BMZ/GIZ, Korean MOSF, KDI, Key Partners, as well as international and regional organisations with implementation capacity. Global Forum on Public Governance involves 63 countries from all continents. Collaborative African Budget Reform Initiative (a partner for the network of senior budget officials in Africa).	OECD Members; developing Partner countries.

<table>
<tr><th>Objectives</th><th>Deliverables</th><th>Timeline</th><th>Committees / Directorates involved</th><th>Partners</th><th>Beneficiaries</th></tr>
<tr><td colspan="6">Policy Coherence for Development</td></tr>
<tr><td colspan="6">Analysis, dissemination, advice, and advocacy on Policy Coherence for Development (PCD)</td></tr>
<tr><td rowspan="2">Contribute to the understanding of the different dimensions of PCD, and contributions to update the PCD narrative.</td><td>Annual Flagship Publication on PCD and key global issues.</td><td>May 2013 – Food Security and PCD (as early harvest deliverable of the Strategy). 2014 – On Illicit financial flows.</td><td>Cross-directorate work.</td><td rowspan="6">Network of National Focal Points for PCD, ECPDM, Bertelsmann Foundation.</td><td rowspan="6">OECD Members; developing Partner countries.</td></tr>
<tr><td>A more active and inclusive network of National Focal Points for PCD.</td><td>7 November 2012 – Meeting of National Focal Points for PCD.

2013 – Virtual Workspace in place to ensure regular exchanges and follow-up.</td><td>Cross-directorate work.</td></tr>
<tr><td>Develop stronger evidence-based analysis on the cost of incoherence and the benefits of coherence.</td><td>Policy briefs on PCD.

PCD at a Glance Reports.</td><td>2013-2014 – Workshops on PCD and interactive discussion fora on PCD (including virtual participation and multi-stakeholder involvement).</td><td>Cross-directorate work.</td></tr>
<tr><td rowspan="3">Strengthen policy instruments, tools and methodologies for benchmarking, promoting and assessing PCD and whole-of-government approaches.</td><td>Updated existing recommendations to promote PCD (e.g. Council Recommendation on Good Institutional Practices for PCD).</td><td>2014.</td><td>PCD, DAC, Public Governance Committee.</td></tr>
<tr><td>Strengthened Policy Framework for PCD.</td><td>2013-2014 – adapted to focus on policy coherence for food security.</td><td>PCD.</td></tr>
<tr><td>Tools to measure progress on PCD.</td><td>2013-2014 focusing on three key issues: Global food security and PCD; illicit financial flows; and green growth.</td><td>PCD, DCD, TAD, CTPA, ENV, STD.</td></tr>
</table>

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Enhance PCD at the level of the Organisation					
Contribute to strengthen the effectiveness of the Organisation's collective response on development.	Guidance and recommendations to Committees and thematic Directorates on how to integrate the development and PCD dimensions.	2013-2014.	PCD, DCD, DEV.		OECD Members; developing Partner countries.
Policy dialogue with Partner countries and key stakeholders on PCD					
Provide a space for dialogue with Partner countries and key stakeholders on PCD issues.	Interactive International Platform for dialogue, knowledge sharing and mutual learning on PCD.	2013 -2014.	Cross-directorate effort.		OECD Members; developing Partner countries.

2. The 14 proposed projects

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Strengthening OECD Members' capacity to design policies consistent with development objectives					
i) Curbing Illicit Financial Flows (IFF)					
Assess institutional, regulatory and legal arrangements in OECD countries to address IFFs and develop policy recommendations.	IFF report: developed by an OECD cross-directorate team based on consultation with relevant policy communities and experts.	December 2012 – First draft finalised. Q1 of 2013 – Consultation and approval.	DCD, CTP, DAF, ACN, CleanGovBiz involved.	World Bank (StAR), UNODC, FATF, Africa Partnership Forum, BMZ, GIZ, U4.	OECD Member countries. Development Agencies and developing countries will also benefit from this work.
Contribute to develop capacities in developing countries to combat financial crimes (in the context of the Oslo Dialogue).	Pilot capacity building programme. Programme intended to be repeated for developing countries on a regular basis.	2012 – Announcement of Capacity building programme. May 2013 – Delivery of pilot programme.		US (IRS Criminal Investigations), Italy (Guardia di Finanza), Norway, Task force on Tax Crimes.	Specific developing countries participating in the programme have yet to be identified; some have expressed interest, such as Uganda, Tunisia and Indonesia.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
ii) Global food security					
Identify information gaps and priorities for global action. Provide recommendations to avoid policies that create negative spillovers, and to foster beneficial policies. Offer suggestions on how policy advice can be tailored to country-specific circumstances. Identify ways to adjust ODA practices at country level to strengthen coherence to contribute to food security.	Report on "*Global Food Security: Challenges for the Food and Agriculture System*", agreed and declassified at the meeting of the Agricultural Policies and Markets sub-committee of the Committee for Agriculture. Global Forum on Agriculture focusing on Food Security and PCD. Flagship Report on Food Security and PCD.	7 November 2012 – Meeting for National Focal Points for PCD. 26 November 2012 – Global Forum on Agriculture. 27 November 2012 – Global Forum on Agriculture follow-up session. 2013 – Publication of Flagship Report on Food Security and PCD.	TAD, DCD, DEV, DAF, SWAC, APF, PCD Unit.	FAO, UNDESA.	The topic is global and therefore relevant to all countries.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Contribution to international processes and global development architecture					
iii) Post-2015 development goals					
Contribute from a whole-of-OECD perspective to shape the post-2015 agenda and framework. Help OECD Members to prepare for the post-2015 agenda and framework and to engage with partner countries in the process.	Publication series entitled: *"Post-2015 agenda and framework: How can the OECD contribute?"* including thematic papers, such as *"PISA for Development"* (currently being drafted). Further papers will be developed on GG, gender, statistics, poverty, institutions and governance etc. Roundtable discussions on the post-2015 agenda and framework in various international arenas.	October 2012 – First Roundtable and presentation of the first paper at the Fourth OECD World Forum on Statistics, Knowledge and Policy in New Delhi. December 2012 – Roundtable at the DAC HLM in London. Roundtables at regional conferences. 17 January 2013 – Council on Development. Discussion of an updated version of the Post-2015 OECD contributions paper. 4-5 April 2013 – Global Forum on Development (GFD) will include themes and messages on post-2015.	DCD, STD, Paris21, DEV, PCD Unit, ENV, EDU, ELS, STI, TAD, GOV, IEA.	No direct implementing partners, but close co-operation with OECD Members, Partner countries and UN system will be fostered.	OECD and UN Members.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
iv) Monitoring progress on Busan outcomes					
Support global accountability for the implementation of the Busan commitments.	The Busan global monitoring framework including 10 indicators and targets. A toolkit to support implementation. A first progress report to inform the ministerial-level meeting scheduled end 2013.	June 2012 – Approval of the scope and indicators of the monitoring framework. December 2012 – Refining global indicator methodology and preparing the toolkit. 2013-2015 – Implementation of Busan global monitoring framework with periodic reports of progress to inform ministerial-level debates.	DCD/DAC. Involvement of other directorates is expected, especially as they could provide useful inputs in tracking progress on selected Busan Commitments (*e.g.* private sector, illicit flows, gender, etc.).	UNDP, World Bank, regional organisations (AU and RDBs), CSOs Partnership for Development Effectiveness, countries participating in global monitoring efforts including OECD Members, emerging economies and developing Partner countries.	Potentially all countries that have confirmed their support to the Busan Partnership agreement.
Strengthening engagement and knowledge sharing with developing countries					
v) Multi-dimensional country reviews					
Identify the binding constraints to development in a country. Support the multiple objectives of economic and social development and the well-being of citizens. Suggest specific policy recommendations and reform sequencing.	A scoping paper. Three Multi-Dimensional Reviews in 2013-14 (One country per region: Africa, Asia, and Latin America). Full report, includes (i) Diagnosis; (ii) assessments and recommendations; and (iii) strategy building and implementation.	Q1 2013 – Phase 1 for Myanmar and Philippines.	DEV, STD, ECO, with involvement of other directorates planned at Phase 2 of the reviews, which will look more into specific areas (*e.g.* education, labour, etc.).	UNECLAC, UNESCAP, ADB, and CAF.	Latin America and the Caribbean: Uruguay (confirmed; Q1 2013), Peru and El Salvador (tbc). Asia: Myanmar, Philippines. Africa: Morocco, Senegal, Tunisia (tbc).

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
vi) Platforms for regional economic monitoring					
Contribute to strengthening the regional economic monitoring in co-operation with regional partners in East Asia and South-East Asia.	Analysis of macroeconomic management and policy coordination. Assessments of structural policies to enhance productivity and competitiveness. A Joint study with AMRO on *"New Growth model in Asia"*, based on seminar to provide in-depth analysis of identified challenges in the region.	September 2012 – The First Regional Roundtable in Singapore (jointly organised by OECD, AMRO and ASEAN+3) identified the key policy challenges in the region both on short-term macroeconomic and medium-term structure issues. 2013 (first half) – Finalisation of the joint study (completion date of the pilot phase). 2013 – (Second half) The 2nd OECD-AMRO Asian Regional Roundtable will be organised around summer 2013. Its focus will be; i) implications of monetary easing in OECD economies for Asia; and, ii) middle income traps in Asia. An OECD-AMRO joint study will be prepared after the second regional roundtable as a follow up.	DEV, ECO.	AMRO (ASEAN+3 Macroeconomic and Research Office).	ASEAN+3 countries and 10 ASEAN countries (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam).
Contribute to regional integration and equitable economic development by knowledge sharing on tax policy in Latin America, Asia and Africa.	Regional policy dialogue on taxation (annual meeting of the *LAC Tax Policy Forum)*. Annual flagship publication *Revenue Statistics in Latin America* and online regional database on tax revenues.	4-5 July 2013. End 2013-beginning 2014.	DEV, CTP.	ECLAC, CIATand IADB.	LAC countries, including Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Honduras, El Salvador, Guatemala, Mexico, Nicaragua, Peru, Uruguay and Venezuela.

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	Pilot report/database on Revenue Statistics in Asia; Annual flagship publication *Revenue Statistics, Trends and Policy Challenges in Asia* and online regional database.	Pilot report/database: end 2013. Flagship publication/database: end 2014.		ADB (potential partner).	Indonesia and Malaysia (for the pilot project in 2013); at least 10 Asian countries in 2014, including Azerbaijan, China, India, Indonesia, Malaysia, Mongolia, Philippines, Singapore, Sri Lanka, Thailand and VietNam.
	Annual flagship publication *Revenue Statistics in Africa* and online regional database.	End 2014.		ATAF and AfDB.	At least 10 African countries, including Algeria, Botswana, Egypt, Kenya, Lesotho, Libya, Morocco, Namibia, Nigeria, South Africa, Senegal, Swaziland, Tanzania and Tunisia.
vii) A review of the policy framework for investment (PFI)					
Improve investment policy for development on both country and regional level. Incorporate sector-specific applications, best practices and feedback. Make PFI 'user-friendly' and manageable policy tool and facilitate an effective feedback loop.	A new questionnaire on the infrastructure chapter of the PFI and on green investment. Sectoral tools derived from the PFI *i)* agriculture; *ii)* clean energy; and *iii)* infrastructure.	10 October 2012 – AGID meeting: support of Investment and DAC Committees for review of the PFI. Nov 2012-Feb 2013 – elaboration of review process. 2013-2014 – Revision and broad circulation of PFI. 2014 and beyond – Application in pilot country-level IPRs, or incorporated within a revised PFI	DAF, DCD/DAC, TAD, ENV, GOV, Working Group on Bribery, CMF, CFA, CTPA,Investment, Trade, Corporate Governance, and Competition Committees.	More than 20 countries that have used the PFI; RDBs, SADC, SADC PPP Network, ASEAN; ZA SOE Network; development agencies.	A wide range of countries ranging from Africa, MENA, Asia, Central Asia, and LAC.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Use the revised PFI to identify constraints where development co-operation can help improve the investment climate of developing countries.		toolkit. *Efforts expended by of 2012:* about 35%.			
viii) Addressing common challenges in commodity-based economies					
Establish a structured, multi-annual policy dialogue among a limited number of countries whose growth is particularly linked to natural resource exploitation. Foster the exchange of experiences and peer learning on an equal footing on: how best to design and implement policies to sustainably manage natural resources, promote local economic development and diversification, and avoid the negative consequences of high-reliance on extractive industries.	Analysis to feed the dialogue. Country Thematic Peer Reviews or Thematic Comparative Reviews on the challenges and policy options for natural resource based development. Depending on available resources, one or two thematic country peer-reviews/comparative surveys will be carried out over the 2013-2015 cycle and a series of "How To" Thematic Guides may be produced. Bi-annual meetings of participating countries to discuss the results of thematic country peer-reviews/comparative surveys. The OECD will ensure the secretariat functions for the cluster.	Phase 1: DEV. Phase 2: DEV, with input sought from CTPA, DAF, DCD, TAD. Phase 3: Involvement of other Directorates in substantive work is expected at a later stage, as participating countries will define the topics for discussion in the policy dialogue as well as the programme of work for 2013-2015. Expected/possible contributions from CTPA, DCD, STI, TAD, DAF, APF.	DEV. Involvement of other Directorates is expected at a later stage, as participating countries will define the topics that will be discussed in the policy dialogue. Expected/possible contributions from CTPA, DCD, STI, TAD, DAF, APF.	In conversations with the Extractive Industries Transparency Initiative and the African Minerals Development Centre designed to support the implementation of Africa Mining Vision. Input from the private sector and experts will be promoted as appropriate through ad hoc meetings and the establishment of an expert advisory board.	Australia (funds provided to CTPA) Entry fees to participate in the Cluster (tbc). CPF seed funds.
ix) Addressing the challenges of knowledge development and upgrading in global value chains					
Establish a structured, multi-annual policy dialogue among a limited number of countries	Analysis to feed the dialogue. Regular meetings of participating	2 Phases: First phase: 2 years (Jan 2013 –Dec 2014). Second phase: Extension of a third year (2015).	DEV, DCD, STI, TAD. Involvement of other Directorates is	Collaboration with Korea Development Institute (KDI) for the	Countries to express interest in participating in the first meeting in

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
whose growth is particularly linked to global value chains (GVCs). Foster the exchange of experiences and peer learning among countries integrated into GVCs on how best to design and implement policies to attract and keep value chains and promote upgrading of skills and technology.	countries to discuss the results of comparative reviews. The OECD will ensure the secretariat functions for the cluster. Comparative Reviews of countries along selected policy issues to identify priority areas for government action and improvement. Depending on available resources, three to six countries will be reviewed over the 2013-2015 cycle.	2012 – Identification of interested countries and set up of necessary administrative arrangements. March 2013 – Meeting of Senior representatives from participating countries to identify the priority issues they wish to discuss over the first cycle of meetings, in collaboration with CIIE. Q3/4 2013 – Second meeting of Senior representatives in Costa Rica.	expected at a later stage because participating countries will define the topics for discussion in the policy dialogue.	organisation of the first meeting of Senior representatives in Paris in March 2013. Collaboration will be evaluated with international or regional partners at a later stage.	Q1 2013: Morocco, Senegal. Korea, Indonesia, Vietnam, Colombia, Costa Rica, Mexico, Czech Republic, and others.
x) Incorporating inclusive green growth into development policies as part of efforts to promote sustainable development					
Make the *OECD Green Growth Strategy* more relevant to countries at different stages of development.	*Green Growth and Developing Countries* Report (Q1 2013).	June 2012 – Consultation version of draft report delivered. June 2012 - Contribution to the G20 report on Inclusive Green Growth Toolkit. October 2012 – Consultations in Ethiopia. November 2012 – Consultations in Cambodia. 2012 – Two regional consultations (Latin America, Asia). Q1 2013 – Two regional workshops on green growth and developing countries in Africa.	DCD, ECO, STI, DEV, ENV, STD.	AfDB, case study country governments (Cambodia, Ethiopia).	All developing countries.

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Identify challenges on implementing Green Growth strategies.	The First OECD Forum on Green Growth and Sustainable Development.	23 November 2012.	ENV.	AfDB, GIZ, World Bank; UN.	OECD Members; developing Partner countries.
	"Toward green growth in emerging and developing Asia", as part of the Korean East Asia Climate Partnership (EACP) Programme.	(2013-14). In planning phase.	DCD, ENV.	KOICA.	Governments in the region.
	Green Growth in Fast-Growing Asian Cities (as a part of the Green Cities Programme). Case studies targeting four to six specific cities and regions in Asia.	Dec 2012 – Draft outline of the discussion paper on "*a green growth development model for fast-growing Asian cities"*. January 2013 – OECD-ADB Workshops on Green Cities in Asia. Q2 2013 – Publication of the discussion paper on "*A green growth development model for fast-growing Asian cities*". October 2013 – International conference on green cities in Asia, as a part of International conference on Future Cities We Want conferences organised by the Japanese Government.	GOV.	Seeking collaboration with the Asian Development Bank, World Bank.	All developing countries in Asia, in particular leaders of Asian cities and regions. The case studies target four to six specific cities and regions in Asia.
	Promoting long-term investment in support of green growth. Expanded international consultation. Reports and policy recommendations on *i)* improving regulatory and policy incentives	September 2012 – Two-Part Roundtable Discussion on "Mobilising Private Investment in Low-Carbon, Climate-Resilient Infrastructure (OECD headquarters). December 2012 – *"Towards a Green Investment Policy Framework: The Case of Low-Carbon, Climate-*	DAF, ENV.	This work will be undertaken in co-operation with emerging and developing country partners, as well as international organisations.	Governments of developing and emerging countries, who can gain a better understanding of the role of institutional investment and FDI in achieving green growth objectives.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
	and corporate governance for facilitating 'green' institutional investments; *ii)* market distortions which are likely to hamper international investment in green energy; and iii) good practices in terms of removing obstacles to international investment in green energy.	*Resilient* (finalised). One or two country case studies in developing or emerging countries assessing experience with green investment policies and instruments for infrastructure.			Institutional investors themselves. Direct investors in green energy markets. OECD itself.
	Policy Guidance for Investment in Clean Energy Infrastructure. Support to governments based on the Guidance can take the form of country-level Investment Policy Reviews, but also for instance of capacity-building programmes for infrastructure investment. This may provide background material and structure for an OECD (INV)-led PPP Training Programme in the energy sector (requested by Mozambique in September 2012, subject to funding).	October 2012 – First draft submitted before Investment Committee and DAC (through AGID). October 2012 – Background note for the first meeting of the Southern African SOE Network. March 2013 – Second draft of the Policy Guidance to be submitted before Investment Committee and DAC (through AGID). 2013-2014 – Incorporation of the Policy Guidance within the forthcoming update of the PFI. Furthering policy guidance and research on investment in clean energy infrastructure not only through updates of the PFI and the drafting of associated IPRs, but also through sector-specific capacity building programmes for clean energy infrastructure development.	DAF, DCD, ENV, DAC, Investment Committee.	Governments of developing and emerging economies that seek to stimulate more foreign and domestic investment in their energy network.	

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
xi) Addressing the challenges of Migration and Development					
Enhance the understanding of the impact of migration on development. Contribute to knowledge sharing among countries facing similar challenges related to migration. Skills assessment and recognition models in countries of destination and origin. Skills upgrading mechanisms in countries of destination. Effective methods of matching migrant skills with real jobs abroad. Measures to lift barriers to return migration and improve skill recognition in the country of origin upon return. Enhance developing countries' capacity to incorporate the migration dimension into the design and implementation of their development strategies and other public policies.	Updated database for Immigrants in OECD Countries (DIOC). Three conferences organised. Two publications. A set of regional consultation processes to look at: Strategies to improve human capital in countries of origin, both as a development strategy and a business strategy for labour exchange with employers abroad. A concept paper. Ten country studies. A final report. Sectoral guidance notes.	5 October 2012 – Conference on "identifying and mobilising migrants' skills for development" (in Paris), and Launch of two related publications. Fall 2012 – Launch of the data collection from 2010-2011 censuses of OECD countries. 17 December 2012 – Conference on "the economic impact of emigration in Latvia and the other Baltic countries: challenges and policy implications". January 2013 – 3rd ADBI-OECD Roundtable on Labour Migration in Asia (Bangkok). 2013-14: – Launch of the updated DIOC and related documents. – Regional conferences in Latin America, MENA & Sub-Saharan Africa. Q2 2013 – Kick-off meetings in Partner countries Q3 2013 – Concept paper 04 2013 – Global seminar Q1 2014 – Training workshops Q2 2015 – Final report Q3 2015 – Conference on "interrelations between public policies, migration and development" Q4 2015 – Capacity-building workshops in Partner countries	ELS, DEV, PCD, DCD, EDU, SAH, STI and STD.	World Bank, ADBI, WHO, UNESCO, ILO, IOM, European Commission.	ADBI member countries, Senegal, Philippines, Morocco, Colombia, etc. Additional countries involved in regional conferences (2012-2014). Partner countries (TBC): Burkina Faso, Cambodia, Costa Rica, Côte d'Ivoire, Dominican Republic, Haiti, Jordan, Morocco, Philippines, Thailand.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
xii) Facilitating Long-Term Institutional Investment (LTI) by Institutional Investors					
Engage private sector (both domestic and foreign) in financing infrastructure in developing countries. Collect and monitor data. Conduct analytical research and disseminate policy recommendations.	Policy note on Pension Funds. Policy note on Pension Funds. Report on infrastructure investment in 'new' markets. Policy recommendations to facilitate institutional investment in infrastructure sector submitted to G20. Data collection, workshops, panels.	February 2012 – Launch projects. February 2014 – Completion date pilot phase.	DAF, NEPAD-OECD Investment Initiative, ECO and GOV.	Potential collaborations with international and regional development banks, private sector, national development organisations.	Project focuses on countries that predominantly rely on non-concessional financing sources.
xiii) Sound Budgeting for Fiscal Transparency					
Promote knowledge sharing and policy dialogue with senior budget officials from developing countries. Develop up-to-date data on budgeting practices and procedures for OECD and Partner countries. Compare of results with best practices/OECD instruments in fiscal transparency and responsibility.	Questionnaire instruments. Preliminary data. Final online database. Regional reports featuring results and analysis.	Project started in June 2012. Africa: March 2013 – Survey responses. April/May, 2013 – Workshop. *Date tbc* – Task Force on PFM meeting. June/July 2013 – Final data. LAC: Jan/Feb 2013 – Approval of MoU OECD-IADB. April/May 2013 – Survey responses. June 2013 – Workshop. Sept 2013 – Final responses.	GOV, DCD.	CABRI, IADB, PEM PAL, Effective Institutions platform.	Countries ranging from Africa, LAC, MENA, Eastern Europe and Central Asia.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Identify best practices and innovations in the field of budgeting (*e.g.* participatory budgeting, etc.). Contribute to formulate a new indicator of Public Financial Management as part of the post-Busan monitoring arrangement.		Eastern Europe and Central Asia: pending agreement with PEM PAL. MENA: September 2012 – Agreement signed for the project on "Budgeting and Transparent Governance in Tunisia". 23 November – Survey on the budget process, responses. 2012 – Annual meeting of the MENA-SBO network (Tunisia). Nov 2012-June 2013 – Eight Workshops and four advisory sessions on transparency, performance, role of Parliament and data collection for Tunisian public officials.			
xiv) Inclusive Innovation/ Innovation for Development					
Help policy makers reconcile their social agendas with the innovation agenda. Provide country-specific, targeted policy recommendations. Assess inclusive development challenges and the opportunities provided by inclusive innovations.	Publication of Chapter on Innovation for Development in STI Outlook 2012. Conference on "Innovation for Inclusive Development" in Cape-Town in November 2012.	2013-2014: Start of project phase following pilot phase of 2012. 2013 – Global forum on the knowledge economy. 2014 – High-level project conference in partner emerging country.	DCD, EDU, GOV CSTP, ICCP, TDPC, CERI Governing Board, DAC.	South African Department of Science and Technology, knowledge collaboration with IDRC, SIDA and World Bank.	Includes but is not limited to China, Colombia, India and South Africa.

3. The cross-cutting areas

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Inclusive Green Growth					
Identify challenges on implementing Green Growth strategies.	Poverty Reduction and Green Growth				
	Poverty Reduction and Green Growth – Good Practice guidance for Development Co-operation on (Q2 2013).	Q4 2012 - Draft elements produced.	DCD.		Poorest developing countries, and LICs and MICs as well as development co-operation partners.
	Green Growth Indicators in LAC				
	Report on Green Growth Indicators in LAC (2013).	2012 – Workshops held in Caracas in March, Paris in June, and in Quito in September. November 2012 – Presentation of draft joint report by OECD, UNIDO, and CAF on indicators in LAC (Caracas, Venezuela) December 2012 – GGKP 2nd Annual Conference: workshop to develop a joint OECD-WB and UNEP publication on green growth measurement and indicators. 2013 – Final Report.	ENV.	UNIDO, CAF – Latin American Development Bank, SELA – Latin American and Caribbean Economic System, UNEP.	
	Regional support to Eastern Europe, Caucasus and Central Asia transition economies for greening growth and reforming water policies				
	Report on *Green growth and environmental governance in Eastern Europe, Caucasus and Central Asia (EECCA)*.	July 2012 – Report completed. Q4 2012 – Review of economic instruments of environmental management in EECCA. 2013-2014 – Water policies in EECCA – Country-level projects with	ENV.	Multi-donor activity, involving several OECD Member countries and international partners (EC, UNIDO, UNEP,	Countries of EECCA. While most of EECCA countries are part of the middle-income group of countries, two of them are low-income

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	Toolkits, related instruments and pilot projects.	a view to facilitate the reform of economic instruments for water policies in EECCA countries. 2013-2015: Toolkit and up to four country-level pilot projects on Green Growth Indicators in EECCA. Toolkit on product-related economic instruments and up to three pilot projects in EECCA. 2013-2016: Pilot projects in up to three EECCA countries in support to the reform of environmentally harmful subsidies. Up to three case studies on improving access to finance in support to climate-related and green growth projects. Several regional meetings in conjunction with regional policy dialogue on green growth promotion in EECCA. 2014-2016 – Toolkit and pilot projects to green Small and Medium Sized Enterprises in EECCA.		UNECE, as well as development banks active in the EECCA region).	(Kyrgyzstan and Tajikistan), and several are IDA eligible.
	Case studies				
	Green Investment Policy – Case studies.	In planning phase.	ENV (possibly joint with other Directorates).	CSO partners on environment and development: in India and South Africa including WRI-EMBARQ Centre in India, and Democratic Governance and	

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				Rights Unit, University of Cape town in South Africa.	
	Domestic Incentive Measures for Green Goods with Possible Trade Implications.				
	Policy dialogue with key stakeholders. Report on "*Domestic Incentive Measures for Renewable Energy with Possible Trade Implications*". Two studies, covering two new sectors.	Roundtable dialogues with major manufacturers of wind turbines (Q2 2012) and solar photovoltaic cells (Q4 2012). 11 December 2012 – Policy dialogue with OECD, non-OECD, inter-governmental organisations, and civil society on domestic incentive measures for green goods with possible trade implications. Q4 2012 – Publication of the Report on "*Domestic Incentive Measures for Renewable Energy with Possible Trade Implications*" in the OECD Agriculture and Trade Paper series. Q1 2013 and Q3 2013 –Two studies in the series, covering two new sectors, to be determined by the Joint Working Party on Trade and Environment.	TAD, ENV.	WTO, UNCTAD.	Potential exporters of renewable-energy technologies, which include a number of medium-income countries, such as Brazil, China, and Malaysia.
Mainstream Green Growth across the OECD.	Green Growth in Agriculture				
	Policy Instruments to Support Green Growth in Agriculture.	7-9 November 2012 – Two documents presented for discussion at the meeting of the Joint Working Party on Agriculture and the Environment. April 2013 – Document for declassification to be presented at the	TAD.	Work is undertaken in collaboration with Member countries.	Developing countries can benefit indirectly (*e.g.* OECD agricultural support policies; policies for international collaboration, such as the Global research Alliance on Agricultural

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
		meeting of the Group. Also work on monitoring progress towards green growth in agriculture has started.			Green House Gases, which has more than 30 member countries, most of which are developing countries).
	Multi-Dimensional Country Reviews				
	Scoping paper on the elaboration of approach, methodology and process.	Dec 2012 – (first draft).		UNECLAC will provide substantive input and in-country logistical support. CAF will potentially provide funding for the Review of Uruguay (discussions underway) UNESCAP will provide substantive input and logistical support in country for the potential Myanmar review. The ADB will provide substantive input and logistical support in country for the potential Review of the Philippines.	Latin America - Uruguay (confirmed), Peru (tbc), El Salvador (tbc), Asia - Myanmar (tbc), Philippines (tbc), Africa - Morocco (tbc), Senegal (tbc), Tunisia (tbc).
	Integrating green investment chapters into OECD Investment Policy Reviews (IPR)				
	IPR with a green growth chapter or dimension.	2012 – Completed for Tunisia & Colombia. 2013 – Completion of ongoing IPRs with a Green Growth chapter or	DAF.	Regional economic communities (SADC and ASEAN). The Southern African	Governments of all developing and emerging economies.

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		dimension (Malaysia and possibly Nigeria). 2013-2014 – Incorporation of both these chapters and of the Policy Guidance for Investment in Clean Energy Infrastructure within the forthcoming update of the OECD PFI. 2014 – Update of the PFI incorporating green investment chapters.		SOE Network and the SADC PPP Network can also 'plug into' the green infrastructure policy guidance provided. AfDB and other partners may also support training programmes for infrastructure (and especially PPP) development in clean energy.	
Gender Equality and Women's Empowerment					
Barriers to Gender Equality in the 3 Es					
Improve policies and promote gender equality in the economy in both OECD and non-OECD countries.	Special report on gender equality and the three E's in OECD countries in the Pacific Rim and other Asia-Pacific Economic Co-operation (APEC) countries.	January 2011-December 2012 Special Report prepared for the APEC Women and the Economy Summit (WES) held in September 2011 in San Francisco.	ELS, CFE, DEV, DCD, EDU, DAF, STI, PAC, GOV, STD.	Asian DB, ILO, WB, UNWomen, UNSD.	OECD and non-OECD Member countries, CSOs and IOs who can use the products in policy formulation.
	Gender data Portal	January 2011-December 2012			
	Closing the Gap Publication	January 2011-December 2012			
	Updated of the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship.	By May 2013			
New Gender Indicators					
Offering empirical evidence on three areas where gender statistics are lacking: entrepreneurship, time use	New indicators for the Gender Data Portal. Capacity of developing countries	2013-2014	STD, ELS, CFE, DEV, DCD, EDU, DAF, STI, PAC, GOV, Inter-Agency Expert Group		OECD and non-OECD Member countries, CSOs and IOs who can use the products in

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and violence against women.	to monitor gender equality will be supported through a stronger contribution to international initiatives (Inter-Agency Expert Group on Gender Statistics, EDGE Program).		on Gender Statistics, EDGE Program.		policy formulation.
Empowerment of Women through Financial Education and Awareness					
Understand causes, consequences as well as policy responses to gender differences in financial literacy.	Evidence of gender differences in financial literacy based on international and national evidence and quantitative and qualitative findings.	March 2012 – Release of a first scoping paper -- Contribution to the OECD gender initiative report and future recommendation. 2013-2014 (and beyond) – Development and collection of refined quantitative and qualitative data on gender differences in financial literacy including PISA financial literacy.	DAF, ELS, CFE, DEV, DCD, EDU, STI, PAC, GOV, STD.	Asian DB, ILO, WB, UNWomen, UNSD, WB and regional partners such as CEMLA (association of central banks) in Latin America, roundtable of Asian central bank on financial literacy and inclusion.	Non-OECD Members of the OECD International network on financial education, which now counts 105 countries and 71 non-OECD countries across the globe. The implementation will be mostly carried out through the INFE: first thanks to its biannual meetings and back-to-back seminars and targeted regional activities (in Africa, Latin America, Asia and MENA region).
	Analysis of gender differences and barriers to access to financial services and education in developed and developing contexts.	First half of 2013 – Release of the analytical and case study report on empowering women through financial education and awareness.			
	International policy guidance to enhance financial empowerment of women.	First half of 2013 – Finalisation of a set of preliminary policy guidance. First dissemination planned in Kenya (February), India (March) and Russia (May) 2013.			

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OECD-MENA Women's Business Forum (WBF)					
Enhance support for women business development and women's economic empowerment in the MENA region.	Creation of a unique network of over 300 participants that links up experts from the MENA region with other parts of the world. June 2012 – New social media: Facebook. Issues paper on "Empowering SMEs: Economic Development and the New Arab World" submitted to the July consultation on SME development organised in the context of the Deauville Partnership. October 2012 – Publication "Women in Business: Policies Supporting Women's Entrepreneurship Development in the MENA Region". November 2012 – Interactive website.	OECD-MENA Women's Business Forum became active in October 2009 and its mandate runs until 2015. 21 November 2012 – Annual Meeting of the WBF and Conference on Youth and Women's Employment in the MENA Region. Spring 2013 – launch of the pilot project on Financing Project for Women Entrepreneurs in the MENA Region. Discussion of the preliminary findings of the "Stocktaking of Business. Development Services for Women Entrepreneurs in the MENA Region."	DAF, Regularly invited: ELS, CFE, DEV, DCD, EDU, STI, PAC, GOV, STD, the Report to: MENA-OECD Investment Programme Steering Group and MENA-OECD Working Group on SME Policy, Entrepreneurship and Human Capital Development.	OECD-MENA Women's Business Forum works with the ILO, WB, UNWomen, Islamic Development Bank, EBRD, Union of Arab Banks, Arab International Women's Forum, the World Association of Women Entrepreneurs and the Centre of Arab Women for Training and Research (CAWTAR).	Participating economies in the OECD-MENA Women's Business Forum include Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.
Women as economic actors in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia					
Raise awareness among decision makers in the project countries of the potential of empowering women as economic actors to raise political support to enhance women's economic rights.	1. An analysis of the current state of women's economic rights in the project countries. 2. Identify major constraints to women's economic integration and develop potential solutions, compile best practices and develop recommendations.	Launched in March 2013 with a 30 month timeline.	DAF Report to Women's Business Forum and the OECD-MENA Investment Programme Steering Group.	Swedish International Development Agency.	Algeria, Egypt, Jordan, Libya, Morocco and Tunisia.

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
	3. Hold a series of awareness raising activities and events both at country level and in an international setting. 4. Dissemination of relevant information on a web site. 5. Presentation of a final report on the results to the international community.				
Social Institutions and Gender Index					
Support policy makers in improving gender equality outcomes in developing countries.	An update version of the Social Institutions and Gender Index (SIGI), and updated country profiles for over 100 countries.	Launched in May 2012. 2012 – Dissemination of results of the 2012 SIGI at the US Department of State, African Development Bank, UN Women, FAO, ILO Training Centre, Administrative Staff College of India, UNESCO, Ministry of Statistics and Programme Implementation (India), UN ESCAP South Asia conference, Institute for Human Development (India) and OECD 4th World Forum on Statistics. 2013-2014 – An updated version of the SIGI index.	DEV, ELS, CFE, DCD, EDU, DAF, STI, PAC, GOV, STD.	Finland Ministry of Foreign Affairs, Swedish Ministry of Foreign Affairs, Norway Ministry of Foreign Affairs, Government of India, Administrative Staff College of India, UNECA and UN Women.	Non-OECD countries with population of more than 1 million.
	A paper based on the 2012 SIGI findings. Issues paper on violence against women.	The paper will be prepared for the UN Women/UNICEF Global Consultation on Inequalities for the post-2015 development agenda. Issues paper launched at UN CSW.			OECD and non-OECD Member countries.

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	Specific country studies based on the SIGI framework. (Three to four more countries in in-depth country studies).	The SIGI-India pilot has started in 2012 with the Government of India. Studies planned in South Africa, Kenya and Uganda.			Country studies are being explored with South Africa and Kenya.
	Regional policy dialogue workshop based on the SIGI.	Planned for the MENA region for February 2013.			Countries covered by the UN Women – Arab States regional office.
Wikigender – a global platform on gender equality					
Exchange and improve knowledge on gender equality, with a particular focus on data and indicators.	A series of online discussions to further engage with the gender community on key issues such as violence against women, the post-2015 development framework and women's economic empowerment.	Ongoing.	DEV, ELS, CFE, DCD, EDU, DAF, STI, PAC, GOV, STD.	The IFC, La Halde, UNWomen, CAWTAR, América Latina Genera (UNDP initiative), Destatis, IPS Gender, FIDH and Africa for Women's Rights Campaign, the World Bank, MujerDoc, the FAO, The LandPortal, the UNESCO Institute for Statistics, the OECD Directorate for Education (IMHE), UNFPA, the European Commission and the Global Women's Network.	
Build capacity amongst young researchers on gender and development.	Build a global network of gender and development researchers.	October 2012 – Global online discussion on 'Engaging Men and Boys in Transforming Discriminatory Social Norms'.	DEV.	School of Economics and Public Policy at Srinakharinwirot University, Bangkok (Thailand).	

Objectives	Deliverables	Timeline	Committees / Directorates involved	Partners	Beneficiaries
Gender Focus Group of the MENA-OECD Governance Programme					
Strengthen the strategic capacity of public officials to design and implement gender-sensitive policy frameworks. Foster policy dialogue between MENA and OECD countries.	Report on *Gender, Law and Public Policy: Trends in the Middle East and North Africa.*	To be published in 2013. Spring 2013 – A technical consultation meeting with country representatives who participated in the "OECD 2011 Survey on National Gender Frameworks, Gender Public Policies and Leadership in the MENA region", for a final validation of survey results. Summer 2013 – Presentation of preliminary findings at the "High Level Conference on Gender, Law and Public Policy: Obstacles and opportunities in the Middle East and North Africa".	GOV.	The Centre for Arab Women Training and Research (CAWTAR) and the Arab Administrative Development Organisation (ARADO).	Participating economies in the MENA-OECD Governance Programme include Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.

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Collaboration with South Africa and Brazil on gender equality and mainstreaming questions					
Disseminate good practices and achievements in the advancement of gender equality, and provide internationally comparable data and information on national gender policies as well as global trends.	2013 "Women in Public Policies and Government" report, on issues related to women in public leadership, gender sensitive policy-making and gender budgeting.	October-November 2013 - stakeholder consultation. Launch of the report – January 2014.	GOV.	Gender-related institutions in Partner countries; Key Partners and MENA region.	Brazil, South Africa other OECD and developing countries.
Gender equality and women's rights in development co-operation					
Contribute in the design of the post-Busan gender equality indicator on gender responsive budgeting.	Aid in support of gender equality and Women's empowerment: statistical overview (published in October, 2012).	Ongoing.	DCD, DEV, STD.	The member agencies of the GENDERNET, UNWomen, members of the UN Inter-Agency Network on Women and Gender Equality, World Bank, all the regional development banks, and the CSO, the Association of Women's Rights in Development (AWID).	All Partner countries.
Domestic Resource Mobilisation					
Taxation					
Supporting the development of more efficient tax systems.	Capacity development on taxing Multinational Enterprises (transfer pricing).		CTP, DCD, DEV.	The World Bank.	Kenya, Ghana, Vietnam, Colombia and Rwanda. A further 15 countries are covered jointly with the World Bank.

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	Flagship publications: An exchange of tax information practical guide for developing countries, reports on the public disclosure of company accounts, reports on tax morale and taxpayers education.	Completed by end 2012.			
	Reviews of tax incentives for investment.	Mid-2012 – Reviews for Tunisia, Ghana and Senegal started. Coverage of tax incentives and other tax policy issues will be extended to other countries as part of PFI process.			Tunisia, Ghana and Senegal. Discussions underway with Myanmar, Laos, Cambodia, Nigeria and Costa Rica.
	A feasibility study to establish 'Tax Inspectors Without Borders'.	Underway.			This is a new initiative to deploy tax auditors to developing countries on a demand-led basis.
	Revenue Statistics methodology for Africa and Asia.	November 2012 – Second edition of Revenue Statistics in Latin America, with an expanded coverage of 15 countries (up from 12). A country note highlighting the key trends and findings will also be developed and shared with governments of all 15 countries. 2013 – First editions of Revenue Statistics for Asia and Africa. July 2013 – Policy dialogue in the context of the LAC Tax Policy Forum, supported by the Revenue Statistics publications.	CTPA, DEV.	The Asian Development Bank and the Africa Tax Administration Forum have also voiced their interest in partnering on the project.	Indonesia, Malaysia, China and possibly Thailand, Philippines, Vietnam and India.

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Investment					
Support countries in evaluating and designing policies to mobilise private investment in agriculture for steady economic growth and sustainable development.	Peer review of Indonesia on Public Private Partnerships (based on OECD principles of public governance of PPPs).	Completed 2012.	GOV.		Indonesia.
	The Policy Framework for Investment in Agriculture (PFIA).	2012 – Used for reviews in Burkina Faso, Indonesia and Tanzania.	DAF, DCD.	The NEPAD-OECD Africa Investment Initiative.	Developing countries.
	Private-Public Partnership Implementation Training Programmes based on the OECD PPP Principles.	Future training events may take place in co-operation with regional networks.		Regional networks concerned with infrastructure development, such as the SADC PPP Network and the Southern African SOE Network.	
	A guide for responsible investment in agricultural supply chains.	In 2012, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas was rolled out in Africa. Discussions on developing a guide for responsible investment in agricultural supply chains have been initiated within the framework of the OECD Investment Committee.			

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Aid and development co-operation					
Support global accountability for the implementation of Busan Commitments *(see the Strategy annex proposal in section 2).*	Ten global monitoring indicators accompanied by targets. Methodology and toolkit to support implementation.	Completed by December 2012.	Scope for horizontal collaboration with other Directorates will be Identified in 2013.	UNDP.	Countries that have confirmed their support to the Busan Partnership agreement.
Education for Development					
PISA for development					
Promoting the benefits of participation in PISA among MIC and LDC countries. Enhance the policy relevance of PISA and make it even more applicable to diverse developing country contexts. Supporting efforts to develop a post-2015 global development framework.	Three to five developing countries successfully participate in the international pilot trial. Reports, guidance, forums and technical products advancing the use of PISA as the basis for measuring progress in ensuring quality education for all as part of the post-2015 global development goals and facilitating developing countries' participation in PISA. Guides and supporting material to support DAC members and partner countries in their dialogues and processes regarding participation in PISA.	Timelines for PISA for development have not yet been developed. Paper on "PISA for Development" for discussion in EDPC and DAC. Forthcoming – DAC members meeting to discuss their support for the initiative. Pilot to adapt the PISA instruments to make these more policy relevant to developing countries; it is expected that five to eight developing countries will participate in this pilot.	EDU, DCD.	UNESCO, World Bank, UNICEF, Association for the Development of Education in Africa (ADEA), the Southeast Asian Ministers of Education Organisation (SEAMEO).	TBD. Of the 70+ countries participating in PISA, more than a third are on the DAC's official list of ODA recipients. The PISA team recently issued letters to an even larger group of countries inviting them to take part in the 2015 round.

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National skills strategies					
Support developing countries in designing national skills strategies (in the context of OECD Skills Strategy).	Skills strategy widely disseminated to developing countries with potential interest in support.		EDU, ELS, DEV.		Invitation extended to members of Development Centre Governing Board.

OECD WEEK 2013

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