

What are the key areas for future work on PCD in the OECD?

Agriculture: For developing countries, agriculture is still a major source of income and potential poverty alleviation. OECD analysis has shown that reducing agricultural trade protection and trade distorting support would improve global economic welfare. Agricultural policy reform is difficult to achieve, not because policy-makers are ignorant of the potential benefits but because those who fear they would lose out are able to block or water down reform initiatives. The impact of inefficient bio fuels policies on agricultural production and food prices and thus food security makes this sector even more critical.

Trade policy: The tariffs on industrial goods imposed by OECD countries affect products that are critical to the economic well-being of developing countries – textiles, clothing and leather – and raise prices for consumers in developed countries. While substantial energies are devoted to bilateral or regional trade negotiations, various analyses point to the advantages of a multilateral approach to trade liberalisation and regulation. The PCD impact of multilateral trade architecture versus regional/bilateral arrangements is not fully understood/analysed. In the trade sector the non-tariff measures (NTM) have become an increasingly important obstacle for developing country exporters when tariffs have been removed or reduced, examples of this include agricultural trade and so called phyto sanitary regulations.

Knowledge and technology transfer – Innovation strategy: Access to products of the knowledge-based economy, as well as effective transfer of technologies and information, are key determinants for growth in developing as well as developed countries. The role of policy and practice in delivering effective access to internet has been one specific PCD project that will be discussed at the Soul Ministerial June 2008. But other areas of ICT can be equally relevant. The level of protection and enforcement of intellectual property rights (IPR) have been given increasing attention in the international debate, especially in relation to innovation, including in medicines for neglected diseases and to access to medicines for the poor. Innovation strategy could capture various aspects of PCD in different sectors.

Migration: Migration can be a powerful motor for economic and social progress in both sending and receiving countries. But the contribution of migration to development varies over time and from country to country. More effective management is needed to maximise the gains and minimise the risks associated with the phenomenon. The horizontal migration project has illustrated the global dimension of migration. It is important the horizontal dimension and collaborative working methods of migration work continue beyond the horizontal (CPF) project.

Governance and Anti-corruption: Insufficient transparency, accountability and integrity in the public and private sectors; deficient criminal legislation and anti-corruption mechanisms; and insufficient international cooperation all weaken OECD members' ability to address corruption and illegal transfers effectively, both at home and in their relations with other countries. Greater policy coherence would also require more attention to the supply side issues of corruption. A more comprehensive 'OECD anti-corruption strategy' could be created benefiting from OECD's unique expertise in both demand (done at DCD/POL) and supply side corruption. This could be explored after the Bali UNCAC meeting.

Climate change: The ensuing global warming will impose heavy costs on vulnerable developing countries. The 2006 OECD *Ministerial Declaration on Integrating Climate Change Adaptation into Development Cooperation* recognised that responses to climate change should be coordinated with social and economic development in an integrated manner, taking into account the needs of developing countries for the achievement of sustainable economic growth and the eradication of poverty. In addition to adaption the question of mitigation and an efficient and equitable multilateral framework on climate change are important elements for more coherent policies. The OECD work on climate change for MCM and other processes is a good opportunity to combine our expertise on development aspects of climate change. Need to follow up that this is sufficiently taken care of?