

2022 Ministerial Council Meeting Draft Statement

1. On the occasion of the 2022 OECD Ministerial Council Meeting, we¹ have assembled on 9-10 June 2022 under the leadership of Italy as MCM Chair, and with Mexico and Norway as Vice Chairs, under the theme of “The Future We Want: Better Policies for the Next Generation and a Sustainable Transition”.

2. Russia’s unjustifiable, unprovoked and illegal war of aggression against Ukraine is a flagrant violation of international law that shakes the very foundation of the international order. Any unilateral attempts to change it and redraw internationally recognized borders by force or by other means is unacceptable. Against this tense backdrop, we believe that the OECD has a greater role to play as an international organization that can unite under our shared values. We are firmly determined to rise resolutely to various geopolitical challenges ahead to preserve and promote our shared values. We condemn Russia’s aggression against Ukraine in the strongest possible terms. We have suspended Russia’s and Belarus’ participation in OECD bodies. We call on Russia to immediately cease all hostile and provocative actions against Ukraine, withdraw all military and proxy forces from the country, and turn to good-faith diplomacy and dialogue in order to bring a peaceful end to its ongoing war as soon as possible. We call on all partners to refrain from taking export restrictions measures for agricultural products in the context of the rising food insecurity crisis, in coordination with other international partners. We stand in solidarity with Ukraine. Our priority is to help the Ukrainian people, support their democratically elected government, and protect refugees throughout this crisis. We encourage the OECD’s continuing analyses of the economic, environmental and social repercussions of the war, including the needs of women and children, and OECD proposals in support of Ukraine’s recovery and reconstruction, together with relevant international partners. In this regard, we welcome the establishment of the OECD Kyiv Office.

3. In this context, we will work toward consolidating the economic and social foundations of democracy, through realizing a sustainable and inclusive growth as well as addressing disparities and inequalities. We will also step up efforts to maintain and strengthen the rules-based international economic order, while preserving our economic security and countering economic coercion. Furthermore, we will bolster our external engagement to promote adherence to OECD standards and to achieve sustainable development all over the world.

4. We want the next generation to inherit a peaceful, prosperous, sustainable and inclusive future. The OECD’s shared values, as reflected in its 60th Anniversary Vision Statement, are the basis for our like-minded action in support of a rule based international order and in pursuit of sustainable growth, while protecting our planet and reducing inequalities. We believe democracy and the rule of law, the promotion of human rights, equality, diversity and inclusion, gender equality, the market-based economic principles, an open, free and fair, and rules-based multilateral trading system, transparency and accountability of governments, and the promotion of environmental sustainability will help improve the lives and prospects of everyone – inside and outside the OECD’s membership, now and in the future.

We intend to continue our successful collaboration with non-member countries. We commit to preserving the like-minded nature of the OECD in its enlargement process, and welcome the adoption of Accession Roadmaps for Brazil, Bulgaria, Croatia, Peru and Romania. We reaffirm the openness of the Organisation, the continued importance of all of our regional programmes and the strategic priority of South East Asia as identified in our Global Relations Strategy, and our commitment to the 2030 Agenda for Sustainable Development.

Solid multilateral co-operation and institutions have never been more important. Recognizing the challenges to the OECD’s standards and norms by emerging donors, we will reinforce our global engagement through consolidating OECD’s role as a platform for the exchange of experiences and best practices, as well as advancing its standards globally, through membership and partnerships and a sound approach to development.

The war in Ukraine, the scarring effects of the pandemic and the climate emergency have critical consequences particularly for developing countries. Extreme poverty, severe food insecurity and forced displacement are intensifying. We recognize the importance of an urgent and coordinated response and of international cooperation to help developing countries manage these shocks. We are committed to supporting developing countries to

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

achieve their development goals through policy dialogue, expert analysis, demand-driven policy support, domestic resource mobilization and international finance - including Official Development Assistance and other official and private flows - to meet both urgent needs and longer term sustainable development priorities. We will take a positive role in measuring these international financial flows to contribute to the achievement of the SDGs.

5. Significant and consistent progresses on economic development and social wellbeing continue to be made in Africa. However, such economic trends are now challenged by the present international scenario and the persistence of long-standing conflicts and political instability, climate change, food insecurity and increasing inequalities. The OECD will further structure and enhance its engagement with the African Union, Regional Economic Communities (RECs) and African countries, in particular on the Agenda 2030 for Sustainable Development and the African Union Agenda 2063. We will work actively with the African Union in order to define a partnership based on a jointly decided agenda of work, through the identification of concrete areas of cooperation, such as institution building, good governance, fight against inequalities, women's economic empowerment and gender equality, quality infrastructure, financial stability, sustainable investment, private sector and business promotion, clean energy transition, innovative financing, green and blue economy, quality education and vocational training, and digital transition.

6. Russia's war on Ukraine has undermined the economic recovery from the COVID-19 pandemic and affected the green and digital transition path across the world. Moreover, Russia's war and its direct actions destroying infrastructures and crops, blocking exports of commodities have added to inflationary pressures hitting real incomes via higher prices in energy, food and other commodities. Also, global supply chains' disruptions have been compounded.

Against this background, we recognize the importance of monetary policy in combating inflation and in ensuring well-anchored inflation expectations, as well as preserving financial stability to ensure the smooth functioning of financial markets. While safeguarding fiscal sustainability at all times, fiscal policy should be calibrated in order to sustain the recovery, make longer-term investments, and supporting people and companies at risk of financial distress.

We recognize the need for near-term and longer-term action to ensure energy and food security, sustainability and affordability, while continuing to accelerate and meet net zero ambitions. Energy diversification poses a scale of challenges, involving different national circumstances. We aim to minimize dependence on Russia for key imports and diversify energy sources. In order to pursue the required investments, in particular in green and digital transition and health, in view of rising debt and interest rates worldwide, fiscal policies will have to remain anchored to credible fiscal frameworks with strong national ownership as well as oriented towards enhancing the growth potential of our economies.

7. In the context of the persisting COVID-19 pandemic, addressing its social and economic impacts and its longer-term consequences, as well as promoting a One Health and whole-of-government approach remains our policy priority. This includes building greater resilience to future health crises, through a better understanding and strengthened coordination among health, environmental, economic and social policies. It is critical to reinforce international co-operation with WHO at its centre and to make progress in financing and supporting equitable access to global public goods in the health area, such as immunization, and to ensure adequately financing of health surveillance systems and, prevention, preparedness and response (PPR) efforts to any future pandemic or health emergencies. The OECD has a role in analysing financing flows for strengthening health systems to ensure the sustainability and effectiveness of financing modalities.

8. Recovery policies, while aimed at achieving the highest sustainable economic growth, must promote equal opportunities, social protection for all, and social mobility and inclusion, gender equality and fight inequalities between individuals, firms of all sizes, and regions and cities, especially remote and rural communities. We are committed to promoting greater, equal and effective access to quality education and training, as well as lifelong learning to all and inclusive opportunities for upskilling and reskilling of workers and assess the impact of the green and digital transitions on employment. We recognize the importance of social dialogue for well-functioning labour markets. We will strive to ensure labour market inclusion, while addressing the barriers faced by persons with disabilities and other vulnerabilities. We endeavour new policies that address the transition and leverage the vitality of innovative SMEs and entrepreneurs, and recognise the potential of the social economy.

9. We will place gender equality and inclusivity as a crosscutting priority at the core of our recovery efforts. We will continue implementing the Gender Recommendations and pursue efforts to mainstream gender equality in our approach and in OECD's work. We are committed to developing gender policy reviews and an evidence-based action plan on how to reduce the gender pay gap, promote more equal and effective access to employment, and to step up the collection and analysis of data disaggregated by sex. We welcome the recent work on the role of tax policy in gender equality, in particular how tax-benefit systems impact women's participation in labour markets. We note the valuable work the OECD does with other international fora on gender equality, including through the G7, G20 and APEC.

10. Shaping a better and more sustainable future for the next generation requires early investment in people's lives through well-designed policies. We are committed to take action to improve education at all levels, from early childhood to higher education as well as the well-being of children and young people. Many young people are coming of age in a crisis. We are committed to supporting youth in the recovery from the COVID-19 crisis and to addressing the other challenges, they face through whole-of-government policy action on education, digital skills, life skills, entrepreneurship, social policies and public governance to facilitate job creation and boost employment.

11. The climate crisis is existential. Recognizing the findings of the IPCC's most recent report, we are committed to developing and implementing ambitious climate actions aimed at achieving net-zero greenhouse gas emissions by 2050, including through deep emissions reductions in this critical decade to keep a limit of 1.5°C temperature increase within reach. To help secure this objective, we must have every country on board.

We commit to doing more to reduce GHG emissions, increase climate resilience, halt and reverse biodiversity loss, fight pollution, use natural resources in a more sustainable manner, mobilize finance from all sources to support climate action and align financial flows with the long-term goals of the Paris Agreement, accelerate climate change mitigation and adaptation to the consequences of climate change, and accelerate efforts towards the phase down of unabated coal power. We recognize the adverse impact of climate change on women. We also commit to building the resilience of partner countries through development support, particularly for the least developed countries and small island developing states.

We reaffirm and are committed to urgently implement the Glasgow Climate Pact adopted at the 2021 Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP26). We recall and resolve to pursue efforts to limit the temperature increase to 1.5°C and recall the Glasgow request to Parties to revisit and strengthen the 2030 targets in their NDCs as necessary to align with the Paris Agreement temperature goal by the end of 2022. We urge all countries – especially major emitters – whose 2030 NDC targets are not yet aligned with a 1.5°C pathway to increase the ambition of these 2030 targets by end of 2022. We urge all countries to move towards economy-wide emission reduction targets. We reiterate our commitment to effectively implement domestic mitigation measures aimed at achieving our NDC targets.

We reaffirm the collective developed country goal to jointly mobilize USD 100 billion international climate finance per year from a wide variety of sources, through to 2025 in the context of meaningful mitigation actions and transparency on implementation. We also reaffirm the importance of developed countries at least doubling the collective provision of climate finance for adaptation to developing countries on 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9, paragraph 4 of the Paris Agreement. We look forward to a successful and ambitious UNFCCC COP27 in Sharm el-Sheikh.

We welcome the OECD's whole-of-Organization approach to deliver more integrated climate policy advice and to update OECD standards on environment. We look forward to the further development of the OECD Horizontal Project on Climate and Economic Resilience and its International Programme for Action on Climate (IPAC). We call on the OECD to contribute to examine environmentally harmful support across all sectors, and to provide evidence-based analysis to support reform. We welcome the Inclusive Forum on carbon mitigation approaches as an instrument to facilitate the dialogue to enhance cross-border cooperation on climate mitigation policies.

We will also sustainably manage the ocean, protect biodiversity of marine and coastal ecosystems, and protect and preserve all marine environments from pollution and plastic pollution. We look forward to a successful upcoming UN Ocean Conference in Lisbon and a successful UN Convention on Biological Diversity COP15 Part II. DAC members welcome in this regard the Development Assistance Committee Declaration on a new approach to align development co-operation with the goals of the Paris Agreement.

12. We recognize that a transformation of the financial system is needed to deliver on a sustainable and just green

transition. We look forward to the outcomes of an OECD integrated approach to sustainable finance for climate and environment-resilient growth and to the mapping of the infrastructure ESG landscape to foster quality infrastructure investment. We recognize the importance of responsible business conduct for resilient and sustainable global supply chains. We acknowledge the importance of strengthening international cooperation on global supply chains, including by promoting human rights and internationally recognized labour rights and enhancing clarity and predictability for business that respect human rights in supply chains.

In this connection, we look forward to reinforcing corporate governance and Responsible Business Conduct, including through the OECD's review of the G20/OECD Principles of Corporate Governance by end-2023, and through working towards a targeted update of the OECD Guidelines on Multinational Enterprises to advance their implementation, promotion and to keep them fit for purpose. We reiterate our commitment to have fully functioning National Contact Points.

We look forward to follow up on the G20 Principles for Quality Infrastructure Investment, and we take note of some OECD Members' approaches to quality infrastructure investment, such as the Global Gateway strategy, and the Blue Dot Network certification scheme.

13. Seizing the opportunities of the digital transformation requires further reflection on models of technology governance and enhancement of regulations to tackle violence on line and protect our citizens. We will continue the implementation of the OECD Recommendation on Artificial Intelligence, as well as the continued development of governance frameworks for data, the work on the development of high level principles for trusted government access to personal data held by private sectors and cooperation to support global initiatives on cross-border data flow and data free flow with trust, as well as leveraging the digital transformation as a key enabler for reaching climate goals and build a strong inclusive digital economy.

We call on the OECD to continue exploring the possibility to develop a framework on digital identity provided by governments, in order to ensure an open, thriving and safe international digital environment that will benefit from trusted interoperability.

We commit to adopting a human centered and rights-oriented approach to bridge digital divide, including those related to gender seniors and youth, size of firms, rural and urban.

14. We will continue working to reform the international tax system through a timely and effective implementation of the OECD/G20 Inclusive Framework two-pillar solution to address the tax challenges arising from the digitalization and globalization of the economy.

15. We will reinforce trust in government and democratic participation in public life, including for young people, coupled with efforts to strengthen information ecosystems to combat harmful content on line, including misinformation and disinformation. We acknowledge that future generations' prosperity depends on high quality institutions, budget plans and public policies designed to support productivity and sustainable growth, inclusiveness, economic and social fairness.

16. Avoiding protectionism, notably export restrictions, will be critical to alleviate shortages of food, minerals, energy and other essential goods, and keeping global value chains open. We remain committed to well-functioning, fair and open global markets and to building a global level playing field supported by the rules-based multilateral trading system. We look forward to a successful 12th World Trade Organisation (WTO) Ministerial Conference, which inter alia sets in motion work toward necessary reform. We support ongoing work on trade and environment at the WTO. To that end, we will reinforce our work on the intersection between trade, investment and environment, with a specific focus on enhancing the sustainability, diversification, flexibility and resilience of global and regional supply chains, including those of critical minerals. We will support the sustainability and quality of investment flows through OECD instruments in coordination with other international organizations. Noting the importance of integrated policy approaches across trade, investment, competition, digital, environmental, and industrial domains for designing pro-development growth measures, we look to the OECD for integrated policy advice in this regard. We must also ensure that trade is inclusive, sustainable and works for all.

17. We appreciate the OECD Secretariat's work and commitment during these challenging times to remain an evidence based Organization developing international standards and providing best practices and policy advice. We appreciate the positive and constructive collaboration with Business at OECD (BIAC) and the Trade Union Advisory Committee (TUAC) and other stakeholders. We support the Secretary-General, his commitment to our

shared values, and his efforts to ensure the Organization remains efficient, transparent, responsive, and accountable to its Members. We reaffirm the leading principles of competence and integrity of OECD personnel and aim as far as possible at gender equality, national diversity and inclusion, in accordance with the Staff Regulations. We look to the OECD for continued support to deliver better policies for the next generation and a sustainable transition.