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Ministers shape OECD priorities



(OECD Photo)

Left to right:
HHS Secretary Tommy Thompson,
US OECD Ambassador Connie Morella,
OECD Secretary General
Donald Johnston,
United States Trade Representative
Robert Zoellick .

Why do certain OECD economies have persistently high unemployment? How will aging societies affect public finances, and what should governments be doing today to ensure sustainable finances tomorrow? Is there a tradeoff between cost and quality in health care? What is the relationship between education and social cohesion?

These are a few of the tough questions tackled by OECD Ministers during 2004 high-level gatherings called "Ministerials."

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Dear Friends,

Welcome to the US Mission to the Organisation for Economic Cooperation and Development. It is my honor to represent the United States as Ambassador to the OECD.

A Marshall Plan descendant, the OECD is comprised of thirty of the world's most industrialised nations committed to policies and "best practices" to achieve sustainable economic growth and employment in member countries, and to contribute to sound economic development in member as well as non-member countries.

In keeping with its founding treaty, the agenda of the OECD is extensive – from world trade and financial investment to people and human investment – from protecting the world's natural environment to enhancing the human environment.

Through this newsletter we hope to share with you some of the highlights of our work in promoting US interests, both in the government and the private sector. In so doing, we encourage your involvement and engagement in our work.

As a former member of the US Congress, I have always valued the work of the OECD for its development of fundamental economic statistics and analyses used throughout the world. The work of the OECD saves the US government and industry millions of dollars annually.

Yet successes are not only counted in dollar savings to our government and the private sector, but also in the vital research and tools provided to policy makers, industry, universities and NGOs.

2004 has been a busy and productive year. The OECD has hosted Ministerials on Science and Technology, Education, Environment, Reform, Development, Health and Trade. We have been proud of the representation at these Ministerials by Washington policy makers and leaders. Among those who participated were John Marburger, Director, Office of Science and Technology Policy; Greg Mankiw, Chairman, Council of Economic Advisors; Tony Wayne, Assistant Secretary of State for Economic and Business Affairs; Michael Leavitt, Administrator, Environmental Protection Agency; Andrew Natsios, Administrator, Agency for International Development; Tommy Thompson, Secretary, Department of Health and Human Services; Andrew von Eschenbach, Director, National Cancer Institute; and Robert Zoellick, US Trade Representative.

All have found in the OECD the opportunity to share ideas and experiences with their global counterparts and, in so doing, to promote US policies.

We continue to implement the OECD Anti-Bribery Convention as well as to counter money laundering and terrorist financing. The "OECD Guidelines for Multinational Enterprises," one of the world's foremost corporate responsibility instruments, was recently revised. The 37 countries that are the source of most of the world's foreign direct investment adhere to those guidelines.

Our Paris team represents the Departments of State, Commerce, AID, EPA, Treasury, Energy, and Agriculture. In addition, our US Mission hosts over 1,000 delegates from Washington each year. We invite you to learn more about us. We hope this newsletter will be a good start. Visit our web site at www.usoecd.org.



US OECD AMBASSADOR CONNIE MORELLA

Connie Morella

US SHARES SUCCESS STORIES AT ENVIRONMENTAL MINISTERIAL



(OECD Photo)

First row: EPA Delegation, Rich McKeown, Claudia McMurray (Department of State), Judith E. Ayres, Administrator Michael O. Leavitt, Susan Hazen, Natalie Gochmour. Back row: Sylvia Correa, Sarita Hoyt, Kathy Petrucelli, Allyson Bell, Tom McCully.

The OECD Environment Ministers met in Paris, on April 20-21. Administrator Michael O. Leavitt of the US Environmental Protection Agency (EPA) chose this OECD Ministerial as his first opportunity to engage with his international counterparts.

The meeting offered a wide variety of opportunities for the new Administrator to share his successful experiences on environmental collaboration, and to promote innovative and cost-effective measures.

Administrator Leavitt focused on the need to accelerate the velocity of environmental progress through partnerships as a “better way” to achieve environmental goals.

The Ministerial theme featured the implementation of the 2001 OECD Environment Strategy for the First Decade of the 21st Century. The need for a balanced mix of policy instruments was stressed throughout the meeting.

The US actively participated, citing a number of success stories including Energy Star, an EPA voluntary program that has helped millions of Americans conserve energy and prevent significant amounts of greenhouse gas emissions.

In 2002 alone, this program reached the equivalent of removing 14 million cars from the road by providing the government endorsed “Energy Star” label to products that meet strict energy efficiency guidelines.

Ministers adopted a Statement on further work in the OECD on sustainable development. They also endorsed three Council Recommendations: applying economic tools to promote the sustainable use of biodiversity (flora and fauna); integrating environmental and economic understanding of the sustainable use of natural resources; and improving decision-making of transport and environmental issues.

In addition, Administrator Leavitt held bilateral meetings with Mexico, the United Kingdom, the Netherlands, France, Italy and Israel, as well as with the US and international press.

Sarita Hoyt

We are On The Move



Left to right: Myra Dunn, Ed Daly, Ambassador Morella and Mr. Morella. Rear: Rich Daher.

The US Missions to the OECD and UNESCO are moving to a new site in the vicinity of the present OECD headquarters.

These offices will provide a safe, secure space for the two Missions and will have the most up to date technology.

This project brought together not only government and the private sector, but the community as well. We are looking forward to sharing not only space, but experience and ideas. ■

OECD CHEMICALS WORK SAVES US MILLIONS

OECD chemicals program has provided sound scientific and technical tools for use in OECD member countries’ chemicals assessment and management programs. OECD members account for about 75 per cent of world production, and many developing countries are also active in chemical manufacturing.

As a result of the OECD chemicals work, it has been conservatively estimated that government and industry save nearly \$60 million annually in testing, evaluation, and approval of different chemical products.

The OECD provides an important forum for the US to be pro-active in addressing environmental management and regulation issues that could present non-tariff barriers to trade. US participation in such work often has enabled already established US approaches and programs to serve as models.

For example, the OECD served as a platform to “internationalise” the valued US environmental management tool known as the EPA’s Toxic Release Inventory. The OECD had adopted and promoted this tool within its member countries under the name of the Pollutant Release and Transfer Registry (PRTR).

The US highly values the industrial chemical and pesticides work at the OECD. ■

US RAISES OECD EXPORT CREDIT ENVIRONMENTAL STANDARDS

OECD member countries are now implementing an agreement that strengthens environmental standards used by Export Credit Agencies (ECAs). The agreement, known as the “Common Approaches on Environmental Guidelines,” is an important achievement for American business and further promotes environment objectives.

Raising environmental standards will significantly help to level the playing field for US exporters. It also saves US taxpayers an estimated \$800 million per year.

The United States was the first OECD country to require environmental reviews from its export credit agency, the Export-Import Bank. We led the effort, both in the G-7 and in the OECD, to enlist other export credit agencies to agree to such reviews for projects they finance.

The accord lays out a procedure that export credit agencies must follow when performing an environmental impact evaluation.

Export credit agencies are required to apply the environmental standards of either the host country or a multilateral development bank (such as the World Bank), whichever are more stringent.

High levels of public transparency are also established. For example, the environmental impact information, with few exceptions, must be made public at least 30 days before an export credit agency makes a final commitment to support a proposed project.

Thanks to this agreement, the goal of insuring that competition for export sales is based on the price and quality of the exported goods and/or services, rather than the cost of official export credit.

Helen Recinos

THE WORLD IS NOT RUNNING OUT OF ENERGY, BUT HUGE INVESTMENTS ARE NECESSARY

The world’s energy resources are sufficient to meet projected demand, but the energy sector will have to come up with \$16 trillion in investment between now and 2030 to convert resources into supplies, according to Claude Mandil, Executive Director of the International Energy Agency (IEA), an affiliate of the OECD.

In its November 2003 World Energy Investment Outlook (WEO), the IEA constructed the world’s only comprehensive picture of future investment requirements in all parts of the oil supply chain. The WEO is a flagship publication of the IEA and is valued by both government and industry officials.

US industry and government officials agree with the WEO on the urgency of the energy sector to attract global capital and to encourage investment.

The 2004 WEO, to be released in November, will analyze the implications of policies on environment, energy efficiency and access to energy on member countries’ energy systems. It will also include the world’s first independent in-depth analysis of Russia, as well as world oil and gas reserves. The 2005 WEO will focus on the Middle East.

Melissa Horwitz

OECD APPROVES PASSPORT PROJECT

Earlier this year, the OECD gave final approval to a program to introduce biometric parameters in international passports. The program, known as EITS (Enhanced International Travel Security), spearheaded by the White House’s Office of Science and Technology Policy, will run for two years and bring together international experts in the field of information security and privacy. ■

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Every year, OECD convenes top policymakers from its 30 member countries for various Ministerial meetings. The flagship Ministerial for the organisation as a whole is the Ministerial Council Meeting (MCM), which this year focused on health, trade and growth. OECD’s calendar was also full of “sectoral” Ministerials in 2004, including high-level meetings on labor, science and technology, education, environment, and small and medium-sized enterprises.

The United States supports the active participation of its senior officials in OECD events, such as Ministerials. These meetings keep the organisation’s emphasis on high-priority areas, place the spotlight on its accomplishments and chart a course for the future. In 2005, the OECD is planning a Social Policy Ministerial, as well as high-level meetings in Development Assistance and Territorial Development, and the annual MCM.

John G. Robinson

Memorial day at Suresnes cemetery: A time to remember



Ambassador Morella, Gen. Lichte, Vice Commander, US Air Forces Europe and French officials pay tribute to the WWI and WWII Americans buried at this American Battle Monuments Commission cemetery in Suresnes.

Ambassador Morella honored America’s fallen heroes at Suresnes cemetery, the only cemetery where military from both World Wars are buried. In her speech, she noted that this final resting place represents the deep and continuing friendship between France and the United States. ■

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Washington, DC, OECD center
(one of four OECD centers worldwide)
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Good luck and bon voyage

Some of our team are moving on to new posts. We wish them well. Ben Chang is heading to the United Nations and will be succeeded by David Mosby. Rob Luke is going to Taiwan and Morton Holbrook will assume his responsibilities. Brian McFeeters is moving to Washington, DC (Indonesia Desk); Peter Barlerin will take Brian's place. Toni Kula will succeed Philomena Hameed, who left Paris in mid-June and who will be posted in Abu Dhabi, the United Arab Emirates. Ronna Pazdral heads for New Zealand. Her replacement will be Matt Dever. ■



The annual high-level meeting of the OECD's Development Assistance Committee (DAC) was held in Paris. Development Ministers and Agency Heads from 22 OECD countries plus the EC, UNDP, World Bank and the IMF attended. USAID's Administrator Andrew Natsios and USOECD's Permanent Representative to the DAC, George Carner, represented the United States.

Administrator Natsios stressed the need for aid effectiveness and reform of aid delivery systems. The US set an example of bold reform earlier this year by creating and funding the Millennium Challenge Corporation (MCC).

With an additional aid budget of \$1 billion in FY04 and a new, simplified approach, the MCC aims to help developing countries that are committed to good governance, sound economic policy and investing in their own people. Sixteen low-income countries have already been selected as candidates for funding.

Together, DAC members provide for over 90% of all official development assistance (ODA). In the past two years, since President Bush announced major US aid increases at the Monterrey Conference on International Finance and Development, total aid volume has increased 11 per cent – reversing a decade of decline. Existing donor pledges could lead to further increases of some 25% by 2006, with official aid approaching \$86 billion a year.

US ODA disbursements are expected to more than double to \$26.6 billion, and level off at about \$22.2 billion by 2006.

George Carner



Many US Congressional Delegations journeyed to Normandy to commemorate the 60th anniversary of the D-Day Allied landings.



Congressman Doug Bereuter and members of the US Congress at the Hotel de Talleyrand reception, following briefings at the OECD.



Ambassador Morella, Chair, Committee for Public Affairs and Communication (CPAC), confers with French Ambassador Dominique Perreau (Vice Chair of CPAC).