



BUSINESSatOECD

Strengthening international coordination to overcome Covid-19
Business Recommendations for the Recovery

OECD Ministerial Council Meeting, 28-29 October 2020



I. Executive Summary

A unilateral approach to the pandemic and its effects is not the answer. Our economies and our societies simply cannot afford it. There is a clear role for the OECD to show – through its fact-based analysis – that international cooperation is the best way forward for protecting people’s health, their livelihoods, and our economies.

As the OECD formulates its Covid-19 response strategy, global business calls on the OECD to implement three overarching recommendations:

- (1) **Protect people’s health and livelihoods while minimizing economic disruption:** While far-reaching containment measures slowed the spread of infections and saved lives in the onset of the pandemic, they have resulted in significant economic disruption and job losses. As we cannot afford a second wave of generalized lockdowns that would paralyze again entire economies, the OECD should urgently conduct an impact assessment on the policies that worked, those that did not, and propose best practices to guide future measures.
- (2) **Defend open markets:** The global pandemic underlined the importance of keeping markets open for trade and investment. National discussions on “economic sovereignty” should not pave the way for new protectionist policies. Now is the time for the OECD to translate its work on global value chains into succinct, impactful communications demonstrating how countries can better prepare for future crises. This anticipation can be done without trade disruptions and restrictions that would slow down the goods and services people produce.
- (3) **Favor policy integration and whole-of-government approaches:** The pandemic has underlined the importance of breaking down policy silos between policymakers and promoting close cooperation with business. One specific step could be for the OECD to convene a high-level policy dialogue or joint Ministerial for a truly integrated discussion – e.g. bringing employment, health, and finance Ministers together – to identify how coherence can help achieve lasting results.

The OECD has a unique cross-disciplinary expertise to explore a wide range of areas critical to overcome the pandemic. The following selected business priorities are key to tackle the crisis, and leveraging public-private partnerships and dialogue should help reach this goal:

Boosting health security and resilience

Recognizing that health resilience is a fundamental prerequisite for the recovery, we identify areas where OECD work could play a foresight role to anticipate any future health shocks. Our recommendations would significantly strengthen resilience of health and safety systems, support innovation, identify effective prevention initiatives, and enhance digital health.

Working towards a sustainable economic recovery

Extraordinary expansionary monetary, fiscal and economic policies will be required well into the future to counteract long-term structural risks from the crisis. Easy access to sufficient liquidity at adequate terms for companies must be ensured. Policy measures should also address weaknesses in productivity growth and boost business competitiveness.

Bringing jobs back in a post-Covid-19 world

Consultation of social partners in times where face-to-face meetings are restricted is an essential condition for the success of employment policies. Our recommendations point to immediate analysis and actions to maximize the uptake of sustainable employment.

Harnessing the benefits of data driven digital innovation

Policymakers should prioritize the development and access to digital infrastructure, data driven innovation, and connectivity. Reviews of key OECD instruments related to digital should leverage lessons learned from the Covid-19 crisis, including transparency as a key criterion to foster trust.

Ensure the twin engines of trade and investment can power the global economy

A reduction in tariff and non-tariff barriers is an effective tool in stimulating the economy and ensuring critical products reach consumers. The OECD should emphasize further the risks of global supply chain disruptions to the overall Covid-19 response and monitor potential risks of state interference in supply chains.

Ensure a competitive investment environment

We call on the OECD to prominently highlight the important role of investment, address barriers and advise policy makers on a pro-investment policy environment, through analysis and trends, monitoring of investment restrictions and strong implementation of OECD investment instruments.

Tax policy for recovery and return to growth

Policies that ensure fair and growth-oriented taxation according to value creation and guarantee tax certainty to all stakeholders involved have the highest impact for business and governments. We remain committed to achieving a consensus outcome for the OECD project on tax and digital.

Supporting developing countries in times of crisis

To achieve the 2030 development agenda, the OECD should call on governments to continue their official development assistance (ODA) that would also support private sector investment, leverage its analytical capacities to assist developing countries with tailored guidance on effective policy action and promote an open trade and investment environment.

Obtaining double dividends for environment and sustainability

To ensure long-term progress towards environmental policy goals, fiscal policies to stimulate demand must go hand in hand with structural reforms. We encourage governments to work with the OECD to advance a clear and common vision of a green recovery from the crisis.

II. What business needs from the OECD

Covid-19 hit at a time when international coordination was already facing considerable challenges. Business, a key partner in delivering solutions to address the crisis, has experienced the negative consequences stemming from fragmentation and unilateral measures when cooperation across borders is needed most.

The economic and social impacts of Covid-19 have triggered an unprecedented level of government support measures to counteract the severe declines in economic activity across countries. Despite these emergency steps, addressing the impacts of the pandemic resulting from lockdown and containment measures will take time, and companies continue to face significant uncertainty. While support policies are indispensable to ensure that economies are able to operate, they are transitional and should be effectively targeted with a view to motivate the return to market-oriented economic activity and growth.

It is important to understand how best to manage the transition to exit strategies and eventually to full recovery once the pandemic is under control. We need policies that drive market-oriented recovery, encourage entrepreneurship, and foster growth and job creation. Given the power to create jobs and foster entrepreneurship, we encourage further OECD guidance and dialogue on sectors which have been severely impacted by the crisis, including tourism.

In addressing the Covid-19 public health crisis and resulting economic and societal impacts, we believe that the international community has an opportunity to rethink public policy and foster closer cooperation between business, governments and key stakeholders. This will be key to achieve a sustainable economic recovery, and ensure greater preparedness and resilience going forward.

The OECD should help reboot our economies and promote efforts to “build back better”. We need policies that support job creation, foster innovation and digitalization, advance sustainability and inclusion, support infrastructure investment, and ensure that our health care systems are better prepared for future health crises. Digital enabling technologies and public-private partnerships have also been critical and will remain so as countries implement recovery phase policies.

In this context, our global business network urgently calls on the OECD to implement the following three strategic recommendations, which we believe are critical to achieve effective outcomes as we address the pandemic.

1. Protect people’s health and their livelihoods while minimizing economic disruption

Containment measures were key in slowing down the spread of infections and saving lives in response to the Covid-19 pandemic, but resulted in significant economic disruption and job losses, alongside stark falls in economic sentiment and tighter financial conditions. In its September Economic Outlook the OECD expects the most dramatic economic slowdown since World War II, with global GDP forecast to contract by 4.5% in 2020.

While the lockdown measures allowed hospital and healthcare networks to address capacity challenges, they ultimately resulted in significant economic disruption and job destruction. At the time of writing, many countries are experiencing an aggressive resurgence of infection cases, with uncertainty as to what the future will bring, and the right level of policy measures and the buy-in from citizens that will be needed to address a potential second wave both regionally and globally.

Against this backdrop, we urge governments to work with the OECD to identify effective measures allowing people to work in safe conditions and to minimize the spread of the disease in populations, with the aim to avoid generalized lockdowns that would paralyze entire economies and imperil both large and small companies, many of which are already in a fragile state.

We urge the OECD to look into country evidence and best practices with the objective to reduce further economic disruptions which would be caused by repeated broad-based lockdowns while protecting citizens' health and safety. The OECD's work on health can also identify how governments, working closely with citizens and businesses, can strike this balance.

2. Keep markets open and resistant to future crises

The global pandemic has underlined the importance of keeping markets open for trade and investment and has stressed the need for a competitive business environment. It has also exposed the interlinkages and dependence on other countries to achieve a supply of essential products and services during a crisis.

We have witnessed several calls to achieve “economic sovereignty” during this crisis, but this debate should not turn into a platform to develop new protectionist policies. The OECD can provide an important evidence-base on how countries can better prepare for future crises without disrupting global value chains and imposing restrictions at a time where global trade and investment are essential elements for innovation, job creation and getting our economies back on track. Moreover, market restrictions and supply chain disruptions have an impact both in advanced economies and developing countries. Keeping markets open has never been more important.

3. Favor policy integration, whole-of-government approaches, and public-private partnerships

The pandemic has underlined the importance of breaking down policy silos between national ministries and policymakers and promoting close cooperation with business. We encourage the OECD to facilitate greater uptake of cross-sectoral and cross-discipline dialogue. One way to do so would be through convening Ministerial meetings bringing together government agencies overseeing those sectors, which have been hit the hardest by the crisis and which also hold the key to a stronger economic and health recovery response. For example, the OECD could organize a meeting of Employment, Health, Finance, and Innovation Ministries to identify short and long-term evidence that the OECD could produce to address the consequences of the pandemic.

Business-driven solutions, including rapid response public-private partnerships, have been critical during the emergency phase of this crisis and will remain so during the recovery phase. For example, public and financial institutions can devise solutions that make liquidity support to business more accessible and improve transmission mechanisms. The OECD should support governments by drawing on its multi-disciplinary expertise to provide evidence-based analysis and policy advice across all areas of government with the objective to help design sound economic and social policies, boost both private and public investment to bring our economies back on track, and strengthen resilience to be better prepared for the future.

III. Business priorities and key asks in selected policy areas

The OECD has unique cross-disciplinary expertise to deal with a wide range of areas critical to overcome the pandemic. The following selected business priorities are key to tackle the Covid-19 crisis. While this is a non-exhaustive list, and bearing in mind the interlinkages to be made, the following are a number of key areas for consideration.

Boosting health security and resilience

- Governments and the OECD must value investments in health as an engine for growth and prosperity. The OECD has a role to boost health resilience by distinguishing clearly between 1) its immediate policy response to the crisis, aiming to ensure continuity of supply through open trade and accelerate the development, approval and access to a range of innovative and critical solutions, and 2) its long-term policy proposals aiming to fill major public health gaps in ensuring sustainability and resilience of healthcare systems.
- Opportunities abound in the area of digital health. The OECD should analyze ways to reward digital solutions such as telemedicine and teleconsultations and include those into their reimbursement processes as part of health systems reform. In this context, it is essential to create a harmonized health data space, as well as to invest in infrastructure to support interoperability and improved flow of data.
- More than ever, a discussion on value for money is critical. Public-private partnerships in this area as well as a supportive framework for private investment are crucial. To complement public-private partnerships, the OECD could propose and promote a clear and defined evidence-based approach to measure public-private initiatives' efficiency and to establish best practices that can be replicated and scaled up to reduce risk factors for non-communicable diseases. Addressing mental health/illness challenges arising from the crisis will also be another priority that must be tackled.
- As companies are racing to produce a safe and effective vaccine against Covid-19, we need to ensure continued disease surveillance and open and rapid sharing of virus information to inform vaccine development programs and national policies. We also need policies that will support collaboration to rapidly scale up manufacturing and fill and package capacity for high volume production, while preserving existing manufacturing capacity. We further believe government and business dialogue is critical to support discussions on vaccine confidence and acceptance.
- Covid-19 is not the only major public health threat we face today. We must work together on health security: we know the next pandemic will be Anti-Microbial Resistance, unless appropriate policy action is taken. Against this background, we encourage the OECD to investigate what “pull” incentives will help address market inefficiencies to boost investment in new antibiotics research and development.

Working towards a sustainable economic recovery

- Despite the strong public efforts to support businesses and workers, we are and will be facing higher unemployment, increased rates of business bankruptcies, weaker public and private balance sheets, reduced investment spending, and increased calls for protectionism. In this context, effective recovery plans and international coordination and cooperation are vital to preserve our economies and societies and ensure that an open global market environment can continue to leverage growth and development. Extraordinary expansionary monetary, fiscal and economic policies will be required in most countries well into the future to counteract the long-term structural risks stemming from the immediate fallout from containment measures.
- Throughout the recovery phase, it remains critical to ensure that companies, and in particular small and medium-sized enterprises (SMEs) who frequently hold small cash buffers, have easy access to sufficient liquidity at adequate terms. In some countries, additional short-term measures are needed to address challenges related to liquidity, solvency, employment and governance. The OECD can play an important role in evaluating the different types of measures taken in different countries.
- At the same time, there is a risk that the enormity of the funds needed to recover will overwhelm the public sector's current capacity. In order to ensure that financing does not become the bottleneck for economic recovery, access to private capital via the capital markets and financial institutions is necessary but must be facilitated and coordinated through an extraordinary effort at collaboration between the public (e.g. IMF, Multilateral Development Banks, Paris Club, Export Credit Agencies, large bilateral government lenders) and private sector. These extraordinary efforts are essential in re-establishing capital market risk taking, liquidity, price stability and market functionality. In finance, we should explore actions such as reprieves, standstills, forbearance, public sector guarantees, and more blended finance. These would require our regulators and supervisors continued flexibility in terms of accounting, loan-loss management and capital buffers.
- The 2008 financial crisis illustrated the risk that weak balance sheets and persistent uncertainty translate into sub-par investment hampering a long-term sustainable recovery. We must use all available levers to strengthen public and support private investment, especially with a view to support innovation, digitalization, infrastructure, transportation, education, health and sustainability, which can not only play an important role in the recovery phase but also help build future resilience. Similarly, working towards the recovery is an important opportunity to address pre-existing issues such as addressing longstanding weak productivity growth and maintaining business competitiveness.
- At the same time, support policies must be transitional and well targeted and exit strategies must be carefully managed. A key concern is the prospect that support programs could cease at a single point in time, which could create a sudden economic shock with ripple effects through the economy and across the financial sector. A gradual phase out will instead allow borrowers and lenders the necessary time to adapt.
- Finally, public and private sector debt is set to rise to exceptionally high levels in many countries as a result of the crisis. While the exceptional additional monetary policy support

measures are key for economic stabilization and limit debt servicing costs, risks for over-indebted countries and companies will have to be carefully monitored and addressed. In order to ensure the sustainability of public finances and not to pass on an unsustainable debt burden to future generations, strong economic growth led by the private sector is key.

Bringing jobs back in a post-Covid-19 world

- The OECD should leverage its evidence-based expertise and close collaboration with employers to improve our societal resilience and promote business-led returns to work, with adequate safety considerations in place. The OECD could for example develop evidence regarding costs and benefits associated with the establishment of any potential protection mechanisms to close gaps in safety nets in order to cover various forms of work.
- Together with input from businesses, the OECD should address the growing burden of informality – which has been and will be further exacerbated by Covid-19. Targeted policy recommendations are critical to accelerate the transition of informal workers into the formal economy.
- Skilling, reskilling and upskilling are top priorities. They are critical for the digital transition and help spur youth employment, with OECD data putting average youth unemployment at already 17.5% in the second quarter of 2020. Many young workers will be deprived of opportunities to enter the job market due to the sudden economic disruption. At the same time, the acquisition of future skills is of relevance across age groups due to changing skills needs resulting from the digital transformation of our society. In this context, educational efforts at an early stage should be carried out in the field of digitalization and beyond, in order to engage younger generations and tackle gender gaps in the economy and jobs of the future.
- In some OECD countries, recent debates have called for a unilateral right to telework, which would be a misguided policy direction. It is the employers who determine the place and time of work, as it is their responsibility to manage business processes and ensure, among others, that customer needs are met and jobs are secured.
- The increased use of mobile work during the crisis should not be misused as justification for such a unilateral right to telework. New regulations and administrative hurdles could strongly limit the possibility of offering mobile work to employees and therefore undermine the politically desired support of mobile work. OECD work studying teleworking and productivity options should take into account the heterogeneity of sectors and companies and the need for specific and tailored solutions. The design of mobile working is primarily the responsibility of the social partners and parties to the employment contract. Collective agreements can provide a framework for implementing mobile work in suitable activities.

Harnessing the benefits of data driven digital innovation

- Digital innovation, supporting an inclusive and sustainable recovery, requires a holistic, multi-stakeholder policy approach and public-private partnership. The Covid-19 pandemic has shown the potential of digitalization to sustain economic and social activity and help deploy critical medical technologies, supplies, and services. Since private investment by business will continue to be the predominant finance source for these advances and those in connectivity, maximizing this potential requires regulatory frameworks and processes, which facilitate timely development and deployment of digital technologies.
- Connectivity supported by digital technologies and infrastructure has been critical in sustaining economic and social continuity in the crisis and can help to reduce bureaucracy and enhance efficiency of government services, including in rural and underserved areas. It also has the potential to reduce the vulnerability of the public sector to bribery, corruption and misappropriation of public funds by fostering transparency and promoting accountability. In this context, it is critical that policies support the creation and maintenance of innovative, environmentally and economically sustainable, resilient, well-functioning and secure communications systems and networks, including continuity of supply chains for network equipment. The revision of the OECD Broadband recommendation should take these criteria into account.
- The Covid-19 crisis again underlines how important it is to share and access data in ways that are trustworthy, secure and protect people's privacy. Appropriate data sharing and public-private partnerships can also lead to more informed policy making. Companies are collaborating with governments to develop and deliver tracking and tracing applications as tools to record and mitigate the spread of infections. They are also building privacy compliance into digital tools and services to enable organizations focus their efforts on advancing their missions of combating the pandemic. Reviews of key OECD instruments related to digital, including to address privacy and security, currently underway should take into account experience gained during the Covid-19 crisis.
- The Covid-19 crisis has heightened awareness of gaps in digital inclusion. These include the need for uncompromised connectivity and affordable and reliable access to quality, high speed internet, communications services and devices, as well as the need for enhanced, durable digital skills for all. Companies have been extending technical support and services to ensure continuity of education and training at all levels. We recommend that OECD take stock of lessons learned and collect practical solutions advancing digital technology for enhanced access to education and upskilling, including capacity building for SMEs.
- The crisis has also highlighted gaps relating to SME technology adoption. Ongoing awareness, education, and training with regard to technology adoption for businesses, their employees and citizens alike is a crucial component of the digital inclusion equation. We strongly support the OECD Digital for SMEs Global Initiative and other initiatives aimed at fostering SME digitalization.

Ensure the twin engines of trade and investment can power the global economy

- Open trade and global value chains are fundamental drivers of recovery from this global crisis. The OECD should emphasize that a reduction in tariff and non-tariff barriers is an effective tool in stimulating the economy and ensuring critical products reach consumers, and that it should be a key part of a holistic economic policy response to this pandemic. Food security is underpinned by a predictable and science-based trade policy. Businesses need predictability in order to facilitate agriculture trade that feeds citizens.
- No country alone can efficiently produce all the goods and services needed to combat Covid-19. In this context, the OECD should continue to strongly emphasize the risks of global supply chain disruptions to the overall Covid-19 response and ensure timely roll-back of trade-restrictive measures to support economic recovery. The OECD should evaluate public policies to guarantee security of supply, both of goods and technologies, learning from recent examples during the crisis. To ensure that emergency interventions do not restrict trade and investment more than necessary, the OECD should work with member and partner countries to adopt measures that are designed in a targeted, risk-proportionate, transparent, WTO-compliant, and temporary manner - with sunset clauses and a clear “exit strategy”.
- Regarding international mobility, a global myriad of travel restrictions, lack of transparency and consistency regarding their implementation, and reduced operational capacities of public authorities further restrict trade and investment on the ground. Considering the importance of international mobility, the OECD should support policy makers to better assess costs and benefits of generalized travel restrictions versus adopting available pre-travel and on-arrival testing, technologies and procedures that would increase mobility while protecting citizens’ health. Coordination in this area will be vital to ensure that collective efforts can yield effective global results.
- Efforts to disentangle global value chains into ‘essentials’ and ‘non-essentials’ lead to arbitrary restrictions and disruptions of highly complex supply chains. For example, disruption of transportation of aluminum and semi-finished products have resulted in delayed deliveries of can sheet and foil sheet for the packaging of food and drinks, as well as for pharmaceutical and medical products. The OECD should work towards a common understanding of ‘essentials’ that covers the entire supply chain needed to produce, deliver and maintain goods and services.
- As countries have implemented government support measures to support business liquidity, solvency and recovery, the OECD should ensure that trade policy principles are respected and mainstreamed across its work. Highlighting the need to design transparent, time-limited, targeted, proportionate, and non-discriminatory measures is crucial.

Ensure a competitive investment environment

- Both foreign and domestic investment will be under significant pressure as a result of the pandemic. The immediate impact on FDI is dramatic, with global foreign direct investment projected to plunge by 40% in 2020 compared to the previous year. Yet, both public and private investment will be essential to get the economy back on track, enhance digitalization, upgrade our health systems, improve infrastructure, and address other urgent global challenges, such as climate change and development needs. More than ever, we need the OECD to highlight the role of investment for economic recovery at the highest political level and push back against unilateralism. The key to economic recovery will be more, not less investment.
- We need fact-based analysis to underpin policy discussions. OECD investment statistics help identify critical trends and inform evidence-based discussion. We also need fact-based analysis on the value of investment. The FDI Qualities project should highlight the important role of investment in the context of global economic recovery.
- The economic upheaval from the pandemic has led to the introduction of new investment screening mechanisms as well as measures that have the potential to discriminate against foreign investors in disguise, including preferential treatment of domestic firms as well as undue advantages to SOEs. The OECD should uphold the importance of an open investment environment and monitor restrictive investment measures, which must remain proportionate, transparent and limited in time. At the same, the OECD should foster a pro-investment policy environment, among others by ensuring a competitive level playing field, reducing complexities in the regulatory environment, addressing the demand and supply sides of corruption, and ensuring a robust and reliable intellectual property environment.
- The OECD investment standards, including the Declaration on International Investment and Multinational Enterprises, the Policy Framework for Investment, and the Guidelines for policies related to national security should serve as a basis for investment-related policy making. We need a strong focus on implementation of these instruments as well as further outreach to additional potential adherents to ensure a level playing field. Responsible business conduct remains a critical component of the investment agenda.

Tax policy for recovery and return to growth

- Fiscal policies that alleviate not just companies' short term but also medium-term need for liquidity and resource flexibility are crucial for business continuity in the crisis as well as in the recovery period. Such policy support is particularly important in the case of small and medium-sized enterprises which are typically the first to face liquidity and cash flow problems. Based on the policy papers the organization issued in the early days of the crisis, the OECD could analyze the different country measures and benchmark them against best practices to help countries identify the most effective fiscal tools.
- In order to rekindle rapid economic growth, time limited fiscal incentives that ensure companies (and employees) can regain their footing and productivity are key for a turnaround after the crisis. This also implies the need to define clear criteria and data points on when this target has been achieved and these measures can be phased out. The OECD

could provide best practice advice on efficient measures and urge globally harmonized implementation to avoid unilateral efforts that potentially offset each other. This could also mean technical revision of parameters for established processes, for instance in the transfer pricing area, if the new economic reality warrants it.

- Ultimately, the need for the restoration of public budgets and compensation of the crisis and recovery measures will be paramount to regain a balance. Globally aligned fiscal solutions for multilateral application, which avoid potentially harmful unilateral actions that could pose obstacles to global trade have the highest chance to achieve this goal, and the OECD is the right organization to lead such effort. Projects that ensure fair but growth-oriented taxation according to value creation and guarantee tax certainty to all stakeholders involved will ultimately have the highest impact for companies and tax administrations.
- While not a Covid-19 measure as such, we support the continuation of the multilateral OECD Project on the taxation of the digitalizing economy, and reaffirm that we will fully participate to help reach a sustainable international consensus as swiftly as possible.

Supporting developing countries in times of crisis

- Given the interconnectedness of the world economy, successfully combating and overcoming Covid-19 requires action on a global scale. Developing countries and emerging markets are far less well prepared to deal with the economic and societal ramifications of the current pandemic. These challenges are further amplified by fewer fiscal buffers of developing country governments, hindering the delivery of economic support or reactivation measures, and low degrees of social protection resulting from a high prevalence of informal work, further complicating the support of impacted workers.
- The OECD's development mandate in the context of the Covid-19 crisis should be to ensure support, for instance by encouraging Development Assistance Committee (DAC) governments to continue their official development assistance (ODA) that would also support private sector investment, by assisting policy makers on the ground with research, analysis and tailored guidance on effective policy action and by providing advice and fostering capacity building measures, which support developing countries in boosting their resilience going forward.
- Supporting developing countries in times of crisis is not only essential from a humanitarian and ethical perspective, it is also necessary to defeat the pandemic on a global scale and to eventually fully overcome the Covid-19 economic crisis. Developing countries can play a key role in many supply chains as producers and providers of essential inputs and services. It is further important to recognize that a lack of support for these countries will only result in further widening of global inequalities, thereby impeding efforts to achieve the Agenda 2030.
- Assisting domestic reform efforts to improve their business and investment environments and strengthen their governance should further remain high on the OECD's development agenda. This includes supporting the fight against corruption and illicit trade in both developed and developing countries as corruption and illicit trade impede economic growth and sustainable development by diverting resources and undermining (legitimate) economic activity.

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- Moreover, it will be crucial to ensure that developing countries and emerging markets do not back away from global markets. International trade and investment can represent an effective tool for economic recovery by sustaining jobs and may also be critical to longer-term development and resilience building, for instance by promoting critical investments including in transportation, health and digital infrastructure.

Obtaining double dividends for environment and sustainability

- Economic stimulus measures that help restart our businesses and sectors should aim at yielding “double dividends” towards the achievement of important long-term policy objectives where possible – particularly addressing climate change, increasing resource efficiency and preventing biodiversity loss. We encourage governments to work with the OECD and like-minded member and partner countries to advance a clear and common vision of a green recovery from the Covid-19 crisis.
- To ensure long-term progress towards achieving environmental policy goals, it is critical that fiscal policies to stimulate demand are accompanied by structural reforms, which spur environmental innovation, mobilize sustainable finance and investment, develop sustainable infrastructure, reduce unnecessary regulatory burden, enable education and training, and strengthen greater international policy coherence. In this regard, we encourage the OECD to take on its unique role at the international level as a platform for holistic policy dialogue based on facts and evidence.
- We emphasize that the green recovery must not be misused as a vehicle for discriminatory or protectionist action. To ensure the sustainability of natural resource use, positive and negative externalities should be reflected to the greatest extent possible in international market outcomes, while at the same time avoiding ill-prescribed unilateral action. Government support measures should be designed in a transparent, targeted, and temporary manner to ensure they do not result in enduring global market distortions. Overall, it is vital that any initiatives in this regard do not aggravate the stagnation of global trade due to the spread of Covid-19.

IV. The need for strong global cooperation

The Covid-19 crisis has demonstrated the need for strong cooperation between the OECD, governments, the business community and key stakeholders when developing and implementing policy responses that leverage growth and sustainable development.

The OECD Ministerial Council Meeting in October 2020 offers a prime opportunity to show the value and impact of international collaboration at a time where unilateral actions risk hampering social and economic progress. The OECD should leverage its leadership role to bring international cooperation back on track and tackle both the immediate and long-term consequences of the crisis.

Business needs a strong OECD voice on debates where the current Covid-19 context has prompted inward-looking policies with negative impacts on public health, jobs, trade, investment and innovation. The OECD's evidence base and multidisciplinary analysis remains critical to inform national policy discussions and facilitate policy coordination as we continue fighting Covid-19 and its consequences at the global level.

We look forward to continuing our dialogue with the OECD and to further advancing cooperation and solutions with the OECD, accession and partner countries in supporting a sustainable recovery.



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