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OECD STRATEGY ON DEVELOPMENT

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I. Mandate

1. At the OECD's 50th Anniversary Council Meeting at Ministerial level (MCM), Ministers endorsed a new *Vision* which looks ahead at the important role of the OECD in contributing to better policies for better lives, implementing a comprehensive approach to development, and moving towards a more inclusive policy sharing Organisation [[C/MIN\(2011\)6/FINAL](#)]. At this milestone in the history of the Organisation, Ministers also reaffirmed their commitment to global development, endorsed a strategic *Framework* and mandated the OECD to design a Strategy on Development [[C/MIN\(2011\)8](#)]. The OECD Strategy on Development is consistent with the Organisation's founding mandate to promote development within and beyond its membership. It is based on OECD's accumulated experience on development, on promoting effectiveness and impact of international development co-operation as well as on its interdisciplinary expertise in public policy making.

II. Rationale

2. The global economic landscape has changed beyond all recognition in the half century since the OECD was established. Some key evolving trends include:

- The world's centre of economic gravity is changing and developing economies are among the key drivers of global economic growth. The dynamism and growth in developing regions is also leading to historical shifts in global economic governance, as reflected by the emergence of the G20 at the Leaders' level.
- There is a growing diversity of growth and development models which underscores that there are no one-size-fits-all solutions.
- The nature of development financing is changing. Many developing economies are becoming important actors in international finance, trade, investment, innovation and development co-operation, and are contributing to changing the architecture of development co-operation. Official development assistance (ODA) can increasingly play a catalytic role. It remains critical that the Least Developed Countries continue to benefit from effective, predictable and sustainable development financing.
- The geography and nature of poverty are changing which raises important questions for traditional approaches to development. A growing proportion of the world's poor live in middle-income countries and urban areas today than in low-income countries and in rural areas. This highlights the important role of institutions and policies overall in those countries, and the need to continuously improve policy making and implementation to address these persistent challenges.
- Inequality is an increasing challenge in advanced and developing economies alike, potentially undermining further growth and social cohesion. It has become clear that the benefits of growth do not automatically trickle down and generate more equal societies. It will be important to adopt an inclusive and multidimensional approach to policy making, looking also at the social dimensions such as gender inequality.
- Development challenges are global challenges. Issues such as climate change, natural resources scarcity, and food and energy insecurity have implications for all. In a highly interconnected world, global shocks can reverberate quickly, and externalities such as macro-economic instability, social and economic inequalities, and conflict can have large and wide ranging

spillover effects worldwide. Collective and coordinated action to address these challenges needs to transcend the old distinction between the “North” and the “South”.

- The financial and economic crises have had multifaceted consequences. This calls for rethinking our policies and approaches to economic development.

3. Today’s global economic landscape has created both new opportunities and challenges for development. This Strategy is positioned at a time when the international community is approaching the Millennium Development Goals (MDGs) target date of 2015, and shortly after the Busan High Level Forum which represents a paradigm shift from aid effectiveness to development effectiveness. These elements underline the importance of inclusive dialogue and knowledge sharing with countries at different stages of development, international and regional organisations, and key stakeholders.

III. Goal and objectives

4. As stated in the 2011 *Vision statement* and in the *Framework*, the main goal of the Strategy is to strengthen OECD’s contributions to “higher and more inclusive growth in the widest array of countries”, making full use of the OECD evidence-based approaches to improve policy making and economic reform for developing and developed countries. The strategy is evolutionary in nature, cognisant of the need for the Organisation’s work on development to continuously evolve to be more responsive to the global realities and development needs, and for the internal mechanisms and external partnerships to deliver accordingly. Strengthening the effectiveness of the Organisation’s collective response is in the interest of its Members.

5. The *Framework* set out the following objectives for the Strategy:

- i) Integrate, where appropriate, the diverse perspectives, views, and realities of developing countries in OECD analyses and policy advice to deepen shared understanding of alternative impacts of different policy options;
- ii) Combine more effectively OECD’s expertise on a wide range of policy areas together with lessons learned from decades of its leading role in development co-operation;
- iii) Better leverage OECD’s policy recommendations, practices and instruments to provide a coherent approach to development by stepping up evidence-based analysis and identifying both negative and positive impacts of OECD policies on developing countries.

IV. Approach

6. The Strategy is based on the assumption that countries at varying levels of development contribute to the achievement of global sustainable economic growth, and that all countries can prosper by learning from one another, generating ideas together, and improving our policies based on the principles of inclusiveness and flexibility. The OECD approach will:

a) *Build upon core expertise and experience*

7. For the past half century, the OECD has monitored ODA, encouraged more effective development co-operation and urged donors to live up to their commitments. It has promoted policy dialogue on development between members and developing economies based on rigorous analysis. It has also worked to promote the social and institutional foundations of long-term prosperity. In 1996, the OECD championed a series of ambitious development objectives, including halving the proportion of people living in extreme poverty by 2015. These were to become the basis for the MDGs.

8. Today, the OECD works on a range of policy areas with developing country partners – from fragile states, to low income and emerging economies. It contributes to their efforts to promote green growth, innovation, high-quality education and skills, efficient systems of taxation and investment, and ways to strengthen public services and infrastructure. The OECD *Economic Outlooks* on Africa, Latin America and Southeast Asia are benchmark sources of analysis of the economic, social and political developments. The Middle East and North African region is engaged with OECD through a framework for policy sharing. The OECD also examines the coherence of its members' policies such as agriculture, trade, investment and migration in terms of their development impact. And it contributes to international and regional processes aiming at improving the development architecture and ensuring better provision of global public goods. The OECD will build future initiatives upon this expertise and experience throughout the Organisation.

b) *Leverage comparative advantages*

9. As stated in the *Framework*, the OECD brings value added as it gathers the experiences and knowledge of a wide range of practitioners and policy communities whose collective efforts are critical to promote inclusive growth, sustainable development and poverty reduction. The OECD would enhance its function as a forum for policy dialogue and peer learning for countries to diagnose development challenges in a comprehensive manner, highlight the ways in which policies interact, identify what works and what does not based on sound evidence, and compare performance. At the same time, the OECD provides policy advice and is not engaged in field-based projects or in financing development. This is an advantage as it offers an “arms-length” perspective.

c) *Apply a more comprehensive and inclusive approach*

10. The OECD will adopt a comprehensive and inclusive approach to development. Comprehensive approaches are needed to take into account the heterogeneity of growth and development models, and the differentiated institutional settings and capacity to tap into resources and address any binding constraints; understand the dynamics of structural change which is essential in development processes; the role of institutions that facilitate such change; the interactions between macro and structural policies, and the appropriate sequencing of policies. The OECD also needs to learn from diverse growth and development experiences, reflect them in its analytical frameworks and policy advice; and better leverage its collective expertise and resources. There is no “one-size-fits-all” strategy. Development is a long-term process of economic and social transformation and attention should be paid to development trajectories and policy sequencing rather than to static comparisons.

d) *Adapt frameworks, upgrade skills and deepen partnerships*

11. OECD frameworks and mechanisms were originally developed for a set of advanced economies. These frameworks, where relevant, will be reassessed and adapted for broader application in a more diverse set of developing country circumstances. The OECD Policy Framework for Investment (PFI) is one example to strengthen the enabling environment for domestic and foreign investment, adapted to a wide range of political contexts, and developed with the full involvement of many non-member countries. Other examples include the work on tax and development, and on fragile states via the International Network on Conflict and Fragility (INCAF).

12. The OECD will place greater emphasis on learning from the experiences and development approaches of partner countries and reflecting them in its own policy frameworks. This will also require “upgrading” the Organisation’s skills to ensure that its policy recommendations are more relevant for developing countries. Cross-fertilisation of development-related expertise across Directorates and improved horizontal collaboration are important avenues that will allow for synergies and prevent

duplication. For example, the Advisory Group on Investment and Development will be restructured into a forum bringing together investment and development co-operation expertise across the OECD with developing countries, and business and civil society representatives to further mobilise investment and the private sector in support of development.

13. In order to help make reforms happen in developing countries, the OECD will seek strategic alliances that build on the expertise of its own members with field level presence and implementation capacity in developing countries, create new synergies and generate greater impact through innovative knowledge sharing platforms. It will also seek to broaden strategic partnerships with international and regional organisations. Current examples include joint efforts on anti-bribery and corruption with the World Bank in the context of the Stolen Asset Recovery Initiative (StAR); work on Busan follow-up with the United Nations Development Programme (UNDP); the Global Green Growth Institute (GGGI) in the context of the green growth initiative; joint work with WTO on Aid for Trade; with the FAO on food security and food price volatility; and with UN Regional Economic Commissions and Multilateral Development Banks on Regional Economic Outlooks.

V. Thematic focus areas

14. At the OECD MCM in 2011, Ministers identified four thematic areas where the OECD has core competence and could add value to other international efforts, respond to the demands and needs of developing countries, and leverages its multidisciplinary expertise. These four thematic areas are: *i)* innovative and sustainable sources of growth; *ii)* mobilisation of resources for development; *iii)* governance for development; and *iv)* measuring progress for development. These four areas were reaffirmed through extensive consultations.

15. These four thematic areas, in which much work is already underway in the OECD, are closely interconnected and play a key role in adopting a comprehensive approach to development and in the formulation, implementation and assessment of the Strategy. Taken together, they offer a holistic framework from which member and partner countries could identify a set of specific instruments, mechanisms and tools in interconnected policy areas relevant to their particular circumstances and needs.

VI. Levels of engagement

16. In achieving the goal and objectives of the Strategy, the OECD will enhance its engagement at three complementary levels: (i) with Member countries to support them in their efforts to promote development; (ii) with international efforts to seek effective solutions to emerging global issues and development challenges; and (iii) with developing countries.

a) Strengthen Members' capacities to design policies consistent with development

17. Enhancing Policy Coherence for Development (PCD) is one of the primary objectives of the strategy. In an increasingly interconnected global economy, neglecting the international spillovers of domestic policies can undermine development objectives and the effectiveness of international development co-operation efforts. The OECD has developed good practice guidance on institutional mechanisms but experience has shown that this is not sufficient to translate into greater PCD. The Strategy will seek to deepen the Organisation's work on PCD to develop more systematic approaches to evidence-based analyses on the costs of incoherent policies as well as on the benefits of more coherent policies. The OECD will work with partner institutions to develop robust PCD indicators to monitor progress and assess the impact of diverse policies on development. It will also contribute to the analysis of key issues, such as global food security, illicit financial flows and green growth. The OECD will provide a platform for

dialogue with developing countries and key stakeholders on PCD issues. Building on the 2008 Ministerial Declaration on PCD [[C/MIN\(2008\)2/FINAL](#)], the Strategy will also foster PCD in the OECD; contribute to the mainstreaming of the development dimension throughout the Organisation and its Committees; identify particular areas of policy incoherence; and ensure through guidance, annual flagship reports and other tools that the OECD's policy advice is coherent and consistent with development.

b) *Contribute to global processes and development architecture*

18. The OECD offers inclusive platforms for mutual learning to strengthen members' and partners' responses to global challenges and to support and help advance international agendas. The Organisation will seek to leverage its multidisciplinary expertise by scaling up selected activities with global reach and applying a whole-of OECD approach in partnership with developing countries and other relevant international and regional institutions. The Strategy will allow for a more comprehensive OECD contribution and increased relevance, value added and impact in major international processes.

- *The MDGs and the post-2015 framework.* The post-2015 debate has highlighted the need to reassess the development goals going forward and take into consideration other factors such as, well-being among the population; equity of income and opportunities, as a catalyser for attaining most of the other development goals; inclusive green growth as an essential component of sustainable development; security (conflict and fragility), governance and accountability, justice, social capital, voice and participation and empowerment.
- *G20 Development Agenda.* With the adoption of the Seoul Development Consensus for shared growth and its Multi-Year Action Plan (MYAP), G20 leaders recognised that addressing development gaps must be part of the global collective efforts to promote strong, sustainable and balanced growth. Inclusive and comprehensive approaches based on knowledge sharing are also critical. The Seoul principles stress the importance of private sector participation, regional systemic issues and complementarities among existing development efforts. The OECD was a key partner for the development of the G20 MYAP and has worked closely with the French and Mexican Presidency of the G20 to advance its goals. The OECD Strategy and its four inter-related core thematic areas referred to in section V, cut across several issues stressed in the G20 agenda.
- *The Global Partnership for Effective Development Co-operation.* The Busan High-Level Forum marked a turning point in the way in which international development co-operation is governed. The endorsement of the global partnership highlighted the growing consensus on the need to incorporate the views of diverse stakeholders and to enhance the effectiveness of all development resources for development.

c) *Strengthen engagement with developing countries*

19. Developing partner countries should be recognised as a source of good practice in a number of policy fields which can then also guide other countries, both developing and developed. The Strategy will seek to contribute to a more effective engagement and mutually beneficial collaboration with developing countries. Two innovative ways of achieving this purpose will include: *a)* developing tailored and multi-dimensional policy reviews for individual countries in coordination with relevant international organisations, and *b)* applying a "clustering" (or regional) approach through knowledge sharing, bringing together a group of countries – OECD Members and non-Members – that share similar structural features of policy challenges. Both efforts will entail horizontal collaboration across the OECD and promoting partnerships with actors present in the field, as appropriate.

VII. Implementation

20. This Strategy is intended to guide the OECD work on development in the years to come. As such, important principles guiding the Strategy's implementation include the following, to: 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 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. The effective implementation of the Strategy will also depend on complementary efforts to better understand public perceptions and opinion about global development issues and the role of the OECD, to assess demand for OECD's work on development, and to enhance the Organisation's communication on development.

21. The Strategy will be implemented in two phases, to become synchronised with OECD's Programme of Work and Budget (PWB) cycle:

- The initial implementation period (from mid-2012 to end 2013) will provide an opportunity to align and modify the work underway with the Strategy and initiate some early harvest projects to test the effectiveness of the new approaches under the Strategy. For such projects requiring additional funds before the next PWB, additional voluntary contributions may be needed.
- In the second phase, overlapping with phase one, the Strategy will become an integral part of the PWB for 2013-14 and onwards. There is considerable relevant on-going work in the OECD's current Programme. Elements of that work could be adjusted to further the objectives of the Strategy. It is expected that some reallocations may also take place as PWB discussions evolve. The Strategy implementation will be adjusted to take account of the global review of the MDGs and other international developments, including the G20 agenda and the implementation of Busan.

22. The Secretary-General, through his Deputy in charge of development, will lead the Strategy implementation process, strengthen co-ordination across the Secretariat, seek to capture the linkages and synergies between OECD's policy communities spanning both development and OECD's other longstanding areas of expertise, and foster joint work by Committees. The Committees and bodies in the OECD dealing specifically with development will be involved and consulted in designing and implementing these collaborative inter-linkages, as will the other thematic Committees.

23. OECD will further strengthen collaboration with other international organisations, including establishing regular dialogue channels at strategic and technical levels, both with global (World Bank, UN Specialised Organisations, Agencies, Programmes and Funds) and regional (UN Regional Commissions and Regional Development Banks) institutions. Partner international and regional organisations will be invited on a regular basis to the Annual Meeting of the Members of the Council on Development. This will help ensure complementarities and avoid duplication of work.

Monitoring and Reporting

24. The OECD Council will review progress on the implementation of the Strategy on a regular basis. The first interim progress report, based on the implementation of the initial period in 2012, will be

provided to the Council's annual session on development in January 2013. A more detailed report will be prepared for the 2013 Ministerial Council Meeting and beyond. The Development Strategy Informal Working Group (IWG) will continue to work to support these objectives during the first two years of implementation.

25. Monitoring and reporting will also take place at the level of Committees and Directorates through the programme of work and budget. After one biennium of experience with implementation, the Secretariat will assess whether development has been successfully mainstreamed in Committees.

ANNEX: OPTIONS FOR ACTION

This Annex sets out proposals that have emerged from discussions in the four cross-directorate task teams as well as in external and internal consultations. They are presented here as options for implementing the Strategy. Some of these proposals deepen and expand existing horizontal initiatives. Others forge new connections between areas of expertise within the Organisation into innovative lines of further work. The proposals are based on the principles and criteria established, cut across the four thematic areas, and encompass knowledge sharing and mutual learning aspects, as well as the policy coherence for development dimension.

In addition to the specific proposals, there are several *cross-cutting* areas in the context of the Development Strategy. These include: **Inclusive Green Growth** where work is underway on a report on green growth and development, and where OECD is contributing to G20 efforts; **Gender Equality and Women's Empowerment**, building upon the OECD Gender Initiative and ongoing work on tracking donor resources for gender equality; **Domestic Resource Mobilisation**, building upon initiatives such as the Global Forum on the Exchange of Information for Tax Purposes and the Tax and Development Programme; and **Education for Development**, drawing lessons from PISA for development, and education for development indicators.

The proposals below are listed according to the three levels of engagement outlined in the Development Strategy.

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

- i. ***Curbing illicit financial flows:*** Illicit financial flows (IFFs) strip resources from developing countries that could finance development. Much work is underway to address this problem but there are no sources of comparative information or analysis on the arrangements OECD countries have in place to address the problem as a whole. A cross-directorate team has been set up to look into institutional, regulatory and legal arrangements in OECD countries to address illicit financial flows and to develop policy recommendations to OECD governments on what could be done to strengthen their systems for stemming IFFs. The OECD has also launched a global dialogue on fighting tax crimes and other illicit financial flows - the Oslo Dialogue - that aims to strengthen inter-agency cooperation and to respond to developing countries' specific challenges in this area.
- ii. ***Global food security and policy coherence for development:*** A new proposal could address the knowledge sharing and policy coherence dimensions of food security, looking at four aspects: (i) the impact of OECD country policies; (ii) the ways in which OECD countries can make a positive contribution to global food security, for example through the additional sharing of agricultural research and provision of global public goods; (iii) how ODA can be aligned more effectively with developing countries' own food security strategies; and (iv) coordination and collective action with developing countries to achieve greater food security. This proposal would form a regular aspect of work on policy coherence and build on, where appropriate, OECD's recent and ongoing work for the G20 on issues pertaining to food security, and on its support for effective development cooperation, including Busan's "shared results framework". It would bring a multi-sectoral perspective to collective efforts to tackle the obstacles to food security faced by countries at

different stages of and on diverse paths to development, and clarify the pivotal role that OECD countries could play in terms of improving policy coherence.

2. Contributions to international processes and global development architecture

- iii. **Post-2015 development goals:** Building upon its extensive work on measurement and statistics, and in consultation with relevant partners, the OECD could develop analyses on potential global goals, targets and indicators that could measure progress. The OECD could also provide a framework for measurement and offer guidance on selection of well-being indicators in developing countries, and how these indicators should inform policy targets and actions, taking into account countries' needs, capacities and aspirations.
- iv. **Monitoring progress on Busan outcomes:** The Global Partnership on Effective Development Cooperation is an inclusive partnership comprised of developing countries, OECD members, key international organisations, and other stakeholders. As requested by the Partnership, the OECD will assist in developing and implementing a global monitoring framework to assess progress towards Busan outcomes. Another area where OECD could contribute is on clarifying how governments and the private sector could work together in mobilising resources and delivering services.

3. Strengthening engagement and knowledge sharing with developing countries

- v. **Multi-dimensional country reviews:** The reviews would take a comprehensive, diagnostic approach on the constraints to economic and social development in the country and on the interaction and coherence between the country relevant policies. They would build upon and combine existing expertise across the Organisation (e.g. economic surveys and assessments, Going for Growth, Getting it Right, Employment Outlooks, social policy brochures, PISA and PIAAC, Measuring Progress of Societies) and provide a basis on which to build an approach to country-studies more apt to fold employment, skills, green and social policies into the broader objective of development. They would involve active collaboration across the OECD and be conducted in close co-operation with the concerned country and partner institutions (e.g. Regional Development Banks). The reviews would contribute to define priority areas for future work with the OECD and to developing a new, comprehensive approach to economic assessments.
- vi. **Platforms for regional economic monitoring:** Regional groupings are increasingly looking to OECD expertise for enhancing their economic monitoring capacities and contributing to regional integration and equitable economic development. Building on OECD Regional Economic Outlooks and in collaboration with regional partners – for instance the ASEAN Secretariat and the ASEAN+3 Macroeconomic and Research Office (AMRO) in Southeast and East Asia – the proposed collaboration would: (a) analyse macroeconomic management and policy coordination in the region; (b) assess structural policies to enhance productivity and competitiveness; (c) develop relevant databases, notably in the area of revenue statistics (replicating the joint work with ECLAC-CIAT in Latin America) and of skills indicators (building on the joint work with the World Bank, ILO and UNESCO for the G20).
- vii. **A review of the Policy Framework for Investment (PFI):** The PFI is a comprehensive framework developed by the OECD for improving investment conditions in developing countries to reap fuller development benefits from investment, both domestic and foreign. It was developed by a task force including a large number of developing countries at varying levels of development, and has been widely applied by many non-OECD countries. Six years after its adoption, significant experience with the strengths and weaknesses of the PFI has been accumulated, and a multi-year

review has been initiated involving the participation of 60 non-member countries. The full review is expected to take 2-3 years and will be integrated into the PWB 2013-14.

- viii. ***Addressing common challenges in commodity-based economies:*** Developing countries endowed with major natural resources have frequently enjoyed high export-led growth and sometimes higher fiscal revenues. Others have failed at using these resources to foster more sustainable and broad-based development. This policy dialogue aims at sharing good practice on policies to capitalise on resource booms and finance initiatives that strengthen a country's welfare in the long term. Issues to be addressed with developing countries, the private sector and other stakeholders could include: effective utilisation of the resources generated through fiscal rules and sovereign funds; design of instruments to promote economic diversification; sustainable management of resources; fiscal policies to tackle excessive rents and elite capture that hinder growth from being more inclusive.
- ix. ***Addressing the challenges of knowledge development and upgrading in Global Value Chains:*** Global value chains (GVCs) link the creation, production and delivery of goods and services, and involve an increasing number of firms from developing economies. The OECD is well-placed to provide a forum for dialogue for governments and private sectors to discuss the impact of firms' insertion in GVCs on productivity and employment and the overall role of GVCs in achieving development goals, share good practice on maximising benefits from GVC participation and on promoting technological upgrading, including policies related to science, technology and innovation, human capital and skills formation, and SME suppliers' development.
- x. ***Incorporating inclusive green growth into development policies as part of efforts to promote sustainable development:*** Structured consultations with a variety of developing countries and other organisations would help clarify how the green growth concept as well as the recommendations of the OECD's Green Growth Strategy could be made more relevant to a range of developing country contexts, and to identify challenges on implementing green growth strategies. Specific attention will be paid to the issue of multilevel governance, greening cities and integrating sustainable development into urban and regional planning, and greening infrastructure investment.
- xi. ***Addressing the challenges of migration and development:*** The policy framework for looking at the impact of migration on development remains underdeveloped. OECD could contribute to fill this gap by facilitating knowledge sharing and policy dialogue among immigration and emigration countries, both OECD and non-OECD Members, working in co-operation with other international and regional organisations dealing with migration issues. The work will focus on key policy areas where better co-ordinated policies between origin and destination countries can ensure mutual and evenly shared benefits from migration (e.g. remittances, labour migration at different skill levels, diasporas).
- xii. ***Facilitating long-term institutional investment into infrastructure projects in developing countries:*** Infrastructure is a key part of development. Traditional public and private sources of capital will not be sufficient. Institutional investors (such as pension funds and insurance companies), which are looking for new sources of investment returns, have a potentially important role to play. Building on OECD's multi-committee work on institutional investors and infrastructure investment, and the OECD-hosted multilateral forum of institutional investor regulators, developed and developing countries could engage in knowledge sharing on ways to build a domestic institutional investor base and to encourage greater local and international investment by pension funds and insurance companies in infrastructure projects that contribute to sustainable growth.

- xiii. ***Sound budgeting for fiscal transparency:*** Sound budget institutions are essential for sustainable economic management and public service delivery. Building on OECD's background in public budgeting and the work underway on the Budgeting Institutions Database covering 80 countries and the work on core government functions conducted as part of the Working Party on Aid Effectiveness, the OECD would promote knowledge sharing, peer dialogue and the development of best practices in consultation with senior budget officials from developing countries on how to link stronger budgetary performance with better and more inclusive financial management and public service delivery in countries facing similar contextual challenges.