

**COUNCIL**

**Council**

**REPORT OF THE CHAIR OF THE COUNCIL WORKING GROUP ON GOVERNANCE**

*This version amends paragraph 23 following discussions held at the Council on 15 July 2014.*

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## Background

1. On 29 May 2013, the Council decided “to review the OECD’s governance in the light of the potential challenges that may arise from an enlarged OECD with a more global and diverse membership” and invited the Secretary-General to report on progress made to the Ministerial Council Meeting in 2014 [see document [C\(2013\)58/FINAL](#)]. For this purpose, the Council established a Council Working Group on Governance (WGG) on 11 July [[C/M\(2013\)15](#), Item 138].

2. Following the designation of Ambassador Oliva (Italy) as Chair and Ambassadors LaRocque (Canada), Rozsypal (Czech Republic) and Tezcan (Turkey) as Vice-Chairs on 13 September, the mandate of the WGG was approved by the Council on 19 September. The Council determined that the WGG “shall review the governance arrangements of the Organisation, while maintaining OECD key principles, in order to further improve its effectiveness and strengthen its global reach, policy impact and relevance” [[C\(2013\)125](#) and [C/M\(2013\)16](#), Item 161].

3. Building on a series of consultations among Ambassadors concerning the topics to be discussed as part of the governance review, and carried out before and after the creation of the WGG, five broad categories of issues were identified as of particular interest for Members: decision-making, priority-setting, global relations, OECD Committees’ working methods and horizontal projects. To better organise discussions around these five clusters, at its first session, in October 2013, the WGG decided to create two Sub-Groups: one on decision-making, chaired by Ambassador Banks (New Zealand), and one on working methods, to address the remaining four clusters, chaired by Ambassador Dühr (Luxembourg).

4. The starting point of the WGG work is the broad agreement among Members on the OECD’s role and future direction to ensure it remains effective and influential in a rapidly changing world and becomes a more effective and inclusive global policy network. Even if at times positions differ on substantive issues, there prevails among Members a common understanding about the mission of the OECD in line with the OECD’s 50<sup>th</sup> Anniversary Vision Statement [[C/MIN\(2011\)6/FINAL](#)]. The governance review was based on three premises. First, members agreed from the beginning not to open the OECD Convention to changes. They underlined the importance of consensus in decision making, as a defining principle for the Organisation. Lastly, they agreed to build on the experience from past reviews to identify possible improvements in its decision-making process and working methods to increase its effectiveness.

5. In terms of procedure, it was agreed that the Sub-Groups would undertake a more detailed discussion of the issues, but it would be the WGG who prepares the decisions to be subsequently transmitted to the Council. The Sub-Groups since November 2013 have reviewed and discussed possible areas for improvement in the Organisation’s governance arrangements at their own pace. The Secretariat has assisted these efforts and prepared background documentation and presentations, as required. Between October and April 2014, the WGG has convened on five occasions to discuss the organisation of work and the progress of the Sub-Groups.

6. In accordance with the WGG mandate, the Chair presented, in January 2014, a progress report to the Council [[C\(2014\)19/REV1](#)] and has regularly kept Ambassadors informed of the Group’s work. Consistent with the Resolution on Strengthening the OECD’s Global Reach and the WGG mandate, the Secretary-General reported on the progress made by the governance review to the 2014 Ministerial Council Meeting [[C/MIN\(2014\)10](#)].

7. The discussions at both Sub-Groups have also benefited from the results of a Survey on decision making and working methods carried out during 2013 and early 2014 among 35 OECD Level-I Committees Bureaus. The Survey was sent to 283 Bureau members and 162 responses were received (57%). The Survey results were discussed by each of the two Sub-Groups in separate reports.

8. The Chairs of the Sub-Groups transmitted their final reports to the WGG on 26 June, reflecting the discussions that took place and incorporating a carefully constructed balance of conclusions and recommendations. Discussions at the WGG proceeded on the basis of this input, with the present report merging the actionable recommendations of the Sub-Groups.

9. It should be recalled that any of the recommendations included here are without prejudice to the rules relating to the official languages of the Organisation. Also, following discussions held at the WGG, Members agreed to assess the recommendations on decision making and working methods in 2019, on the basis of a report prepared by the Secretariat, to determine whether further adjustments are needed. The Secretary-General is invited to inform the Council on the progress in the implementation of these recommendations by mid-2015.

## **I. Decision-making**

10. The WGG Sub-Group on Decision-Making (WGG-DM) met 11 times between November 2013 and June 2014 to review the decision making system of the Organisation [e.g. overall structure of the system, decision-making processes – consensus, qualified majority vote (QMV) –, and the category of cases (fundamental, special and normal)].

11. The Report of the Chair of the WGG Sub-Group on Decision-Making was presented by Ambassador Banks to the WGG on 26 June (see Annex II). The Report sets out elements for agreement but also a couple of outstanding issues. Further discussion at the WGG allowed Members to come to an agreement, in particular as regards to the importance of the principle of consensus in OECD deliberations, the reiteration that the principles and rules on the scale of contributions fall within the category of fundamental cases, the re-definition as special cases of examples for normal cases (o) and (p) included in the WGG-DM Room Document No. 1 of 27 May 2014, and the deletion of two special cases (numbers viii and ix of Room Document No. 1). In addition, the Legal Directorate provided an opinion concerning the compatibility of the normal case procedure with the Convention of the OECD (Annex I).

12. Further to the WGG discussions, paragraphs 13 to 23 below reproduce the Report of the Chair of the Decision Making Sub-group taking into account the adjustments mentioned above which are submitted to the Council for approval. The Secretariat will present the draft legal modifications to the OECD's governance framework for approval by the Council before the end of the year.

13. The WGG reaffirmed the importance of consensus as the general principle for OECD decision making. Chairs are invited to continue striving for consensus in all cases. At the same time it recognised that the existing procedures, which provide for other decision making methods, have not been actively used. Members encouraged Committee chairs, with the support of the Secretariat, to fully use the decision making procedures available to them.

14. There is agreement on the need for more systematic education for delegations and incoming chairs of Committees on the governance of the Organisation. The Secretariat could be tasked to organise an annual seminar on decision making, e.g. to be held each September.

15. There is agreement to more clearly describe the categories of cases; the decision making rules and the procedures around presenting “a” and “b” points to Council (see paragraphs 22 and 23 below).

16. For all normal cases only, decisions will be deemed adopted unless there is objection from 15% of the membership (currently five countries) or more, or one or more Member(s) activate(s) the safeguard mechanism as defined in paragraph 42 of the Revised Resolution of the Council on a New Governance

Structure for the Organisation [[C\(2006\)78/REV1/FINAL](#)].<sup>1</sup> This does not affect the decision making for fundamental cases.

17. There is agreement to limit the time for a chair to seek consensus, which should be reached within two sessions (see paragraphs 22 and 23 below).

18. There is agreement (see list in WGG-DM Room Document No. 1 of 27 May 2014) to transfer the following normal cases to the special cases list:

- d) Hosting of external entities/MOUs and their renewals;<sup>2</sup>
- k) Staff Provident Fund/Rate of Interest;
- l) Pre-accession budgets of accession countries;
- m) Decrease of budgets (Part II);<sup>3</sup>
- o) / p) Modification of the decisions establishing the Capital Investment and Budget Fund (CIBRF) and the Post-Employment Healthcare Liability (PEHL) Reserve.<sup>4</sup>

19. The WGG reiterated that the “approval of the principles and rules on the scale of contributions” falls within the category of fundamental cases.

20. There is agreement to delete the following cases from the list of special cases (see list in WGG-DM Room Document No. 1 of 27 May 2014). Consequently, decisions on these issues will be considered as normal cases.

- viii) Decisions regarding the monitoring of the implementation by substantive committees of the Evaluation Committee’s recommendations;
- ix) Decisions regarding the follow-up to reports on the implementation of Acts.

21. During the WGG Sub-Group discussions, several Delegates indicated their preference for reducing the present three-tier system to two-tier, eliminating the normal cases category, however, a majority wished to retain the status quo, with normal cases as the default category. Those Delegates who would have preferred a two-tier system are prepared to join the consensus on the basis of the above points.

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<sup>1</sup> The OECD Legal Directorate has provided a legal opinion confirming that the decision making system for *normal cases*, as established in 2006 and confirmed in 2010 by the Council, is compatible and in conformity with Article 6 of the OECD Convention (See Annex I).

<sup>2</sup> Some examples are the FATF (Financial Action Task Force), the SWAC (Sahel and West Africa Club), the APF (African Partnership Forum) and MOPAN (Multilateral Organisation Performance Assessment Network).

<sup>3</sup> These are budget reductions which often follow the withdrawal by a Member from a Part II programme. It should be noted that according to the Revised Resolution on Governance [[C\(2006\)78/REV1/FINAL](#)], approvals of supplementary budgets (i.e. increases of budgets) which do not induce increases in the assessed contributions are special cases delegated to the Budget Committee.

<sup>4</sup> See normal cases o) and p) listed in WGG-DM Room Document No. 1 of 27 May 2014:

- o) Creation of the capital investment and budget fund (CIBRF) and related transfer of funds (if not a carry-forward)/Authorisation to use money from existing reserves;
- p) Allocations to a Post-Employment Healthcare Liability (PEHL) Reserve.

22. Based on these elements of agreement, the OECD decision-making system will be clarified as follows: the chapter of the Revised Resolution on Governance [[C\(2006\)78/REV1/FINAL](#)] dealing with decision-making (i.e., Chapter III, Sections III, IV and V) will be modified to include the following three sections:

- **First section – Categories of cases:** A description of each of the three categories of cases, followed by the lists of fundamental and special cases, with normal cases defined as the default category.
- **Second section – Decision-making rules:** Clear statement of the decision-making rule for each of the three categories.
- **Third section - Procedures:** Definition of “a” points and “b” points applicable to all three categories of cases. “a” points: items prepared by Standing Committees and to be adopted by Council without discussion, “b” points: items prepared by Standing Committees and to be decided by Council following a discussion in Council. This section will also state the decision-making procedure for each of the three categories of cases.

23. The decision making procedures will be clarified in the following way:

- “a” and “b” points: Decision to be made by Chair of the Standing Committee when the draft decision is prepared.
- Clarification of the time to reach consensus: Consensus should be reached within two sessions.
- Procedure for all normal cases:
  - If there is consensus or broad and substantial support at the level of the Standing Committee, the Chair should bring the matter as an “a” point unless he/she considers that there is a good reason for having a discussion in Council. A normal case submitted as “a” point would become a “b” point at the request of 15% of Members or more, or if one or more Member(s) activate(s) the safeguard mechanism as defined in paragraph 42 of the Revised Resolution on Governance [[C\(2006\)78/REV1/FINAL](#)].
  - If there is no consensus or broad and substantial support in the Standing Committee, the matter may be submitted as a “b” point to Council.
- Procedure for fundamental and special cases:
  - If there is consensus at the level of the Standing Committee, the Chair should bring the matter as an “a” point unless he/she considers that there is a good reason for having a discussion in Council.
  - If there is no consensus in the Standing Committee, the matter may be submitted as a “b” point to Council.

- Final decision-making rule:
  - *Fundamental cases*: decision by consensus or unanimity.
  - *Special cases*: decision by Qualified Majority Vote (60% of Members or more unless opposed by 3 or more Members who represent at least 25 % of the Part I scale of contributions).
  - *Normal cases*: decision deemed adopted unless 15% of Members or more object, or one or more Member(s) activate(s) the safeguard mechanism as defined in paragraph 42 of the Revised Resolution on Governance [[C\(2006\)78/REV1/FINAL](#)].

## II. Working Methods

24. The WGG Sub-Group on Working Methods (WGG-WM) held 14 sessions between November 2013 and June 2014 to review and discuss the working methods relevant to the governance of the Organisation around four clusters: priority-setting, global relations, working methods of OECD Committees; and, horizontal projects. The four clusters were identified by Members on the basis of input received from Delegations both orally and in writing, following consultations led by successive Deans before and after the MCM 2013 and later by the Chair of the WGG. On the basis of the discussion that took place in the Sub-Group additional issues not falling under the first four clusters were identified by Members and these are brought to the attention of the WGG under a fifth cluster dealing with ‘other issues’. For further reference the Sub-Group Chair’s Report is set out in the Annex III.

25. The WGG-WM also played a positive role in catalysing improvements in the way the Council works. Further to the 13 December meeting of the Sub-Group, the Dean, Ambassador Pawel Wojciechowski, undertook consultations among Members and with the Secretariat to identify specific suggestions, within existing rules and practices, to enhance the running of the Council sessions while preserving the necessary flexibility for the Council to continue to effectively discharge its responsibilities. The Dean’s recommendations are attached as an Appendix to Annex III of this report [see also [C\(2014\)19/REV1](#)].

### *Priority-setting*

26. The WGG Sub-Group on Working Methods noted that the OECD has sound mechanisms<sup>5</sup> in place for priority-setting and this applies both to the ‘bottom up’ aspects – the Committee processes –, as well as to the ‘top down’ elements – at the level of Standing Committees and the Council.

27. In this regard, it is recommended that the Secretary-General implement the necessary measures to:

- i) advance the provision of the PIR Survey results, which should be circulated no later than the middle of the year following the biennium to which the Survey refers;
- ii) advance the provision of the MTO Survey results, so they are circulated at least one month before the Heads of Delegation meeting;

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<sup>5</sup> See the Report of the Council Working Party on Priorities [[C\(2009\)111/REV1](#)].

- iii) improve the content and timing of other information provided to HODs in advance of the meeting to discuss priorities at the start of a budget year;
  - iv) ensure that the HODs Informal Convergence Paper continues to be reflected in his PWB guidance and that Committees are aware of and understand the key role of these top-down contributions when preparing their PWB proposals;
  - v) issue the PWB guidance to Directors and Committees no later than the end of February of the year before the new biennium;
  - vi) present information on adjustments from the previous biennium when submitting PWB proposals to the Budget Committee;
  - vii) continue to look for ways to increase budget flexibility over time by increasing the Central Priorities Fund (CPF) to allow for new and emerging priorities to be addressed;
  - viii) use available data from the PIR and IDE to improve the measurement of impact - the Secretariat will also explore whether some communications data could complement the PIR results on impact;
  - ix) continue to improve the process of managing PWB adjustments during the course of the biennium to meet emerging priorities by: identifying and scoping new initiatives as soon as possible, identifying funding sources at an early stage (without which no new priority or programme could be approved), and providing Members with information on the relevant choices and their impact on the approved Programme of Work;<sup>6</sup>
  - x) include and highlight relevant information about horizontal projects and themes in the PWB process and in the consolidated PWB ‘book’;
  - xi) continue providing comprehensive information on OECD contributions to G20 and G7 work and how they leverage on the OECD’s Programme of Work, adding a ‘strategic’ forward looking presentation to the Council on a regular basis.
28. In this regard, it is recommended that the Budget Committee implement the following actions:
- i) ensure that Members’ contributions to both Surveys (PIR, MTO) reach the Secretariat in time to respect these timelines;
  - ii) target and engage senior policy and decision-makers in the completion of the PIR and MTO surveys;
  - iii) fine tune the MTO Survey, based on proposals presented by the Secretariat, in order to strengthen the process for identifying relatively low priorities, in time for the 2016 Survey;
  - iv) assess the framework for the acceptance of private sector voluntary contributions, including the current reporting arrangements to Members and report to the Council.

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<sup>6</sup> In accordance with the Financial Regulations of the Organisation [[C\(2008\)92/REV1](#), Regulation 8].

### ***Global Relations***

29. The WGG Sub-Group discussed the working methods in the context of the OECD Global Relations, focusing particularly on the relations with Key Partners. It noted the External Relations Committee (ERC) was already discussing several of the issues raised by Members.

30. In this regard, it is recommended that the Secretary-General take the necessary measures to:

- i) organise a strategic discussion in the Council on the OECD's Global Relations on a regular basis;
- ii) explore how the OECD's country offices in Key Partners could enhance their interactions with Member's local embassies and complement the activities of the Organisation's regional centres in gathering relevant information about Key Partners and sharing it with other Members and the Secretariat;
- iii) resume the circulation of an OECD's Indicative Calendar;
- iv) inform the ERC of planned reviews of Committees' Global Relations strategies and Participation Plans;
- v) seek to conclude Co-operation Framework Agreements with other Key Partners, keeping Members abreast of these efforts.

31. Following discussions in the WGG, the Secretariat is asked to prepare the following discussions that will take place in the ERC:

- i) the review of the Resolution on Partnerships in OECD Bodies [[C\(2012\)100/FINAL](#)] in early 2015, where the ERC is invited to assess, among other elements, whether these rules have helped the Organisation to proactively bring in those Partners that offer the greatest strategic importance for the Committees concerned;
- ii) the review of the Global Forums framework [[C\(2008\)208/FINAL](#)] in the course of 2014.

32. It is recommended that the ERC:

- i) continue following a strategic approach in future discussions about deepening the OECD's regional work, taking into account relevant costs and benefits;
- ii) discuss the draft budget of the Global Relations Secretariat before its examination by the Budget Committee, in line with the PWB preparation process and calendar, informing the Council, as appropriate.<sup>7</sup>

### ***Working Methods of OECD Committees***

33. Based on the results of the Survey of Level-I Committees, the Sub-Group on Working Methods identified certain good practices to further strengthen Committees' working methods. Some pertaining to the Secretariat's of Committees, others addressing good practices that Bureau Members and Committees at large may benefit from by adopting them.

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<sup>7</sup> The Budget Committee is responsible for assisting and advising the Council in preparing the Programme of Work and Budget [see document [C\(2006\)78/REV1/FINAL](#), paragraph 31].



34. In this regard, it is recommended that the Secretary-General address these recommendations to Committee Chairs, and transmit to them the final version of the Report on the results of the Survey. The aim of the recommendations below is to encourage good practices while recognising the need for Committees to preserve their flexibility:

- i) inform Delegates of how ‘back-to-back’ meetings complement the meeting of the parent Committee;
- ii) raise awareness of how each meeting contributes to the Committee’s objectives, recommend issuing a consolidated agenda, simplifying registration procedures, and electronically linking the meetings of subsidiary bodies;
- iii) use smaller open groups to flesh out the main issues of certain topics, particularly during the initial stages of discussions;
- iv) rationalise the number of meetings for Committees with a high frequency of meetings;
- v) focus Committee meeting time on the substantive discussion items, more effective use of written consultations and written procedures between meetings;
- vi) send documents for Committees, in principle, one month in advance; state clearly their status (for decision, discussion or information); include a brief executive summary in documents where helpful, and follow existing Rules of Procedures with regard to Room Documents;
- vii) encourage Delegations to be prepared for Committee meetings, and to actively intervene during sessions;
- viii) recall the procedures for Bureau designation through a transparent and fair process, including the terms of office and the qualifications of the Chairs;
- ix) indicate that, in principle, the composition of Bureaus should be based on a mix of Members, suggest staggering of terms, and share guidelines developed by other committees for bureau designation;
- x) encourage the use of community portals, share best practices and organise induction sessions for new Delegates;
- xi) review the design features of portals to advance work between Committee meetings;
- xii) encourage remote participation, in particular for Bureau meetings;
- xiii) invite Bureau members to hold more inter-Committee joint Bureau meetings to ensure multi-disciplinarity in horizontal projects and collaborate in their mainstreaming.

35. It is also recommended that the Secretary-General take the necessary measures to:

- i) upgrade OLIS urgently, including by developing a better search function, a more intuitive interface, better accessibility, including for mobile devices, while taking account of security considerations;
- ii) review the guidelines and telecommunication infrastructure needs, including in respect of interpretation, to better support remote participation.

### ***Horizontal projects***

36. Cross-cutting collaboration across the Organisation brings clear benefits (value-added), given the broad policy scope of the OECD and the growing demand for ‘multidimensional’ policy tools and measures to support strong, inclusive, and green/sustainable growth.

37. In this regard, it is recommended that the Secretary-General take the necessary measures to:

- i) organise biannual reviews in the Council of ongoing horizontal projects;
- ii) provide early on information on horizontal outputs and their funding, in particular for new work;
- iii) designate a Committee or similar group or network of policy experts to ensure effective guidance;
- iv) ensure that appropriate priority is given by Committees to horizontal outputs and that mechanisms are in place to coordinate across Committees, with policy makers in capitals and other shareholders;
- v) strengthen the OECD’s strategic foresight capabilities to better understand longer-term cross-cutting global and regional developments and the potential linkages between them;
- vi) promote greater horizontal collaboration through the use of global forums, policy networks and other similar knowledge resources;
- vii) clarify and disseminate the accountability arrangements within the Secretariat (Project Coordinator, Project Manager) to support effective and timely project implementation;
- viii) promote continued adoption of procedures and systems for information and knowledge sharing, including for enhancing horizontal collaboration across Directorates.

### ***Other Issues***

38. In addition to the above four clusters (priority setting, global relations, working methods and horizontal projects), the Sub-Group on Working Methods also discussed other issues raised by Members during the different sessions.

39. In this regard, it is recommended that the Secretary-General take the necessary measures to:

- i) continue implementing the elements included in the Dean’s non-paper “Preparation of Council Sessions” (see Appendix) and observing the rules for the circulation of documents included in [C\(2009\)112](#) “Retooling Council’s Procedures: 2009 Guiding Principles for the Work of Council and Meetings of Heads of Delegation”;
- ii) include in the September Council session the discussion and follow-up of the note circulated by the Secretariat on the Public Affairs and Communications (PAC) functions (3 June 2014), and take stock of PACs activities and objectives;
- iii) continue to clearly identify publications issued on his behalf from documents adopted by Members.

40. It is further recommended that:

- i) the Evaluation Committee (EVC) will discuss the issue of the number of Ambassadors that participate in the EVC and submit any recommendation for change to the Council;
- ii) Members will continue to reflect, in Council as well as at the Ambassadors' retreat, on how to have more focused and engaging Ministerial meetings, particularly in light of document [C\(2014\)83](#) "OECD Week 2014: Overview of Achievements", and in the context of the 2015 MCM preparations.

### **Proposed action**

41. In the light of the preceding, the Council is invited to adopt the following draft conclusions:

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- a) noted document [C\(2014\)90/REV2](#);
- b) noted the comments by Members and the Secretariat;
- c) agreed to paragraphs 13 to 23 of document [C\(2014\)90/REV2](#) on decision-making;
- d) invited the Secretary-General to prepare a draft legal document for approval by the Council before the end of 2014, in accordance with paragraphs 13 to 23 of document [C\(2014\)90/REV2](#);
- e) invited the Secretary-General to take the necessary measures to implement the actions outlined in paragraphs 27, 30, 31, 34, 35, 37 and 39 of document [C\(2014\)90/REV2](#);
- f) invited the Budget Committee to monitor the implementation by the Secretariat of the actions outlined in paragraph 28 of document [C\(2014\)90/REV2](#);
- g) invited the External Relations Committee to monitor the implementation by the Secretariat of the actions outlined in paragraph 32 of document [C\(2014\)90/REV2](#);
- h) invited the Evaluation Committee to discuss the number of Ambassadors that participate in the Committee and to submit any recommendation for change to the Council, as set out in paragraph 40 of document [C\(2014\)90/REV2](#);
- i) agreed to reflect further on how to have more focused and engaging Ministerial Council Meetings, as set out in paragraph 40 of document [C\(2014\)90/REV2](#);
- j) agreed to assess the recommendations on decision making and working methods in 2019, on the basis of a report prepared by the Secretariat, to determine whether further adjustments are needed;
- k) invited the Secretary-General to inform the Council on the progress in the implementation of the recommendations on decision making and working methods by mid-2015.

## ANNEX I

### OECD Directorate for Legal Affairs<sup>1</sup>

#### Legal opinion on the compatibility of the decision making system for “normal cases” and Article 6 of the OECD Convention

1. This legal opinion has been prepared at the request of the Working Group on Governance (WGG), further to the discussions of the draft Report of the Chair of the WGG [[C\(2014\)90](#)].

2. As indicated in Section IV of this document, it is the opinion of the Directorate for Legal Affairs of the OECD that the decision making system for *normal cases*, as established in 2006 and confirmed in 2010 by the Council, and as reflected in the text of paragraph 16 of the WGG Chair’s report is compatible and in conformity with Article 6 of the OECD Convention.

#### I. Scope and purpose of Article 6 of the Convention

3. Article 6 of the Convention establishing the OECD stipulates that “*unless the Organisation otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the Members*”.

4. The term “mutual agreement” has consistently been interpreted since the inception of the Organisation to mean consensus.

5. While there is no internationally agreed definition of the word “consensus”, OECD practice, in line with the practice of other international organisations, has always been to interpret the term consensus as the absence of a formal objection by one or several Members.

6. Consensus is therefore different from unanimity which requires formal agreement of all Members. In the consensus scenario, a country may have reservations or concerns over a proposed decision or may even be in disagreement with the decision, but in the absence of a formal objection, the decision is validly taken.

#### II. The introduction of the normal cases category in 2006

7. In 2006,<sup>2</sup> in the context of a major reform of decision making at the OECD, two important decisions were taken by the OECD Council:<sup>3</sup>

i) the introduction of a number of special cases as per Article 6 of the Convention,<sup>4</sup>

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<sup>1</sup> Submitted by the Director for Legal Affairs at the meeting of 9 July 2014 of the Working Group on Governance.

<sup>2</sup> Resolution of the Council on a New Governance Structure for the Organisation [[C\(2006\)78/FINAL](#)].

<sup>3</sup> The text agreed by Members in 2006 on the normal cases category [[C\(2006\)78/FINAL](#), paragraphs 37 to 42] was retained in 2010 [[C\(2006\)78/REV1/FINAL](#), Revised Resolution of the Council on a New Governance Structure for the Organisation, paragraphs 37 to 42].

<sup>4</sup> This decision builds on a previous decision of 2004 creating the two first special cases [[C/M\(2004\)10/PROV](#), Item 143].

and;

ii) the creation of a new category of cases which are neither fundamental nor special, known as the normal cases category.

8. The main features of this category are that the cases are not predetermined (it is therefore a default category) and that it provides for *sui generis* decision making. Indeed, the text agreed in 2006 provides that:

i) a decision on a normal case can be submitted to Council as an “a” point in case of “broad and substantial” support by Members, and;

ii) an “a” point is deemed adopted by mutual agreement unless at least 15% of the Member countries request the issue to be re-opened or unless a very important interest of a Member country is endangered and the country requests a special Council meeting [the “safeguard mechanism” provided for in paragraph 42 of [C\(2006\)78/REV1/FINAL](#)]. If the objecting country maintains its position, the decision cannot be adopted.

9. It should be noted that the ordinary meaning of the terms “broad and substantial support” indicates a level of support which is not equivalent to a support by all Members. It should be further noted that a normal case presented as an “a” point can be adopted even if one or several Members (representing less than 15% of the membership) are in clear disagreement with the decision submitted, provided that none of them triggers the safeguard mechanism.<sup>5</sup>

10. In creating this third category of cases and in setting up the specific decision making described above, the OECD Members took a very conscious and deliberate decision to provide for a type of decision making that is different from both qualified majority voting and consensus. Indeed, if the intention had been to extend qualified majority voting to this new category, they would simply have created an undefined category of special cases; if the intention had been to apply full consensus decision making to the default category, the fundamental cases category would have read “any case which is not considered a special case”.

11. The system put in place in 2006, which has sometimes been referred to as “aided consensus”, was deemed to be in line with the Convention for the reasons indicated in Section IV, i), ii) and iii) of this legal opinion, and in fact, the Council Resolution [C\(2006\)78/FINAL](#) was adopted with the full agreement of all the OECD Members.

### III. The decision making described in the 2014 WGG Chair’s report

12. Paragraph 16 of the WGG Chair’s Report provides that “*For normal cases decisions will be deemed adopted unless there is objection from 15% of the membership (currently five countries) or more, or one or more Member(s) invoke(s) a very important national interest to activate the safeguard mechanism.*”

13. In terms of decision making for normal cases, this proposed text is substantially the same as the one adopted in 2006. The only material difference is that, should the text be adopted, this decision making rule would be applied for all normal cases and not only for cases presented as “a” points.

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<sup>5</sup> [C\(2006\)78/REV1/FINAL](#), paragraph 42.

14. However, this does not modify the legal nature of the decision making which was agreed to by all Members in 2006 and which has been in place since then through the adoption of a number of normal case decisions.

15. Thus, the proposed text does not alter or depart from the principle of the original 2006 decision, which was to provide for three categories of cases and for a specific decision making system for normal cases as presented in Section II above.

#### **IV. Conclusion**

16. In light of all the elements presented in Sections I, II and III above, it is submitted that the decision making system for normal cases, as established in 2006 and as reflected in the text of paragraph 16 of the WGG Chair's report, is compatible and in conformity with Article 6 of the OECD Convention for the following reasons:

- i) The principle of consensus is preserved, as any Member is able to prevent the adoption of a normal case decision by lodging a formal objection;
- ii) The specific procedure adopted in 2006 for lodging a formal objection against a normal case decision (i.e. the "safeguard mechanism") is the result of an agreement of all OECD Members;
- iii) By way of comparison, one single country is not in a position to block a special case decision even if it considers that an important national interest is at stake, whereas in a normal case a single country in the same situation will be able to block the adoption of the decision;
- iv) Since 2006, on no occasion was the legality of a decision on a normal case or the decision making system in place for normal cases called into question. In addition, the Council Resolution on Governance was revisited and reconfirmed in 2010. Hence, an established practice in the sense of Rule 17 of the OECD Rules of Procedure has been set up by the Members.

## ANNEX II

REPORT OF THE CHAIR OF THE WGG SUB-GROUP ON DECISION MAKING TO THE  
WORKING GROUP ON GOVERNANCE

## ELEMENTS OF AGREEMENT AND ISSUES FOR FURTHER DISCUSSION

1. The Sub-Group on Decision-Making of the Working Group on Governance (WGG-DM) met 11 times between November 2013 and June 2014 to carry out the review of the decision making system of the Organisation. The discussions encompassed the various issues related to decision making in Standing and Substantive committees [e.g. the overall structure of the system, the decision-making process – consensus, qualified majority vote (QMV) –, and the types of cases – fundamental, special and normal]. In order to inform the discussions of the Sub-Group, the Secretariat launched in January 2014 a Survey requesting feedback from the Bureau members of all 35 Level-I Committees on issues relating to their working methods and decision making processes.
2. Delegates reaffirmed the importance of consensus, but at the same time recognised that the existing procedures, which provide for other decision making methods, have not been actively used. Delegates encouraged Committee chairs, with the support of the Secretariat, to fully use the decision making procedures available to them.
3. There is agreement on the need for more systematic education for delegations and incoming chairs of Committees on the governance of the Organisation. The Secretariat could be tasked to organise an annual seminar on decision making, e.g. to be held each September.
4. There is agreement to more clearly describe the categories of cases; the decision making rules and the procedures around presenting “a” and “b” points to Council. See Appendix outlining the proposed clarifications.
5. For normal cases decisions will be deemed adopted unless there is objection from 15% of the membership (currently five countries) or more, or one or more Member(s) invoke(s) a very important national interest to activate the safeguard mechanism.<sup>1</sup>
6. There is agreement to limit the time for a chair to seek consensus, which should be reached within two sessions (see Appendix).
7. There is majority support to make some changes (see list in WGG-DM Room Document No. 1 of 27 May 2014) to transfer the following *normal* cases to the *special cases* list:
  - d) Hosting of external entities/MOUs and their renewals;<sup>2</sup>

<sup>1</sup> The current text relating to the safeguard mechanism may be found in document [C\(2006\)78/REV1/FINAL](#), para. 42.

<sup>2</sup> Some examples are the FATF (Financial Action Task Force), the SWAC (Sahel and West Africa Club), the APF (African Partnership Forum) and MOPAN (Multilateral Organisation Performance Assessment Network).

- k) Staff Provident Fund/Rate of Interest;
- l) Pre-accession budgets of accession countries;
- m) Decrease of budgets (Part II);<sup>3</sup>
- o) Creation of the capital investment and budget fund (CIBRF) and related transfer of funds (if not a carry-forward)/Authorisation to use money from existing reserves;
- p) Allocations to a Post-Employment Healthcare Liability (PEHL) Reserve.

8. A few Delegates suggested some transfers from the special cases list to the default category (normal cases). If there is a general wish to do so, these suggestions could be taken up in the WGG discussion.

9. Throughout the discussions several Delegates indicated their preference for reducing the present three tier system to two, eliminating normal cases, but a majority of Delegates wished to retain the status quo, with normal cases as the default category. Those Delegates who would have preferred a two tier system were prepared to join the consensus on the basis of the above points.

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<sup>3</sup> These are budget reductions which often follow the withdrawal by a Member from a Part II programme. It should be noted that according to the Revised Resolution on Governance [[C\(2006\)78/REV1/FINAL](#)], approvals of supplementary budgets (i.e. increases of budgets) which do not induce increases in the assessed contributions are special cases delegated to the Budget Committee.



## APPENDIX (TO ANNEX II)

*This Appendix provides some further elements on points 4 and 6 of the report of the Chair of the Working Group on Decision-Making.*

*Clarification of the decision-making system will be made through the following:*

*i) Clarification* of the chapter of the Governance Resolution dealing with decision-making (i.e., Chapter III, Sections III, IV and V). The new format would be as follows:

- **First section – Categories of cases:** A description of each of the three categories of cases, each followed by its list of cases (with “normal cases” defined as the default category).
- **Second section – Decision-making rules:** Clear statement of the decision-making rule for each of the three categories.
- **Third section - Procedures:** Definition of “a” points and “b” points applicable to all three categories of cases. “a” points: items prepared by Standing Committees and to be adopted by Council without discussion, “b” points: items prepared by Standing Committees and to be decided by Council following a discussion in Council. This section will also state the decision-making procedure for each of the three categories of cases.

*ii) Clarification of the decision-making rule for normal cases:* a normal case decision will be deemed adopted unless 15% of Members or more object, or one or more Member(s) invoke(s) a very important national interest to activate the safeguard mechanism.

*iii) Clarification of the procedures:*

- **“a” and “b” points:** Decision to be made by Chair of the Standing Committee when the draft decision is prepared.
- **Clarification of the time to reach consensus:** Consensus should be reached within two sessions.
- **Procedure for normal cases:**
  - If there is consensus or broad and substantial support at the level of the Standing Committee, the Chair should bring the matter as an “a” point unless he/she considers that there is a good reason for having a discussion in Council. A normal case submitted as “a” point would become a “b” point at the request of 15% of Members or more, or of one or more Member(s) invoking a very important national interest to activate the safeguard mechanism.

- If there is no consensus or broad and substantial support in the Standing Committee, the matter may be submitted as a “b” point to Council.
- **Procedure for fundamental and special cases:**
  - If there is consensus at the level of the Standing Committee, the Chair should bring the matter as an “a” point unless he/she considers that there is a good reason for having a discussion in Council.
  - If there is no consensus in the Standing Committee, the matter may be submitted as a “b” point to Council.
- **Final decision-making rule:**
  - Fundamental cases: decision by consensus or unanimity.
  - Special cases: decision by Qualified Majority Vote (60% of Members or more unless opposed by 3 or more Members who represent at least 25 % of the Part I scale of contributions).
  - Normal cases: decision deemed adopted unless 15% of Members or more object, or one or more Member(s) invoke(s) a very important national interest to activate the safeguard mechanism.

## ANNEX III

**REPORT OF THE CHAIR OF THE WGG SUB-GROUP ON WORKING METHODS<sup>1</sup> TO THE  
WORKING GROUP ON GOVERNANCE**

1. The Working Group on Governance (WGG) Sub-Group on Working Methods (WGG-WM) held 14 sessions between November 2013 and June 2014 to review and discuss the working methods relevant to the governance of the Organisation around four clusters: i) priority-setting, ii) global relations, iii) working methods of OECD Committees; and, iv) horizontal projects. The four clusters were identified by Members on the basis of input received from Delegations both orally and in writing, following consultations led by successive Deans before and after the MCM 2013 and later by the Chair of the WGG. On the basis of the discussion that took place in the Sub-Group additional issues not falling under the first four clusters were identified by Members and these are brought to the attention of the WGG under a fifth cluster: v) Other issues.

2. The Chair of the Sub-Group has strived to lead a comprehensive review of all the issues raised, consistent with the decision of the Council to carry out a review of the governance arrangements of the OECD, in the light of the potential challenges that may arise from an enlarged OECD with a more global and diverse membership, to further improve its effectiveness and strengthen its global reach, policy impact and relevance. Discussions have usually involved presentations by the Secretariat, followed by initial reactions by Delegations, and in follow-up sessions, the identification of tentative recommendations. The present document covers all five clusters and constitutes the Chair of the Sub-Group's final report to the WGG.

### **I. Priority-Setting**

3. There is broad agreement that the OECD has sound mechanisms<sup>2</sup> in place for priority-setting and this applies both to the 'bottom up' aspects – the Committee processes –, as well as to the 'top down' elements – at the level of Standing Committees and the Council –, with the Sub-Group's suggestions focusing on the latter. Nonetheless, following Delegates' discussions the following list of proposals for improvement covering ten aspects of the Programme of Work and Budget (PWB) priority-setting process of the OECD is recommended to the WGG.

#### ***Proposals for improvement***

4. Ten proposals for improvement were made by Delegates.

- i) **Heads of Delegations (HODs) discussion on priorities** - The provision of relevant input information for the HODs deliberations, in particular the MTO Survey results, should be made available earlier to assist those deliberations. The Budget Committee is invited to consider the following elements:
  - advancing the provision of the PIR Survey results, which should be circulated no later than the middle of the year following the biennium to which the Survey refers;

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<sup>1</sup> Chaired by Ambassador Paul Dühr (Luxembourg).

<sup>2</sup> See document [C\(2009\)111/REV1](#), the Report of the Council Working Party on Priorities, which set out the timeline for priority-setting and the PWB process; addressed strategic priority-setting; the preparation of PWB submissions; and improvements to the MTO Survey.

- advancing the provision of the MTO Survey results, so they are circulated at least one month before the Heads of Delegation meeting;
  - ensuring that Members’ contributions to both Surveys reach the Secretariat in time to respect these timelines;
  - targeting and engaging senior policy and decision-makers in the completion of the PIR and MTO surveys; and.
  - scope for improving the content and timing of other information provided to HODs in advance of the meeting to discuss priorities at the start of a budget year.
- ii) **Identifying relatively low priorities** – The Secretariat is invited to present to the Budget Committee proposals to fine tune the MTO Survey, in order to strengthen the process for identifying relatively low priorities, in time for the 2016 Survey.
- iii) **PWB Guidance to Directors and Committee Chairs** –Delegates stressed the importance they place on the HODs’ informal Convergence Paper and it being reflected in the Secretary-General’s PWB guidance and discussed the articulation of these inputs. They asked that Committees continue to be made aware of and understand the key role of these top-down contributions when preparing their PWB proposals.<sup>3</sup> As for timing, this PWB guidance should be issued no later than the end of February of the year before the new biennium.
- iv) **Preliminary PWB Submissions** – Delegates sought a better understanding on how the contents of the Work Programme change in light of evolving priorities, both within and between different policy areas. They agreed that, during the presentations by the Secretariat on preliminary PWB submissions at the Budget Committee, information about adjustments from the previous biennium would be added.
- v) **Emerging priorities** - Delegates discussed how to treat priorities that emerge during the course of each biennium. Delegates noted that rules and processes have been established by Council to manage these. In this context, the process of managing adjustments would be improved by:
- identifying and scoping new initiatives as soon as possible;
  - identifying funding sources at an early stage (without which no new priority or programme could be approved); and,
  - providing Members with information on the relevant choices and their impact on the approved Programme of Work.
- vi) **Budget flexibility** – Delegates acknowledged that the Central Priority Fund (CPF) is an important - if not unique - element of budget flexibility for the OECD, which allows for new and emerging priorities to be addressed. They encouraged the Secretary-General to continue to look for ways to increase budget flexibility over time.

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<sup>3</sup> See [C\(2009\)111/REV1](#). The Informal Convergence Paper is a first step in the process to prepare the Organisation’s PWB and reflects Members’ priorities to the largest possible extent, where convergence exists.

- vii) **Measuring impact** – Delegates suggested that the OECD would benefit from measuring impact from available data. In this regard, the PIR and In-Depth (IDE) evaluation exercises could inform these processes. In addition, some communications impact data could serve to complement the results of the PIR on impact. The Secretariat will explore this issue further.
- viii) **Private sector voluntary contributions** – Delegates sought clearer guidance on how the OECD manages private sector voluntary contributions in support of the approved PWB. Bearing in mind the need to preserve OECD's independence, Delegates called on the Budget Committee to conduct an assessment of the existing framework, including reporting to Members. The Budget Committee will report its findings to the Council.
- ix) **Horizontal projects** - Given the importance and growing significance of horizontal projects, Delegates asked whether changes should be made to the presentation and the structure of the Programme of Work and Budget to highlight these issues. The 'Strategic Management Framework' reflects the many different policy areas covered by the OECD and how they are integrated into a consolidated PWB. This includes, in respect of horizontal projects, making it possible to identify the specific areas that have accountability over the various outputs produced. As the Organisation will give even greater prominence to horizontal projects in the PWB in the future, Delegates asked that relevant information about these horizontal projects and themes be highlighted both in the PWB process and in the consolidated PWB 'book'.
- x) **G20/G7** - The Sub-Group acknowledged that OECD contributions to G20 and G7 work leverage significantly the impact of OECD outputs, contributing to major global initiatives and strengthening the global relations with Key and relevant Partners. Therefore, Members should continue to be given the opportunity, at the appropriate time, to contribute fully to the OECD's input to the G7/G20. The Sub-Group stressed the need for the Secretariat to continue providing information on these activities and how they leverage on the OECD's Programme of Work, and to add a 'strategic', forward looking presentation to Council on a regular basis.

5. Delegates discussed the financing of OECD outputs and confirmed the importance of clear indications of the financing mix of each Output Result. It was underlined that, in general, the proportion of Part I funding should be higher for high priority outputs. They discussed whether the MTO Survey could be used to identify whether Members considered that any policy areas in the Part I PWB would be more appropriately treated as a Part II Programme.

## II. Global Relations

6. The Sub-Group discussed working methods in the context of the OECD Global Relations, focusing on the following issues, but noting that the External Relations Committee (ERC) is already engaged in discussing several of them:

- i) **Assessment of the Council Resolution on Partnerships in OECD Bodies Rules** - The Resolution on Partnerships in OECD Bodies [[C\(2012\)100/FINAL](#)] will be reviewed in early 2015, following the 2014 review of the Global Relations strategies. Delegates indicated that one of the questions to be addressed is whether the new rules have helped the Organisation to proactively bring in those Partners that offer the greatest strategic importance for the Committees concerned. Based on the review to be carried out by the Secretariat, Members will discuss whether changes to the Resolution are needed to further strengthen the OECD's Global Reach.

- ii) **Global Forums** - Delegates raised questions on whether adjustments were necessary to further strengthen the existing framework for Global Forums [[C\(2008\)208/FINAL](#)]. They noted that a review of the framework will be launched later this year.
- iii) **Deepening the regional approach to OECD's Global Relations** – Delegates discussed the regional approaches noting that they have proven to be a comprehensive and efficient tool for the involvement of a large number of countries, since activities can be organised in the regions, with local ownership, and be anchored into existing regional structures. They stressed the need to follow a strategic approach in future discussions about deepening the OECD's regional work, and ensure synergies in the work with Key Partners and Country Programmes, taking into account relevant costs and benefits.
- iv) **A more systematic use of local presence** – Delegates discussed how to better use the ERC's Informal Reflection Groups (IRGs) and Members' diplomatic network abroad to gather relevant information about Key Partners' and share it with other Members and the Secretariat. They suggested that OECD's country offices in Key Partners and the Organisation's regional Centres could play a role i.a. by interacting with local embassies in their host countries. Delegates welcomed the resumption of the circulation of the OECD's Indicative Calendar [see f.i. [CES\(2012\)7](#)].
- v) **Dialogue on Committees' Global Relations Strategies** – Delegates were informed of the ERC's review of the strategies of all Committees over the course of 2013 and early 2014, with a view to have the Council approve their initial Participation Plans, and noted that future reviews will be undertaken every biennium. The Secretariat recalled that during the 2014 review, the ERC guidance [[ERC\(2013\)15](#)] asked Committees to focus their presentations on the scope for new initiatives in their Global Relations programmes, updates of their strategies and Participation Plans and on the possibility of inviting Partners as Associates. Delegates also noted that besides these formal reviews, the ERC regularly undertakes ad hoc reviews of specific Committees' strategies. Overall, these arrangements were considered satisfactory and the Secretariat was asked to share with Members in advance the calendar for these meetings.
- vi) **GRS PWB preparation**: Delegates stressed the importance of having the ERC discuss the budget of the Global Relations Secretariat before the Budget Committee.
- vii) **Council Session devoted to Global Relations** – Delegates suggested the possibility of holding strategic discussions on a regular basis, as determined by Council, about the OECD's Global Relations.
- viii) **Key Partners** – Delegates discussed the status of cooperation with Key Partners. They stressed the importance of their adherence and commitment to OECD's goals, instruments and working methods, including through some level of financial commitment, as part of their participation as Associates in OECD bodies. Overall, there was strong support for continuing close co-operation with Key Partners and for their increased involvement in the OECD's work. In this context, delegates welcomed the existing frameworks allowing Key Partners to participate in Committees on an equal footing, in terms of both rights and obligations.<sup>4</sup>

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<sup>4</sup> Some Delegates cited the experience of the Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI), noting that one of the key determinants of the successful Key Partners' participation is precisely the ability to do so on an equal footing and that this may offer a model to follow and/or replicate to better attract Partners to the work of the OECD.

- ix) **Joint priority-setting mechanisms and strategic reviews** – In the context of the efforts being made to further participation of Partners in the OECD’s work, Delegates discussed whether the Organisation is offering the right incentives to Partners in terms of the areas of work identified being of mutual interest. Delegates noted that the signing of Framework on Co-operation agreements provided a useful mechanism for setting priorities jointly and suggested that such agreements should be concluded with other Key Partners. They called on the Secretariat to engage and continue to keep Members abreast of these efforts.

### III. Working methods of OECD committees

7. In order to inform the discussions of the WGG and its Sub-Groups on Decision-Making and Working Methods, the Secretariat launched an electronic Survey requesting feedback from the Bureaus of all Level-I Committees, *i.e.* subsidiary bodies of the Council, on issues relating to their working methods and decision-making processes. While Bureau members are mostly satisfied with the effectiveness and the efficiency of meetings of their Committees, the Report on the Survey on Working Methods of OECD Committees identified certain suggestions and best practices to further strengthen Committees’ working methods. Some pertain to the Secretariat’s of Committees, but others address better practices that Bureau Members and their Committees could implement. These should be compiled into a document that the Secretary-General would then address to Committee Chairs, thanking them for their participation in the Survey and also sharing the final version of the Report on the results of the Survey.<sup>5</sup>

#### i) Committee meetings

- Better inform Delegates of how back-to-back meetings complement the meeting of the parent Committee, including by identifying when any special expertise is required.
- Recommend issuing a consolidated agenda to raise awareness of how each meeting contributes to the Committee’s objectives. Enhance EMS to facilitate electronically linking the meetings of the subsidiary bodies with the parent Committee session, and simplify registration for back-to-back meetings.
- Recommend using smaller groups open to all Members at the level of Committees and subsidiary bodies, building on the role already played by the Bureau, to flesh out the main issues of certain topics, particularly during the initial stages of discussions.
- Encourage the further rationalisation of the number of meetings for Committees with a high frequency of meetings by better targeting their discussions and using back-to-back meetings for their expert bodies.

#### ii) Agenda, documents and participation

- Focus Committee meeting time on the substantive discussion items by promoting greater and more effective use of written consultations and written procedures between meetings. For example, administrative and informational items, particularly declassification of reports and publications, can be dealt with through written procedure. Written consultations should also be used to better prepare discussion where Members’ priorities need to be identified early or

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<sup>5</sup> The Reports presents aggregate responses and does not identify outcomes for any particular Committee or Bureau Member.

opinions aggregated before an issue is put on the Committee agenda<sup>6</sup> for discussion (*e.g.*, programme of work and budget discussions).

- Recall that the period for sending out documents for Committees, which meet less frequently than Council and its Standing Committees is, in principle, one month (Interpretation of Rule 12 of the Rules of Procedure). To facilitate discussions, documents should be accompanied by a brief executive summary.
- Recall that each document submitted for Committee consideration shall state clearly whether it is for decision, discussion or information.
- Recall that “room documents [for Committee meetings] are normally used to provide new information, to make available preliminary drafts, to circulate comments by Delegations, proposed amendments or compromise text to tabled documents, wherever possible in both official languages”.<sup>7</sup>
- Encourage Delegations to be prepared for Committee meetings, and to intervene actively during sessions. The Chair and Bureau members should be tasked to play an active role in promoting adequate Committee participation. In exercising their role, Committee Chairs should be mindful of the time and number of interventions (*e.g.* discouraging repetitive statements of support) to ensure productive deliberations.

iii) Bureau

- Recall that the procedure for Bureau designation - through a transparent and fair process, including the terms of office and the qualifications of the Chairs - is regulated by Rules 15, 16 and 17 of the Rules of Procedure and set out in the Manual for the Guidance of Chairs of Subsidiary Bodies of the Organisation (Section I).
- Indicate that, in principle, the composition of the Bureau should be based on a mix of Members, also in relation to the number of years that they have served. Mention that this could be achieved by staggering their terms.
- Share with Committees the procedure of Bureau designation developed by some Committees and considered best practices. For example, the Committee for Scientific and Technological Policy [[DSTI/STP\(2011\)3/REV2](#), Annex B], the Committee on Statistics and Statistical Policy [[STD/CSTAT/RD\(2011\)8](#), Annex, paragraphs 6-8], and the Working Group on Bribery (WGB) [[DAF/WGB\(2012\)16/REV5](#)] have developed guidelines that the Committee and its substructure follow when designating their Bureau.

iv) Community Portals:

- Encourage Committees to set up a community portal as a means to facilitate communication and information exchange among Delegates, ensure continuity of work between sessions and as a tool to focus committee meetings on substantive issues.

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<sup>6</sup> For reference, in the case of the Council the annotated agenda indicates the proposed action for each item. See [C\(2009\)112](#) “Retooling Council’s Procedures: 2009 Guiding Principles for the Work of Council and Meetings of Heads of Delegation”.

<sup>7</sup> Manual for the Guidance of Chairs of Subsidiary Bodies of the Organisation, Section III b, p. 50.



- Encourage Committees to discuss how community portals can enhance their working methods, including adjusting their working practices to benefit from a new or enhanced electronic platform. Sharing best practices in the use and design of community portals gives Committees a better idea of potential benefits. Induction sessions for new Delegates should be organised.
- Review the design features of portals to ensure that they serve the functions and purposes required to advance work between Committee meetings, and ensure that Committee Secretariats have the capacity and resources necessary to deploy and support the broader use of portals.

v) Upgrade OLIS

- While OLIS serves its purpose for disseminating documents, the system is largely based on document codes and is beginning to show its limits in terms of ease and functionality. An upgrade of OLIS is urgent, and should include, in particular, a better search function and a more intuitive interface. OLIS accessibility will be improved, including for mobile devices, taking due account of security considerations.

vi) Remote participation

- Remote participation is effective in enabling discussions of smaller and informal meetings, in particular for Bureau meetings and should be encouraged wherever useful.
- Coordination of Bureau meetings or conference call dates should be carried out using online tools such as polling sites, to minimise back and forth exchanges often required for agreeing on possible dates.
- Remote participation via conference calls should be used to accommodate Bureau meetings in between sessions.
- The Secretariat will review the telecommunication infrastructure needs and the guidelines, including in respect of interpretation, required to better support remote participation including by Delegates from capital.

vii) Horizontal projects

- Invite Bureau members to hold more inter-Committee joint Bureau meetings to better coordinate the development of horizontal projects and collaborate in their mainstreaming.

8. With respect to the PIR and IDE processes, some Delegates commented that the outcome of the PIR was useful when discussing the PWB, and that the IDE has served well the purpose of informing the renewal of Committee mandates and changes to sub-structures. Both have resulted in improvements to Committee's working methods. However their capacity to provide guidance could be enhanced.

9. Given the diversity and amplitude of the results, Delegates also welcomed the possibility of repeating the Survey on Working Methods and Decision-Making at appropriate time intervals (possibly 4-5 years) to continue to receive feedback, and to update and improve the working methods of Committees.

10. Concerning the issue of the frequency of peer reviews, it was noted that some Committees have developed specific guidance. For example, the Economic and Development Review Committee has

developed Agreed Principles and Practices, which set out the frequency of peer reviews (“the maximum period between reviews should not normally exceed 24 months”) [[ECO/EDR/DIV/M\(2013\)1](#), point 2.1, page 6]. This issue was not discussed in-depth by the Sub-Group nor addressed in the Survey. Previous discussions have shown the difficulty to reach a consensus. Given the particularities involved, it seems best to let Members address this issue, should they so want to, within each Committee.

#### **IV. Horizontal projects**

11. The organisation of horizontal work at the OECD is of considerable interest and importance to Members. Cross-cutting collaboration across the Organisation brings clear benefits (value-added), given the broad policy scope of the OECD and the growing demand for ‘multidimensional’ policy tools and measures to support strong, inclusive, and green/sustainable growth. Delegates discussed several aspects of the OECD horizontal work and arrived at the following suggestions:

- i) More regular/frequent overviews of progress in the implementation of horizontal projects: the current annual review of horizontal projects should be complemented by another review (*i.e.* one every six months).
- ii) When presenting horizontal projects, emphasis should be placed on the provision of early and clear information on the outputs and their funding, in particular for new work.
- iii) A clear designation of a lead Committee or similar group or network of policy experts dealing with the horizontal project, to ensure an effective oversight.
- iv) Committees should ensure that appropriate priority is given to horizontal outputs in the Committee priority-setting process, facilitate contributions across Committees, ensure that mechanisms are in place to transform discussions on horizontal issues into expected deliverables and encourage and strengthen links with policy makers in capitals as well as with other key stakeholders.
- v) The OECD’s strategic foresight capabilities should be strengthened to allow for a better understanding of longer-term cross-cutting global and regional developments and potential linkages between them.
- vi) Greater use should be made of existing, as well as new consultation mechanisms to promote horizontal collaboration, including through the use of global forums, policy networks and other similar knowledge resources.
- vii) The importance of disseminating the accountability arrangements within the Secretariat (Project Coordinator, Project Manager) and the support that ensures effective and timely project implementation was highlighted.
- viii) There is support for the continued adoption of procedures and systems within the Secretariat aimed at promoting greater information and knowledge sharing, including for collaboration across Directorates on specific issues to enhance horizontality at the OECD.

## V. Other issues

12. The following issues were identified by Members in the Sub-Group, but do not fall under the first four clusters:

### *Preparation of Council Sessions*

13. Delegates requested that the Dean's non-paper "Preparation of Council Sessions", prepared by Ambassador Pawel Wojciechowski (Poland) and the Secretariat, to propose ways to improve Council sessions, be attached to this Report (see Annex). These changes have been successfully implemented.

14. Delegates also recalled several aspects of the preparation of Council sessions, as detailed in [C\(2009\)112](#), including in relation with the circulation of documents [Section A.1], the relevance of having a clear understanding of decisions taken during Council deliberations [Section B.4.a)], and the usefulness of informal meetings of Heads of Delegations for exchanging and bringing views closer and for preparing sensitive decisions [Section C.1.a)].

### *Public Affairs and Communication*

15. Delegates discussed how the Council could further take stock of the Public Affairs and Communications (PAC) Directorate's activities and annual objectives. Further to the Sub-Group discussion, the Secretariat has issued on 3 June 2014 a note to the Council on PAC's functions. In light of this, my suggestion is that this discussion be followed up in Council at one of its next sessions.<sup>8</sup>

16. With respect to OECD's publications, Delegates noted that documents issued on the Secretary-General's behalf should continue to be clearly identified as such and distinguished from documents adopted by Members.

### *Value for Money*

17. Delegates reiterated their interest in the results of the Value for Money (V4M) project, which is undertaking a comprehensive review of the Organisation's processes and practices and the way outputs are produced across the OECD.

### *Evaluation Committee*

18. Delegates also discussed the issue of the number of Ambassadors that participate in the Evaluation Committee (EVC) and agreed that this matter should be discussed by the EVC. Any recommendation for change would be submitted by the EVC to the Council.

### *MCM Preparation*

19. Delegates commented on the preparation, proceedings and session format of the Ministerial meeting. They stressed the importance of Ministers having more focused and engaging sessions. Three sources of improvements have been identified: i) MCM dates and the processing of documents; ii) MCM draft Discussion Notes and how Ministers' deliberations are supported; and, iii) MCM discussion settings.

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<sup>8</sup> The Revised Governance Resolution of the Council on a new Governance Structure of the Organisation [\[C\(2006\)78/REV1/FINAL\]](#) indicates "the Council is the highest body of the OECD...[it] is the appropriate forum for shaping the future direction of the Organisation, for discussing and deciding key policy issues... Council is the relevant forum for policy exchanges with the Secretary-General in his capacity as Chair."

C(2014)90/REV2

The Secretariat has issued document [C\(2014\)83](#) “OECD Week 2014: Overview of Achievements”, which outlines possible improvements. In light of this, and further to the Council discussion on 18 June, my suggestion is that discussions on this issue be followed up in Council in the context of the 2015 MCM preparations as well as the Ambassador’s retreat.

## APPENDIX (TO ANNEX III)

### Preparation of Council Sessions<sup>1</sup> Dean's Non-Paper

The OECD Council, for the most part functions efficiently, though some improvements in time management are always possible within the existing framework of rules and procedures. With an increase workload of items in its agenda, it is of utmost importance to ensure there is enough time for an exchange of views among Members and the Secretariat on the substantive issues, in particular those leading to Council decisions. To this end, some improvements are proposed in three areas: the length time of interventions, the order of agenda items and the consultation process on agenda setting.

***Length of Interventions.*** Considering that the length of any intervention is limited to 3 minutes for all, except the Chair, therefore:

- a) the presentations or introductions of items by the Directorates will follow the time indicated in the annotations, and interventions from the floor limited to 3 minutes;
- b) the clock will run for all, except for the Chair, external guests, and for speakers whose presentations or interventions are indicated in the annotations, as in point (a).

***Order Agenda Items.*** Items for decision will be scheduled first, followed by items for discussion and for information. They will be scheduled in the most effective way possible, considering in particular the availability of speakers, the complementarities between items, and the time needed for their consideration. The following general ordering can help guide the scheduling of items<sup>2</sup>:

1. Adoption of the draft Agenda, approval of Summary Records and 'a' points (7 days);
2. Items for decisions, that require discussion 'b' points (7 days);
3. Items for discussion, including on 3-month Indicative Work Program and indicative Draft Agenda for the Succeeding Council Session (2 days);
4. Items for information and Q&A discussion, including:
  - i) Activity report, the OECD contribution to G20;
  - ii) Meeting with the Chairs of Substantive Committees;
  - iii) Economic, Financial and Social Developments (2 days).
5. Other items - for information only.

***Consultation Process on Agenda Setting.*** All available tools and channels to offer feedback on the draft Council Agenda should be used by Members, including opportunities to discuss:

- A. The 3-Month Indicative Work Programme and an indicative Draft Agenda for the Succeeding Council Session - during the Council session;
- B. The Draft Agenda in the meeting of the Secretary-General with the Chairs of Standing Committees - the meeting could be scheduled several days earlier in advance to the Council session;
- C. The annotations - at the Informal Preparatory Council meeting, organised 1 day before the Council session, with the annotations being circulated the preceding day COB.

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<sup>1</sup> This document seeks to reflect the views of Members, and has been prepared in consultation with the Secretariat and endorsed by the WGG Bureau.

<sup>2</sup> The time for circulation of documents - in parenthesis. The Council maintains the flexibility to decide to a different scheduling of the Agenda items when so required.