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COUNCIL

Council

DRAFT RESOLUTION OF THE COUNCIL RENEWING AND REVISING THE MANDATE OF THE COMMITTEE ON INDUSTRY, INNOVATION AND ENTREPRENEURSHIP (CIIE)

(Note by the Secretary-General)

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Background

1. The Committee on Industry, Innovation and Entrepreneurship (CIIE) was created in 2006 [[C\(2006\)132/REV1](#)], succeeding to the former Committee on Industry and Business Environment (CIBE), created in 2001 [[C\(2001\)7](#)], which had replaced the Industry Committee established in 1961 [OECD/C(61)9 and OECD/C/M(61)1(Final) , Item 10 C (a) , (b) and (c)].

2. The current mandate of the CIIE [[C\(2011\)165](#), Annex I and [C/M\(2011\)20](#), Item 220] expires on 31 December 2016 and, accordingly, the mandates of the CIIE's subsidiary bodies expire on the same date. At its meeting on 12-13 October 2016, the CIIE discussed and approved the revision and renewal of the mandate. The draft revised mandates took into account the recommendations emanating from the In-Depth Evaluation ('IDE') of the Committee [[C\(2012\)134](#)].

CIIE mandate revision

3. In response to the recommendations of the IDE [[C\(2012\)134](#)], the CIIE adopted an "Action Plan to Implement the Recommendations of the IDE of the CIIE" [[DSTI/IND\(2013\)9](#)]. The Action Plan has been implemented, as reported to Council in December 2013 [[C\(2013\)149](#) & [C/M\(2013\)22](#)], and consideration of its outcomes has formed the backdrop to the Committee's proposal for revision of its mandate.

4. The Committee first discussed the renewal and revision of its mandate and those of its subsidiary bodies in October 2015 [[DSTI/IND\(2015\)14](#); [DSTI/IND\(2015\)13](#) and [DSTI/IND/M\(2015\)2](#)]. This was followed by discussions and approval of the revised CIIE mandate and of its subsidiary bodies at its October 2016 meeting [[DSTI/IND/M\(2016\)2](#)].

5. The main changes to the mandate, set out in the Annex to the present document, include:

- Expanding relevant foci in the objective related to global value chains to explicitly include different types of firms (see paragraph 2i);
- Expanding the objective related to structural change to include policies enabling entry and modernisation (see paragraph 2ii);
- Combining two objectives to clarify the Committee's objective related to societal and environmental challenges (see paragraph 2vi);
- Expanding the objective related to business conditions to include resource allocation and productivity (see paragraph 2iii);
- Expanding the objective related to intangible assets to include mention of the digitalisation of the economy (see paragraph 2v);
- Acknowledging that close working relationships will be required with the Committee on Digital Economy Policy (see paragraph 5).

Evaluation of the Substructure

6. In accordance with Rule 21 c) of the Rules of Procedure, the Committee evaluated the continuing relevance of its substructure. The CIIE agreed to restructure the Committee's substructure by discontinuing

the Working Party on the Globalisation of Industry (WPGI) and incorporating its work into the work of the Working Party on Industry Analysis (WPIA) and to a lesser extent the Working Party on SMEs and Entrepreneurship (WPSMEE) [[DSTI/IND/M\(2015\)2](#)].

7. The logic of such a restructuring had been set out in [DSTI/IND\(2015\)13](#) and was based on achieving greater efficiency and value for money as well as recognising that economic globalisation has been mainstreamed in CIIE activities and was no longer exclusive to the WPGI. The launch of the Global Forum on Productivity, for which the CIIE is one of three “parent” Committees, along with the Economic Policy Committee and the Economic and Development Review Committee [[DSTI/IND\(2015\)11](#)], was also recognised.

Proposal for mandate renewal

8. It is proposed that the revised mandate, as set out in the draft Resolution in the Annex, should remain in force for a period of five years, until 31 December 2021, unless the Council decides otherwise. The draft Resolution would supersede all previous provisions concerning the mandate of the Committee. The Committee would return to the Council to propose a revision to its mandate should there be any major developments that warrant such a change.

Proposed Action

9. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document [C\(2016\)150](#);
- b) adopted the draft Resolution of the Council Renewing and Revising the Mandate of the Committee on Industry, Innovation and Entrepreneurship (CIIE) as set out in the Annex to document [C\(2016\)150](#), which will enter into force on 1 January 2017.

ANNEX

DRAFT RESOLUTION OF THE COUNCIL RENEWING AND REVISING THE MANDATE OF THE COMMITTEE ON INDUSTRY, INNOVATION AND ENTREPRENEURSHIP

THE COUNCIL,

Having regard to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Rules of Procedure of the Organisation;

Having regard to the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)];

Having regard to the creation of an Industry Committee [OECD/C(61)9], which became the Committee on Industry and Business Environment (CIBE) in 2001 [[C\(2001\)7](#)], and most recently the Committee on Industry, Innovation and Entrepreneurship (CIIE) in 2006 [[C\(2006\)132/REV1](#)], whose mandate was last revised in 2011 [[C\(2011\)165](#)];

Having regard to the recommendations of the In-depth Evaluation of the Committee on Industry, Innovation and Entrepreneurship [[C\(2012\)134](#) and [C/M\(2012\)14](#), Item 215 iii)];

Having regard to the proposed revision of the mandate of the Committee on Industry, Innovation and Entrepreneurship [[C\(2016\)150](#)];

DECIDES:

A. The Committee on Industry, Innovation and Entrepreneurship (hereinafter “CIIE”) is renewed with the following revised mandate:

I. Objectives

1. The overall objective of the CIIE shall be to assist governments in designing and implementing industry, innovation and entrepreneurship policies that can promote growth in output, incomes and welfare through sustainable improvements in productivity and competitiveness. In fulfilling this objective, the CIIE shall take account of fundamental changes in the world economy that include the globalisation of markets, the growing importance of intangible assets, the need for growth and fiscal adjustment in many economies, the rise of emerging market economies and the long-term challenges posed by climate change, resource scarcity, demographic and other social changes.

2. Against this background, the CIIE will be responsible for analysing and developing policy recommendations that require co-operation and consultation among Members and Partners, focusing on policies that:

- i) Adapt to the globalisation of production across Members and Partners and draw benefits from globalisation, including the participation of different types of firms (SMEs, MNEs, start-ups) in global value chains;
- ii) Foster structural change, including policies to adapt to the changing nature of manufacturing and services in a global economy, and in which new sectors of the economy are able to develop and established sectors are able to modernise;
- iii) Improve the conditions for entrepreneurship, firm entry, growth and exit, technology diffusion, and efficient resource allocation, contributing to enhanced job creation, and productivity growth;
- iv) Address the specific needs of SMEs, based on a sound understanding and articulation of the contribution of these firms to innovation, growth, and employment;
- v) Enhance business investment in intangible assets, including human capital, and foster innovation in business plans and strategies, with particular emphasis on non-technological innovation, new business models, and the increasing digitalisation of the economy;
- vi) Help create a business climate in which firms can respond to societal and environmental challenges (e.g., social inclusion, climate change, sustainable development).

3. The CIIE will pay particular attention to highlighting the benefits of economic developments and reforms, based on the sharing of best practice policy lessons and the identification of underlying barriers to reform. The role of ex ante and ex post policy evaluation in understanding the causal impacts of policies is at the forefront of the work of the CIIE. This can involve a variety of methodologies, including early small-scale pilot studies to help in policy design.

II. Coordination arrangements

4. Considering the central role of innovation as a catalyst for economic development and growth, the CIIE shall work closely with the Committee for Scientific and Technological Policy and the Committee on Digital Economy Policy to ensure that the Committees are fully aligned and share expertise and outputs in pursuit of their respective objectives.

5. The CIIE shall maintain close working relationships with other relevant bodies of the Organisation, in particular the Economic Policy Committee and the Economic Development Review Committee, to complement and support analysis underway, discuss industrial aspects of questions raised and, where appropriate, undertake joint projects.

6. The CIIE shall co-operate with other international and regional organisations active in relevant policy fields, and will consult with representatives of industry, business, trade unions and public interest groups, where appropriate.

B. The mandate of the CIIE shall remain in force until 31 December 2021.