

**COUNCIL****Meeting of the Council at Ministerial Level, 30-31 May 2018****THE OECD'S GLOBAL RELATIONS: MEETING THE STRATEGIC CHALLENGES**

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## EXECUTIVE SUMMARY

### Creating a global level playing field

*Making OECD standards and policies count on a global scale, i.e. also in Partner countries, thus supporting the creation of a global level playing field, continues to be a top priority in the Organisation's Global Relations efforts. The partnership and co-operation with Partner countries in pursuing this goal can also make significant contributions to these countries' economic and social development.*

Resolved to make itself a more effective and inclusive Global Policy Network as outlined in the OECD 50 Anniversary Vision Statement, and repeatedly reiterated in the Secretary-General's Strategic Orientations, the Organisation has *developed effective tools to engage with its Partners*:

- ❖ Five important countries were designated as Key Partners, with whom the OECD strives to co-operate in the full range of its work programme, reflecting the mutual benefit this entails;
- ❖ Country Programmes were created to help selected countries move closer to OECD standards and policies and thus provide an anchor for their policy reforms;
- ❖ Comprehensive Regional Programmes were created in Southeast Asia (2013) and Latin America and the Caribbean (2016); the Eurasia and the Middle East and North Africa (MENA) were given new and broader mandates (2015); the South East Europe Regional Programme further strengthened its impact in its region;
- ❖ A new Council Resolution [[C\(2012\)100/REV1/FINAL](#)] promoting the active participation of Partners in OECD bodies.

These Programmes use the *OECD's standards and good policies* as a reference, encouraging Partners to comply with them. They often include mechanisms to secure the Partners' ownership by involving them in the setting of priorities, programme management and the assessment of the output results.

- ❖ *The OECD's co-operation with the G20* has been an effective way for the OECD to share its analytical work more broadly and leverage its standards and policies with the Key Partners and other major players on the world economic stage. This has been demonstrated in key areas such as taxation, corporate governance, investment, climate and the digital economy and in the OECD's support for the Global Forum on Steel Excess Capacity (aimed at reducing this excess capacity).
- ❖ Numerous contacts and areas of co-operation between Leaders, Ministers and Stakeholders have been established by the Secretary-General through his missions and meetings.
- ❖ Furthermore, the *OECD Action Plan on the Sustainable Development Goals* will continue to guide the Organisation's support to interested Members and Partners in the achievement of the 2030 Agenda for Sustainable Development.

Last, but not least, the OECD has been an open and inclusive organisation over the past decade, attracting interests in membership through its evidence-based world class policy advice, its best policy practices and its standards. This has led to a continuously growing

interest in moving closer to the OECD in different parts of the world. Therefore the OECD is currently discussing *requests for OECD membership*, on the basis of a Framework for the Consideration of Prospective Members as a gauge of countries' commitment and like-mindedness. Six prospective Members (Argentina, Brazil, Bulgaria, Croatia, Peru, and Romania) have made progress towards the standards referred to in the Framework and are being considered for possible accession by the OECD Council.

### Meeting the challenges

The OECD has endeavoured to respond to major shifts occurring in the global economic and political landscape: (i) the ascent of major economies outside its membership, (ii) the emergence of the G20 as a “premier forum for international economic co-operation” (G20 Pittsburgh Declaration) and (iii) the policy responses to the global financial crisis, including major reform efforts, and to the increasing discontent with the unequal distribution of the benefits of globalisation. Given the challenges raised by globalisation, the 2017 MCM encouraged the OECD “to continue strengthening and disseminating its standards and developing advice on better policies and best practices that benefit economies beyond its membership” [[C/MIN\(2017\)9/FINAL](#)]. This reflects the Organisation's determination, and also its main challenge, to level the playing field globally through developing sound and common approaches to major challenges (as already done in various fields, such as taxation, capital and exchange controls, corporate governance and the fight against corruption).

In order to meet this challenge, the OECD will need to make full use of all the tools available in its Global Relations toolkit, and notably:

- ❖ achieve consensus on a new series of accession countries;
- ❖ further develop the co-operation with the Key Partners to achieve mutual benefits, including by renewing the Joint Work Programmes (JWP) with China and Indonesia, building on the achievements of their predecessors, while also agreeing on a new JWP with South Africa and a clear structure for reinforced co-operation with India;
- ❖ involve selected Partners in the development of legal instruments as appropriate, so as to encourage compliance and thus secure the global relevance and impact of OECD's standards;
- ❖ complete the current review of the rules for Partnerships in OECD bodies aimed at preserving and reinforcing the mutual benefit for Members and Partners derived from these rules, as a vehicle to secure Partners' commitment to OECD bodies and legal instruments;
- ❖ successfully implement the Country Programmes with Kazakhstan, Morocco and Thailand and identify selected Partners with whom new Country Programmes may be designed and implemented, taking into account the evaluations of the Programmes;
- ❖ further support Ukraine under the Action Plan, including in new priority areas such as competition policy, public governance and land reform;
- ❖ continue to strengthen the Regional Programmes in Southeast Asia, Latin America and the Caribbean, Eurasia, South East Europe and the MENA region,

in accordance with their mandates and in close co-operation with regional partners, such as ASEAN, APEC and the Pacific Alliance;

- ❖ ensure further progress in the engagement with Africa, also in alignment with the G20 Compact with Africa.

Building on its significant contribution to global governance and its effective cooperation with the G20, the G7 and regional fora such as APEC, ASEAN and the Pacific Alliance, the OECD should keep supporting these fora by:

- ❖ identifying major economic, social and environmental policy challenges and designing policies to respond to them so as to improve the well-being of people around the world;
- ❖ informing policy discussions regarding global issues by leveraging its data, action-oriented research and inclusive consultation process;
- ❖ facilitating consensus-building, and thus preparing the ground for political agreements in challenging contexts (as for the Global Forum on Steel Excess Capacity or the G20/OECD BEPS project);
- ❖ further leveraging its standards beyond its membership in order to level the playing field globally, promote good policy practices and develop common approaches to shared problems (as already done in various fields, such as taxation, capital flow management, corporate governance and the fight against corruption).

## 1. Global Shifts and the OECD's Response

1. Today's global political and economic context calls for a refounding of multilateralism based on standards that promote good practices and help to ensure a *global level playing field*. Reinforcing the OECD's role in establishing and promoting high standards in its fields of expertise with and for its Members, and making them count worldwide has always been at the heart of the OECD's mandate<sup>1</sup> It is at the same time the *raison d'être* for OECD's Global Relations Strategy. This thought is already anchored in the OECD Convention [Article 1 b)], which defines as a principal aim of the Organisation "to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development". Making OECD standards and policies count on a global scale, *i.e.* also in Partner countries, thus supporting a global level playing field and anchoring reforms, continues to be a top priority in the Global Relations efforts of the Organisation.

2. The principal building blocks of the OECD's Global Relations strategy have been in place since 2007. The Ministerial Council Meeting (MCM) held in that year<sup>2</sup> set in motion a series of new accession processes to OECD membership. It reinforced the engagement with five important non-Members [the Key Partners: Brazil, the People's Republic of China (China), India, Indonesia and South Africa], "with a view to possible membership". It also undertook to expand the OECD's relations with selected countries and regions of strategic interest, giving priority to Southeast Asia, with a view to identifying countries for possible membership.

3. The OECD does not aim to become a universal organisation but rather to ensure that the OECD's standards and policies are disseminated and implemented on a global scale. The continued success of the Organisation requires a strategic approach to Membership and engagement that enhances geographic representation and preserves and promotes the OECD's standards and policies [[C\(2017\)50/REV2](#)].

4. This strategy has since been implemented by the creation of new tools for engagement. The OECD established itself as a valued partner and advisor to the G20/G7 processes. New Comprehensive Regional Programmes were created in Southeast Asia (2013) and Latin America and the Caribbean (2016); the Eurasia and the Middle East and North Africa (MENA) were given new and broader mandates (2015); the South East Europe Regional Programme further strengthened its impact in its region. Country Programmes were initiated with specific Partners to bolster their overall reform efforts.

5. The Organisation's resolve to make itself, in the words of the 2011 MCM Vision Statement, a more effective and inclusive global policy network [[C/MIN\(2011\)6/FINAL](#)], responded to the major shifts occurring in the global economic and political landscape:

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<sup>1</sup> See *i.a.* the 2016 MCM Statement, [C/MIN\(2016\)8/FINAL](#), par. 6.

<sup>2</sup> Council Resolution on Enlargement and Enhanced Engagement [[C/MIN\(2007\)4/FINAL](#)].

- the ascent of the Key Partners and other emerging economies, including in new centres of economic growth, *e.g.* in Southeast Asia, and the commensurate decline of OECD Members' share in the global economy;
- the creation of the G20 as “the premier forum for international economic co-operation”<sup>3</sup> and the rising influence of other international and regional fora (APEC, ASEAN, Pacific Alliance, *etc.*);
- the policy responses to the global financial crisis, including some ambitious policy reform agendas, but also the increasing discontent with the outcome of the crisis, inspired by the realisation that the benefits of globalisation had not been equally shared.

6. As foreseen in 2011, the OECD has continued to expand its network with new ideas and new partners while maintaining the high quality of its analysis and standards, the objectivity of its policy recommendations, and its rigorous peer review process. Part of this process has always been the OECD's willingness to remain open to new Members to ensure the global relevance and implementation of its standards and the impact of its policy advice. Indeed, the accession process has evolved over time to become a transformational tool, not only to bolster the candidates' reform programmes, but also to lock in the results thereof.

7. Currently, OECD Members are discussing a number of recent applications for membership by several countries<sup>4</sup>, including two G20 countries (one being a Key Partner), three European Union (EU) member states and a Partner that has completed a Country Programme.

8. It is of great importance to respond to these applications in accordance with the Framework for the consideration of Prospective Members, defined by the OECD Council in 2017<sup>5</sup>. More than any other tool, the accession process and the inclusion of new Members extend the reach and impact of OECD standards and transforms the candidates' economic policies. The evidence shows that the Framework for the Consideration of Prospective Members continues to fulfil its purpose, not least by having encouraged the prospective Members to embrace OECD's standards and request adherence to OECD legal instruments (see table 1, below). Argentina, Brazil, Bulgaria, Croatia, Peru and Romania have made progress in terms of the Framework and are being considered for possible accession by the OECD Council.

9. Besides the question of finding consensus on enlargement, the OECD is undertaking a number of initiatives in the context of its Global Relations Strategy, to confront other strategic challenges:

- To reach agreement with the Key Partners on a further reinforced and mutually agreed co-operation aimed at bringing them closer to OECD standards and policies, for two of them (China, Indonesia) under sequels to the concluded Joint Work Programmes with these countries; conclusion and implementation of a new

<sup>3</sup> G20 Leaders Statement: The Pittsburgh Summit, 24-25 September 2009, par. 19.

<sup>4</sup> Notably Argentina, Brazil, Bulgaria, Croatia, Peru and Romania; other countries have expressed interest in possible accession in the future [C(2017)95].

<sup>5</sup> Framework for the Consideration of Prospective Members adopted by the Council in June 2017 [C(2017)50/FINAL].

Joint Work Programme with South Africa and work on a more structured co-operation with India;

- To ensure that OECD committees use the rules for Partnerships in OECD bodies to encourage Key and other selected Partners (including in Southeast Asia) to participate constructively in more OECD bodies as Participant or Associate;
- To improve further the impact of the Regional Programmes in Southeast Asia, Latin America and the Caribbean, Eurasia, South East Europe and the MENA region, in close co-operation with regional partners, such as ASEAN and the Pacific Alliance;
- To respond to the 2017 MCM mandate to make further progress in the OECD's engagement with Sub-Saharan Africa [[C/MIN\(2017\)9/FINAL](#)] in accordance with the Committees' Global Relations priorities and in alignment with the Organisation's role as a partner institution in the G20 Compact with Africa<sup>6</sup>;
- After bringing the Country Programmes with Peru, Kazakhstan and Morocco to a successful conclusion, building on the lessons learnt from concluded Country Programmes and helping these countries ensure that their results are locked in and built on and lay the foundations for further Partnerships; launch and implement the new Thailand Country Programme; consider selected Partners for a possible next generation of Country Programmes, while considering carefully the outcome of the evaluations of the Country Programmes when developing and implementing such Programmes.

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<sup>6</sup>

Annex to the G20 Hamburg Leaders Declaration – G20 Africa Partnership.

## 2. OECD Contributions to Global Governance

### 2.1. Partners' Commitment to OECD Bodies and Standards

10. Among the key tools for the OECD's goal of promoting its standards and helping to secure a level playing field world-wide are the non-Members' Partnerships – and active participation – in its bodies, projects and programmes and their commitment to OECD standards (including through adherence to OECD legal instruments). Both tools serve a mutual interest: they help secure the commitment of important players to the OECD's standards and its work programme, while giving these Partners access to the expertise of the Organisation's Members and staff.

11. The Organisation has become progressively more open to these forms of engagement. In particular in the field of taxation it has set up programmes with very broad membership<sup>7</sup>. Yet, OECD committees have usually been more selective in their choice of Partners, with an eye to the prospective Partners' status as significant players in the work area concerned, and their willingness and ability to engage and to make the necessary commitments in terms of policy, contribution to the work programme and funding. Out of the 307 currently valid invitations<sup>8</sup> to non-Members as Participant or Associate in an OECD body or project, 258 (84%) address the 19 countries included in table 1: active accession countries, "prospective Members"<sup>9</sup>, Key Partners, other G20 countries, and Country Programme Partners.

12. The prominence of these Partners in terms of commitment to OECD bodies and standards, mirrors the use of tools which the OECD uses to promote this kind of commitment:

- *Accession* implies a willingness and ability of a country to commit to the full range of the OECD's standards and work programme. It requires a decision by the Council to invite the country to open accession discussions and in-depth technical reviews by more than 20 OECD Committees which inform the final Council

<sup>7</sup> The Global Forum on Transparency and Exchange of Information for Tax Purposes currently has 148 members; the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has 105 members, while invitations have been issued to another 79.

<sup>8</sup> These are invitations issued by virtue of the Council Resolution on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)], except for invitations as Associate in the BEPS project issued after 1-1-2016. Out of these invitations, 227 had been accepted as of 1-1-2018.

<sup>9</sup> "Prospective Members" (Brazil, Argentina, Bulgaria, Croatia, Peru, Romania and Sri Lanka) are non-OECD Member countries which have officially signalled their interest in, and commitment to, becoming a Member of the OECD, or countries identified by the Council as a priority for Membership for the Organisation's relevance and impact [[C/MIN\(2017\)13](#)]. A country's inclusion in this category does not prejudice a Council decision to invite it to start an accession process.

decision on membership, to be taken by unanimity. The accession process is thus the most powerful instrument to expand the reach and impact of OECD values and standards in the countries concerned, acting as a catalyst for important and long-lasting reforms. Only a select number of countries are both willing and able to join the OECD. Three countries are at present on an accession track (Colombia, Costa Rica and Lithuania); as mentioned in section 1, the Council is currently considering the applications of another six countries.

- *Key Partnership* implies a designation of specific countries of high strategic interest (Brazil, China, India, Indonesia and South Africa) as Key Partners with a view to possible membership [[C/MIN\(2007\)4/FINAL](#)]. Following Council guidance [[C\(2010\)100/FINAL](#)] all Committees have stepped up their engagement of these countries. Many of them have done so by encouraging them to contribute more actively to the committees to which they have been invited, to accept higher levels of Partnership, to request adherence to legal instruments, and/or by including them into their statistical databases, publications such as the *Outlooks* and *At a Glance* series or other Committee activities. In some cases, this included the revision and monitoring of the implementation of existing legal instruments or the development of new ones, and/or by country-specific policy reviews.
- *Partnership with the G20* has been an effective way for the OECD to leverage its standards and policies, involving the Key Partners and other major players in the world economic stage in a broad range of issues. This has been demonstrated *i.a.* by the early commitment of all G20 members to implementing the BEPS Project (and their subsequent joining the BEPS Project as Associates and the Committee on Fiscal Affairs as Associates or Participants), their endorsement of the G20/OECD Principles of Corporate Governance, the requests from several G20 countries to adhere to the Code of Liberalisation of Capital Movements and the establishment of the Global Forum on Steel Excess Capacity.
- *Country Programmes* are tailor-made and designed to help a very limited number of countries to adopt OECD standards and practices and thus provide an anchor for their policy reforms [[C/MIN\(2013\)12](#)]. Policy reviews, Partnerships in OECD bodies and adherence to legal instruments are the three elements of such Programmes. Kazakhstan, Morocco and Peru have engaged with the OECD in a Country Programme; preparations for the launch of a Programme with Thailand are at the final stage and the ERC will soon consider the possibility of initiating other Programmes.
- *Associate status* enables Partners to join specific OECD bodies and projects on a basis of near-equality with OECD Members, as does membership of Part II programmes. This option serves the interest of Partners and OECD Members by securing equivalent rights and commitments for both, notably in those areas where these Partners are important players, even when the latter are not candidates for OECD membership. Evidence shows that this option is used particularly in specific projects (especially BEPS) and bodies overseeing Part II programmes [[ERC\(2017\)1/REV1](#)]. It remains less common in Part I bodies (*i.e.* those bodies in which all Members participate).

13. Table 1 confirms that the prospective Members have become strongly involved, though not all to the same extent, both in terms of actual Partnerships and adherence to legal instruments and in new requests for the latter. Importantly, these countries have requested adherence to the seven key instruments used in the Framework for the

Consideration of Prospective Members to gauge countries' readiness to start accession discussions (see Annex II for details). This demonstrates the strong incentive created by the accession process to align with OECD standards. Furthermore, Partners that have benefited from Country Programmes show strong engagement, particularly in terms of adherence to instruments. On the other hand, the degree of involvement varies much more widely among G20 countries, including among the Key Partners.

14. OECD Members have repeatedly underlined the importance of mutual interest as a leading principle for the Organisation's Global Relations. This implies that Partners' right to participate in bodies, projects and programmes is matched by commensurate commitments in terms of active contribution to work programmes, observance of standards and funding. Against this background, a fact-finding exercise is being undertaken to assess non-Members' participation in committees, the results of which are to feed into a review of the impact of the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)]. The slow take-up of invitations as Partners (Participant or Associate) in some bodies, not least by Key Partners (42 invitations to Key Partners remain to be formally accepted), will be one of the issues considered. Another will be the relatively low representation of Southeast Asian countries among Committees' Partners<sup>10</sup>; in spite of the strategic priority the OECD accorded this region in 2007. Finally, the relative underuse of the possibility to invite Partners as Associates in Part I bodies will also be a subject for discussion. This exercise will also look at best practices within committees for encouraging active and constructive contributions from Partners to their work programmes.

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<sup>10</sup> Four ASEAN members (Indonesia, Malaysia, Singapore and Thailand) hold a total of 17 out of the 227 Partnerships governed by the Council Resolution on Partnerships in OECD Bodies (not including invitations as Associate in the BEPS project issued after 1-1-2016).

<b>Table 1. Key Partners, G20 Countries, Country Programme Partners and Prospective Members<sup>1</sup>: involvement in OECD Bodies , Projects, Programmes and Legal Instruments</b>						
	<b>Number of Partnerships in Bodies and Projects:</b>			<b>Number of OECD legal instruments:</b>		
	<b>as Associate/member<sup>2</sup></b>	<b>as Participant</b>	<b>Total</b>	<b>adherence</b>	<b>adherence requested</b>	<b>Total</b>
<b>Argentina</b> <sup>c, e</sup>	11	12	<b>23</b>	36	6	<b>42</b>
<b>Brazil</b> <sup>b, c, e</sup>	11	15	<b>26</b>	38	76	<b>114</b>
<b>Bulgaria</b> <sup>e</sup>	5	5	<b>10</b>	12	23	<b>35</b>
<b>China, PR of</b> <sup>b, c</sup>	7 <sup>3</sup>	5	<b>12</b>	7	0	<b>7</b>
<b>Colombia</b> <sup>a</sup>	7	10	<b>17</b>	33	*	<b>33</b>
<b>Costa Rica</b> <sup>a</sup>	6	11	<b>17</b>	33	*	<b>33</b>
<b>Croatia</b> <sup>e</sup>	4	5	<b>9</b>	9	24	<b>33</b>
<b>India</b> <sup>b, c</sup>	7	5	<b>12</b>	12	0	<b>12</b>
<b>Indonesia</b> <sup>b, c</sup>	5	3	<b>8</b>	11	0	<b>11</b>
<b>Kazakhstan</b> <sup>d</sup>	5	8	<b>13</b>	28	11	<b>39</b>
<b>Lithuania</b> <sup>a</sup>	8	11	<b>19</b>	36	*	<b>36</b>
<b>Morocco</b> <sup>d</sup>	6	4	<b>10</b>	24	0	<b>24</b>
<b>Peru</b> <sup>d, e</sup>	5	6	<b>11</b>	30	11	<b>41</b>
<b>Romania</b> <sup>e</sup>	12	7	<b>19</b>	36	18	<b>54</b>
<b>Russian Federation</b> <sup>c</sup>	8	21	<b>29</b>	22	0	<b>22</b>
<b>Saudi Arabia</b> <sup>c</sup>	3	2	<b>5</b>	5	0	<b>5</b>
<b>South Africa</b> <sup>b, c</sup>	6	15	<b>21</b>	19	1	<b>20</b>
<b>Sri Lanka</b> <sup>e</sup>	1	0	<b>1</b>	1	0	<b>1</b>
<b>Thailand</b> <sup>d</sup>	4	5	<b>9</b>	7	0	<b>7</b>

Note: a: Active accession candidate b: Key Partner; c: G20 country; d: Country Programme Partner; e: Prospective Member<sup>1</sup>.

1 “Prospective Members”: see footnote 9.

2 Including memberships not governed by the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)], i.e. of the Development Centre, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Nuclear Energy Agency and the International Transport Forum, and Association status in the International Energy Agency.

3 Includes WP10 of the CFA.

\* These countries’ position on all legal instruments is discussed in the context of their accession.

## 2.2. The 2030 Agenda for Sustainable Development and relations with the UN

15. The 2030 Agenda for Sustainable Development is a global framework for sustainable development that guides countries work toward global peace and prosperity. The Agenda is a common rallying point for the international community, civil society, the private sector and others to share both the work and the opportunities inherent in addressing global development challenges.

16. The implementation of the OECD Action Plan on the Sustainable Development Goals, mainstreamed as appropriate across the Organisation’s programme of work, is now well underway. Where there is interest, country and thematic reviews are gradually being upgraded to add an SDG lens to our work, as are OECD flagship products such as

*Education at a Glance*. The SDGs have inspired new work on measurement at the OECD. A growing number of countries drew on OECD evidence in their national presentations to the UN High-Level Political Forum in 2017. Initiatives such as PISA for Development are extending and adapting OECD measurement tools to a growing number of partner countries.

17. Tailored support to governments is also being stepped up as they work to achieve the SDGs. Multi-Dimensional Country Reviews co-ordinated by the OECD Development Centre now take the SDGs as an entry point. New work in the governance area is exploring how Members and Partners are organising themselves at national and subnational levels to implement an integrated, universal agenda.

18. The OECD's Regional and Country Programmes present opportunities to support Partners in a range of policy areas, as they plan and implement national strategies for the SDGs. OECD global and theme-specific fora will continue to provide an important space for dialogue among OECD Members, non-Members and stakeholders. Partnerships through global platforms can be important to strengthen the means of implementation of the agenda across a range of goals. This includes the Global Partnership for Effective Development Co-operation, the Platform for Collaboration on Tax, the Equal Pay International Coalition or the Universal Health Coverage 2030 partnership, among others.

19. The OECD will continue to tailor its support to OECD Members and Partners as they work on implementation of the 2030 Agenda through its collaboration with UN entities, fora and processes, especially on issues such as financing for development, measurement of SDG achievements, migration and climate finance. One aspect of its role as a Permanent Observer to both ECOSOC and the General Assembly, with a presence in New York enabling this, could be to better co-ordinate its work with the UN family, ensuring synergies and impact, and avoiding duplication.

### 2.3. G20

20. Co-operation with the G20 has played a key role in the dissemination of OECD standards and policies and has become a key pillar of the Organisation's Global Relations strategy. The 2017 German Presidency of the G20 achieved important outcomes at the Hamburg Summit, pursuing its three key pillars: building resilience, improving sustainability and assuming responsibility. The OECD's support under the 2017 German Presidency further confirmed the Organisation's role as a major contributor to G20 policy discussions. Examples of achievements in this period include:

- *International tax co-operation*, where the OECD continued to advance the BEPS initiative, notably by engaging with non-Members through its BEPS Inclusive Framework, which now includes 113 jurisdictions participating on an equal footing. As a result, 78 countries and jurisdictions (including four Key Partners) have signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS;
- The *Global Forum on Steel Excess Capacity*, which the OECD facilitates, helps the G20 uphold its commitment to enhance cooperation to address global excess capacity in steel. OECD's support helped facilitate the adoption of a roadmap for concrete action by 33 members at the ministerial meeting of the Forum;
- The report on *Investing in Climate, Investing in Growth*, commissioned by the G20 Presidency, influenced the Leaders' narrative on the potential economic

benefits generated by this transition towards a low-carbon economy. This report will continue to be disseminated with Key Partners and Argentina in their capacity as knowledge partners;

- *Digitalisation*: the OECD's report *Key Issues for Digital Transformation* in the G20 contributed to the work of the employment working group and digital task force. It addresses G20 countries' challenges and opportunities raised by the digitalisation of the economy, and it supported the G20 Roadmap for Digitalisation
- *Investment*: the G20 has encouraged G20 countries to adhere to the Code of Liberalisation of Capital Movements, leading to adherence requests from Argentina, Brazil and South Africa. The Leaders' statement referred to the OECD Guidelines for Multinational Enterprises and their national contact points (NCPs)<sup>11</sup>;
- As part of *the G20 Compact with Africa*, launched under the German presidency, the OECD supports African countries (Morocco, Tunisia, Egypt, Senegal and Côte d'Ivoire) in the design and implementation of home-grown reform agendas through technical support and policy advice in three main areas: (i) international tax co-operation, (ii) policy and legal frameworks for investment and (iii) broader governance and anti-corruption efforts.

21. The OECD's ongoing support to Argentina's 2018 G20 Presidency continues work from previous Presidencies (e.g. steel). Furthermore:

- The OECD will provide analysis on macroeconomic implications and challenges of new technologies and the Future of Work and will inform the G20 Finance Ministers' discussion on the taxation of the digital economy;
- It will take advantage of the new G20 agenda on education – contributing with skills trend analysis and providing evidence on institutional design and governance for skills policies – to explore how to promote PISA among Partners;
- The OECD will also support Argentina's key priority to develop infrastructure as an asset class with a stocktake of existing tools and instruments to guide further work, by supporting an initiative to address data gaps ("Infrastructure Data Gap Initiative") and by identifying effective approaches to facilitate the diversification of financial instruments for infrastructure. In addition, the OECD will provide evidence on the importance of sustainable soil management for food security.

## 2.4. Support to APEC

22. APEC's 2.9 billion people account for 39% of the world's global population, 60% of global GDP, and 47% of global trade in goods and services valued at USD 20 trillion<sup>12</sup>. The OECD's co-operation with APEC strengthens the Organisation's impact and influence across the Asia-Pacific region, which includes eight OECD Members, nine G20

<sup>11</sup> "We support access to remedy and, where applicable, non-judicial grievance mechanisms, such as the National Contact Points for the OECD MNE Guidelines (NCPs)."

<sup>12</sup> Figures as of 2016. APEC Policy Support Unit, available online here: <https://www.apec.org/Publications/2017/11/APEC-in-Charts-2017>.

countries, as well as two Key Partners (China, Indonesia) and an avenue for strategic engagement with Southeast Asia.

23. During Viet Nam's 2017 APEC host year, the OECD supported Viet Nam's priorities across both the senior officials' track and the Finance Ministers' Process, in particular the adoption of Viet Nam's primary deliverable in 2017, the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion in the APEC Region, which recognises the OECD's important work on inclusive growth. The OECD also supported Viet Nam's work stress in the areas of regional integration and connectivity, SMEs and innovation, infrastructure investment, financial inclusion, and disaster risk financing and insurance. The OECD will continue to support APEC's policy agenda in 2018, under the leadership of Papua New Guinea, where priority areas of work with the OECD will include work on the digital economy, implementing the new APEC Inclusion Agenda, structural reform, regulatory policy, and trade in services, among other areas.

## 2.5. Co-operation with the Pacific Alliance

24. Co-operation with the Pacific Alliance is of particular relevance to the Organisation's engagement with the Latin American region. The Pacific Alliance represents in Latin America and the Caribbean 38% of the GDP, 50% of the total trade and attracts 45% of the Foreign Direct Investment<sup>13</sup>. Since the start of its engagement (2014), the OECD has delivered reports at the 10th and 11th Summits of the Pacific Alliance (2015 and 2016): *How to Foster the Internationalisation of SMEs through the Pacific Alliance Integration Process* and *Gender Equality in the Pacific Alliance: Promoting Women's Economic Empowerment*. In 2016, the OECD also delivered the publication *Start-up Latin America: Promoting Innovation in the Region*.

25. In this vein, the OECD will continue engaging with the Alliance in 2018 through different channels, e.g. the delivery of an SME Policy Index, a policy paper on digital economy, a concept note on skills and education, among other activities.

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<sup>13</sup> Figures for the first quarter 2015, available on <https://alianzapacifico.net/en/que-es-la-alianza/#la-alianza-del-pacifico-y-sus-objetivos>.

### 3. Key Partners

26. Key Partners (Brazil, China, India, Indonesia and South Africa) are distinct from other Partners in two related ways: (i) the Council has invited the Secretary-General to strengthen the OECD's co-operation with them with a view to possible membership [[C/MIN\(2007\)4/FINAL](#)], and (ii) in accordance with Council guidance, all committees are expected to give priority to engagement with Key Partners in their Global Relations strategies [[C\(2010\)100/FINAL](#)]. Accordingly, Council decided that a committee may invite as Invitee or Participant any of the Partners that the Council has designated as Key Partners [[C\(2012\)100/REV1/FINAL](#)]<sup>14</sup>. The Committees are also expected to give special attention to the possibility of inviting the Key Partners as Associates, including in the context of the discussions on a legal instrument or of a project.

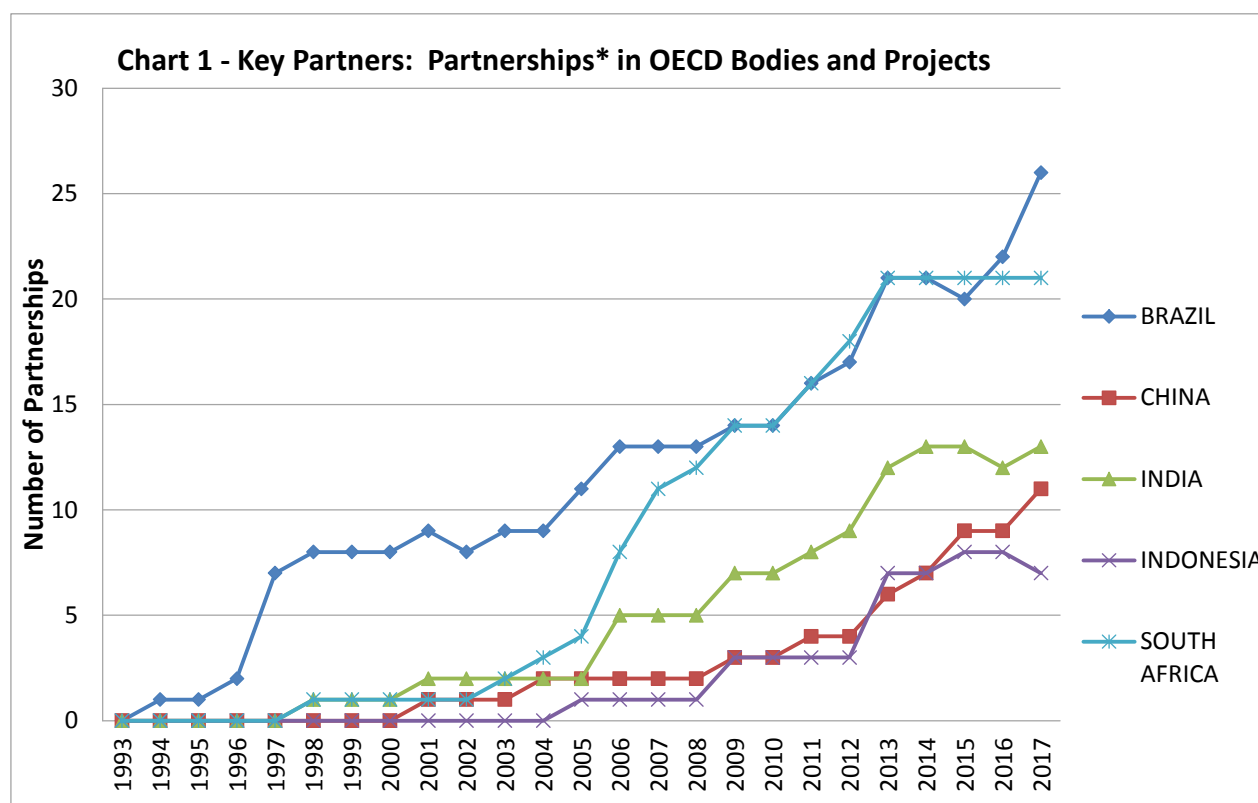
27. Committees have generally followed suit, involving the Key Partners in much of their work programme<sup>15</sup>. Many Committees tend to invite the Key Partners regularly, even if not always as Participants or Associates. An effective way of securing commitments from the Key Partners is by working through the G20. Since the G20 under the German Presidency (March 2017) formally encouraged all non-OECD G20 countries to consider adherence to the Code of Liberalisation of Capital Movements, three of the eight (Argentina, Brazil and South Africa) have requested adherence. All Key Partners have been participating in the review of the OECD Code of Liberalisation of Capital Movements. Earlier (2016) all Key Partners were invited by the Council's to participate as Associates in discussions concerning the Recommendation of the Council on Principles of Corporate Governance (among the Key Partners<sup>16</sup>, Brazil and China have formally accepted). They are also actively engaged in the work on taxation, as members (*i.e.* Associates) in the Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

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<sup>14</sup> Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#), par 1 d)]. However, invitations of Key Partners as Associate require Council approval.

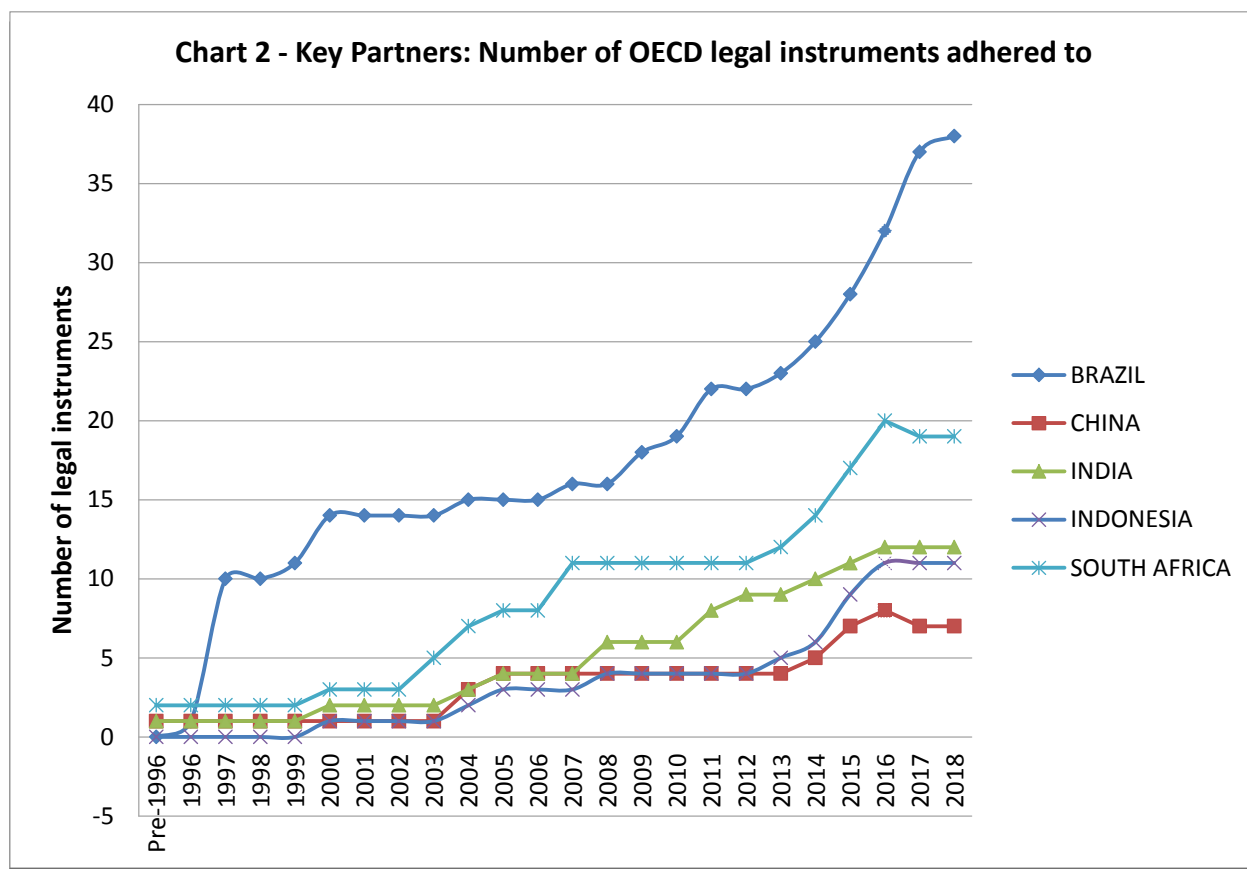
<sup>15</sup> In the 2017-18 work programme, each Key Partner is involved in around 300 of the 698 deliverables ("output results").

<sup>16</sup> The invitation was addressed to all non-OECD Members of the Financial Stability Board: *i.e.* the Key Partners, Argentina, the Russian Federation (which has accepted), Saudi Arabia, Singapore and Hong Kong, China.



\* Including membership of the Development Centre, the Global Forum on Transparency and Exchange of Information for Tax Purposes and the International Transport Forum, and Association status in the IEA, not governed by the Council Resolution on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)]

28. The extent to which Key Partners have formalised their involvement in the OECD, by accepting Participant or Associate status in bodies and projects, and adhering to its legal instruments, continues to vary. Charts 1 and 2 track the evolution of both indicators since the dawn of the OECD's Global Relations efforts. Brazil is leading on both fronts. Among the Key Partners it is the only one to have made a comparative analysis of its laws and regulations against the stock of OECD legal instruments (239 instruments in force), in support of its membership application. It has requested adherence to those legal instruments with which Brazil considers that there is greatest compatibility without the need for major legislative or administrative changes (currently 76, on top of the 38 instruments to which it has already adhered).



29. In accordance with its endeavour to integrate the Key Partners in its work programme to achieve mutual benefits, the OECD interacts with them on a whole-of-government basis. Its main tool is the Joint Work Programme (JWP), which it has concluded with three of them (Brazil, China and Indonesia). Discussions are ongoing on new JWPs to follow up on those for Indonesia (2017-18) and China (2015-16). Discussions on a new JWP with Brazil are on hold pending the discussions on the possible launch of an accession process. A first JWP is being discussed with South Africa with a view to its being signed in the near future. Discussions are ongoing with India's Ministry of Finance to identify jointly the priorities for a better co-ordinated future engagement with the Organisation.

30. Commitment to the OECD is also expressed in terms of funding. Members have repeatedly stressed that the mutual benefit of Key Partners' participation should also be expressed in the form of a financial contributions. Annex III shows that over the eleven years from 2007 through 2017, the five Partners contributed 31.2 MEUR in the form of assessed contributions, fees and grants to the OECD budget. Brazil was the biggest contributor, with 11.7 MEUR, followed by China, with 8.9 MEUR.

### 3.1. Brazil

31. With a Gross Domestic Product of USD 2.912 trillion<sup>17</sup>, and a population of 208 million, Brazil is the seventh largest economy in the world, and the third largest non-OECD Member. This and the fact that it is a Key Partner, make Brazil's application for OECD membership (May 2017) a step of great strategic importance. Its application marked a high point of over two decades of active involvement with the Organisation and a growing commitment to the OECD's standards. Brazil had already moved towards OECD policies and standards since the mid-1990s, but this convergence gained significant momentum through the implementation of the Brazil-OECD Joint Work Programme (JWP) 2016-17.

32. Today, Brazil is more engaged in co-operation with the OECD than any other country to have presented its candidature for accession, having adhered to 38 legal instruments<sup>18</sup> and being a Participant, Associate or member of 26 OECD bodies, programmes and projects. Furthermore, Brazil has stated its willingness to adhere to a further 76 legal instruments<sup>19</sup>. It stands out among all Partner countries by the detailed analysis of the alignment of its current policies, regulations and objectives in relation to the full range of OECD legal instruments. It has also opened a permanent Delegation at its embassy in France, led by Ambassador Cozendey as Delegate of Brazil to International Economic Organisations in Paris, which shows the country's commitment to the OECD.

33. During 2017, Brazil reinforced its participation in Committees and the Vice Ministers of Finance, Foreign Affairs and from the Presidency engaged with Member countries in Informal Reflection Group meetings and other *ad hoc* events with Members. The government regards accession to the OECD as a key tool to support Brazil's reform process, as it set forth in a document it provided to the Organisation to give its arguments in favour of Brazil's accession.

34. Indeed, this commitment to the OECD is part and parcel of the government's ambitious reform agenda, aimed at enhancing the business environment and promoting productivity, trade and investment, including by a new fiscal regime and labour and pension reforms. In the context of the accession request, dialogue and co-operation have been initiated in traditionally sensitive areas, such as trade, transfer pricing and environmental policy. Brazil is also taking on a leading role in the dissemination of OECD standards in Latin America and the Caribbean, including by hosting regional events such as the 2nd Annual Meeting of the OECD-CVM LAC Centre on Financial

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<sup>17</sup> GDP in PPP at 2016 international prices. Source: World Bank.

<sup>18</sup> Including the Anti-Bribery Convention, the Declaration on International Investment and Multinational Enterprises, the BEPS Declaration, the Convention on Mutual Administrative Assistance and the Declaration on Automatic Exchange of Information in Tax Matters, and the Decision on Mutual Acceptance of Data in the Assessment of Chemicals.

<sup>19</sup> In the fields of environmental and waste policy (29), fiscal affairs (9), digital economy (8), chemicals (5), consumer policy (4), insurance (3), investment (3), financial markets (2), education (2), public governance (2), development co-operation (2), inclusive growth, statistics, maritime transport, trade policy, competition, tourism and regional development (1 on each).

Education and Literacy in December 2017<sup>20</sup> and a Regional Ministerial on Skills for Iberoamerica in February 2018.

### 3.2. China

35. In 2017, China contributed more than 40 per cent of total global GDP growth. How it will implement the 19th Communist Party Congress' mandate, which announced a "comprehensive deepening of reforms" by 2020, with a "decisive role of market forces in resource allocation", will influence not only China's future, but also global growth. The OECD's Key Partnership with China offers an opportunity to support and shape the implementation of this reform agenda, by leveraging OECD standards, and engage Beijing in the Organisation's efforts towards an open, sustainable and inclusive world economy.

36. Over the past year, several key reports have documented China's challenges and facilitated exchanges on policy options: the Economic Survey of China, well received by the Chinese Government and acknowledged by Premier Li Keqiang, the joint report on Industrial Upgrading for Green Growth, a Review of China's VAT reform, and a joint report on Innovation, Agricultural Productivity and Sustainability. In the wake of the good co-operation in the G20 context, China became a Participant in the Corporate Governance Committee and an Associate in discussions related to the implementation of the Recommendation of the Council on Principles of Corporate Governance; it also continued the implementation of the G20/OECD BEPS Project, participating as an Associate in the Inclusive Framework on BEPS implementation and signing the BEPS Multilateral Instrument in June 2017. Co-operation has also been fruitful on Trade Facilitation indicators, TiVA and the OECD Agricultural Policy Monitoring and Evaluation annual assessment. To be noted as well, China's financial contributions to the OECD have grown steadily over the years, to reach EUR 2.73 MEUR in 2017. Yet, while China has taken steps towards closer alignment of its policies and regulations with OECD standards in some areas, convergence could be further enhanced in other areas, while engagement in OECD bodies could be strengthened.

37. Looking ahead, the policy dialogue with China, based on mutual benefits and underpinned by a new Joint Work Programme (JWP) for 2018-20 (currently under discussion), will seek to enhance the Organisation's contribution to level the playing field in China and globally, through further alignment with OECD standards, with a focus on competition, the investment climate, responsible business conduct (RBC), trade in services, financial system regulation, environment, and social policies. It will also seek to further document and benchmark China's policy environment and economic trends (*i.a.* via broader integration in OECD indicators and data bases). In addition, possible dialogue and co-operation in the context of China's Belt and Road initiative will stress the need to frame trade and investment partnerships in a fair, open, transparent, and sustainable way, in accordance with international best practices.

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<sup>20</sup> Established in Rio de Janeiro (2016) by the OECD and the Securities and Exchange Commission of Brazil (CVM).

### 3.3. India

38. India, the world's third-largest economy (PPP basis) also continues to be one of the fastest growing, with a projected growth rate of over 7 per cent in the coming years. India has shown an increased interest in collaborating with the OECD and exchanging policy experiences with OECD Member and Partners, in support of the government's reform agenda. Recent reforms are aimed to boost the formal economy, improve tax compliance, foster investment, especially in key manufacturing sectors, as well as to develop the infrastructure. In this context, India has initiated its ratification of the BEPS Multilateral Instrument after participating in the signing ceremony of the instrument in June 2017.

39. Over the past year, co-operation has been initiated in new policy areas such as responsible business conduct (gold and textiles sector), investment, infrastructure and chemical safety in order to bring national practices closer to OECD standards. The Government of India also jointly held a high-level roundtable with the OECD to exchange views on the investment climate and attendant policies, and is exploring the possibility to collaborate on a comprehensive review of their reforms to improve the investment climate and attract FDI. An (ongoing) agricultural policy review aims to improve productivity in the sector and ensure food security. Collaboration in the context of the Steel Committee (where it is Participant) and the Global Forum on Steel Excess Capacity (currently as co-Chair) has increased the transparency of India's capacity developments and steel policies.

40. Amongst the Key Partners it stands third in terms of adherence to OECD legal instrument and the number of Partnerships in OECD bodies, after Brazil and South Africa. India's increased interest in the technical work of the OECD has led to a more frequent participation by Indian officials in Committee meetings. Discussions with the Ministry of Finance have started to identify priorities for a better co-ordinated future engagement with the Organisation. To promote the exchange of knowledge, the OECD intends to pilot a secondment programme with the Government of India this year.

### 3.4. Indonesia

41. Indonesia's economy has improved in recent years, with GDP growth over 5 per cent in 2017. Some estimates (*i.a.* by PWC) suggest Indonesia may be on track to become the fourth largest economy worldwide by 2050, which underscores the strategic interest of the OECD's Key Partnership with the country. The OECD-Indonesia Joint Work Programme 2017-18, endorsed and signed by President Joko Widodo and the Secretary-General, has further strengthened the OECD's partnership with Indonesia. It encompasses the priorities defined by the President when meeting with the SG in Jakarta (October 2016): infrastructure, education, tax policy and good regulatory practice.

42. Notably, in the area of tax policy, Indonesia has signed the Multilateral Instrument on BEPS and implements the MCAA Common Reporting Standard. The Indonesian government took concrete steps in 2017 in order to upgrade Indonesia's status from "partially compliant" to "largely compliant" under the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. In addition, the 2018 *OECD Economic Survey of Indonesia* will focus on raising tax revenues to meet financing needs.

43. Several reviews foreseen in the Joint Work Programme are ongoing, including those on Integrity, on Green Growth Policy, on SMEs and Entrepreneurship and on the Social Protection System. Other reviews in priority areas are expected to commence soon, including the second Investment Policy Review, the STRI Country Study and the Infrastructure Governance Review. Two studies were completed in 2017: the review of fisheries and aquaculture policies (released in the book *Building Food Security and Managing Risk in Southeast Asia*) and the study on Financial Education for Micro, Small and Medium-sized Enterprises and Potential Entrepreneurs in Asia, with a focus on Indonesia. Furthermore, the Secretariat hosted several workshops and seminars in Indonesia last year, including a Workshop on Peer-learning and Knowledge Sharing on Skills Development Strategy Formulation and an Experts Forum on Corporate Governance in Indonesia.

44. The OECD office in Jakarta continues to help deepening our strategic collaboration and support the implementation of this work with a view to bringing Indonesia closer to OECD standards and bodies. Efforts were stepped up in 2017 to promote Indonesia's adherence to OECD legal instruments, including the Mutual Acceptance of Data (MAD) Acts, and the Recommendations of the Council on Principles for Internet Policy Making and on Governance of Critical Risks. Other major instruments will be given sharper focus, such as the Anti-Bribery Convention and the Investment Declaration, and the implementation of the Recommendation of the Council on Principles of Corporate Governance, to which Indonesia has adhered through the G20 endorsement.

### 3.5. South Africa

45. The Secretary-General's visit to South Africa in July 2017, and the OECD Week held on that occasion, addressed a wide number of policy areas with the country's main authorities and laid the groundwork for enhanced co-operation. The meeting with the Minister of International Relations and Co-operation, Ms Nkoana-Mashabane, was the first of its kind and resulted in support of her Department for a Joint Work Programme with the OECD. It is envisaged that the JWP is signed in the near future. It would facilitate the OECD's support to South Africa's inclusive economic policies based notably on the National Development Plan 2030 and the 14-Point Action Plan for Inclusive Growth.

46. Upon South Africa's application, the Council invited it in January 2018 to adhere to the OECD Code of Liberalisation of Capital Movements, subject to the outcome of an examination. This can help South Africa consolidate its efforts to modernise its exchange control regime and redirect its energy toward the surveillance of financial institutions and illicit financial flows. South Africa and the OECD have also intensified their work on skills development; the report *Getting Skills Right: South Africa* was released in November 2017. Furthermore, South Africa will participate in the 2018 Teaching and Learning International Survey (TALIS) and is discussing the possibility of participating in the Programme for International Student Assessment (PISA) 2021. A possible future policy dialogue on water, an Urban Policy Review and a comprehensive assessment of SME and entrepreneurship policies are also being discussed.

47. South Africa has been one of the most active Key Partners, participating in 21 OECD bodies and projects and an Adherent to 19 legal instruments. Moreover, it is the best integrated Key Partner in the OECD's statistical tools and databases. Yet,

acceptance of some invitations by the OECD Council to join committees remain pending and no new Partnerships have been accepted since 2013<sup>21</sup>, an issue to be raised in the context of the JWP. The Secretariat is making particular efforts to promote the involvement of a larger network of South African public and private stakeholders in OECD activities and Committees.

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<sup>21</sup> *E.g.* the Tourism Committee as an Associate, the Corporate Governance Committee as a Participant.

## 4. Regional Approaches

### 4.1. Southeast Asia, strategic priority region

48. The OECD's Southeast Asia Regional Programme (SEARP) continues to strengthen and deepen its collaboration in the region. Increased efforts have been made to bring the countries closer to the Organisation through engagement in OECD fora, bodies and standards. Since the 2014 inauguration of the Programme, Southeast Asian countries have become more engaged with bodies and standards. For example, Indonesia and Singapore signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS) in June 2017 at the margins of the OECD Ministerial Council Meeting (MCM). Viet Nam participated in the peer review of its competition law and policies at the Global Forum on Competition in December. The Regional Policy Networks (RPNs) and Initiatives of the Programme are encouraged to make full use of their meetings and outputs for further explaining the benefits of OECD bodies and standards to SEA counterparts.

49. A number of concrete outputs were delivered in 2017 including the Investment Policy Reviews of Lao People's Democratic Republic, Cambodia and Viet Nam, Strengthening Women's Entrepreneurship in ASEAN, Revenue Statistics in Asian Countries 2017: Trends in Indonesia, Japan, Korea, Malaysia, the Philippines and Singapore, and the Economic Outlook for Southeast Asia, China and India with a thematic focus on the digital economy among others. In addition to the Thailand Country programme and the Joint Work Programme with Indonesia, increased collaboration is being developed with Viet Nam. The Programme provided initial findings of the ASEAN SME Policy Index, Self-assessment Checklist on G20/OECD high-level principles on SME Financing, SME Financing Scoreboard output for participating countries, and contributions to the ASEAN Strategy for innovative high-growth enterprises. In 2018 the RPNs and Initiatives will produce a number of important regional outputs, including the SME Policy Index, work on GVCs, productivity, good regulatory practices and high growth enterprises.

50. This work will also support the 2018 Singapore chairmanship of ASEAN. The SEARP has been strengthening its contributions to the ASEAN processes, namely to the ASEAN Economic Community (AEC) and the Master Plan on Connectivity ASEAN 2025. In 2017, substantial contributions were made to the priorities of the ASEAN chair (Philippines), most notably through the Policy Handbook on Women's Entrepreneurship in ASEAN, ASEAN Regional Principles on Good Business Registration Practices, and Inclusive Business in ASEAN. The above-mentioned Economic Outlook was presented at the 2017 ASEAN Business Summit in the Philippines. In 2018, the SEARP will work on strengthening its links with ASEAN Committees and high-level meetings, such as the ASEAN Senior Economic Officials Meetings (SEOM) and will work towards further formalising our relationship with ASEAN.

51. In 2017, at the request of ASEAN partners, the SEARP held its annual OECD Southeast Asia Regional Forum focusing on Challenges of Digital Transformation in Southeast Asia. The third Steering Group Meeting of SEARP was held back-to-back to prepare the next phase of the SEARP (“SEARP 2.0”). The first SEARP Ministerial Conference on “Inclusive ASEAN” in Tokyo on 8-9 March 2018 reaffirmed SEARP’s growing contribution to the region. The predominantly ministerial-level participation from the region (including the first participation of the Secretary-General of ASEAN in a SEARP event) provided evidence for the regional Partners’ commitment, while the region’s increased interest in the OECD was also manifested by important local media coverage of the event in the Southeast Asian countries. The fourth Steering Group Meeting held back-to-back agreed that a Bureau should be established; it agreed on criteria to select possible new areas of work and discussed the creation of a possible multi-stakeholder Advisory Board – all with a view to further raising the interest of our regional partners in participating in OECD bodies and standards.

## 4.2. Eurasia Competitiveness Programme

52. The Eurasia economies are recovering from a series of political and economic shocks. Although growth in the region has recently strengthened, they are far from regaining the momentum of the decade before the global financial crisis. The shocks of the last few years have, however, provoked a resurgence of reform activity in much of the region, as countries have sought to absorb the shocks and return to growth.

53. The OECD is supporting these efforts, particularly through its Eurasia Competitiveness Programme (ECP). The ECP supports the implementation of reforms in the region by encouraging the use of OECD standards and Partnerships in bodies, as well as by introducing countries to OECD peer review methods. Four Eurasian countries have joined the BEPS Inclusive Framework, and six are part of the Global Forum on Transparency and Exchange of Information for Tax Purposes. In 2017, Kazakhstan and Ukraine adhered to the Declaration on International Investment and related instruments. Eurasian countries are also increasingly active in OECD bodies and Global Fora. Kazakhstan is now a Participant or Associate in seven committees and their subsidiary bodies.

54. In October 2017, the main annual ECP meeting, OECD Eurasia Week, was held in a Eurasian country (Almaty, Kazakhstan) for the first time. Besides the Secretary-General, on his first visit to an ECP partner country, it brought together over 450 participants representing 22 OECD Members and the European Union, twelve Eurasian countries<sup>22</sup>, and 17 partner organisations. They included the Prime Minister of Kazakhstan, four Deputy or First Deputy Prime Ministers and numerous Minister and Ambassadors. The 2018 Eurasia Week will be held in Paris, from 19-21 November 2018.

55. Historically, the ECP has focused chiefly on competitiveness, SME development, entrepreneurship, investment policy and promotion, and fostering public-private policy dialogue. Since 2016, the Programme has given increasing emphasis to two themes introduced into its mandate that year: *connectivity*, encompassing both “hard” and “soft” connective infrastructures integrating the region into the wider global economy, and *inclusiveness*, with a particular emphasis on gender.

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<sup>22</sup> Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Ukraine and Uzbekistan.

### 4.3. Latin America and Caribbean Regional Programme

56. Launched at the 2016 MCM, the Latin America and the Caribbean Regional Programme (LACRP) provides strategic focus to OECD work in the region and has expanded co-operation with regional organisations<sup>23</sup> by concentrating on three regional priorities: (i) increasing productivity, (ii) advancing social inclusion, and (iii) strengthening institutions and governance.

57. The LACRP held its second International Conference and Ministerial Meeting “Towards Inclusive Social Protection Systems in Latin America and the Caribbean (LAC)” in Asunción, Paraguay in November 2017<sup>24</sup>, focused on the inclusiveness of the region’s social protection systems, and reform options to increase coverage, quality, and fiscal sustainability. At the fifth LACRP Steering Group meeting, the informal economy emerged as a key theme to be addressed. In response, the Secretariat is developing a project to facilitate the comparison of experiences and challenges of OECD and LAC economies, and to provide policy advice on the effective strategies/policy mix.

58. A number of new initiatives taken in 2017 will continue to be main programme elements:

- The Central America Sub-Regional Initiative, launched at the June 2017 COMIECO meeting<sup>25</sup>, will focus on four objectives: (i) supporting the development of regional value chains and their integration into global value chains, (ii) a stronger role of the services and SME sectors in the region’s economic integration, (iii) stronger institutional development of the regional economic integration; and (iv) stronger international regulatory co-operation among countries of the region. A first high level event of the Initiative will be held in Costa Rica in April 2018 in the margins of the second Productivity Ministerial Roundtable.
- Two Priority Projects identified through the priority setting process defined in the Programmatic Document 2016-2018 were launched:
  - An OECD-IDB Public Integrity Network, which will take its guidance for future work from the 2017 Recommendation of the Council on Public Integrity and will also develop integrity indicators in the next edition of the OECD-IDB LAC *Government at a Glance*;
  - The OECD SME Policy Index for Latin America and the Caribbean, starting with a pilot project including seven countries (Pacific Alliance members, as well as Argentina, Ecuador and Uruguay) to include Central America and Caribbean countries in the near future.

<sup>23</sup> The United Nation’s Economic Commission for Latin America and the Caribbean, the Inter-American Development Bank and the Latin America Development Bank (CAF) have been active in the LACRP from the outset. In 2017, the World Bank and the Latin American and Caribbean Economic System (SELA) were admitted to the Steering Group.

<sup>24</sup> An OECD publication, [Enhancing Social Inclusion in Latin America](#), was prepared to support the discussion.

<sup>25</sup> Council of Ministers for Economic Integration (COMIECO, governing board of the Central American Economic Integration System, SIECA).

- Development and launch, in June 2017, of the OECD-LAC Statistics Portal ([www.oecd.org/latin-america/data](http://www.oecd.org/latin-america/data)). Bringing together OECD statistics on the region in nine policy areas<sup>26</sup>, the Portal will be regularly enhanced and updated.

59. Going forward, the third high-level event of the Programme, focused on Integrity and Good Governance, will take place in Peru in October 2018. Further priority projects are also in preparation on decentralisation, gender, migration and digitalisation. Among the core outputs of the Programme will continue to feature the OECD *Latin American Economic Outlook* and the organisation of the International Economic Forum on LAC in partnership with the IDB and the French Ministry of Economy and Finance.

#### 4.4. MENA-OECD Initiative for Governance and Competitiveness for Development

60. Co-operation with the Middle East and North Africa (MENA)<sup>27</sup> takes place in a context of limited growth, conflict in some countries, and challenges such as the fight against youth unemployment, restoring citizens' confidence in governments, promoting inclusive growth, and building economic resilience through structural reforms. The *MENA-OECD Initiative on Governance and Competitiveness for Development* (the Initiative) has been the main co-operation platform between the OECD and the region since 2005. Its two pillars, the MENA-OECD Governance Programme and the MENA-OECD Competitiveness Programme, respond to regional needs and development priorities through high-level dialogue as well as technical policy exchanges.

61. The Initiative promotes the exchange of best practices on key policy areas, the dissemination of international standards and enhances the understanding of the needs and challenges of the region. In 2017, it facilitated over 20 bilateral exchanges between OECD officials and high-level representatives from ten MENA economies. There were 13 regional technical fora at the highest political level, as well as over 30 national technical events for peer learning. Technical discussions supported policy reforms in areas such as trade and investment reforms, enhanced inclusion of women and youth as well as governance frameworks and private sector policy measures for fragile and conflict-affected states. A number of major publications were issued<sup>28</sup>.

62. The OECD continued to work with the G7 Deauville Partnership with Arab Countries in Transition. Country-specific assistance notably includes supporting 22 technical co-operation projects of the Partnership – on good governance, fiscal transparency, women empowerment, youth engagement, SME development and investment frameworks in Morocco, Tunisia, Libya, Egypt, Jordan and Yemen – as well as the baseline assessment under preparation for Egypt and Jordan of the “Compact for Economic Governance”. The Organisation, which chairs the Partnership's International

<sup>26</sup> Macroeconomic indicators, digital economy, education and skills, gender, public sector, taxation, trade and investment, well-being, and migration and development.

<sup>27</sup> Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.

<sup>28</sup> Notably, *Women's Economic Empowerment in Selected MENA Countries: The Impact of Legal Frameworks in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia*, *Benchmarking digital government strategies in MENA countries* and *Les jeunes dans la région MENA : Comment les faire participer*.

Financial Institution Co-ordination Platform since April 2016, has become a significantly active contributor and a key facilitator of policy dialogue within the Partnership.

63. In the framework of the G20 Compact with Africa (CwA), the OECD is supporting three countries of the MENA region (Morocco, Tunisia and Egypt) in the implementation of home-grown reform agendas through technical support and policy advice. The Development Centre is undertaking a Multi-dimensional Country Review of Morocco.

64. The 19 March 2018 Steering Group meeting will validate the 2018 programme for further regional and national specific support. The stronger global economy in 2018 may back the region's growth at around 3% and provide the MENA economies with a wider margin for economic reforms, including fiscal policy and public expenditure. The Initiative will further the technical dialogue for policy reform and enhanced attention will notably be paid to public-private dialogue in the context of the new Business Advisory Board. The Initiative will accelerate the work of the MENA-OECD Economic Resilience Task Force to support the growing stability in the region. Through the EU-OECD Programme on Promoting Investment in the Mediterranean, peer-learning and capacity-building activities will continue supporting investment for job creation, local development and economic diversification. The OECD will also support the upcoming EU-MENA Conference of Ministers of Industry with an assessment of the SME policies in MENA countries.

#### 4.5. South East Europe Regional Programme

65. For nearly 20 years, the OECD South East Europe (SEE) Regional Programme has fostered regional competitiveness, co-operation and mutually beneficial policy dialogue with OECD Members in response to demand from the region and to MCM mandates. The programme has brought SEE economies closer to EU and OECD standards. Bulgaria, Croatia and Romania, in particular, have accelerated their participation in OECD bodies and adherence to legal instruments after having reiterated their interest in joining the Organisation as Members. In 2018, the OECD annual *SEE High-level Conference* is again expected to gather numerous participants from the region and OECD countries, including Ministers, to discuss the findings of the 2018 edition of the flagship publication *Competitiveness in South East Europe: A Policy Outlook* and exchange experiences with recent reforms.

66. The Programme has continued to develop practical materials, such as prioritisation and monitoring tools and organise tailored workshops to support governments from the Western Balkans in addressing structural constraints in the framework of their annual Economic Reform Programmes (ERPs). The preparation of the 2019 issue of the *Small Business Act Assessment* (SBA) of the region was launched. Data collection and analysis for the 2018 *Competitiveness Outlook* was completed, involving policy debates with more than 1,200 participants from the region.

67. The latter flagship publication indicates that after a period of rapid catch-up, SEE convergence with more advanced European economies has slowed down in the wake of the global financial crisis, in spite of an encouraging average annual 3.5 % GDP expansion over the last two years. The region's main challenge is to move from a growth model based on credit-funded consumption, to one driven by productive investment and sound economic governance. Recommendations across 17 policy areas aim to help economies from the region to improve policy coherence and implementation, foster

human capital development, labour market effectiveness and entrepreneurship, facilitate the digital economy, strengthen environmental sustainability, create fair market conditions and boost regional trade, transport and energy connectivity.

68. In the next biennium, the SEE Regional Programme will continue to foster convergence by tailoring policies for competitiveness and sustainable, inclusive growth in the framework of its work on the ERPs, the Competitiveness Outlook and the SBA Assessment of SEE economies. The programme will also contribute to high-level regional initiatives, such as the Berlin Process<sup>29</sup> and the SEE Co-operation Process<sup>30</sup> in order to increase its relevance and impact. The fact that the current (Bulgarian) and future (Austrian, Croatian and Romanian) presidencies of the Council of the European Union have defined co-operation with the Western Balkans as one of their priorities, will also provide an opportunity for effective and beneficial partnership.

#### 4.6. Africa

69. While the African continent has been experiencing profound economic and social changes over recent years, African countries and regional organisations have taken an increased interest in the OECD. They are notably participating in the work of the Development Centre, the MENA initiative on competitiveness and governance, the Global Forum on Transparency and Exchange of Information for Tax purposes and the BEPS project, the African Economic Outlook, as well as the NEPAD-OECD Africa Investment Initiative and the implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. A Memorandum of Understanding with the African Union was signed in 2014 and renewed in 2016.

70. Building on these and other engagements in OECD committees and other bodies, the Organisation has produced evidence and analysis and provided policy advice on priority areas for African countries. These cover issues including youth inclusion, migration, food security, social protection, education and skills, revenue statistics, tax policy and administration, investment policy frameworks, trade facilitation indicators, responsible business conduct, the fight against corruption and illicit financial flows<sup>31</sup>.

71. Confronted with this greater interest and demand from African governments and regional organisations to engage with the OECD, and responding to the OECD Members' request to enhance the Organisation's engagement with the continent, it is proposed that the OECD Secretariat and relevant bodies strengthen the coherence and synergies around a focused set of activities with the continent. These selected activities should

<sup>29</sup> Launched by Germany (2014), the "Berlin Process" is a series of intergovernmental summits between a number of EU Member States and the six Western Balkan countries. Its aim is to boost EU integration with a primary focus on economic governance, strategic infrastructure (transport, energy, digital), youth, civil society and the business environment.

<sup>30</sup> The SEE Co-operation Process, initiated in 1996, aims to enhance political and security co-operation, foster economic relations, democracy and justice, and combat illegal activities. The SEECP consists of 13 participants from the region along with other European countries and the United States.

<sup>31</sup> For further information, a Report on "The OECD's Mutual Engagement with Africa: Progress and Next Steps" is transmitted to Ministers at the 2018 MCM [[C/MIN\(2018\)9](#)].

respond to Members' priorities and help raise mutual awareness and understanding between the OECD and African governments and institutions. . They could also gradually enhance the capacity of the Organisation as a whole to engage with African institutions around continental priorities in a coherent and co-ordinated manner, taking in particular advantage of existing initiatives such as OECD contributions to the G20 Compact with Africa (CwA).

72. These proposals will continue to be discussed, taking account of Committees' priorities, the capacity and commitment of the countries on the continent, and the fact that the diversity of country contexts and capacity in Sub-Saharan Africa requires a different approach to engagement than other regions. To support those discussions, all parts of the Secretariat working on and with Africa will meet regularly to discuss ideas for a focused set of strategic initiatives and to exchange information on existing and planned activities, and make appropriate proposals for future work that is targeted on appropriate Member and Partner priorities.

## 5. Country-specific Approaches

### 5.1. Country Programmes

#### 5.1.1. Country Programmes as a key tool, and their evaluation

73. In 2014 and 2015, the OECD launched the OECD's first three Country Programmes with Kazakhstan, Morocco and Peru to support their domestic reform programmes on the basis of OECD's standards and best practices. In 2018, a Country Programme will be launched with Thailand. Members have requested that this new tool be evaluated to gauge its relevance and effectiveness, and to determine the factors that many improve the effectiveness of possible future Country Programmes. The Secretariat has responded to this evaluation request by:

- presenting its own regular assessments to the External Relations Committee (ERC) [[ERC\(2016\)9](#) and [ERC\(2016\)9/REV1](#); ERC, 17 January 2017, Room Document no. 3];
- inviting high-level representatives from each country to have a bilateral in-depth discussion with the ERC;
- an evaluation of the Kazakhstan and Peru Programmes, based on feedback from the Partner countries and Member embassies in these countries, focused on (i) programme design and implementation, reflecting its relevance and (ii) policy use and impact, reflecting its effectiveness.

74. The OECD received positive feedback from both countries included in the latter evaluation, Kazakhstan and Peru, the Prime Ministers of both countries confirming in writing the valuable contributions of the Programmes to the transfer of knowledge and the adoption of the best international standards. The evaluation report stated that both Country Programmes were based on a solid needs assessment and that their implementation advanced generally well. Direct policy use and impact were also confirmed. The report confirms a positive impact on the civic and business environment, adding that this impact will, by its nature, manifest itself more fully with time as reforms will gradually produce their full effect. An evaluation of the Morocco Country Programme will be undertaken and future Country Programmes will include methods to assess relevance and effectiveness from the outset.

#### 5.1.2. Kazakhstan

75. The 19 reviews and projects included in the original Kazakhstan Country Programme (KCP, 2015-2016; [ERC\(2014\)20/REV1](#)) have been completed. In 2017, the KCP was extended to end-2018 [[ERC\(2017\)7](#)], in order to implement the policy recommendations from the first phase, and 12 new outputs were initiated for this purpose. Kazakhstan has adhered to 16 legal instruments included in the Programme, and has requested adherence to 11 others. Kazakhstan has reached a higher level of Partnership in

three of the seven OECD bodies foreseen in the Programme, as well as three others not initially included in the Programme.

76. Supporting a “whole-of-government” reform agenda, the Programme has had an impact on legislative initiatives in numerous areas. This includes the development of effective and sound tax policies and health care reform, but Kazakhstan has also started addressing OECD policy recommendations on investment, SMEs and education policy. In addition, the cross-cutting nature of many of the projects included in the KCP, as well as the co-ordination of the Programme itself, has helped to improve policy-making processes, particular as regards inter-ministerial co-ordination.

77. Feedback from OECD embassies in Kazakhstan likewise confirms the impact of OECD work on policy in Kazakhstan, albeit while underscoring the important implementation challenges that remain in many areas (and that are the focus of many of the outputs initiated under the KCP extension).

### *5.1.3. Morocco*

78. The Morocco Country Programme (MCP) [[ERC\(2015\)3/REV1](#)], signed in June 2015, is set to be completed in June 2018 after a technical extension agreed last year [[ERC\(2017\)12](#)]. Its objectives are to support Morocco’s national development goals (through peer reviews, capacity building activities and improved statistical tools), and to contribute to Morocco’s ambitious reform agenda to support economic growth and competitiveness, social inclusion and public governance. The Moroccan authorities have stated their keen interest to start working on a sequel to the MCP after its completion.

79. It is anticipated that, by the new end-date of the Programme, Morocco will regularly participate in 7 OECD Committees, and will have requested adherence to 8 legal instruments. Furthermore, all of the 17 strategic actions, designed to support Morocco’s national development goals (peer reviews, capacity building activities and integration of Morocco in statistical tools), will have been completed by the end of June 2018.

80. Morocco and OECD Members have learned from one another’s experiences throughout the Programme, co-operating in designing policies to address critical policy challenges for the country’s development. The MCP has reinforced capacity building, in particular in the areas of education, public administration or local development. It has also helped Morocco improve its statistical capacities and evidence-based policy-making, notably on investment attractiveness and revenue statistics. The Programme has strengthened public policies, in particular in the areas of risk management and digital government. It has also encouraged an open and participatory approach, as all projects involve consultations with different actors on policy implementation (whether they are local or regional actors, from civil society or the private sector). Many projects also comprise peer-learning that has contributed to bringing Morocco closer to OECD standards. A tool to monitor the implementation of the OECD’s policy recommendations referenced in the Programme is being developed in partnership with Moroccan stakeholders, to reinforce the impact of the Programme. Towards the end of the MCP, the various findings will not only be shared with Morocco’s political leadership, but also be communicated to a broad audience.

#### 5.1.4. Peru

81. The Peru Country Programme (PCP), started in 2015 [[ERC\(2014\)20/REV1](#)] and now concluded, has supported Peru's reform agenda around five key areas: (i) removing barriers to growth, (ii) improving public governance, (iii) fighting corruption, (iv) developing human capital and (v) protecting the environment. Two different administrations benefited from the PCP as a tool to advance their reform agendas, modernise the economy and generate consensus on reform priorities between the executive and legislative powers.

82. The PCP was far reaching and ambitious from the outset, demonstrating during its implementation Peru's increasing level of engagement with the OECD and its willingness and ability to adhere to and implement OECD standards. It comprised 14 policy reviews ranging from public governance to youth policy, as well as the intention to adhere to 12 legal instruments, some of which required legislative changes in politically sensitive areas: anti-bribery, bank secrecy and transparency and exchange of information. Key deliverables during 2017 were the signature of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (following the enactment of corporate liability of legal persons) and the amended Convention of Convention on Mutual Administrative Assistance in Tax Matters.

83. The Government of Peru has made good use of recommendations from the various policy reviews in shaping new legislation, regulations and policies. For example, the new national integrity and anti-corruption policy was approved on the basis of the recommendations of the Integrity Review. Several legislative decrees were also adopted in areas such as water, solid waste management, transfer pricing, BEPS and tax evasion (Legislative Decree 1312). Furthermore, a Central Unit in the Office of the Prime Minister and a Special Commission in the Congress have been established to monitor the implementation of OECD recommendations.

84. As Co-Chair of the LAC Regional Programme, Peru has taken a leading role in the dissemination of OECD standards and sharing of best practices. In October 2018, the country will host the third high-level meeting of the LAC Regional Programme, which will focus on good governance and integrity.

#### 5.1.5. Thailand

85. The Council agreed on 23 March 2017 that the Thailand Country Programme (TCP) could be launched, in the light of clarifications received from the government on its political and financial commitments [[C/M\(2017\)5](#), item 51]. Following decisions by the External Relations Committee on the mandate, duration, renewal, content and governance of the TCP, the programme will soon be launched officially.

86. The TCP has been strategically designed with a whole-of-government approach to bring Thailand closer to the OECD bodies, standards and good policy practices. It supports the country's domestic reform agenda aimed at achieving more inclusive and sustainable development, including through the SDGs. The TCP will be conducted over a three-year period (2018-2020) and comprise 15 projects under four key pillars, covering governance and transparency, business climate and competitiveness, "Thailand 4.0" and inclusive growth. The Programme is aligned with Thailand's 20-Year National Strategy (2017-2036), the 12<sup>th</sup> National Economic and Social Development Plan (2017-2021).

87. In the preparatory phase of the Programme, two OECD policy reviews have been completed: the *Integrity Review of Thailand – Phase I* and the *Multidimensional Country*

*Review of Thailand – Phase I.* In addition, Thailand, already a Participant in the Committee for Scientific and Technological Policy and three sub-committees<sup>32</sup>, has been invited to join the Committee on Digital Economy Policy in the same capacity. Thailand has also engaged actively in meetings of the other Committees referred to in the TCP, such as the Public Governance Committee, the Regulatory Policy Committee, and the Economic and Development Review Committee (EDRC).

## 5.2. Ukraine

88. The Action Plan for implementation of the OECD-Ukraine MoU, signed in April 2015, continues to provide a framework for collaboration in (i) the combat of corruption, (ii) the investment and business climate, and (iii) governance and the rule of law. The Action Plan includes over 31 reviews and projects, of which 17 had been fully and five partially funded by end-2017, as well as adherence to several OECD legal instruments and participation in OECD bodies, networks and platforms. In 2017, Ukraine joined the BEPS Inclusive Framework and adhered to the Investment Declaration. As of early 2018, the government was considering adherence to the Recommendation of the Council on Effective Public Investment across Levels of Government, in the context of an OECD project supporting its decentralisation reforms.

89. The OECD plans to provide further support to Ukraine in areas identified by the government as particular priorities. These include anti-corruption, SOE reform, combatting tax and financial crimes, competitiveness and business environment policy and energy efficiency. New projects in each of these areas will be undertaken by the OECD in Ukraine in 2018. Other projects are now under discussion with donors in areas identified as priorities by the government, including competition policy, public governance and land reform. One of the cross-cutting priorities of OECD work in Ukraine is to strengthen state capacities, while drawing the country closer to OECD standards via greater involvement in OECD bodies.

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<sup>32</sup> The Working Party on SMEs and Entrepreneurship, the Working Group on National Coordinators of the Test Guidelines Programme and the Working Group on Good Laboratory Practices.

## 6. Concluding Observations

90. The OECD has endeavoured to respond to major shifts occurring in the global economic and political landscape: *(i)* the ascent of the major economies outside its membership, *(ii)* the creation of the G20 as the premier forum for international economic co-operation and *(iii)* the policy responses to the global financial crisis, including major reform efforts, but also the increasing discontent with the unequal distribution of the benefits of globalisation.

91. The principal aim of this effort, and also its main challenge, has been the OECD's determination to develop global standards and policies which can help level the playing field and anchor reforms globally. To meet this challenge, the Organisation has created new tools for engagement, including Country Programmes, Joint Work Programmes (JWPs) with Key Partners and Comprehensive Regional Programmes. A common thread in these tools is that they involve Partners in priority setting, programme management and results assessment, as well as in Committee work, thus ensuring ownership and encouraging their commitment to the OECD's standards and policies.

92. While these tools have helped enable the OECD to strengthen and disseminate its standards and developing advice on better policies and best practices that benefit economies beyond its membership, there is scope for continued progress. Achieving consensus on a new round of enlargement, in line with the Framework for the Consideration of Prospective Members, is essential. Renewed JWPs with China and Indonesia should build on the achievements of their predecessors and a new JWP with South Africa should map out a clear structure for reinforced co-operation. Co-operation of these and other Partners in the development of OECD standards can encourage compliance and thus help to secure the global relevance of OECD's standards. The review of the rules for Partnerships in OECD bodies should preserve, and if possible reinforce, their role as a vehicle to secure Partners' commitment to OECD, and their strategic and constructive contributions, in accordance with Committees' Global Relations strategies.

93. Country Programmes have an essential role to play in this respect. The successful implementation of the first three Country Programmes, and the outcome of their evaluations, can lead the way to improving the design of any future Country Programmes and to selecting Partners in such Programmes. Furthermore, the Regional Programmes in Southeast Asia, Latin America and the Caribbean, Eurasia, Southeast Europe and the MENA region need to continue strengthening in accordance with their mandates and in close co-operation with regional partners, such as ASEAN and the Pacific Alliance. Engagement with Africa should progress further up in accordance with the Committees' Global Relations priorities and in alignment with the G20 Compact with Africa.

94. The OECD has become a major contributor to global governance notably through its cooperation with the G20, the G7 and regional fora such as the ASEAN and the Pacific Alliance. It can continue to enhance its role, along the following lines:

- identifying major economic, social and environmental policy challenges and designing policies to respond to them so as to improve the well-being of people around the world;
- informing policy discussions regarding global issues by leveraging its data, action-oriented research and inclusive consultation process;
- facilitating consensus-building, and thus preparing the ground for political agreements in challenging contexts (as for the Global Forum on Steel Excess Capacity or the G20/OECD BEPS project);
- further leveraging its standards beyond its membership in order to promote sound and common approaches to shared challenges (as already done in various fields, such as taxation, capital flows, corporate governance and the combat of corruption).

ANNEX I – PARTNERSHIPS<sup>33</sup> IN OECD BODIES: Key Partners, other G20 countries, Country Programme Partners, Prospective Members

Body, Programme or Project	PARTNER COUNTRY <sup>34</sup>															
	Key Partners					Other G20			Country Programmes				Other <sup>35</sup> Prospective Members			
	Br <sup>34</sup>	Ch	In	Id	ZA	Ar <sup>34</sup>	RF	SA	Kz	Mo	Pe <sup>34</sup>	Th <sup>34</sup>	Bg	Cr	Rm	SL
Centre for Educational Research and Innovation (CERI) Governing Board							P									
Chemicals Committee (Joint Meeting with the WP on Chemicals, Pesticides and Biotechnology)																
- Joint Meeting: MAD-related bodies	M		M		M	M										
- Joint Meeting: non-MAD-related bodies					P											
- WG on the Harmonisation of Regulatory Oversight in Biotechnology						P	P									
- WG on National Co-ordinators of the Test Guidelines Programme; WG on Good Laboratory Practices												P				
Committee for Agriculture	P				P	P										P
- Working Party on Agricultural Policies and Markets	P				P	P										P
- Group on Commodity Markets	P				P	P	P									P
Joint Working Party on Agriculture and Trade	P				P	P					P			P		
Committee for Industry, Innovation and Entrepreneurship							P		P							
- Working Party on Small and Medium-Sized Enterprises and Entrepreneurship							P		P			P				P
Committee for Scientific and Technological Policy	P	P			P	P	P		P			P				
Committee on Consumer Policy			P								P					
- Working Party on Consumer Product Safety	P		P													
Committee on Digital Economy Policy					P	P	P									

33 Associates (A), in some bodies referred to as members (M), participate in the full range of the body's work, except in activities related to the accession of a country to the Organisation; Participants (P) participate in the body's non-confidential discussions. Invitees are not included since this is not a permanent status, but offered for individual meetings only. The table includes membership of certain programmes not covered by the Council Resolution on Partnerships in OECD Bodies [C(2012)100/REV1/FINAL].

34 Br: Brazil; Ch: People's Republic of China; In: India; Id: Indonesia; ZA: South Africa; Ar: Argentina; RF: Russian Federation; SA: Saudi Arabia; Kz: Kazakhstan; Mo: Morocco; Pe: Peru; Th: Thailand; Bg: Bulgaria; Cr: Croatia; Rm: Romania; SL: Sri Lanka.

35: The Peru Country Programme has recently been completed. The Thailand Country Programme is close to being launched. Argentina, Brazil and Peru also fall in the category of "Prospective Members", which are non OECD Member countries that have officially signalled their interest in and commitment to becoming a Member of the OECD or a country identified by the Council as a priority for Membership for the Organisation's relevance and impact [C/MIN(2017)13]. A country's inclusion in this category does not prejudice a Council decision to invite it to start an accession process. Three countries listed in other categories (Brazil, Argentina, Peru) are also prospective Members.

ANNEX I – PARTNERSHIPS<sup>33</sup> IN OECD BODIES: Key Partners, other G20 countries, Country Programme Partners, Prospective Members

Body, Programme or Project	PARTNER COUNTRY <sup>34</sup>															
	Key Partners					Other G20			Country Programmes				Other <sup>35</sup> Prospective Members			
	Br <sup>34</sup>	Ch	In	Id	ZA	Ar <sup>34</sup>	RF	SA	Kz	Mo	Pe <sup>34</sup>	Th <sup>34</sup>	Bg	Cr	Rm	SL
Committee on Financial Markets																
- Working Party on Financial Statistics	P				P		P						P		P	
- Advisory Task Force on the Codes of Liberalisation	P					P										
Committee on Fiscal Affairs (all bodies)	P		P	P	P	A	P	P								
Committee on Fiscal Affairs (all bodies, except where the Partner is Associate)		P														
- WP10 on Exchange of Information and Tax Compliance		A														
- Project on Base Erosion and Profit Shifting (BEPS)	M	M	M	M	M	M	M	M	M		M	M	M	M	M	M
Committee on Statistics and Statistical Policy	P				P		P		P				P		P	
Competition Committee	P		P	P	P	P	P		P		P		P	P	A	
Co-operative Action Programme on Local Economic and Employment Development (LEED)					A											A
Corporate Governance Committee	P	P				P	P									
- Discussions concerning the Recommendation of the Council on Principles of Corporate Governance	A	A				A	A									
- Working Party on State Ownership and Privatisation Practices	P	P				P			P							
Development Centre Governing Board	M	M	M	M	M	M			M	M	M	M				M
Economic and Development Review Committee							P									
Education Policy Committee							P		P							P
Employment, Labour and Social Affairs Committee							P									
Fisheries Committee						P	P					P				
Global Forum on Transparency and Exchange of Information for Tax Purposes	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	
Insurance and Private Pensions Committee							P									
- Working Party on Private Pensions	P		P		P		P									
International Energy Agency (Association Countries)	A	A	A	A						A		A				
International Transport Forum		M	M			M	M		M	M			M	M	M	
Investment Committee (all bodies, except where the Partner is Associate)	P					P										
IC meeting in enlarged session for work related to the Declaration on Intern. Inv. and MNEs	A					A			A	A	A					A

**ANNEX I – PARTNERSHIPS<sup>33</sup> IN OECD BODIES: Key Partners, other G20 countries, Country Programme Partners, Prospective Members**

Body, Programme or Project	PARTNER COUNTRY <sup>34</sup>															
	Key Partners					Other G20			Country Programmes				Other <sup>35</sup> Prospective Members			
	Br <sup>34</sup>	Ch	In	Id	ZA	Ar <sup>34</sup>	RF	SA	Kz	Mo	Pe <sup>34</sup>	Th <sup>34</sup>	Bg	Cr	Rm	SL
- Working Party on Responsible Business Conduct	A					A			A	A	A					
- Freedom of Investment Roundtable				A			A			A					A	
Nuclear Energy Agency (Steering Committee and its subsidiary bodies)						M	M								M	
OECD Network on Fiscal Relations Across Levels of Government			M													
Programme for International Student Assessment (PISA) Governing Board	A	P		P		P	P	P	P	P	P	P	P	P	P	P
Programme for the Teaching and Learning International Survey (TALIS) Governing Board	P	P			P	A	P	A	P				A	P	A	
Public Governance Committee	P				P					P						
Regional Development Policy Committee					P					P	P					
Regulatory Policy Committee							P				P					
Steel Committee	A		P		P	P	A						P		A	
Tourism Committee					P		P			P				P	P	
Trade Committee (main Committee and its Working Party)	P					P										
Joint Working Party on Trade and the Environment	P															
Working Group on Bribery in International Business Transactions	M				M	M	M				M		M			
Working Party on Shipbuilding							P							A	A	

**ANNEX II – Adherence to seven OECD legal instruments used to gauge a country’s readiness to start accession discussions<sup>36</sup>:  
Key Partners, other G20 countries, Country Programme Partners and Prospective Members**

OECD Legal Instrument				PARTNER COUNTRY <sup>37</sup>																
✓	Adherent	*	Has requested adherence	Key Partners					Other G20			Country Programmes				Other <sup>38</sup> Prospective Members				
				Br <sup>37</sup>	Ch	In	Id	ZA	Ar <sup>37</sup>	RF	SA	Kz	Mo	Pe <sup>37</sup>	Th <sup>37</sup>	Bg	Cr	Rm	SL	
				(✓)				(✓)	(✓)						(✓)		(✓)	*	(✓)	
				(✓)						(✓)					(✓)		(✓)	*	(✓)	
				✓				✓	✓	✓					(✓)		✓	*	*	
				✓					✓			✓	✓	✓			*	*	✓	
				✓	✓	✓	✓	✓	✓	✓	✓	✓			*		*	*	*	
				*						✓					✓		*	✓	✓	

36 As used in the Framework for the Consideration of Prospective Members, [C/MIN\(2017\)13](#).

37 Br: Brazil; Ch: People’s Republic of China; In: India; Id: Indonesia; ZA: South Africa; Ar: Argentina; RF: Russian Federation; SA: Saudi Arabia; Kz: Kazakhstan; Mo: Morocco; Pe: Peru; Th: Thailand; Bg: Bulgaria; Cr: Croatia; Rm: Romania; SL: Sri Lanka.

38: The Peru Country Programme has recently been completed. The Thailand Country Programme is close to being launched. Argentina, Brazil and Peru also fall in the category of “Prospective Members”, which are non OECD Member countries that have officially signalled their interest in and commitment to becoming a Member of the OECD or a country identified by the Council as a priority for Membership for the Organisation’s relevance and impact [\[C/MIN\(2017\)13\]](#). A country’s inclusion in this category does not prejudice a Council decision to invite it to start an accession process. Three countries listed in other categories (Brazil, Argentina, Peru) are also prospective Members.

39 Decision of the Council on International Investment Incentives and Disincentives [C(84)92], Recommendation of the Council on Member Country Measures concerning National Treatment of Foreign-Controlled Enterprises in OECD Member Countries and Based on Considerations of Public Order and Essential Security Interest [C(86)55/FINAL], Recommendation of the Council concerning Member Country Exceptions to National Treatment and National Treatment related Measures concerning Investment by Established Foreign-Controlled Enterprises [C(87)76/FINAL], Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment related Measures concerning the Services Sector [C(88)41/FINAL], Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment related Measures in the Category of Official Aids and Subsidies [C(88)131/FINAL], Recommendation of the Council on Member Country Exceptions to National Treatment and Related Measures concerning Access to Local Bank Credit and the Capital Market [C(89)76/FINAL; *except Br*], Decision of the Council on Conflicting Requirements being imposed on Multinational Enterprises [\[C\(91\)73\]](#), Third Revised Decision of the Council concerning National Treatment [\[C\(91\)147/FINAL\]](#), Decision of the Council on the OECD Guidelines for Multinational Enterprises [\[C\(2000\)96/FINAL\]](#), Recommendation of the Council on Guidelines for Recipient Country Investment Policies relating to National Security [\[C\(2009\)63; except Br, Mo, Pe, Rm\]](#), Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas [\[C/MIN\(2011\)12/FINAL\]](#), Recommendation of the Council on the OECD-FAO Guidance for Responsible Agricultural Supply Chains [\[C\(2016\)83; except Br, Mo, Pe, Rm\]](#), Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector [\[C\(2016\)100; except Mo, Pe\]](#), Recommendation of the Council on the Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector [\[C\(2017\)63; except Kz\]](#).

40 The endorsement of the G20/OECD Principles of Corporate Governance by the Leaders of the G20 at the Antalya Summit on 15-16 November 2015 is equivalent to adherence to the Recommendation

**ANNEX II – Adherence to seven OECD legal instruments used to gauge a country’s readiness to start accession discussions<sup>36</sup>:  
Key Partners, other G20 countries, Country Programme Partners and Prospective Members**

OECD Legal Instrument				PARTNER COUNTRY <sup>37</sup>															
✓	Adherent	*	Has requested adherence	Key Partners					Other G20			Country Programmes				Other <sup>38</sup> Prospective Members			
				Br <sup>37</sup>	Ch	In	Id	ZA	Ar <sup>37</sup>	RF	SA	Kz	Mo	Pe <sup>37</sup>	Th <sup>37</sup>	Bg	Cr	Rm	SL
	Recommendation of the Council on Principles for Internet Policy Making [ <a href="#">C(2011)154</a> ]			*					*			*		✓		*	*	*	

ANNEX III – FINANCIAL CONTRIBUTIONS* BY KEY PARTNERS, 2007-2017								
(in KEUR)	FEES			GRANTS			TOTAL	
	Part I	Part II	All Fees	Public	Private	All Grants	All	All Public
<b>Brazil</b>	<b>1811.5</b>	<b>3100.0</b>	<b>4911.6</b>	<b>5598.4</b>	<b>1182.2</b>	<b>6780.6</b>	<b>11692.2</b>	<b>10509.9</b>
2007	73.4	89.0	162.4	321.7	35.0	356.7	519.1	484.1
2008	97.1	105.2	202.3	39.0	75.0	114.0	316.3	241.3
2009	119.8	126.8	246.6	718.4	77.5	795.9	1042.5	965.0
2010	126.4	200.4	326.8	721.1	45.0	766.1	1092.9	1047.9
2011	135.7	214.8	350.5	652.3	55.0	707.3	1057.7	1002.7
2012	154.3	232.6	387.0	79.1	115.0	194.1	581.1	466.1
2013	173.2	254.8	428.0	1448.8	105.0	1553.8	1981.8	1876.8
2014	215.8	274.3	490.0	177.2	291.3	468.5	958.6	667.3
2015	225.5	509.7	735.2	524.0	145.9	669.9	1405.1	1259.2
2016	235.6	538.8	774.4	284.6	60.0	344.6	1119.0	1059.0
2017	254.6	553.6	808.3	632.2	177.5	809.7	1617.9	1440.4
<b>China**, PR of</b>	<b>397.6</b>	<b>4256.4</b>	<b>4654.1</b>	<b>3828.5</b>	<b>370.0</b>	<b>4198.5</b>	<b>8852.5</b>	<b>8536.6</b>
2007	10.4	6.0	16.4	227.4	-	227.4	243.8	243.8
2008	15.0	126.5	141.5	106.7	-	106.7	248.1	248.1
2009	20.0	138.8	158.8	110.0	-	110.0	268.8	268.8
2010	20.2	289.8	310.0	262.0	-	262.0	572.0	572.0
2011	20.6	318.4	339.0	130.0	50.0	180.0	519.0	469.0
2012	21.2	354.2	375.4	155.0	-	155.0	530.4	530.4
2013	38.3	397.0	435.3	203.6	-	203.6	638.9	638.9
2014	61.9	440.9	502.8	272.0	100.0	372.0	874.8	774.8
2015	62.0	591.7	653.7	140.0	200.0	340.0	993.7	847.7
2016	62.1	734.9	797.0	438.4	-	438.4	1235.4	1235.4
2017	65.9	858.2	924.1	1783.4	20.0	1803.4	2727.6	2707.6
<b>India</b>	<b>501.2</b>	<b>1302.1</b>	<b>1803.3</b>	<b>1866.9</b>	<b>95.0</b>	<b>1961.9</b>	<b>3765.2</b>	<b>3680.2</b>
2007	1.7	16.1	17.8	-	10.0	10.0	27.8	17.8
2008	17.6	11.0	28.6	-	10.0	10.0	38.6	28.6
2009	23.4	32.6	56.0	6.0	20.0	26.0	82.1	62.1
2010	23.6	61.7	85.3	100.0	5.0	105.0	190.3	185.3
2011	24.1	101.5	125.6	23.8	-	23.8	149.4	149.4
2012	35.4	108.7	144.1	479.5	-	479.5	623.6	623.6
2013	52.6	139.6	192.2	207.0	-	207.0	399.2	399.2
2014	76.3	148.8	225.1	435.0	20.0	455.0	680.1	660.1
2015	76.4	207.3	283.7	115.0	10.0	125.0	408.7	398.7
2016	76.5	223.6	300.1	190.0	10.0	200.0	500.1	500.1
2017	93.6	251.2	344.8	310.6	10.0	320.6	665.4	655.4
<b>Indonesia</b>	<b>329.8</b>	<b>970.7</b>	<b>1300.5</b>	<b>474.1</b>	<b>30.0</b>	<b>504.1</b>	<b>1804.7</b>	<b>1460.7</b>
2007	5.2	-	5.2	9.1	-	9.1	14.3	14.3
2008	7.5	-	7.5	-	-	-	7.5	7.5
2009	10.0	31.3	41.3	-	-	-	41.3	41.3
2010	10.1	57.3	67.4	172.0	-	172.0	239.4	67.4
2011	10.3	58.2	68.5	-	-	-	68.5	68.5
2012	10.6	144.2	154.8	-	-	-	154.8	154.8
2013	27.6	147.7	175.3	142.0	-	142.0	317.3	175.3
2014	61.9	151.1	213.0	-	-	-	213.0	213.0
2015	62.0	153.5	215.5	-	30.0	30.0	245.5	215.5
2016	62.1	156.1	218.2	151.0	-	151.0	369.2	369.2
2017	62.5	71.3	133.8	-	-	-	133.8	133.8
<b>South Africa</b>	<b>1374.1</b>	<b>1285.2</b>	<b>2659.3</b>	<b>2314.1</b>	<b>125.0</b>	<b>2439.1</b>	<b>5098.5</b>	<b>4973.5</b>
2007	37.1	57.9	95.0	330.8	-	330.8	425.8	425.8

<b>2008</b>	61.4	65.6	127.0	40.0	-	40.0	167.0	167.0
<b>2009</b>	97.9	96.5	194.4	546.7	-	546.7	741.1	741.1
<b>2010</b>	98.9	123.8	222.7	-	-	-	222.7	222.7
<b>2011</b>	110.9	124.2	235.1	148.8	-	148.8	383.9	383.9
<b>2012</b>	126.8	127.5	254.3	30.0	100.0	130.0	384.3	284.3
<b>2013</b>	144.9	132.7	277.7	397.8	25.0	422.8	700.5	675.5
<b>2014</b>	170.4	135.5	305.9	130.0	-	130.0	435.9	435.9
<b>2015</b>	169.9	138.6	308.5	175.4	-	175.4	483.9	483.9
<b>2016</b>	168.9	139.6	308.4	321.7	-	321.7	630.1	630.1
<b>2017</b>	187.1	143.4	330.5	192.9	-	192.9	523.4	523.4
<b>All Key Partners</b>	<b>4414.3</b>	<b>10914.5</b>	<b>15328.8</b>	<b>14082.0</b>	<b>1802.2</b>	<b>15884.2</b>	<b>31213.1</b>	<b>29160.9</b>
<b>2007</b>	127.8	169.0	296.8	889.1	45.0	934.1	1230.9	1185.9
<b>2008</b>	198.6	308.3	506.9	185.7	85.0	270.7	777.6	692.6
<b>2009</b>	271.1	426.0	697.1	1381.2	97.5	1478.7	2175.8	2078.3
<b>2010</b>	279.2	732.9	1012.1	1255.1	50.0	1305.1	2317.3	2095.3
<b>2011</b>	301.6	817.0	1118.7	954.9	105.0	1059.9	2178.6	2073.6
<b>2012</b>	348.3	967.2	1315.5	743.6	215.0	958.6	2274.1	2059.1
<b>2013</b>	436.7	1071.9	1508.5	2399.2	130.0	2529.2	4037.8	3765.8
<b>2014</b>	586.3	1150.6	1736.9	1014.2	411.3	1425.5	3162.4	2751.1
<b>2015</b>	595.7	1600.8	2196.6	954.4	385.9	1340.3	3536.8	3205.0
<b>2016</b>	605.2	1793.0	2398.2	1385.6	70.0	1455.6	3853.8	3793.8
<b>2017</b>	663.8	1877.7	2541.5	2919.1	207.5	3126.6	5668.1	5460.6

\* Contributions to Part I and all Part II programmes, including FATF and ITF; not including contributions to the IEA.

\*\* Not including Chinese Taipei, Hong Kong, China and Macau, China.

