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COUNCIL**Meeting of the Council at Ministerial Level, 31 May-1 June 2021****THE SECRETARY-GENERAL'S REPORT TO MINISTERS ON GLOBAL RELATIONS****OECD's Global Relations: Serving the OECD and its Members with global impact****JT03476886**

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EXECUTIVE SUMMARY

Since the adoption of the 50th Anniversary Vision Statement in 2011 [[C/MIN\(2011\)6/FINAL](#)], the OECD has continued to deliver on its core mission to promote stronger, fairer and more environmentally sustainable economic growth and to raise employment and living standards in OECD Member and Partner economies, while remaining committed to the preservation of individual liberty, a pluralist democracy based on the rule of law, the respect of human rights, and adherence to open and transparent market economy principles.

Recognising the growing importance of the OECD's Global Relations in the current geo-economic and geo-political context, the Organisation's overarching Global Relations Strategy is being discussed by the External Relations Committee (ERC). This strategic approach will also clarify how Global Relations tools will help implement the forthcoming 60th Anniversary Vision Statement's objectives.

Taking stock of a decade of the OECD's global engagement will inform current efforts at defining and co-ordinating strategic engagement with OECD Partner economies and organisations.

- **The Organisation has reinforced its presence and relevance in the global governance architecture by enhancing its co-operation with other *international organisations and multilateral fora***, contributing data, analysis and expertise to the G20, the G7, the United Nations, APEC, ASEAN, the African Union, the Union for the Mediterranean, and other fora and regional bodies to promote OECD standards as a baseline for international best practices and benchmarking.
- **Engagement with the five *Key Partners (Brazil, People's Republic of China, India, Indonesia and South Africa)* continues to develop steadily, albeit at a different pace.** Following its membership request in 2017, Brazil is now the most active Key Partner in terms of adherence to standards and partnerships with OECD bodies. A strategic framework for the OECD's future co-operation with China is currently under development. The third Joint Programme of Work with Indonesia is ongoing, while exchanges are taking place on its G20 Presidency in 2022. The OECD and India continue to discuss a possible Joint Work Programme (JWP), as well as its G20 Presidency in 2023. An ambitious agenda is foreseen with South Africa in the context of its upcoming JWP, the preparation of which is expected to conclude in 2021.
- **The OECD's *Country Programmes* have allowed selected countries to anchor their policy reforms in alignment with OECD standards and best practices.** Successful programmes with Kazakhstan, Peru and Morocco have led to a significant rise in their adherence to OECD legal instruments and partnerships with OECD bodies. A second phase of the Country Programme with Morocco was launched in 2019, while Thailand is progressing towards the completion of its own Country Programme. Two new Country Programmes are currently being discussed with Egypt and Viet Nam and are expected to be launched soon.
- **Comprehensive *Regional Programmes* have been operating for Southeast Asia (SEA)¹, Eurasia, Latin America and the Caribbean (LAC), the Middle East and North Africa (MENA) and South East Europe (SEE) to further disseminate OECD standards and best practices throughout entire Partner regions.²** The Regional Programmes have played a pivotal role in securing wider visibility and buy-in of OECD standards, and have promoted the exchanges of best practices, thereby

¹ In view of Council's decision to designate SEA as a region of strategic priority, this document lists this Programme first; the four other Comprehensive Regional Programmes, of equal status, are included in alphabetical order.

² Chronologically, the South East Europe Regional Programme was launched in 2000, the MENA-OECD Initiative on Governance and Competitiveness for Development was launched in 2005, the Eurasia Competitiveness Programme was launched in 2008, the Southeast Asia Regional Programmes was launched in 2014, and the Latin America and the Caribbean Regional Programme was launched in 2016. Section 3.2 treats each of the Regional Programmes in greater detail.

underpinning progress towards further regional integration. The Regional Programmes have also facilitated horizontal co-ordination across the Organisation when engaging with the relevant Partners. In particular, the OECD's engagement with the LAC region has had visible impact, as evidenced by the successful accession of three LAC countries since 2010 and the presence of three Prospective Members in the region. Work will continue to consolidate these achievements, as well as to deepen engagement with other regions.

- **Deepened engagement with Southeast Asia (and more broadly speaking *Asia-Pacific*) remains a strategic priority for the Organisation** [[C/MIN\(2007\)4/FINAL](#)]. Given the region's continued high growth and its enhanced integration in global value chains, the OECD has strived to strengthen its footprint in Southeast Asia and bring Southeast Asian countries closer to its bodies and standards. This is becoming all the more important as the region is subject to growing international competition, and large connectivity and infrastructure initiatives are putting country systems to the test.
- **Engagement with *Africa* will require a renewed and proactive focus building on efforts across the house to foster policy dialogue and build synergies to identify policy solutions in areas that are key to economic transformation, through the bodies and entities of the Development Cluster and beyond.**
- Partner economies' active participation in OECD bodies, projects and programmes has been critically important for the promotion and dissemination of OECD standards and best practices.
- In addition, ***accession to the OECD remains the most effective way to secure Partners' comprehensive commitment to OECD standards and best practices.*** Argentina, Brazil, Bulgaria, Croatia, Peru and Romania have requested membership, and a possible decision to open new accession discussions remains under consideration by the OECD Council.

Faced with significant global challenges such as the current COVID-19 crisis, inequality, climate change and the digital transformation, the OECD should strive to contribute to the global efforts towards a better future and continue to promote its core values. A reflection on key developments and achievements in the OECD's Global Relations activities over the past decade should pave the way for an overarching Strategy on Global Relations that can meet the challenges of future engagement with Partner economies.

1. Introduction

1.1. The increasing importance of Global Relations – from the OECD Convention to today

1. Fostering international co-operation to spur economic progress and well-being in Member and Partner economies has been the backbone of the OECD's mission since its inception over 60 years ago. Article 1 of the OECD Convention states that one of the aims of the Organisation is to promote policies designed "to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development [...]."

2. While it does not seek to be a universal organisation in terms of the size of its membership, the Organisation has progressively become more open, inclusive and relevant globally. It has maintained its high standards of public policy, its responsiveness and focus on Members' core priorities and, at the same time, strived to ensure through its Global Relations activities ***that its standards and best practices are disseminated globally.***

3. The OECD's activities for global engagement have indeed strongly contributed to ***strengthening the relevance and influence of the Organisation***, resulting in a larger membership as well as new accession requests. Since 2010, the Organisation has grown to include eight new Members, and has received Membership requests from six Prospective Members³ (Argentina, Brazil, Bulgaria, Croatia, Peru and Romania), whose applications are being considered by the OECD Council.

4. The strategic importance of engagement with Partner economies, notably with the five G20 members designated as Key Partners (Brazil, the People's Republic of China (China), India, Indonesia and South Africa), has been repeatedly emphasised in the Secretary-General's Strategic Orientations [most recently in [C/MIN\(2020\)1](#)] and is recognised by Members. It has contributed to Key Partners' adherence to key OECD standards such as the BEPS Package and the G20/OECD Principles of Corporate Governance [[OECD/LEGAL/0413](#)], confirming the OECD's relevance as a global standard-setter.

5. Likewise, the OECD's participation in the G20, through providing analysis to the Leaders' summits and engaging actively in the Sherpa and ministerial processes, has been instrumental in increasing the Organisation's relevance in the global governance architecture, enhancing the reach and impact of its work and standards in G20 outcomes.

6. Efforts to better disseminate the work of the Organisation have also started to bear fruit, with increasing recognition of the OECD's work in United Nations (UN) resolutions and, most recently, recognition of the OECD's contribution to global efforts in the recovery from COVID-19.

7. As the world is ever more interconnected and OECD Partner economies come to represent growing shares of global GDP, enhancing the global reach and impact of OECD standards continues to be essential to further level the playing field.

1.2 The role of Global Relations for a sustainable and inclusive recovery

8. The COVID-19 pandemic has triggered the deepest economic recession in nearly a century. While the virus and its economic and social consequences pose an inherently global challenge, their relative impact has also been heterogeneous, with some Partners such as Brazil and India, and regions such as Latin America and the Caribbean, particularly affected. Against this background, the OECD has continued to deepen its engagement with Partner economies to disseminate its standards in view of an inclusive, green and sustainable recovery, underpinned by the rule of law and trust, while also discussing among the membership how to best adjust its Global Relations priorities in the context of COVID-19.

9. In an interconnected world faced with such global challenges, ***the sharing of best practices will play a key role*** in helping Member and Partner economies overcome the crisis and build back better. Levelling the playing field is of essence in this regard, thereby reinforcing the need to disseminate OECD standards. Moreover, the pandemic and its consequences have emphasised the need for enhanced collaboration between advanced and

³ "A prospective Member is a non OECD Member country, which has officially signalled its interest and commitment in 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. In this document, Brazil is discussed in the section on Key Partners. The remaining Prospective Members are treated here in alphabetical order.

emerging economies to accelerate the low-carbon and digital transitions, thereby increasing resilience to shocks and ensuring that no one is left behind.

10. ***Preserving and continuing to strengthen the multilateral system*** is also important to ensure progress on issues of systemic importance and to progress towards the achievement of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). Going forward, the OECD will reinforce its contribution to multilateralism and international fora, in particular the G20, G7, United Nations and APEC, and draw on the substantive work of OECD committees and OECD directorates working on the 2030 agenda. As three of the Key Partners, Indonesia, India and Brazil, will follow Italy in succession to assume forthcoming Presidencies of the G20, special efforts will be made to enhance dialogue with these countries, advance the OECD's standards, and bring these countries closer to the OECD.

11. The OECD will continue to support Members and Partners with ***its policy tools, evidence-based analysis and advice needed to underpin a strong, job-rich, inclusive and green recovery*** from the COVID-19 pandemic. The OECD will also double down on its efforts to make its standards global through its contributions to the G20, its relations with Key Partners as well as through Regional and Country Programmes.

2. Major Achievements

2.1 Strengthened commitment to OECD bodies & standards

12. The OECD's engagement with Partners through its Global Relations tools is at the heart of the Organisation's efforts to remain relevant as a global forum for discussion and a global standard-setter. Key to ensuring this role is Partner participation in meetings of OECD bodies and their alignment with OECD standards, including possible adherence to OECD legal instruments.

2.1.1 Adherence to OECD legal instruments

13. Adherence by non-Members to OECD legal instruments amounts to a total of 868 at present. Active accession countries, "Prospective Members", Key Partners and other G20 countries, as well as Partners in a Country Programme or any other structured, country-specific approach (see the list in Table 1) are responsible for 545 of these instances (63%). Figure 1 (below) shows the overall increase in the total number of instances of non-Member adherences across all OECD legal instruments. The following OECD legal instruments are those with the largest number of non-Member Adherents/parties:

- Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [[OECD/LEGAL/0382](#)] (74 non-Member parties);
- Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs [[OECD/LEGAL/0328](#)] (38 non-Member Adherents);
- Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting [[OECD/LEGAL/0432](#)] (33 non-Member parties);
- Decision of the Council Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade [[OECD/LEGAL/0308](#)] (26 non-Member Adherents);

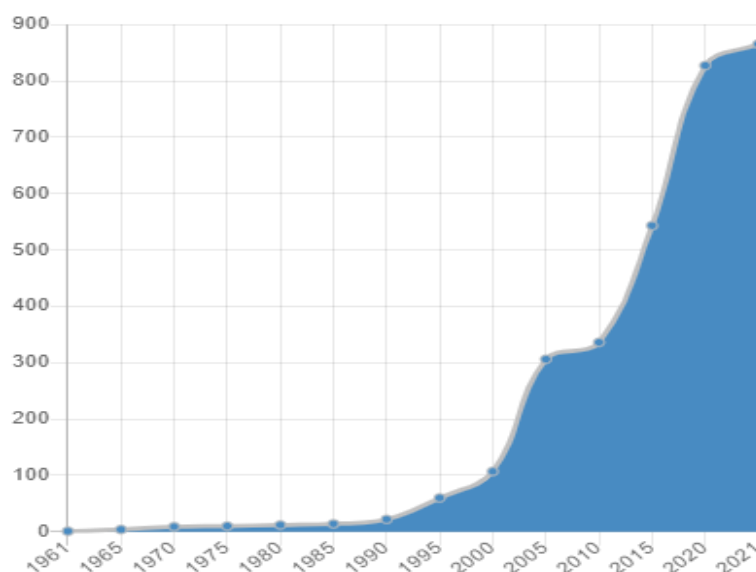
- Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth [[OECD/LEGAL/0439](#)] (18 non-Member Adherents).

Table 1. Key Partners, G20 Countries, Prospective Members and other selected Partners ¹ : Partnerships in OECD committees (and their bodies or projects) and adherence to OECD legal instruments						
	Number of Partnerships:			Number of adherences:		
	as Associate/ member ¹	as Participant	Total	adherence confirmed	adherence requested	Total
Argentina ^{b, d}	12	17	29	51	6	57
Brazil ^{a, b, d}	14	23	37	99	45	144
Bulgaria ^d	7	5	12	32	6	38
China, PR of ^{a, b}	6	5	11	9	0	9
Croatia ^d	8	4	12	26	5	31
Egypt ^c	6	6	12	21	1	22
India ^{a, b}	7	9	16	14	0	14
Indonesia ^{a, b}	5	5	10	15	0	15
Kazakhstan ^c	8	13	21	39	5	44
Morocco ^c	9	2	11	30	3	33
Peru ^{c, d}	7	11	18	45	2	47
Romania ^d	14	8	22	50	4	54
Russian Federation ^{b4}	7	22	29	27	0	27
Saudi Arabia ^b	2	5	7	7	0	7
South Africa ^{a, b}	6	20	26	23	1	24
Thailand ^c	5	4	9	7	0	7
Tunisia ^e	7	1	8	21	0	21
Ukraine ^e	7	4	11	23	1	24
Viet Nam ^c	3	1	4	6	0	6

Notes: a: Key Partner; b: G20 country; c: Former, current or prospective Country Programme Partner (see text); d: Prospective Member (see footnote 1); e: Partner in other country-specific approaches (see text).

¹ These figures include Associate/member status granted in line with the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)] as well as similar membership status in OECD programmes or in entities within the OECD family, *i.e.* of the Development Centre, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Nuclear Energy Agency, the International Transport Forum, the Global Partnership on Artificial Intelligence, and the Governing Board of the Programme for Teaching and Learning International Survey.

⁴ With regard to the Russian Federation, on 12 March 2014 the OECD Council “postponed activities related to the OECD accession process for the Russian Federation for the time being” and “confirmed that the Russian Federation may wish to participate in committee meetings on other issues in its capacity as member, associate, and participant of those committees” [[C/M\(2014\)3/REV1](#), Item 41]. The Russian Federation continues to take part in the OECD work at a technical level.

Figure 1. Non-Member adherences to OECD legal instruments

Source: <https://legalinstruments.oecd.org/en/stats>

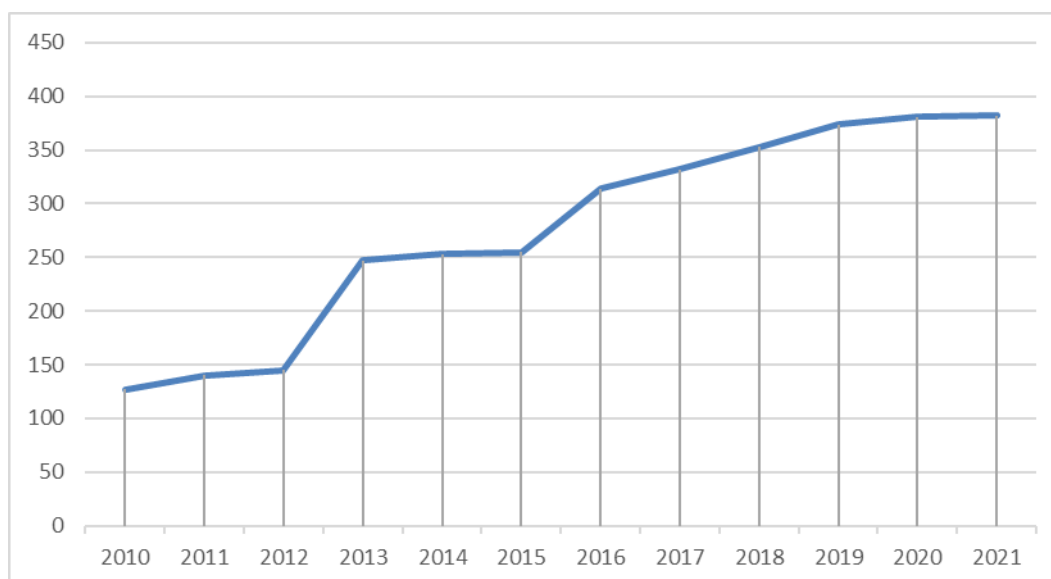
2.1.2 Participation in OECD Bodies

14. Partners' active participation in OECD bodies, projects and programmes is an essential driver for policy alignment with OECD standards and best practices. In most OECD bodies, the number of economies participating regularly, (*i.e.* as Participants or Associates), is limited to strategically important Partners. Consequently, out of the 382 currently valid invitations⁵ to Partners in either of these two capacities, 306 (80%) concern the 19 countries mentioned in Table 1. Figure 2 (below) shows the overall increase of these 382 invitations as Participants or Associates since 2010.

15. Of these invitations, the committees with the largest number of Participants and Associates are: the Investment Committee (18 Associates in the Freedom of Investment Roundtable project, as well as 11 Associates and 9 Participants in its subsidiary bodies); the Corporate Governance Committee (11 Associates in the Discussions Concerning the Recommendation of the Council on Principles of Corporate Governance [OECD/LEGAL/0413] and 20 Participants in its subsidiary bodies); the Committee on Fiscal Affairs (CFA) (11 Associates, 8 of which are Associates invited to the BEPS Project prior to 1 January 2016, and 11 Participants); the Competition Committee (2 Associates and 13 Participants); and the Chemicals and Biotechnology Committee (CBC) (7 Associates in MAD related bodies only and 1 Participant in the CBC and all subsidiary bodies and 7 Participants in non-MAD related bodies).

16. Partnership in bodies overseeing a Part II programme and the Inclusive Framework on BEPS, a project of the CFA, deserve mention here, as their members are more varied. These bodies and projects have made a critical contribution to the OECD's global reach, thus demonstrating the Organisation's relevance and impact worldwide.

⁵ These are invitations issued as of 01.04.2021 by virtue of the Revised Council Resolution on Partnerships in OECD Bodies [C(2012)100/REV1/FINAL], except for invitations as Associate in the BEPS project issued after 01.01.2016. Out of these invitations, 306 have been formally accepted to date.

Figure 2. Invitations as Participant or Associate issued since 2010

Source: Database on all partnerships – *forthcoming*

2.2. Enhanced alignment – levelling the playing field globally

17. The OECD’s engagement with Partner economies to encourage alignment with OECD standards and participation in its bodies has been successful. The ongoing project on Considering Partner countries’ Convergence with OECD Standards to Level the Global Playing Field [[ERC\(2020\)30/REV1](#)] has showed progress and setbacks in selected Partners’ qualitative alignment with OECD standards and best practices in key policy areas. The report highlighted that most of the selected Partner countries⁶ came from a relatively far position but are gradually converging in most areas highlighted.

18. Joint Work Programmes and specific projects with **Key Partners**, such as the Economic Surveys, have strengthened their perception of the OECD’s relevance. While the level of commitment to OECD values, standards and best practices has varied across the Key Partners, the engagement has facilitated understanding of, and subsequent adherence to, OECD legal instruments. For example, further to Brazil’s Joint Work Programme (2016-2017), a number of projects supported by the United Kingdom Prosperity Fund have opened avenues for gradual alignment on key topics such as Transfer Pricing, and helped clear the way for Brazil’s alignment with, and possible future adherence to, flagship OECD legal instruments such as the Codes of Liberalisation⁷. In this context, Brazil approved a new Foreign Exchange law opening up the financial sector to foreign investment.

19. **Regional Programmes** have also been instrumental in disseminating OECD standards and best practices, notably through peer learning and strengthened regional co-

⁶ In alphabetical order for the first phase of the report: Brazil, China, India, Indonesia, Malaysia, Peru, the Philippines, Singapore, South Africa, Thailand and Viet Nam.

⁷ The “Codes of Liberalisation” refers to the Decision of the Council Adopting the Code of Liberalisation of Current Invisible Operations [[OECD/LEGAL/0001](#)]; and the Decision of the Council Adopting the Code of Liberalisation of Capital Movements [[OECD/LEGAL/0002](#)].

operation. The cumulative number of adherences to OECD legal instruments by Southeast Asian countries increased by 100% over the past six years, from 28 in 2014 to 57 by the end of 2020. The South East Europe (SEE) Regional Programme's flagship publications⁸ also show the region's alignment with OECD standards and best practices in key policy areas, notably in the area of international tax, where substantial efforts have been made by governments in SEE to align their tax systems, including through the Inclusive Framework on BEPS.

20. The **Prospective Members'** strong commitment to become OECD Members has also ensured progressive and steady alignment with OECD standards and best practices. When considering the 2017 Framework for the Consideration of Prospective Members [C(2017)50/FINAL], all six Prospective Members are Adherents to at least half or more of the eight legal instruments listed in the Framework (Croatia 4/8; Brazil, Bulgaria and Romania 6/8; Argentina and Peru 7/8).

21. Finally, **Country Programmes** have also significantly contributed to selected Partners' closer engagement with the OECD. The *OECD Integrity Review of Peru*, which uses the Recommendation of the Council on Public Integrity [OECD/LEGAL/0435] as a benchmark, for instance, was the backbone of the National Anti-Corruption and Integrity Plan and the establishment of the Public Integrity Secretariat in Peru.

2.3 Increased relevance on a global scale

2.3.1 The role of enlargement and future membership

22. In 2017, the Report of the Chair of the Working Group on the Future Size and Membership of the Organisation to the Council recognised that “the Organisation's reach is also determined by its ability and that of its Members to influence and engage with a range of Partners worldwide to promote their adherence to OECD standards”, and the Council adopted the Framework for the Consideration of Prospective Members [C(2017)50/FINAL].

23. Requests for OECD membership represent a unique opportunity for the OECD to spread its influence and impact and lock-in over the long-term the strong commitment shown by aspiring candidates. Enlargement is therefore an important avenue for the OECD to remain relevant in a quickly shifting global landscape, enhance its policy impact, and sustain the interest and commitment of important emerging economic players in aligning with OECD standards and best practices. Since 2010, the Organisation has grown from 30 to 37 Members with the successful completion of the accession processes of Chile, Estonia, Israel, Slovenia (all 2010), Latvia (2016), Lithuania (2018) and Colombia (2020). Following the Council invitation of 15 May 2020, Costa Rica will become the 38th OECD Member on the date it deposits its instrument of accession to the OECD Convention. Beyond the transformational process induced by accession for the countries concerned, this enlargement has broadened the OECD's influence, reach and weight on the international scene. This is notable in the case of the Latin America and the Caribbean region, where three of the recent accession countries and three Prospective Members are located. This is furthermore evidence of the strong cumulative impact of OECD Global Relations tools and activities, including contributions to the G20 and engagement with Key Partners, Regional Programmes and Country Programmes.

⁸ These are the publication series *Competitiveness for South East Europe: A Policy Outlook* and the series *SME Policy Index: Western Balkans and Turkey*.

2.3.2 Contributions to other international organisations and global groupings

❖ Co-operation with the G20

24. As its strategic partner, the OECD has participated, alongside other international organisations and at the invitation of successive G20 Presidencies, in G20 efforts over the past decade. The OECD has effectively informed discussions of various G20 working groups, ministerial meetings and the leaders' summits, drawing on its evidence-based analysis, data, policy insights and recommendations.

25. This engagement has served as a conduit to promote and implement, beyond the Organisation's membership, existing OECD standards and best practices, such as the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereafter 'Anti-Bribery Convention') [[OECD/LEGAL/0293](#)], the Codes of Liberalisation and the Recommendation of the Council on Artificial Intelligence [[OECD/LEGAL/0449](#)] (based on which the G20 AI Principles were drawn).

26. In many cases, this has also led to the endorsement of OECD standards by the G20, such as the OECD/G20 Principles of Corporate Governance (as embodied in the Recommendation of the Council on Principles of Corporate Governance [[OECD/LEGAL/0413](#)]), the G20/OECD High-level Principles of Long-Term Investment Financing by Institutional Investors [as embodied in the Recommendation of the Council on High-Level Principles on Financial Consumer Protection -[OECD/LEGAL/0394](#)], the G20/OECD High-level Principles on SME Financing, and the OECD Blended Finance Principles, among others.

❖ Co-operation with the UN

27. The roots of the OECD-United Nations (UN) partnership can be traced back to the OECD Convention, which includes in its preamble a consideration that "economic strength and prosperity are essential for the attainment of the purposes of the United Nations, the preservation of individual liberty and the increase of general well-being". In 1971, the OECD became an Observer of the UN Economic and Social Council (ECOSOC), and in 1998, an Observer of the General Assembly.

28. Over the following decades, the OECD started to contribute more systematically to key UN processes, including important contributions to the design and, later, follow-up of the Millennium Development Goals (MDGs). The Organisation was equally active in contributing to the various UN agendas that followed, including the agreements of 2015 on climate, the Sustainable Development Goals (SDGs), and Financing for Development. The OECD's active engagement at the United Nations has already resulted in greater uptake of OECD tools in UN resolutions, as well as greater demand for OECD evidence, including in recent summit-level meetings on COVID-19. The OECD provides expertise, where relevant, to a number of UN initiatives, including on *Financing for Development in the Era of COVID-19 and Beyond (FFDI)*. A further example of the OECD's co-operation with the UN is *Tax Inspectors Without Borders (TIWB)*, a joint initiative of the OECD and UNDP, which capitalises on capacity building success in the area of international taxation.

29. The importance of the OECD's active engagement with the United Nations was recognised in the recent UN General Assembly resolution entitled "Co-operation between the United Nations and the Organisation for Economic Co-operation and Development", proposed by the Slovak Republic and Spain, in their respective capacities as Ministerial Council Meeting (MCM) chairs in 2019 and 2020, adopted on 25 March 2021 and presented to the OECD Council on 6 April 2021 [[C/M\(2021\)8](#), Item 77]. This resolution

will serve to profile the work of the OECD and its contribution to significant issues like the SDGs, climate change and the economic recovery from the global pandemic. It will also contribute to increased familiarity and trust among Partner economies in the Organisation and its work.

❖ *Co-operation with regional organisations*

30. The OECD's engagement with the *Asia-Pacific Economic Co-operation (APEC)* and its member economies over the past decade has aimed at supporting them in achieving greater economic co-operation and sustainable and inclusive development. In that context, the OECD has continued providing contributions to APEC policy discussions by leveraging its work on a wide range of issues, sharing data, analysis and tools as well as offering capacity-building activities, such as workshops. In line with the Council's designation of Southeast Asia as a region of strategic priority [[C/MIN\(2007\)4/FINAL](#)], engagement with APEC has contributed to bringing Partner economies in the region closer to the OECD.

31. The OECD has developed close bilateral relationships with the *Pacific Alliance* (Alianza del Pacífico) and regularly supports it in four ways: as a strategic advisor connecting the Pacific Alliance with the global agenda, supporting specific priorities of the Pro-tempore Presidency, leveraging their working groups with expertise in OECD committees and channeling synergies between OECD Members and Partners.

32. The *African Union* and the *United Nations Economic Commission for Africa (UNECA)* called for a renewed and reinforced co-operation with the international community. The OECD is committed to answering this call. Consultations are currently underway with several African stakeholders to prepare the renewal of the mandate of the *OECD Sustainable Investment Programme for Africa for 2021-2023*. Over the past years, the Programme has multiplied the number of initiatives designed to strengthen the capacity of African countries to design and implement reforms that improve their business climate and raise the profile of Africa as an attractive investment destination. In particular, and in co-operation with the African Union, the OECD Development Centre has recently launched a platform on Investment and Productive Transformation in Africa, which focuses on building human capital and connectivity infrastructure. UNECA notably collaborates with the OECD Development Centre on the low-carbon transition in fossil fuel producing countries, as part of the Policy Dialogue on Natural Resource-based development. Through other mechanisms, the OECD has also provided analysis and expertise on topics related to the African Union's *Agenda 2063* and the 2030 Agenda for Sustainable Development.

2.3.3 *The OECD's response to the COVID-19 pandemic*

33. Against the backdrop of the worst pandemic and economic crisis in nearly a century, the OECD turned almost entirely digital within a few weeks in 2020 and has continued to deepen its engagement with Partner countries to disseminate its standards.

34. Regional and country notes covering OECD Regional Programmes as well as Key Partners, Prospective Members and Country Programmes were developed in consultation with Partner countries and discussed by the External Relations Committee. In addition, the Global Relations Secretariat organised numerous virtual roundtables, seminars and high-level meetings. High-level webinars involving several ministers were organised to discuss ways of tackling the COVID-19 crisis, notably with Brazil, China, India, Peru and Thailand.

35. The COVID-19 Digital Hub and its Country Policy Tracker have also helped OECD Members and Partners navigate the global response and disseminate best practices, including in co-operation with UN agencies.

3. The Global Relations Toolbox

36. To strengthen its global reach, relevance and impact, the OECD has progressively structured its Global Relations activities around a set of practical tools for engagement with Partner countries, through enhanced engagement programmes [C/MIN(2007)4/FINAL, Item I, i] with five major economies (Brazil, China, India, Indonesia and South Africa), later designated as **Key Partners** [C/M(2012)11, Item 172 h]; regional approaches increasingly taking the form of **Comprehensive Regional Programmes** [C(2006)168/FINAL]; and **Country Programmes** [C/MIN(2013)12] assisting selected countries to anchor their policy reforms in OECD standards and best practices, and other country-specific approaches with **Prospective Members** and other interested Partners. This has helped bring to the attention of Members in a structured and centralised manner, through the ERC and the Council, activities which were previously spread across expert committees.

3.1. Key Partners

3.1.1 *Brazil*⁹

37. Brazil's co-operation has grown steadily over the last decade. As a Key Partner, Brazil has further strengthened its co-operation with the Organisation through the signature of the Co-operation Agreement in June 2015 and the successful implementation of the Joint Work Programme in 2016-2017, leading to the country's official request to become an OECD Member in May 2017.

38. Brazil is an Adherent to 99 OECD legal instruments and participates in 37 OECD committees (and/or their subsidiary bodies and projects) as an Associate/member or a Participant. Brazil is pursuing important domestic reforms in order to align with OECD standards: (i) the progressive alignment of its foreign investment regime with the Codes of Liberalisation, including through a new law modernising the foreign exchange system; (ii) the benchmarking of its transfer pricing rules against OECD transfer pricing standards, with a view to reducing double taxation risks and moving closer to OECD standards; and (iii) an ongoing project aiming at identifying gaps and encouraging alignment with OECD environmental standards. In the area of development, Brazil is also engaged in a dialogue on triangular co-operation and is advancing innovative financing instruments for the SDGs.

3.1.2 *China*

39. Since its outset in the mid-1990s, the OECD's engagement with China has progressed to varying extents across different policy areas, including taxation, corporate governance, competition, responsible business conduct, statistics, trade, agriculture, education, environment, development co-operation, and chemicals. Through this engagement, the OECD seeks to further integrate China into its databases and bring it closer to OECD standards to level the global playing field. In 2015, the OECD and China signed

⁹ Brazil is also a Prospective Member and is further discussed in section 3.3.2 of this paper.

a Joint Programme of Work for 2015-2016, structuring and guiding the Organisation's engagement with the country.

40. While the extent of China's engagement with the OECD, as measured by adherence to legal instruments and partnerships with bodies, has lagged behind other Key Partners, the Organisation's policy dialogue with the country has favoured its acceptance of OECD standards in certain areas. China is currently an Adherent to nine OECD legal instruments and participates in 11 OECD committees (and/or their subsidiary bodies and projects) as an Associate/member or a Participant. China also became a member of the OECD Development Centre in July 2015. In addition, the OECD's engagement with China has contributed to influencing the formulation of some of its domestic regulations and guidelines on competition, corporate governance, and due diligence. It has also been beneficial for increasing the impact of OECD contributions in global fora, including the G20 and APEC.

41. The OECD will continue to engage with China in areas of Members' shared interest, adopting a holistic and coherent approach to engagement with the country across the Organisation, in accordance with OECD Members' fundamental values. In this context, the External Relations Committee has recently worked to develop a strategic framework for the OECD's future co-operation with China.

3.1.3 India

42. Since it became a Key Partner in 2007, India has contributed to addressing common policy challenges and enriching policy debates at the OECD. Areas of co-operation include artificial intelligence and data governance, chemicals, competition policy, consumer policy, corporate governance, education, financing for development and social impact investing, fiscal relations across levels of government, insurance and private pensions, energy, steel and taxation, triangular co-operation, among others. India currently participates as an Associate/member or a Participant in 16 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 14 OECD legal instruments.

43. The OECD's engagement in the G20 has been a key driver in its relations with India. In anticipation of its G20 Presidency in 2023, India has initiated exchanges with the OECD on possible co-operation in both the Sherpa and Finance tracks. India's G20 Presidency will present an opportunity to further strengthen and deepen collaboration. In an effort to promote a more strategic approach to engagement, the OECD and the government of India will continue to discuss the possibility of a Joint Work Programme.

3.1.4 Indonesia

44. Indonesia was the first Key Partner to sign a Framework of Co-operation Agreement in 2012, renewed in 2017. The establishment of the OECD Jakarta Office in 2015 has further strengthened this co-operation. The first (2015-16) and the second (2017-18) OECD-Indonesia Joint Work Programmes (JWPs), have allowed this relationship to evolve in a more structured manner, taking a whole-of-government approach. In October 2018, the third OECD-Indonesia JWP for 2019-2021 was launched. Today, Indonesia is an Associate/member or a Participant in 10 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 15 OECD legal instruments.

45. Indonesia continues to show signs of political will to move closer to the OECD and interest in gaining a better understanding of OECD standards and best practices. In particular, the Indonesian Ministry of Finance has completed its study on "Mapping the Policy Gap between Indonesia and the OECD" to review the country's proximity to OECD

standards. The current momentum in domestic reforms and OECD engagement, coupled with Indonesia's G20 Presidency in 2022, provide new opportunities to advance overall co-operation. Indonesia has championed standards such as the OECD Blended Finance Principles in the G20 and through the country's Tri Hata Karana initiative.

3.1.5. *South Africa*

46. South Africa has been an active partner of the OECD since the country became a Participant in the Committee for Scientific and Technological Policy in 1998. Today, South Africa remains committed to improving collaboration with the OECD. It is an Associate/member or a Participant in 26 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 23 legal instruments. As a member of the OECD Development Centre since 2006, South Africa is actively involved in the Centre's activities, including regional engagement with Africa.

47. The preparation of the OECD-South Africa Joint Work Programme (JWP) has been ongoing since 2018. With the objective of South Africa's alignment with OECD standards and best practices, the JWP is structured around five strategic areas: *i*) inclusive growth; *ii*) SME development; *iii*) trade and investment promotion; *iv*) improving the skills and capacities of the South African workforce; and *v*) improving governance, integrity and fiscal performance. In the JWP framework, an ambitious agenda is to be implemented within a period of five years following its signature, expected by the summer of 2021.

3.2. Regional Approaches

3.2.1 *Southeast Asia – strategic priority region*

48. OECD Members designated Southeast Asia as a region of strategic priority in the 2007 Ministerial Resolution on Enlargement and Enhanced Engagement, with a view to identifying countries for possible membership [[C/MIN\(2007\)4/FINAL](#)]. Since then, the OECD has engaged with countries in Southeast Asia in a bottom-up technical collaboration on a wide range of policy areas, allowing OECD Members to expand their knowledge about the region and raise the Organisation's visibility in support of the region's reform policies. Important to these efforts were the creation of the Southeast Asia Desk within the OECD's Economics Department, the regular *Economic Outlook for Southeast Asia, China and India*, and Multi-dimensional Reviews for a number of countries in the region, published by the OECD Development Centre.

49. Building upon this, Secretary-General Angel Gurría and Japan's then Prime Minister Shinzo Abe launched the Southeast Asia Regional Programme (SEARP) at the 2014 Ministerial Council Meeting. Its objectives were to provide a whole-of-OECD strategic engagement to support domestic reform in the region, strengthen regional integration and bring Southeast Asia closer to the OECD standards and good practices.

50. The SEARP has served as a key platform to bring together government policy makers, the region's experts and the OECD, as well as share good practices through its annual Forums (Jakarta in 2015, Hanoi in 2016, Bangkok in 2017, Paris in 2019/2020 and virtually co-hosted by the Government of Thailand in May 2021) and biannual Steering Group meetings, along with the work of its 11 work streams. The first phase of SEARP (2014-2018, co-chaired by Japan and Indonesia) laid a solid foundation for the SEARP, which culminated in the first Ministerial Conference (Tokyo, March 2018). In its current second phase (2018-2022, with co-chairs Korea and Thailand), the SEARP is strengthening its engagement on horizontal themes, such as connectivity, gender, and human capital

development. Going forward, new topics of mutual interest could be explored, such as the role of development co-operation agencies.

51. At the regional level, the SEARP has delivered a number of substantive outputs and outcomes supporting the priorities of ASEAN Chairs, as well as of key ASEAN initiatives such as the ASEAN Economic Community Blueprint 2025, the Masterplan on ASEAN Connectivity 2025, and the ASEAN Comprehensive Recovery Framework (ACRF).

3.2.2. *Eurasia Competitiveness Programme*

52. The OECD Eurasia Competitiveness Programme (ECP) supports the implementation of reforms in 13 participating countries in the Eastern Partner (EaP) region and Central Asia, encouraging their alignment with OECD standards and participation in OECD bodies.

53. The ECP adapted its work programme quickly to the new COVID-19 situation in close consultation with donors and ECP countries. During 2020-21, the ECP prepared regional reports on the impact of the crisis and the policy responses in the Eastern Partner Region and Central Asia, country-level notes focused on the crisis in Kazakhstan and Ukraine, and thematic notes exploring the impact of the crisis on women in the region and on informal firms and workers. At the same time, the ECP has continued to deliver the programme of work adopted before the crisis, as its central priorities remain wholly relevant in the context of COVID-19.

3.2.3 *Latin America and the Caribbean Regional Programme*

54. Launched in June 2016 at the OECD Ministerial Council Meeting in Paris, with the presence of the then President of Chile, Michelle Bachelet, and then President of Peru, Ollanta Humala, the Latin America and the Caribbean Regional Programme (LACRP) is celebrating its fifth anniversary in 2021. Its aim is to support Latin American and Caribbean (LAC) countries in the advancement of reforms to increase productivity, enhance social inclusion and strengthen governance and institutions.

55. During the first cycle of the Programme (2016-2019), the LACRP effectively established itself as a platform for policy dialogue between OECD and LAC Partners and fostered synergies between international organisations active in the region. For the second cycle (2019-2022) under the leadership of Mexico and Brazil, the LACRP established a focus topic under each of the three priorities: productivity, social inclusion and governance. Two Ministerial Summits have been organised (on Digital Transformation in 2019 and on Informality and Social Inclusion in 2020). A Ministerial Summit on Governance focused on integrity and citizen trust will be organised in December 2021.

56. Other relevant initiatives and work of impact with the region include: the LAC-DAC Dialogue on Development Co-operation; and the Latin American Economic Outlook (LEO), a joint annual publication produced by the OECD Development Centre, the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC), the Development Bank of Latin America (CAF) and the European Union (EU), and respective Multi-dimensional Country Reviews for a number of LAC countries.

3.2.4. *MENA-OECD Initiative on Governance and Competitiveness for Development*

57. Since 2005, the MENA-OECD Initiative on Governance and Competitiveness for Development has facilitated co-operation between the OECD and the MENA region to promote policies for sustainable and inclusive growth. The MENA-OECD Initiative has

been an important player in encouraging, informing and supporting policy change in areas such as open, clean, efficient and transparent governments; the fight against corruption in the public and private sector; promoting investment; trade; small business development; and economic resilience in fragile contexts, among others.

58. The MENA-OECD Initiative has organised numerous policy events involving high-level and political leadership, as well as cutting-edge technical expertise. Major gatherings have taken place, such as the MENA-OECD Ministerial Conference on “Designing a Roadmap to Recovery in MENA” on 1 April 2021, at which Ministers endorsed the new mandate of the MENA-OECD Initiative for 2021-25 in a Ministerial Declaration. This presents an opportunity to rethink ways to address structural vulnerabilities to achieve a more inclusive and resilient recovery in the region. The Initiative has also mobilised countless actors through dozens of technical events and trainings every year at the country and regional levels to address essential issues for policy development, including, *inter alia*, data and statistics, the rule of law, machinery of government, and gender equality. Other relevant work includes the annual Arab-DAC Dialogue on Development, the EU-OECD Programme on Investment in the Mediterranean, and the collaboration with the Islamic Development Bank.

59. The recent opening of the OECD Istanbul Centre in January 2021 will further support the Organisation’s regional initiatives, including, but not limited to, the MENA-OECD Initiative on Governance and Competitiveness, the Eurasia Competitiveness Programme, the South East Europe Regional Programme and the Southeast Asia Regional Programme, as well as the overall co-operation with non-Members.

3.2.5 *South-East Europe Regional Programme*

60. Created under the auspices of the Stability Pact in 2000, the South East Europe Regional Programme (SEERP) has been committed over the last decade to fostering development and international co-operation as cornerstones for the revitalisation of the region. The SEERP has collaborated with governments, business leaders and civil society to design and implement reforms to foster private sector development and competitiveness, attract more and better investment and raise living standards. This collaboration has also helped economies in the region to weather economic crises and prepare for European Union accession.

61. Since 2020, the SEERP has also been working to support economies in the region to tackle the COVID-19 crisis and its consequences, as well as to prepare a strong, resilient, inclusive and sustainable recovery. The SEERP has notably hosted several High-Level Conferences (HLCs), which serve as a sounding board to engage high-level decision-makers from the region and OECD Members on pressing policy topics. In addition and complementary to the SEERP, the OECD Development Centre has initiated Multi-dimensional Reviews with five Western Balkans economies to foster opportunities for regional peer learning on strategic priorities for sustainable development.

3.2.6 *Africa*

62. The OECD has aimed to enhance its engagement with Africa since 2015 in response to the request of Ministers for stronger co-operation in policy areas that are key to economic transformation [[C/MIN\(2018\)9](#)]. Recognising the continent’s economic potential and its increasing importance, Members have stressed the need to share best practices through mutual learning and welcomed the interest shown by several African countries and regional bodies in coming closer to OECD standards.

63. The OECD Development Cluster has played an important role in strengthening the Organisation's engagement with Africa. The OECD has worked to bring African voices into the Development Assistance Committee and facilitate dialogue among development partners, including on development effectiveness at the country level. Moreover, the number of African Partners involved in the OECD Development Centre has increased considerably in recent years: 11 African countries are currently members and several others have expressed their interest in membership. The OECD Development Centre has been active in the Organisation's co-operation with Africa, particularly through its strong links with African regional institutions. Furthermore, the Sahel and West Africa Club Secretariat (SWAC/OECD) continues to provide critical contributions to regional governance of food and nutrition security through evidence-based spatial analysis and policy guidance.

64. In parallel, other OECD policy communities have stepped up their engagement with Africa. The OECD collaboration with the African Tax Administration Forum (ATAF) is an important partnership that has grown over time and has contributed to promoting fair and efficient tax systems in Africa, as well as to work on illicit financial flows and results for sustainable development. An important pillar of the overarching commitment towards Africa is the initiative in the framework of the G20 Compact with Africa (CwA), which involves 12 African economies. The OECD dialogue with Africa on investment issues can build on the work carried out by the OECD Sustainable Investment Programme for Africa, which led to OECD Investment Policy Reviews of several African countries. It can also draw on existing efforts by the OECD Network on the Governance of SOEs in Southern Africa, the integration of African countries in the Organisation's trade facilitation indicators and the work on Responsible Business Conduct with the International Conference on the Great Lakes Region. Further OECD efforts, including work on PISA for Development, Revenue Statistics and the OECD/African Development Bank Joint Initiative to Support Business Integrity and Anti-bribery Efforts, can also contribute to enhancing the OECD's co-operation with Africa.

65. Responding to Members' renewed interest in strengthening co-operation with Africa as expressed in recent meetings, including the Council Dialogue on the SDGs and the Global Strategy Group meeting, the Organisation will look for ways of further structuring and enhancing its co-operation with Africa, building on efforts by the Development Cluster and other expert communities throughout the Organisation.

3.3. Prospective Members

3.3.1 Argentina

66. The co-operation between Argentina and the OECD dates back to 1982.¹⁰ Since 2015, the co-operation has gained momentum through the establishment of an Action Plan, the request for accession in 2016 and the introduction of a number of reforms using OECD standards as a benchmark. For instance, Argentina enacted a law on the liability of legal persons in 2018, allowing the country to fulfil its commitments vis-à-vis the OECD Anti-Bribery Convention [[OECD/LEGAL/0293](#)] and the overhaul of its statistics law and policy took on board the Recommendation of the Council on Good Statistical Practice [[OECD/LEGAL/0417](#)]. Argentina currently participates as an Associate/member or a

¹⁰ This is when Argentina adhered to the Decision of the Council Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade [[OECD/LEGAL/0308](#)].

Participant in 29 committees (and/or their subsidiary bodies and projects) and is an Adherent to 57 OECD legal instruments.

67. Argentina requested accession to the OECD in 2016. The current administration has reiterated its interest in continuing active participation in OECD bodies and co-operation, with the Organisation whilst focusing on solving its public debt issue and promoting an agenda for inclusive growth.

3.3.2 Brazil¹¹

68. In May 2017, Brazil formally expressed its interest in OECD membership. Brazil is currently the Prospective Member that has made the most progress in fulfilling the requirements of the Framework for the Consideration of Prospective Members. Overall, it is an Adherent to 99 OECD legal instruments, a record never achieved by any other non-Member before being invited to start accession discussions.

69. To further facilitate co-ordination, strengthen co-operation and elevate Brazil's relationship with the Organisation, a Special Secretariat for External Relations was created within the Presidential Office (Casa Civil) in 2020. The Special Secretariat oversees OECD matters and will support the work of the Inter-Ministerial Council for OECD matters. Joining these efforts, a group of Parliamentary Friends of the OECD was created to discuss and support Brazil's alignment with OECD standards and best practices. Following the pandemic outbreak, the Special Secretariat also created an informal OECD-Brazil taskforce to facilitate the exchange of experiences and the flow of information about the measures taken to tackle the crisis among OECD experts and Brazilian officials.

3.3.3 Bulgaria

70. OECD membership has been a priority for Bulgaria since its first application in 2007. Two other requests followed in 2012 and 2015. Most recently, Ekaterina Zaharieva, Deputy Prime Minister and Minister of Foreign Affairs, reiterated Bulgaria's interest in becoming an OECD Member during the Ministerial Council Meeting (MCM) in 2020.

71. Bulgaria is currently an Associate/member or a Participant in 12 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 32 legal instruments. In recent years, Bulgaria has significantly enhanced its efforts to deepen and structure its co-operation with the OECD, notably through the steady implementation of its OECD Action Plan, which was presented to OECD Members in the Council by Bulgaria's Minister of Economy in September 2019 and aims at fostering Bulgaria's alignment with OECD legal instruments, enhancing its participation in OECD bodies and fostering policy assessments and substantive reviews.

3.3.4 Croatia

72. Since its formal application to join the OECD in 2017, Croatia has been steadily advancing its engagement with the Organisation. Croatia's commitment to OECD accession was reiterated at the MCM in 2020 by the country's Minister of Foreign and European Affairs.

73. Croatia is currently an Associate/member or a Participant in 12 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 25 legal instruments. Croatia has recently established a National Contact Point (NCP) for Responsible Business Conduct in the context of its adherence to the Declaration on International Investment and

¹¹ Brazil is also a Key Partner and is further discussed in section 3.1.1 of this paper.

Multinational Enterprises [[OECD/LEGAL/0144](#)] and related legal instruments, and it engages in a variety of projects aimed at enhancing structural reforms. In the context of its Presidency of the Council of the European Union in 2020, Croatia sought to actively co-operate with the OECD to promote its work.

3.3.5 *Peru*¹²

74. Peru has used its engagement with the OECD since its first request for membership in 2012 to advance its reform agenda, drawing on OECD standards. Today, Peru enjoys a solid engagement with the OECD as an Associate/member or a Participant in 18 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 47 legal instruments. Accession to the OECD remains a multipartisan shared priority which has subsisted as such over various government administrations and the Congress in Peru. It was recently reiterated by President Francisco Sagasti in his letter to the Secretary-General dated 2 December 2020.

3.3.6 *Romania*

75. Romania formally applied to become an OECD Member in 2004. Over the last decade, Romania renewed its interest, notably in 2016 when then Prime Minister Ciolos addressed the Council and most recently in October 2020 during an address to the Council by then Prime Minister Orban.

76. Deepening co-operation with the OECD with a view to potential membership has been an overarching political priority of a number of consecutive governments, who have continuously sought to align Romania's policies with OECD standards and best practices. Romania is currently participating as an Associate/member or a Participant in 12 OECD committees (and/or their subsidiary bodies and projects) and is an Adherent to 50 legal instruments. Romania has also co-ordinated with the OECD throughout its Presidency of the Council of the European Union in 2019, thus helping to promote OECD standards and expertise.

3.4. Other Country-specific Approaches

3.4.1 *Completed Country Programmes*

❖ *Kazakhstan*

77. In January 2015, the OECD and Kazakhstan embarked on a two-year Country Programme, which supported Kazakhstan's reform efforts across a wide range of policy domains. The Country Programme was extended until the end of 2018. It has provided the framework for carrying out several dozen OECD projects with the country and has provided an opportunity for Kazakhstan to increase its participation in OECD bodies, as well as its alignment with OECD standards.

78. On 21 November 2018, the OECD and Kazakhstan agreed on a framework for co-operation over 2019-2022, following the successful completion of the Country Programme. Key priority areas for future co-operation include productivity and regulation, SOE reform and privatisation, SDGs implementation and tourism development.

¹² Peru is also a former Country Programme country and is further discussed in section 3.4.1 of this paper.

❖ *Peru*¹³

79. Peru's engagement with the OECD achieved a new level as a result of the successful implementation of the Country Programme (2015-2017) [ERC(2014)20/REV1]. The Peru Country Programme was instrumental to the enactment of legislation that allowed Peru to become a Party to the Anti-Bribery Convention [OECD/LEGAL/0293] and the Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [OECD/LEGAL/0382]. A number of legislative decrees were also adopted in areas such as integrity, anti-corruption, water, solid waste management, transfer pricing, BEPS and tax evasion to align policies with OECD standards in these areas.

3.4.2 *Current and future Country Programmes*

❖ *Egypt*

80. Egypt and the OECD have a longstanding and growing partnership. Egypt is a key supporter of the work of the OECD in the MENA region through the MENA-OECD Initiative on Governance and Competitiveness for Development.

81. Current discussions on the definition of the Country Programme's priorities are benefiting from extensive and intensive consultations among a diversity of actors. The Country Programme covers five pillars: *i*) inclusive and sustainable economic growth, *ii*) innovation and digital transformation, *iii*) governance and anti-corruption, *iv*) statistics, and *v*) sustainable development. The Country Programme, which will run for a period of three years, is expected for signature in the first semester of 2021.

❖ *Morocco*

82. The OECD and the Kingdom of Morocco have enjoyed a fruitful co-operation since 2005. The role played by Morocco as co-chair of the MENA-OECD Initiative for Governance and Competitiveness for Development from 2009 to 2016, the policy reviews to support Morocco's reforms, its adherence to OECD legal instruments and its participation in various OECD bodies all testify to this close collaboration.

83. Morocco undertook a first phase of the Country Programme (2015-2018). As a result of a positive evaluation, the Country Programme was renewed on 25 June 2019 for a period of three years. This second phase of the Morocco Country Programme will allow the country to develop and strengthen its economic and social reform plan along four main pillars: *i*) public governance, integrity and the fight against corruption; *ii*) economic growth and investment; *iii*) human capital, including education and gender equality; and *iv*) territorial development.

❖ *Thailand*

84. The Thailand Country Programme (TCP) aims to bolster Thailand's domestic reform agenda, to help move the country towards high-income status and bring it closer to the OECD bodies and standards. The three-year Programme focuses on four key pillars: *i*) good governance and transparency; *ii*) business climate and competitiveness; *iii*) Thailand 4.0; and *iv*) inclusive growth. It is anticipated that the Thai government will request a renewal of the Programme in the second half of 2021, as the current phase ends on 31 May 2021.

85. The TCP has already demonstrated impact on domestic policy reforms and outcomes, notably on good regulatory practice, public integrity and the Multi-dimensional

¹³ Peru is also a Prospective Member and is further discussed in section 3.3.5 of this paper.

Review of Thailand. Thailand established a Steering Committee on OECD Co-operation involving over 14 government agencies in March 2020, providing a whole-of-government approach in its engagement with the OECD assessing the progress of collaboration.

❖ *Viet Nam*

86. In February 2019, the OECD Council invited Viet Nam to engage in a whole-of-government Country Programme. Discussions on defining the elements of the Country Programme are in progress. In 2019-2020 Viet Nam completed a Multi-dimensional Review with the OECD's Development Centre, which will feed into its 2021-2030 National Socio-Economic Development Strategy and contribute to informing the design of the Country Programme.

3.4.3 *Other country-specific approaches*

❖ *Tunisia*

87. Tunisia has enhanced its collaboration with the OECD through the MENA-OECD Initiative and activities under the Memorandum of Understanding (MoU) signed in 2012. Co-operation dates back to 2005 since the launch of the MENA-OECD Initiative on Governance and Competitiveness for Development. Tunisia has been the co-chair of the MENA-OECD Initiative since 2016, when it hosted a MENA-OECD Ministerial Conference in Tunis. Furthermore, Tunisia hosted the virtual MENA-OECD Ministerial meeting on 1 April 2021, which launched a new phase for MENA-OECD co-operation for 2021-25. Tunisia is also part of the EU-OECD Programme on Investment in the Mediterranean. Under this framework, the OECD, in partnership with the EU, is working closely with private and public sector stakeholders to reform support and policy dialogue for quality investments. Tunisia and the OECD are currently negotiating an extension of the existing MoU to continue strengthening that co-operation.

❖ *Ukraine*

88. Work continues under the OECD-Ukraine Action Plan for implementation of the Memorandum of Understanding (MoU) with the government of Ukraine, which was first signed in October 2014 and was renewed in January 2021 until October 2025. The Action Plan covers: (i) anti-corruption, (ii) governance and the rule of law, and (iii) investment and business climate. Ongoing co-operation encompasses a wide range of issues, including anti-corruption, SOE reform and corporate governance, decentralisation, digitalisation, public finance reforms, and statistical practices.

4. Challenges and Implementation Gaps

4.1 Ensuring continued co-operation for a sustainable and inclusive recovery

89. The COVID-19 pandemic has underscored *the need for strong international co-operation and effective and transparent multilateral institutions* to tackle the cross-border dimensions of the crisis. The OECD has provided support to its Partners since the beginning of the pandemic, notably through COVID-19 ministerial briefings, various webinars, the COVID-19 Digital Hub, and an important number of policy briefs. Co-ordinated stimulus packages, as well as free, fair and predictable trade and investment, are important elements of the recovery for OECD Members and Partners alike and will continue to underpin the OECD's engagement with its Partners based on mutual benefits to level the playing field globally.

90. Engagement with developing and emerging economies on development co-operation, financing for sustainable development, development effectiveness, and triangular co-operation, including through leveraging official development assistance, through blended finance mechanisms, data and statistics, and evidence-based analysis, has become all the more important to mitigate the impact of the pandemic. The general need to transition towards low-carbon economies has also become increasingly urgent, and further engagement with Partners in this area will be crucial to enhance climate resilience and support sustainable growth.

4.2. Overcoming selective engagement from Partners

4.2.1 Assessing gaps with OECD standards and best practices

91. Global Relations efforts over the past ten years have encouraged overall Partners' alignment with OECD standards and best practices, but this *rapprochement* has been uneven across all Partners. This has presented the OECD with persistent challenges in its engagement and has led to discussions on ways to ***ensure the continued relevance and mutual benefit of its engagement with Partner economies.***

92. Keeping in mind the necessity to uphold the OECD's global relevance, as well as its capacity to level the playing field globally, future engagement with Partners should reflect on the challenges that lie ahead. ***Open, inclusive and transparent exchanges*** about options to overcome selective engagement and limited dialogue on specific issues, and also to promote OECD values, standards and best practices, need to be fostered.

93. The continued ***use of relevant implementation tools*** at the level of substantive committees will also ensure that Partners' engagement has a positive impact on the relevance and effectiveness of OECD standards.

4.2.2 Further disseminating OECD standards and best practices

94. The OECD does not seek to be a universal organisation in terms of the size of its membership, but strives to level the playing field globally, promoting growing gradual commitment by its Partners to its values, standards and best practices.

95. The OECD will continue to implement these aims through the ***promotion of evidence-based analysis and standards*** that foster prosperity, equality of opportunity, and well-being for its Members and Partners. Together with governments and policy makers, other stakeholders (business, trade unions, civil society, academia), and international organisations, the OECD should facilitate international policy dialogue, encourage data sharing, and promote best practices in a mutually beneficial way with Partners.

96. In its capacity as a policy forum, the OECD should also continue to be an advocate for effective multilateralism, international co-operation, dialogue and knowledge exchange, and strive to have its values, interests and standards broadly endorsed through engagement beyond its Members. In this regard, it will be important to ensure that such engagement is guided by the principles of openness, impact and commitment, while also disseminating Members' core values. Furthermore, the Organisation's engagement with Partners should contribute to the achievement of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, ensuring that no one is left behind.

4.3 Encouraging the effective implementation of OECD standards

97. Global Relations efforts up to today have led to increased alignment with OECD standards and partnerships in OECD bodies by the Organisation's selected Partners and

have proven the efficiency of its strategic engagement. Nevertheless, this *quantitative progress in adherence should be accompanied by active participation in the activities of substantive committees to support the implementation of the relevant standards*.

98. The OECD must therefore continue to support and monitor Partners' reforms and, when relevant, develop efficient tools to measure the implementation of its standards on the ground and the impact of its global engagement. Current projects, such as the report on Considering Partners' Convergence with OECD Standards to Level the Global Playing Field [[ERC\(2020\)30/REV1](#)], are a good starting point in this regard and should be pursued.

5. Concluding Observations

99. Global engagement has contributed to placing the OECD at the heart of global governance and ensuring that it remains a respected voice and a trusted partner to tackle a wide range of global challenges, without compromising its efficiency and working methods.

100. New international challenges, such as the current COVID-19 crisis, inequality, sustainable development, climate change and the digital transformation, call for a strengthened concerted action by the international community to ensure a level global playing field where everyone abides by the same rules. Against this background, enhancing the global reach and impact of OECD standards remains essential. Beyond its evidence and tools to help Partners through the current crisis, the OECD has an opportunity to advance global solutions to global problems. Its growing links with Partners and its collaboration with global fora and international organisations have been instrumental in supporting its work over the last decade.

101. The key pillars of OECD's Global Relations provide an effective framework for strategic engagement with Partners for the future of the Organisation. The development of an overall Global Relations Strategy should clarify the role of these pillars in the implementation of the 60th Anniversary Vision Statement. It will help guide and co-ordinate Global Relations efforts across the Organisation, with a view to further strengthening their impact and reach, and continue to fulfil the Organisation's core mission towards better policies for better lives beyond the OECD's membership.

ANNEX – Strategic Pillars in OECD Global Relations

Introduction

Fostering international co-operation to spur economic progress and well-being in Member and Partner countries has been the backbone of the OECD’s mission since its inception over 50 years ago. Article 1 of the OECD Convention states that one of the aims of the Organisation is to promote policies designed “to contribute **to sound economic expansion** in Member as well as non-member countries in the process of economic development [...]”

To strengthen its global reach, relevance and impact, the OECD has progressively structured its Global Relations activities around a set of practical tools for engagement with Partner countries. OECD Global Relations activities are a product of bottom-up and top-down priority-setting and strategic planning processes. Substantive committees are responsible for defining and prioritising their work with Partner countries in the framework of their Programme of Work and Budget (PWB) through the development of a committee-specific Global Relations strategy, while taking into account guidance provided by the Council, the External Relations Committee (ERC) and the Secretary-General, who has leveraged and advanced the OECD Global Relations through his high level contacts with Leaders and Ministers in major Partner countries in line with the mandate from Members.

Key documents

- ***General engagement with Partner economies:***

The **50th Anniversary Vision Statement** [[C/MIN\(2011\)6/FINAL](#)] called on the OECD to become a “more effective and inclusive global policy network”. It stressed that “the OECD will continue to expand its network with new ideas and new partners while maintaining the high quality of its analysis, instruments, and standards, the objectivity of its recommendations, and its rigorous peer review process.” It also called on the Organisation to strengthen its strategic engagement in global governance, particularly within the G20. In addition, Members recognised the importance of co-operation with Brazil, the People’s Republic of China (China), India, Indonesia and South Africa to “better address global economic, environmental and social challenges”, and expressed their commitment to strengthen their policy dialogue with Southeast Asia, Latin America, South East Europe, Eurasia, MENA and Africa. A new Vision Statement including developments on Global Relations is under preparation for the 60th Anniversary of the Organisation.

The Council’s **Resolution on Strengthening the OECD’s Global Reach** [[C\(2013\)58/FINAL](#)] underlined the Organisation’s resolve “to better integrate the most dynamic and systemically-important economies into the work of the OECD”. It resolved to continue strengthening its close co-operation with the OECD’s Key Partners, invited the Secretary-General to renew efforts to integrate countries from Southeast Asia in the Organisation’s work, including through possible membership, and invited him to explore and develop recommendations to Council on how to further strengthen the regional component of the OECD’s Global Relations.

The **Revised Resolution of the Council on Partnerships in OECD Bodies** (hereafter ‘the Partnership Resolution’) [[C\(2012\)100/REV1/FINAL](#)], adopted in 2012, reflected the Council’s resolve to increase the relevance and global acceptance of its standards and best practices through the participation of Partner countries in its work. Recognising “the importance of a high level of participation of Partners in OECD bodies”, the Council invited substantive committees to develop their own Global Relations strategies “providing frameworks for the participation of non-Members in their work and that of their subsidiary bodies”. Non-Members participating in the work of the Organisation’s bodies, referred to as Partners, are to be invited as Invitee, Participant or Associate in accordance with the committees’ Global Relations strategies and the provisions of the Resolution.

The **Revised Framework for the OECD Global Forums** [[C\(2008\)208/FINAL](#)] governs the functioning of Global Forums and their relationship with Committees. A Global Forum is intended to contribute to committees’ outcomes by helping them identify relevant issues, promote a convergence of views among a broad range of non-Members and other stakeholders, and share best practices in the implementation of the results.

The Secretary-General’s Strategic Orientations have repeatedly stressed that **Key Partner, Country and Regional Programmes offer a valuable channel** to bring non-Members closer to OECD instruments, policies and practices, resulting in more widespread acceptance of OECD standards [e.g. [Strategic Orientations 2020](#)].

▪ **Engagement with Key Partners:**

In 2007, the Ministerial Council Meeting (MCM) in its **Resolution on Enlargement And Enhanced Engagement** [[C/MIN\(2007\)4/FINAL](#)], invited the Secretary-General “to strengthen OECD co-operation with Brazil, China, India, Indonesia and South Africa through enhanced engagement programmes with a view to possible membership”. A central element of Enhanced Engagement was the Partners’ direct and active participation in the work of the OECD’s official bodies. Ministers also invited the Secretary-General to explore and develop recommendations to Council on how to expand the OECD’s relations with selected countries and regions of strategic interest for Members. In light of its growing weight in the world economy, Southeast Asia was highlighted as a region of strategic priority “with a view to identifying countries for possible membership”.

Consequently, the Council’s **Deepening Enhanced Engagement: Guidelines to Committees** [[C\(2010\)100/FINAL](#)] provided OECD subsidiary bodies with a set of guidelines to ensure that their Global Relations strategies “adequately reflect the Organisation’s priority to deepen and broaden the engagement with Brazil, China, India, Indonesia and South Africa” and ensure the global relevance of their work.”

At its 1265th session [[C/M\(2012\)11](#), Item 172 h)], the Council confirmed that Brazil, China, India, Indonesia and South Africa would henceforth be designated as **Key Partners**. The Meeting of the Council at Ministerial Level has subsequently called for a deepening of the OECD’s relations with its Key Partners [[C/MIN\(2013\)16/FINAL](#); [C/MIN\(2014\)15/FINAL](#); [C/MIN\(2015\)14/FINAL](#)] and supported the progress achieved so far [[C/MIN\(2016\)8/FINAL](#) & [C/MIN\(2017\)9/FINAL](#)].

▪ **Regional & Country approaches:**

Acknowledging the merits of regional approaches in facilitating the participation of countries as a group in selected OECD activities, the **Regional approaches: synthesis and**

strategic guidance [[C\(2006\)168/FINAL](#)] suggested possible models for regional engagement. It highlighted that regional approaches allow the OECD to “share and promote its acquis, share and promote best practices of Members and non-Members alike, promote peer learning and reinforce regional co-operation.”

In 2013, the OECD Council created a **Framework for the Establishment of Country Programmes** [[C/MIN\(2013\)12](#)], designed as a “tool to provide a structured and strategic form of engagement with countries “willing and able to meet multiple OECD standards”.

Key actors in the OECD Global Relations

The Organisation’s Global Relations strategy is established by the **OECD Council**, the governing body of the Organisation, which also provides guidance on its engagement with external Partners. Council discusses and decides on “strategies, policies and guidelines on external relations and relations with non-Members and international organisations, including conditions of their participation in the work of the Organisation” [[C\(2015\)100](#), Annex to the Revised Resolution of the Council on a New Governance Structure of the Organisation] and mandates the Organisation’s relevant actors on the engagement with strategic Partners.

The **External Relations Committee (ERC)** assists the Council in preparing its discussions and decisions on external relations and relations with Partners and international organisations. The ERC monitors the implementation of these decisions, advises the Council, carries out any functions delegated to it by Council, and reports to it as appropriate [[C\(2015\)100](#), Annex to the Revised Resolution of the Council on a New Governance Structure of the Organisation, Chapter 2].

By engaging globally with various stakeholders at the bilateral and multilateral level, the **Secretary-General** raises the Organisation’s profile on the international scene and contributes to its global goals. The Secretary-General has repeatedly highlighted in his Strategic Orientations and in his annual reports to Ministers on Global Relations the strategic importance to “make OECD standards and policies count on a global scale”. He also holds regular discussions with Members and relevant Partner countries on the enlargement question. The **Office of the Secretary-General (OSG)** oversees all aspects of Global Relations and Global Governance.

The **Global Relations Secretariat (GRS)** supports the implementation of the OECD’s Global Relations strategy and the development of its tools. Under the supervision of the Secretary-General and the Chief of Staff, and in consultation with the ERC Chair and its Bureau, GRS prepares meetings of the External Relations Committee. GRS ensures external representation, internal co-ordination and implementation of Global Relations activities, as well as facilitation of decisions and monitoring. Within OSG, the **Sherpa Office** led by the OECD Sherpa, co-ordinates all OECD contributions to global fora – such as the G20, G7 and APEC.

As per the Partnership Resolution, **substantive committees** are responsible for developing their own Global Relations strategies “providing frameworks for the participation of non-Members in their work and that of their subsidiary bodies, with a view to enhancing the quality, relevance and impact of the Organisation’s work and hence its capacity to fulfil its mandate as defined in the OECD Convention” [[C\(2012\)100/REV1/FINAL](#), Article 1a)]. The **Development Assistance Committee (DAC)**, which was established with the creation of the OECD in 1960 [OECD(60)13], and its subsidiary bodies **supported by the**

Development Co-operation Directorate (DCD) notably engage with Partner countries through various platforms to enhance the effectiveness of development co-operation and other policies relevant to sustainable development.

Finally, Part II programmes, such as the **OECD Development Centre (DEV)**, established in 1962 as a platform for analysis and policy-sharing on development, also engage with non-Members. DEV members include 26 OECD Members, and 29 developing and emerging economies that co-operate to address emerging development challenges. DEV produces Regional Outlooks (Asia, Africa, Latin America), as well as policy reviews of developing and emerging economies which are members of the Centre. It also carries out Multi-dimensional Country Reviews and co-ordinates the Regional Facility for Development in Transition for Latin America and the Caribbean in co-operation with GRS.