Meeting of the Council at Ministerial Level, 28-29 October 2020

OECD'S GLOBAL RELATIONS – MAKING OECD STANDARDS AND POLICIES COUNT ON A GLOBAL SCALE

Report by the Secretary-General to Ministers on OECD Global Relations

JT03467211

Table of Contents

OECD GLOBAL RELATIONS: RATIONALE AND MAJOR STEPS

This report highlights key developments and achievements in the OECD's global relations activities over the past year. Global relations have been part and parcel of the Organisation's building blocks from the outset and are becoming increasingly important, as the world is ever more interconnected and OECD Partner economies come to represent growing shares of the global GDP. Against this background, enhancing the global reach and impact of OECD standards is essential to further level the playing field, notably with a view to ensuring the smooth functioning of markets and the global economy in the midst of the COVID-19 crisis and its consequences

Indeed, the OECD's mission is to promote stronger, cleaner, fairer economic growth and to raise employment and living standards in OECD Member and Partner countries.[1] To achieve this, it supports the rule of law and open, transparent market economy principles. As outlined in the OECD Convention, 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 60 years ago.

In order to carry out this mission, OECD Members have resolved in the Organisation's *50th Anniversary Vision Statement* [C/MIN(2011)6/FINAL], "to make the OECD a more effective and inclusive global policy network, including by promoting and diffusing its values, and by increasing the relevance and global acceptance of its policy standards and best practices through the participation of non-Members in their development and implementation, without compromising the efficiency or work methods of the Organisation."

In line with this endeavour the OECD aims "to better integrate the most dynamic and systemically-important economies into its work" [C(2013)58/FINAL].

Since 2006 the OECD carried out significant efforts to strengthen its global impact and ensure its relevance for Member and Partner countries. Over the past decade, we have opened up the Organisation with eight new Members, and have received Membership requests from six prospective Members (Argentina, Brazil, Bulgaria, Croatia, Peru and Romania), whose applications are being considered by OECD Council. The strategic importance of engagement with Partner countries, notably with five G20 countries (Brazil, the People's Republic of China (China), India, Indonesia and South Africa) designated as Key Partners, has been repeatedly emphasised by the Secretary General's Strategic Orientations and supported by Members through several Council resolutions. This focus has strongly contributed to strengthening the relevance and influence of the OECD, thereby resulting in a larger membership as well as new accession requests. It has also contributed to the endorsement by Key Partners of major OECD standards such as those on tax and corporate governance or the Codes of Liberalisation.

Our participation in the G20, with the contribution of OECD analysis to the Leaders' summits and the active participation of the OECD in the Sherpa and ministerial processes, has increased the OECD's relevance for Key Partners and its impact in terms of leveraging OECD standards as concrete G20 outcomes.

The OECD does not seek to be a universal organisation in terms of the size of its membership, but the strategic goal of its Global Relations is to ensure *that its standards and policies are applied and implemented globally*. It also aims to help its Members

better monitor global economic and policy trends and manage systemic risks. Pursuing this strategy, the Organisation has become more open, inclusive and relevant globally. Through its Global Relations tools, it welcomes co-operation with all countries willing to share knowledge and expertise, promote reform and adhere to its standards.

EXECUTIVE SUMMARY

The OECD's co-operation with *regional and multilateral fora* is part and parcel of its Global Relations strategy. Contributing data, analysis and expertise, it works with the G20, the G7, APEC, ASEAN and other fora to promote OECD instruments as a baseline for international best practices and benchmarking, notably among the Key Partners [C/MIN(2007)4/FINAL]. In 2019, the OECD supported the 2019 G20 Presidency of Japan at Leader's level and its vision of a free and open, inclusive and sustainable future society, as well as the 2019 Chilean APEC Host Year in delivering on its policy priorities around digital society, women, SMEs, inclusive and sustainable growth. The OECD is now working with the Saudi G20 Presidency under the theme of *Realising opportunities of the 21st Century for All,* as well as with the 2020 APEC Malaysian Host Year.

Over the past year, the relationship with *Key Partners* has continued to develop steadily with:

- major reforms and a rapid increase in adherence to OECD legal instruments by Brazil, following its membership request;
- further participation by China in some bodies and its ongoing integration in OECD databases including through an MOU with the Central Statistical Office;
- broader involvement of India in OECD work and increased interest to work with the OECD also in light of India's upcoming G20 Presidency in 2022;
- strengthened co-operation and key business climate reforms in Indonesia;
- and progress towards the first Joint Programme of Work (JPW) with South Africa.

Such progress on key strands of the OECD work, increasing participation in OECD bodies, and ongoing bilateral and multilateral dialogues provide the ground for further co-operation and alignment from the five Key Partners with OECD standards, in particular in key and targeted areas of priority for OECD Members.

Following the completion of *Country Programmes* with Kazakhstan, Peru and Morocco, and a significant uptake in their adherence to OECD legal instruments, a second phase of the Country Programme with Morocco was launched in 2019, Thailand is progressing towards the completion of its own Country Programme and two new Country Programmes are currently being discussed with Egypt and Viet Nam.

Comprehensive Regional Programmes operate for Southeast Asia (SEA)[2], 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 policy recommendations throughout entire regions.

- The SEA Regional Programme (SEARP) continued to deepen its engagement with Southeast Asia, mainstreaming connectivity and human capital development, notably as part of the last SEARP Forum and Steering Group meeting "Connecting Southeast Asia".

- The Eurasia Competitiveness Programme further extended OECD work in the region into new areas, such as the rule of law, corruption, tax administration, regulation and SOE reform.

- Key achievements under the LAC Regional Programme (LACRP) include the organisation of the 3rd Productivity Ministerial Summit "Harnessing the Digital Transformation to boost Productivity in LAC" and the virtual Ministerial Summit on Social Inclusion, held jointly with the Dominican Republic.

- The MENA-OECD Initiative on Governance and Competitiveness brought countries in this region closer to OECD instruments and standards. The Initiative has incentivised decision makers to progress towards women's empowerment, small business development, integrity, investment and trade.

- The SEE Regional Programme (SEERP) significantly enhanced its role in important regional political processes, such as the Poznan Western Balkan Summit, and continued to support the structural reform agenda in the region, notably with the 5th edition of the SME Policy Index.

Among the regions, *Asia* deserves special attention. It will produce half the world's output by 2050. Three of the OECD's Key Partners are from this region and Southeast Asia is a region of strategic priority for the Organisation [C/MIN(2007)4/FINAL]. As large connectivity and infrastructure initiatives raising significant risks are being implemented in Asia, the OECD should continue to strengthen its footprint in the region and bring Asian countries closer to its bodies and standards.

Partner countries' ***active participation in OECD bodies, projects and programmes***, is also critically important for the promotion and dissemination of OECD standards and policy recommendations. As a non-universal Organisation, the OECD seeks regular participation in its bodies mostly among ***a selected number of Partners*** whose commitment involvement serves a strong mutual interest and underpins their commitment to OECD standards and policy recommendations. Besides G20 countries, they tend to be Prospective Members[3], Partners in Country Programmes (see below) or otherwise involved in a structured, country-specific approach.

In addition, ***accession to the OECD Convention*** remains the most effective way to secure countries' comprehensive commitment to OECD standards. A Framework for the Consideration of Prospective Members was agreed in 2017 [C(2017)50/FINAL]. Argentina, Brazil, Bulgaria, Croatia, Peru and Romania have requested membership and continue to move closer towards OECD standards and policies. All pending accession processes have now been completed, with Colombia joining on 28 April 2020 and Costa

---

3   "Prospective Members" (Argentina, Brazil, Bulgaria, Croatia, Peru and Romania) are OECD partner 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 prejudge a Council decision to invite it to start an accession process.

Rica receiving an invitation to join on 15 May 2020. A possible decision to open new accession discussions remains under consideration by OECD Council.

This note presents the OECD's Global Relations tools, and the way they are being used. Going forward, the Organisation will continue to seize the opportunities for using its "toolbox" to enhance the integration of the most dynamic and systemically-important economies into its work and their commitment to the standards and values to which it holds its Members.

1. Strategic Pillars in OECD's Global Relations

Introduction

1.   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 […]."

2.   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:

3.   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." In addition, the Vision Statement called on the Organisation to strengthen its strategic engagement in global governance, particularly within the G20. Members also 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".

4.   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.

5.   The **Revised Resolution of the Council on Partnerships in OECD Bodies** (thereafter 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 policy

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", 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 bodies' Global Relations strategies and the provisions of the Resolution.

6.   The **Revised Framework for the OECD Global Forums** [C(2008)208/FINAL] governs the functioning of Global Forums and their relationship with substantive 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 Partner countries and other stakeholders, and share best practices in the implementation of the results.

7.   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 our standards" [e.g. Strategic Orientations 2018, p. 9]

Engagement with Key Partners:

8.   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 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".

9.   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."

10.   At its 1265th session [C/M(2012)11, Item 172h], 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:

11.   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."

12.   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 multiples OECD standards".

Key actors in the OECD Global Relations

13.   The Organisation's Global Relations strategy is established by **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.

14.   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].

15.   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.

16.   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 G20, G7 and APEC.

17.   As per the Partnership Resolution, **substantive committees** are responsible to develop 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 engages with Partner countries

through various platforms to enhance the effectiveness of development co-operation and other policies relevant to sustainable development.

18.   Finally, Part II Bodies, such as the **OECD Development Centre (DEV)**, established in 1962 as a platform for analysis and policy-sharing on development, also engage with OECD Partners. DEV members include 27 OECD Members, the European Union and 29 Partners that co-operate to address emerging development challenges. DEV produces Regional Outlooks (Asia, Africa, Latin America), as well as policy reviews of developing countries which are members of the Centre. It also carries out Multidimensional Country Reviews and co-ordinates the "Development in Transition" programme with LAC in co-operation with GRS.

2. OECD Contributions to Global and Regional Fora

2.1. Co-operation with the G20

19.   As with all the previous Presidencies of the G20, the OECD has supported the 2019 Japanese G20 Presidency and is currently doing so for the 2020 Saudi Arabia G20 Presidency, participating at Leader's, Ministerial and working group levels. The OECD's expertise serves to inform G20 discussions on a range of global policy issues, to support countries in addressing global challenges, and contribute to positive collective outcomes at Leaders' level. The OECD's participation to global fora such as the G20 also serves as a conduit to socialise and implement OECD standards beyond the Organisation's membership, thus contributing to the establishment of a rules-based global economy, and the associated level-playing field.

20.   Building on the positive outcomes of the G20 Osaka Summit, including amongst others, the development of human-centric *G20 AI Principles* drawn from the OECD Council Recommendation on Artificial Intelligence, the development of *G20 Principles of Quality infrastructure* (QI) and the G20 discussions on *adapting to an aging society* –all of which have been reported in the 2019 report, the OECD has helped frame and implement the priorities of the G20 Saudi Presidency. Since March 2020, the Organisation has also been supporting the design and implementation of a G20 response to the COVID crisis across its various work streams.

21.   On the latter, the OECD has been invited to leverage its multidisciplinary expertise to support the G20's emergency response to COVID-19, *inter alia* by contributing to the development and implementation of the G20 Finance Ministers and Central Bank Governors' Action Plan; by delivering on the Leaders' call to monitor, jointly with the ILO, the impact of COVID-19 on employment; by contributing to the identification of Policy Options to Support the Digitalisation of Business Models during COVID-19; by analysing the Trade and Investment implications of COVID-19; and by beginning to identify good practices on the use of digital technologies in Early Childhood Education (ECE) to enhance the resilience of education systems.

22.   Throughout 2020 the OECD has been and will continue working to deliver on the Saudi priorities set before the crisis, under the theme of *Realising opportunities of the 21st century for all*:

i) Empowering people: an area where the OECD has supported the development of a G20 menu of policy options on enhancing access to opportunities, which was delivered to G20 Finance Ministers in July (see below). With a view to accelerating progress towards the "15x25" Antalya youth and the "25x25" Brisbane gender targets, the OECD has worked jointly with the ILO to measure progress and suggested related policy options, including through its contribution to the elaboration of a G20 Youth Action Plan. The OECD has also informed G20 discussions on the policy levers to adapt social protection to the Future of Work and on access to and equity in ECE – including through the use of technology in ECE, and with a particular emphasis on the lessons learned from the COVID-19 crisis. In support of the Presidency's agenda to develop a more inclusive and fair international trading system, the OECD has, together with other international organisations, supported discussions on current developments in international trade and investment and delivered, jointly with WTO and UNCTAD, its Report on Trade and Investment Measures implemented by G20 countries as well as analysis on digital trade. Furthermore, while the G20 outcomes on pandemic preparedness remain under discussion, the OECD is engaging with the Saudi Presidency across all three proposed outcomes in the health track – which include patient safety, value based healthcare and digital health. The OECD has also developed a report on Seamless Travel, which takes into account the impact of the COVID-19 crisis on the tourism sector. Finally, the OECD is supporting the G20 development agenda, in particular ongoing discussions on the design of a multi-year agenda on financing for sustainable development.

ii) Safeguarding the planet: to advance this crucial objective, the OECD has provided strong support to the Saudi G20 agriculture and water agendas with its analysis and instruments on water management policies, tools to foster responsible investments in agriculture (RIA) or reduce food losses and waste. Additionally, the OECD is developing analysis supporting the discussions on the transition to a low-carbon economy, by focusing in particular on the identification of enabling policies for net-zero emissions in the context of the Saudi priority pertaining to the circular carbon economy (CCE).

iii) Shaping new frontiers: the OECD is contributing to the *Saudi digital frontier* agenda. It has built on the strong legacy of the G20 AI Principles adopted under Japan's Presidency to support their implementation by preparing a background report on *Examples of National Policies to Advance the G20 AI Principles*. It has also supported the discussion on data flows with a background report on *Mapping Approaches to Data and Data Flows*. It has also assisted the development of a *Roadmap towards a Common Framework for Measuring the Digital Economy* as well as *G20 Smart Mobility Practices*. The OECD is also supporting the G20's global fight against corruption and the first G20 Anticorruption Ministerial meeting. It has helped design G20 High-Level Principles on integrity in privatisation and PPPs and is preparing a Scoping Paper on International Co-operation on Corruption and Economic Crimes, Offenders and Recovery of Stolen Assets. It continues to engage with G20 non-Parties to the OECD Anti-bribery Convention including through a joint WGB-G20 ACWG Meeting.

23. In the finance track, the OECD has also contributed to the Presidency's agenda, in particular by delivering to Finance Ministers a Menu of Policy Options for Access to Opportunities and the G20/OECD Report on the Collaboration with Institutional Investors and Asset Managers on Infrastructure Investment. It continues to deliver its support to the international taxation agenda, including the implementation of the BEPS project and progress on Automatic Exchange of Information (AEOI). Regarding tax and the digital economy, the OECD continues to support the G20/OECD Inclusive Framework discussions. It has already provided G20 Finance Ministers with the Outline of the

Architecture of a Unified Approach on Pillar One and a Progress Note on Pillar Two. It has also delivered Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy. It continues to advance its work on the tax and development agenda through the Platform for Collaboration on Tax. The OECD has also contributed to other areas of G20 work on capital flows, SME financing and digital financial inclusion of youth, as well as to the Multi-year Action Programme on Financing for Sustainable Development.

24.   Ahead of the November Leaders' Summit, the OECD will continue its collaboration with the Saudi G20 Presidency in updating the G20 Finance Ministers and Central Bank Governors' (FMCBG) Action Plan and identifying key policy principles and actions to support the economic recovery. On 12 October 2020, the OECD also delivered the Blueprint reports for Pillar 1 and 2 to address the tax challenges of digitalisation, with the aim of reaching a consensus solution by mid-2021.

2.2. Co-operation with the United Nations

25.   The partnership with the United Nations family continues to grow through the Organisation's engagement as a Permanent Observer to both the General Assembly and the Economic and Social Council (ECOSOC). The OECD's recently-established Permanent Observer office in New York supports the dissemination of the Organisation's work, helping to share OECD evidence, policy tools and standards with a wide range of Partner countries, complementing and extending the reach of OECD engagement in other international fora, as well as regional and country programmes. The OECD's New York office has also provided a valuable interface with the United Nations since the onset of the COVID-19 crisis, facilitating ongoing dialogue with UN authorities, and bringing OECD evidence and policy insights to bear on UN efforts to address the economic and social impact of COVID-19.

26.   Since the 2019 MCM, the OECD has worked closely with the Slovak Republic and Spain (as previous and current MCM chairs respectively), as well as the wider OECD membership, to disseminate the work of the OECD in key UN processes. Recent examples – by no means exhaustive – include:

(a) Efforts to promote trust in, and broader uptake of, OECD standards.

27.   Launch events were held in 2019 at the United Nations to familiarise a wide range of countries and partner international organisations with new OECD legal instruments, including the Recommendation of the Council on Artificial Intelligence [OECD/LEGAL/0449], the DAC Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance (SEAH) [OECD/LEGAL/5020], and the DAC Recommendation on the Humanitarian-Development-Peace Nexus [OECD/LEGAL/5019].

28.   Pro-active efforts to promote awareness of the OECD's work also led to new references to the OECD's work on tax, as well as development co-operation, in key UN resolutions.

29.   At the time of writing, the governments of the Slovak Republic and Spain have, in consultation with Members' governments and the Secretariat, tabled a proposal for a UN General Assembly resolution on co-operation between the United Nations and the OECD. This initiative, which is expected to come to fruition during the 75th session of the General

Assembly, will serve to further raise the profile of the work of the OECD, and to build familiarity with and trust in the work of the Organisation.

30.   The Secretariat has also been actively involved in advancing Members' and Partners' interests in specific thematic processes such as the work of the High Level Panel on Financial Accountability and Transparency ("FACTI Panel") initiated by the presidents of the General Assembly and ECOSOC in 2020.

(b) Injecting OECD evidence and policy perspectives into relevant UN debates.

31.   The OECD was invited to play a prominent role in the 2019 High Level Political Forum (HLPF) on Sustainable Development, with the results of the recent SDG "Distance to targets" study presented in the HLPF plenary. In 2020, the OECD again presented its work at the HLPF, with a focus on Financing for Development in the context of the SDGs. The OECD Secretary-General spoke alongside the UN Secretary-General and other leaders at the 2020 ECOSOC High Level Segment, bringing perspectives from the work of the OECD to bear on the theme of effective multilateralism in the face of the COVID-19 crisis.

32.   The COVID-19 pandemic and its ensuing economic and social crisis has brought with it new interest from the UN family in relying on OECD expertise. As a result, UN-led initiatives to respond to COVID-19 on external finance, debt and tax policy have benefited from inputs by OECD policy communities. The OECD Secretary-General was also invited to act as a resource person at the UN Secretary-General's 28 May summit-level meeting on COVID-19 financing, and the OECD should follow-up on this.

33.   The Organisation has once again been invited to participate in the Interagency Task Force on Financing for Development, making significant contributions to the evidence base underpinning annual UN negotiations on development finance.

34.   The OECD was recently invited to co-lead the "economic justice and rights" work stream of the Generation Equality Forum, led by France and Mexico, and supported by UN Women. This effort will see governments, international organisations, civil society and the private sector work together to boost efforts in support of gender equality and women's empowerment. At the invitation of several Members, new OECD evidence on LGBTI inclusion contained in *Society at a Glance 2019,* as well as the more recent OECD publication *Over the Rainbow: The Road to LGBTI Inclusion,* were presented to Member and Partner permanent missions in New York at their invitation.

(c) Efforts to strengthen IO co-ordination through relevant policy fora.

35.   The OECD works closely with the UN, IMF and World Bank to co-ordinate efforts and share knowledge on international tax matters through the Platform for Collaboration on Tax. The joint OECD-UNDP Tax Inspectors Without Borders Initiative will soon celebrate its fifth anniversary, having already delivery over USD 500 million in additional revenue for developing countries. In the area of development co-operation, the OECD joined forces with UNDP to co-organise a senior-level conference of the Global Partnership for Effective Development Co-operation in New York in July 2019. The OECD was also invited to join the UNICEF *Generation Unlimited* initiative, and is also actively involved in several UN Women initiatives.

(d) Enhancing secretariat-to-secretariat co-operation.

36.   The OECD was recently invited to join the Inter-Agency Task Force on LDC Graduation. OECD experts were invited to present the Organisations' work on mineral supply chains and due diligence to UN Security Council sanctions experts in 2019.

37.   The partnership between the OECD and the UN also extends to corporate services, with knowledge sharing in areas as diverse as buildings management, epidemic response, IT security, and conference services. This has, in recent months, included a regular exchange of information on the unfolding COVID-19 situation, so as to ensure that the organisations learn from each other's approaches to business continuity and risk management in this unique context.

2.3. Co-operation with regional organisations

2.3.1. Asia-Pacific Economic Co-operation (APEC)

38.   In 2019, the OECD supported APEC host country Chile in delivering on its policy priorities: (i) digital society, (ii) integration 4.0, (iii) women, SMEs and inclusive growth, and (iv) sustainable growth. Under Malaysia's 2020 host year, the OECD is supporting discussions on the new APEC agenda on structural reform, Beyond GDP and well-being, international trade and investment, the digital economy, quality investment and SMEs. In the APEC's Finance Ministers Process, the OECD continues to support the implementation of the Cebu Action Plan priorities on disaster risk management, financial inclusion, infrastructure and international taxation.

2.3.2. Association of Southeast Asian Nations (ASEAN)

39.   Since the launch of the Southeast Asia Regional Programme (SEARP) in 2014, the OECD has intensified its collaboration with ASEAN. The ASEAN Economic Ministers' statements regularly refer to and draw upon OECD output results, *e.g.* the *SEA Going Digital: Connecting SMEs* report launched at the 2019 ASEAN Economic Ministers meeting, and the OECD's *Economic Outlook for Southeast Asia, China and India*, released at the 2019 ASEAN Business and Investment Summit. In addition, the Steering Group has requested that the OECD engage in discussions for a MoU with ASEAN covering the Economic and Socio-Cultural pillars. Discussions have been initiated in 2019 with the objective of concluding the MoU by 2022.

2.3.3. Pacific Alliance

40.   During the 2019 Pacific Alliance (PA) Summit in Lima, Peru, the OECD and the PA signed a Joint Declaration aimed at strengthening their co-operation and leveraging contributions from OECD committees and OECD-LAC regional policy networks for PA working groups. For its 2019-2022 cycle, the OECD LAC Regional Programme has made it a priority to work with the various Pro-Tempore Presidents of the PA.

2.3.4. Union for the Mediterranean (UfM)

41.   The OECD signed in 2018 a MoU with the UfM to enhance the co-operation between both organisations. In 2020, the OECD is elaborating a first report on regional integration in the framework of its collaboration with the UfM. The project will gauge progress made on important dimensions of regional integration and will help to better

understand the opportunity cost of economic integration in the region. Moreover, the OECD and the UfM have started the elaboration of a report on the impact of COVID-19 in the Mediterranean region with particular focus on value chains and industrial localisation.

3. Partners' commitment to OECD Bodies and Standards

42.   OECD's engagement with Partners through its Global Relations toolkit is at the heart of the Organisation's efforts to remain relevant as a global standard-setting body. Key to this role are participation in OECD bodies and adherence to the Organisation's legal instruments which contribute to shaping the international economic environment and help ensure that key actors to competition in the global market place abide by the same rules.

3.1. Adherence to standards

43.   Adherence by non-Members to OECD legal instruments amount to 811 instances 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[4]) are responsible for 523 of these instances (65%).

	Number of Partnerships in Bodies and Projects:			Number of OECD legal instruments:		
	as Associate/ member [1]	as Participant	Total	adherence confirmed	adherence requested	Total
Argentina [b, d]	13	18	**31**	51	6	**57**
Brazil [a, b, d]	14	25	**39**	96	52	**148**
Bulgaria [d]	6	5	**11**	19	19	**38**
China, PR of [a, b]	7	5	**12**	9	0	**9**
Croatia [d]	7	5	**12**	25	5	**30**
Egypt [c]	6	7	**13**	20	0	**20**
India [a, b]	8	10	**18**	14	0	**14**
Indonesia [a, b]	6	6	**12**	14	0	**14**
Kazakhstan [c]	8	11	**19**	39	5	**44**
Morocco [c]	8	3	**11**	30	3	**33**
Peru [c, d]	6	8	**14**	45	2	**47**
Romania [d]	14	9	**23**	47	17	**64**

Table 1. **Key Partners, G20 Countries, Prospective Members and other selected Partners[1]: involvement in OECD Bodies, Projects, Programmes, Legal Instruments**

---

4   Note however that the Partnership numbers in Table 1 are higher because these numbers also include participation as member in certain Part II programmes or as Participant in certain education programmes (PISA, PIAAC and TALIS), which are not governed by the standard procedures provided in C(2012)100/REV1/FINAL. Furthermore, Table 1 only shows formally accepted invitations. Note also that Table 1 does not include Costa Rica, pending the ratification of its OECD membership.

Russian Federation[b]	8	22	**30**	27	0	**27**
Saudi Arabia [b]	3	4	**7**	7	0	**7**
South Africa [a, b]	7	19	**26**	23	1	**24**
Thailand [c]	8	5	**13**	7	0	**7**
Tunisia [e]	7	2	**9**	21	0	**21**
Ukraine [e]	7	4	**11**	23	0	**23**
Viet Nam [c]	3	2	**5**	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 2); e: Partner in other country-specific approaches (see text).

1   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, the International Transport Forum, and Association status in the International Energy Agency.

3.2. Participation in OECD Bodies

44.   Partners' active participation in OECD bodies, projects and programmes is an essential tool for policy convergence with, and ultimately adherence to, OECD legal instruments. In most OECD bodies and projects, the number of countries participating regularly, (*i.e.* as Participant or Associates), is limited to strategically important Partners whose commitment to the Organisation and its standards is of strong mutual interest and, in case of Associates, adherence to the relevant OECD legal instruments (although no countries are excluded beforehand). Consequently, out of the 303 currently valid invitations[5] to Partners in either of these two capacities, 263 (87%) concern the 19 countries mentioned above.

Box 2. Types of Partnership in OECD Bodies

Partners can be invited to participate in OECD Committees in three different capacities:

- *Invitees* are invited to one meeting at a time, for non-confidential items only. A Committee needs a one-off clearance from Council to invite a certain Partner as Invitee and may then decide if and when it wishes to invite this Partner;
- *Participants* are entitled to be invited to all the Committee's non-confidential meetings;
- *Associates* participate in a Committee, a project or the development or revision of a legal instrument with the same rights and obligations as OECD Members, except that they do not attend discussions on the accession of new Members to the Organisation. In some bodies governing Part II programmes, Associates are referred to as members of the Programme.

---

45.   Part II programmes and specific projects such as BEPS Inclusive Framework deserve mentioning here, as their members are more varied and, in many of them, OECD Members and partner countries enjoy equal status. Examples are the Development Centre

---

5   These are invitations issued as of 24.08.2020 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, 242 have been formally accepted to date.

(29 Partners among its membership of 56), the Global Forum on Transparency and Exchange of Information for Tax Purposes (124 Partners among its membership of 161), the Programme for International Student Assessment (PISA) (44 participating non-Members out of the 80 participants of the 2018 assessment cycle) and the International Transport Forum (23 Partners among its membership of 60). These programmes have made a critical contribution to the OECD's global reach, thus demonstrating the Organisation's relevance and impact worldwide.

4. Key Partners

46.   In 2007, the Ministerial Council Meeting (MCM) invited the Secretary-General to strengthen OECD co-operation with Brazil, China, India, Indonesia and South Africa through enhanced engagement programmes [C/MIN(2007)4/FINAL, Item I, i]. Since then, the Organisation has endeavoured to enhance the co-operation with these countries, later designated as Key Partners [C/M(2012)11, Item 172 h)], with a view to bringing them gradually closer to its bodies and standards, integrating them into its statistical databases and policy indicators, and promoting reforms to further open their markets and reduce policy distortions.

4.1. Brazil[6]

47.   Several decades of continuous engagement have put Brazil at the forefront of the group of Key Partners in terms of adherence to OECD standards and partnerships with the Organisation's bodies. It currently adheres to 96 OECD legal instruments and participates in over 30 OECD bodies.

48.   Building on the OECD-Brazil Joint Programme of Work (2015-2017), which culminated with Brazil's formal request to initiate an accession process to the Organisation in May 2017, the Brazilian Government has intensified its engagement with the OECD in new areas including corporate governance and state-owned enterprises, digital transformation and telecommunication (with reviews released in October 2020), health, public governance, and integrity.

49.   Leading an extensive programme of economic openness and market reform, the Government of President Bolsonaro is undertaking further steps towards convergence with OECD standards. In order to facilitate additional progress in areas where there are outstanding gaps, the Secretariat has been working with Brazil on important challenges including its framework to fight corruption and bribery, the implementation of an internationally compliant tax system, the promotion of a level playing field for businesses, and the enforcement of best environmental practices, notably towards safeguarding biodiversity. (See section on Prospective Members for further details).

4.2. China

50.   Building on the implementation of the first OECD-China Joint Programme of Work (JPW) for 2015-16, the Vision for the Medium Term and co-operation in the context of the G20, the OECD and China are carrying out policy dialogue and co-operation based on mutual benefits across policy fields. Discussions are currently being held with a view to

---

[6] Brazil is also a Prospective Member and is further discussed in section 6.2 of this paper.

enhancing the degree of commitment towards priority areas. On-going support is provided by the OECD Beijing Office hosted by the Embassy of the Netherlands.

51.   China has committed to OECD standards on Automatic Exchange of Information and BEPS as well as through the G20's endorsement of the Principles of Corporate Governance. China is participating actively in the work of the Inclusive Framework of the Committee on Fiscal Affairs, the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Corporate Governance Committee. Progress is being made on the quality and the comparability of data across policy fields, including through integrating China into the OECD Global Revenue Statistics project and efforts for collaboration on the Services Trade Restrictiveness Index (STRI) and Total Official Support for Sustainable Development (TOSSD). Further co-operation in the area of statistics is foreseen with China's National Bureau of Statistics. China has also expressed an interest in closer co-operation in policy areas such as competition, international development co-operation, responsible business conduct (sectoral due diligence guidance), public procurement, corporate governance and corporate governance of state-owned enterprises. China established its own Due Diligence Guidelines on the Responsible Supply Chain of Minerals, revised its Codes of Corporate Governance of Listed Companies and adopted the Fair Competition Review System, all extensively drawing on the relevant OECD standards and best practices. In addition, there have been back-to-back meetings with the Working Group on Bribery and discussions on the Anti-Bribery Convention, further negotiations on the Mutual Acceptance of Data on Chemicals, closer co-operation on the liberalisation of capital movements drawing on the Codes of Liberalisation of Capital Movements and the application of competitive neutrality in relations to State Owned Enterprises. Further and continued discussions are needed on the co-operation in the fight against corruption, export credits and excess capacity.

52.   In the context of the OECD co-operation with the G20 Presidency of China, the Secretary-General was invited by Premier Li Keqiang to join the 1+6 Roundtable, and participated in the fourth edition in November 2019 with the heads of the IMF, World Bank, International Labour Organization (ILO), World Trade Organization (WTO) and Financial Stability Board (FSB).

53.   Co-operation with China has been discussed in the External Relations Committee and in Council to take stock of progress to date and consider next steps. Further alignment of China with OECD standards and policies is subject to further discussion.

4.3. India

54.   In the 2019-2020 biennium, India has been working with the OECD on macroeconomic and structural reform, chemicals, competition policy, anti-corruption, digitalisation and artificial intelligence, education, fiscal relations across levels of government, nuclear energy, steel and tax policy. The 2019 OECD Economic Survey addressed India's integration into the global economy and examined progress towards its ambitious "Housing for All" initiative. The Government of India is currently considering an OECD Clean Energy Finance and Investment Mobilisation Review. India is an active member of the Steering Group of the Inclusive Framework on BEPS and through the G20 committed to the international tax agenda. India recently became an Associate in the Working Party 10 on Exchange of Information and Tax Compliance. India will participate in PISA 2021.

55.   With India's upcoming G20 Presidency in 2022, for which the OECD has already started engaging with the authorities, there is scope for strengthening and deepening collaboration. The Government of India is interested in OECD support on issues, which could be part of its G20 priorities, such as SME capacity building, disaster resilient infrastructure, structural reform, artificial intelligence, clean energy finance, education and taxation among others. Currently, within the context of the G20 Anti-Corruption Working Group (ACWG), the OECD has been supporting India's call to address serious economic offences and recovery of stolen assets.

56.   The OECD continues discussions with the Indian government with regard to a possible Joint Work Programme with a view to further structuring the Key Partner relationship. The OECD has thus far engaged with the Indian government through sectoral engagement. At the same time, the government continues to recognise that the collaboration with the OECD is very valuable. Such dialogues aimed at further co-operation and alignment from India to OECD standards should continue.

4.4. Indonesia

57.   With the launch of the third OECD-Indonesia Joint Work Programme for 2019-2021 in Bali in October 2018, co-operation has strengthened considerably in several priority areas, such as tax policy and compliance, environmental policy and green growth, education and employment policies, governance, international trade and investment, and regulatory reform. The co-operation is backed and supported by the GRS Jakarta Office hosted by the Embassy of New Zealand.

58.   President Joko Widodo was re-elected on 17 April 2019 for a second term with a strong majority in Parliament, and his new ambitious reform programme provides an opportunity to advance much needed structural reforms. OECD flagship reports (e.g. the Economic Survey and the Investment Policy Review) and Indonesia's participation in statistical databases and indicators (e.g. the PMR, the STRI and the FDI Regulatory Restrictiveness Index) are supporting these important reform efforts, contributing notably to enhanced business conditions. As part of the study by the Ministry of Finance on 'Mapping the Policy Gap between Indonesia and the OECD', discussions have intensified on the possibility for Indonesia to move closer to key OECD standards.

59.   Integrity and environmental protection are two areas where further progress in OECD's engagement with Indonesia is foreseen. The 2019 amendment of the Corruption Eradication Commission (KPK) Law has been discussed within the framework of our co-operation. OECD engagement has also intensified with the KPK and other stakeholders on strengthening business integrity and raising awareness of the Anti-Bribery Convention.

60.   Environmental policy is an area of growing OECD engagement, notably with the Green Growth Policy Review and the Clean Energy Finance and Investment Country Review. This highlights the significance of OECD work to the Climate Agenda.

61.   While there is room for improvement in terms of alignment with the OECD *acquis* and active participation in OECD bodies, some progress has recently been made. Indonesia adhered to two OECD legal instruments in 2019: the Declaration on Policies for Building Better Futures for Regions, Cities and Rural Areas and the Declaration on Public Sector Innovation. In February 2020, Indonesia also accepted to become a Participant to the Corporate Governance Committee.

4.5. South Africa

62.   The preparation of the Joint Work Programme (JWP), following the signature of a Declaration of Intent during the 2018 MCM, reinforced the already active dialogue between the OECD and South Africa. South African authorities acknowledged the importance of the JWP to make economic growth stronger and endorsed its five key strategic policy areas: inclusive growth and competitiveness; SMEs; trade and investment; skills development; and stronger institutions, fiscal issues and good governance. The JWP is expected to be ready for signature by the end of 2020.

63.   Following a delay in 2019, the updated edition of the Economic Survey of South Africa was presented in July 2020. The OECD will continue to engage with South Africa and support President Ramaphosa's capacity to implement his economic agenda.

64.   South Africa's examination in the process of adherence to the OECD Code of Liberalisation of Capital Movements [OECD/LEGAL/0002] is ongoing and is likely to entail a reform of the country's practices in the area of capital controls.

5. Regional Approaches

65.   Regional approaches facilitate the participation of economies from a region in selected OECD activities. They provide a way of leveraging existing regional structures as well as bilateral co-operation with selected partner countries to disseminate OECD standards and recommendations among a large numbers of countries. They also offer a good platform to apply the OECD's Peer Learning method to countries with common features. They can rely in this regard on information consolidated at regional level by OECD tools such as the Development Centre's Regional Economic Outlooks and other databases, indicators and indexes. Regional approaches follow the Council's strategic guidance [C(2006)168/FINAL], which includes different possible models. Increasingly, they have taken the form of Comprehensive Regional Programmes,[7] with mandates from the Council or the External Relations Committee.

5.1. Southeast Asia – strategic priority region

66.   The Southeast Asia Regional Programme (SEARP) allows the OECD to further strengthen its engagement with this region, designated by the Council as a strategic priority [C/MIN(2007)4/FINAL]. Building on the outcomes of its first Ministerial Conference (Tokyo, March 2018), the second phase of SEARP (2018-2021), under the leadership of Korea and Thailand as Co-Chairs, has enhanced its impact through mainstreaming horizontal themes such as connectivity, gender, and human capital development throughout the region.

67.   In 2019, the SEARP strongly reinforced OECD's engagement with the region, notably through supporting Thailand's ASEAN Chairmanship in the development of the

---

7   The mandate of the South-East Europe Regional Programme goes back to 1999 and is open ended. The Middle East and North Africa (MENA)-OECD Initiative on Governance and Competitiveness for Development dates from 2005 [current 2016-2020 mandate ERC(2015)12]. The Eurasia Competitiveness Programme was launched in 2008 [current 2016-2020 mandate ERC(2015)13]. The Southeast Asia Regional Programme was established in 2013 [C(2013)34/REV2]; and the Latin America and Caribbean Regional Programme in 2016 [C(2016)1/FINAL].

ASEAN Guidelines on Digitalisation of Micro Enterprises. The "SEA Going Digital: Connecting SMEs" report was launched in the margins of the ASEAN Economic Ministers meeting in Thailand. The Economic Outlook for Southeast Asia, China and India was released at the ASEAN Business and Investment Summit in Thailand in November 2019. In addition, the Steering Group has requested that the OECD engage in discussions for an MoU with ASEAN covering the Economic and Socio-Cultural pillars. Discussions have been initiated in 2019 with the objective of concluding the MOU in 2022.

68.   The SEARP Steering Group Meeting will take place virtually on 6 and 7 October 2020. The SEARP Regional Forum will be held in Bangkok most likely in Q1 2021 with the horizontal theme of "Human Capital Development".

5.2. Eurasia Competitiveness Programme

69.   Like other Regional Programmes, the Eurasia Competitiveness Programme (ECP) supports the implementation of reforms based on OECD standards and participation in OECD bodies. Five Eurasia countries (Armenia, Georgia, Kazakhstan, Mongolia and Ukraine) have joined the BEPS Inclusive Framework[8]; seven are part of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

70.   OECD Eurasia Week 2020, which was to be held in Tbilisi, Georgia in March 2020, has been postponed to 2021 on account of the COVID-19 pandemic. In the meantime, the Programme has embarked on a series of regional- and country-level webinars, at both ministerial and technical levels, to help governments respond to the crisis and lay the basis for recovery.

71.   Under its new mandate (2021-25 inclusive), the Programme will aim to further leverage OECD expertise, standards and principles to strengthen institutions and policies in Eurasia countries. These include fair competition; open, transparent and stable investment frameworks; better trade and transport connectivity; and better administration of tax and regulatory frameworks. Promoting private-sector development in economies still largely dominated by state actors will be central to this effort, as will steps to create better conditions for foreign investment.

5.3. Latin America and the Caribbean Regional Programme

72.   In 2019, the Latin America and the Caribbean Regional Programme (LACRP) began its second three-year cycle (2019-2022) under the new leadership of Brazil and Mexico as Co-Chairs. During this new cycle, the LACRP will focus on one significant challenge for each of the Programme's three thematic priorities: *connectivity/digital transformation* for the Productivity pillar; *informality/social protection–with attention to gender and migration–*for the Social Inclusion pillar; and *anti-corruption* for the Governance pillar.

73.   The LACRP's 3rd Productivity Ministerial Summit on "Harnessing the Digital Transformation to Boost Productivity in LAC" took place on 25 October 2019 in Bogota,

---

8   All but Mongolia have signed the BEPS Multilateral Instrument. Georgia and Ukraine have ratified; Armenia and Kazakhstan have not yet done so.

Colombia, in partnership with the OECD Global Forum on Productivity[9], UN-ECLAC, and the European Union (EU).[10]

74.   In 2020, the LACRP has turned to its Social Inclusion Priority with a High Level meeting hosted virtually by the Dominican Republic on 13-17 July entitled "Informality and Social Inclusion in the Times of COVID-19". The meeting brought together Heads of State, Ministers and High Level Officials in the fields of Planning, Finance/Budget, Labour and Social Development to engage in a discussion on the complexities and challenges that the COVID-19 crisis poses for advancing social inclusion in Latin American and Caribbean. It drew on inputs from flagship reports such as the Latin American Economic Outlook, and on co-operation with other international organisations including the Ibero-American General Secretariat (SEGIB), UN-ECLAC, the Inter-American Development Bank, CAF Latin American Development Bank, the ILO, the World Bank and the OAS.

5.4. MENA-OECD Initiative on Governance and Competitiveness for Development

75.   Work under the MENA-OECD Initiative on Governance and Competitiveness for Development has intensified to bring MENA countries closer to OECD Bodies and Instruments, capitalising on its strong convening power. In 2019, the Initiative organised over 100 events mobilising more than 2500 participants and supporting the launch of 25 reports aimed at improving policies for better governance and inclusive growth. MENA-OECD Days in Tunis in June 2019 gathered over 200 high-level and technical representatives from 13 MENA and 14 OECD countries, as well as civil society and private sector representatives.

76.   The work of the Initiative's networks and working groups progressed steadily in its different focus areas: women and youth empowerment, open government, SMEs and entrepreneurship, investment and trade, corporate governance, integrity and anti-corruption, economic resilience, administrative reform, public budgeting and public-private dialogue. Increasing collection and quality of official statistics was also addressed at a regional conference in April 2019, paving the way towards an organised regional action for the creation of better statistics.

77.   In 2020, the MENA-OECD Initiative will prepare the renewal of its five-year mandate (the fifth since its launch in 2005). The Initiative will formalise this political commitment by the beginning of 2021, with a new MENA-OECD Ministerial Conference.

5.5. South-East Europe Regional Programme

78.   The South East Europe Regional Programme (SEERP) continued to provide in-depth assessments and concrete reform recommendations to support policy making in the region. The 5th edition of its flagship publication "SME Policy Index: Western Balkans and Turkey 2019" was launched at a ministerial conference in Sarajevo in May 2019. The

---

9   The LACRP and OECD Global Forum on Productivity have collaborated since 2016 to organise periodic Ministerial Summits in Latin American and Caribbean (LAC) countries to exchange information and discuss best practices. *In 2016, the first Productivity Ministerial on "*Boosting Productivity and Inclusive Growth in Latin America*" was hosted by Chile. The second Productivity Ministerial Summit took place in Costa Rica in 2018 under the theme "*Regional Trade Integration and Productivity*".*

10   Under the auspices of the EU Regional Facility for Development in Transition in LAC.

regional launch was followed by nine public dissemination events of the SME Policy Index, which provided a platform to discuss policy priorities with stakeholders in each economy.

79.   The SEERP revised the assessment frameworks for the 3rd edition of the Competitiveness Outlook for South East Europe in close co-operation with the relevant Directorates at the OECD, as well as with multiple stakeholders from the Western Balkans, and the European Commission. An assessment launch meeting convening all six Competitiveness Outlook Government Co-ordinators from the region was scheduled in Paris for 8 April 2020, and assessment launch meetings were planned to be held in all Western Balkan capitals in May and June 2020. However, due to the COVID-19 pandemic, in order to better capture the crisis' impact and the ensuing policy changes, the assessment launch was brought forward. To that end, a virtual meeting was held instead on 3 April 2020, at which assessment frameworks with data requirements were shared with the Western Balkan governments online, accompanied by detailed guidance documents. It was followed-up by 100+ phone/video conferences with more than 500 stakeholders from Western Balkan line ministries and statistical offices between April and May 2020, which allowed completing the data collection by the end of May 2020.

80.   The programme significantly enhanced its role in important regional political processes and international fora. In particular, the Secretary-General took part on 3-5 July 2019 in the Leaders' Summit of the Berlin Process on the Western Balkans in Poznan, Poland, alongside 14 Heads of State and Governments. The SEERP has also become a standing partner of the Western Balkan Digital Summit fostering the digital Agenda in the region and the Montenegro Economic Conference (the biggest event of this kind organised by the business community).

5.6. Africa

81.   The OECD has been progressively scaling up engagement with Africa since 2015, in response to the request of OECD Ministers for a stronger co-operation in policy areas that are key to economic transformation [C/MIN(2018)9]. In line with the Sustainable Development Goals (SDGs) and with the aim to support the fulfilment of the objectives of the African Union's Agenda 2063, a number of demand-driven initiatives have been undertaken and are currently ongoing in selected domains such as domestic resources mobilisation, business climate, migration, education and statistics.

82.   An important pillar of the overarching commitment towards Africa is the initiative in the framework of the G20 Compact with Africa. The OECD is supporting African countries' reform efforts through a multi-stage process that will bring them gradually closer to OECD investment-related standards, thus enabling sustainable development and inclusive growth through bolstering the private sector. The OECD Development Centre (which includes 11 African countries as members of its governing board), the SWAC, the DAC supported by the Development Co-operation Directorate and the Global Relations Secretariat are working closely together to advance the Organisation work on Africa.

6. Prospective Members[11]

6.1 Argentina

83.   Argentina's engagement with the OECD has intensified since its May 2016 request to start an accession process, through the implementation of an Action Plan spanning over 15 policy areas. During a high-level mission to Buenos Aires in January 2020, senior officials of the administration led by President Alberto Fernandez confirmed Argentina's desire to continue engaging with the OECD and its candidacy for accession. Implementation of the Action Plan led participation in OECD official bodies to increase to 31 and adherence to OECD legal instruments reached 51. The process of adherence to the Codes of Liberalisation is ongoing.

84.   The Argentinian Congress supported this co-operation, through enacting the Corporate Liability Law and Competition Law, which entailed a major overhaul of its competition law regime and incorporated a number of OECD standards. The 2019-2023 Anti-Corruption Strategy was built using the Recommendation of the Council on Public Integrity [OECD/LEGAL/0435] and recommendations from the Integrity Review of Argentina as a reference.

85.   Strengthened co-operation with Argentina has contributed to bringing the OECD closer to Latin America. Since 2018, Argentina has hosted the OECD Latin America Academy for Tax and Financial Crime Investigation, which provides capacity training to LAC tax and financial crime investigators. It has also supported OECD's endeavours in the G20: the Recommendation of the Council on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises [OECD/LEGAL/0451] are a legacy of the Argentina G20 Presidency, which supported the endorsement of the G20 High Level Principles on Preventing Corruption and Ensuring Integrity in State-Owned Enterprises.

6.2 Brazil[12]

86.   In May 2017, Brazil formally expressed its interest in OECD membership, currently under consideration by the OECD Council. Since then, the Government of Brazil is making further efforts aimed at benchmarking its reform agenda against OECD standards, including: (i) the progressive alignment of its foreign investment regime with the Codes of Liberalisation, notably through the removal of the mandatory participation of national capital in airlines operating in the country and 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; (iii) an ongoing project aiming at identifying gaps with OECD environmental standards.

87.   To further facilitate co-ordination, strengthen co-operation and elevate Brazil's relationship with the Organisation, President Bolsonaro announced on 29 January 2020 the creation of the Special Secretariat in Casa Civil for External Relations. The Special Secretariat oversees OECD matters within the Presidency (Casa Civil) and will support the work of the Inter-Ministerial Council for OECD matters, which the President announced in July 2019 to monitor and reinforce Brazil's co-operation with the OECD. Joining these

---

[11] Treated here in alphabetical order.

[12] Brazil is also a Key Partner and is further discussed in section 4.1 of this paper.

efforts, in November 2019, members of the Parliament created the Parliamentary Friends of the OECD to discuss and support Brazil's alignment with OECD standards and best practices.

88.   Following the pandemic outbreak, the Secretary for External Relations of the Presidential Office (Casa Civil) 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.

6.3 Bulgaria

89.   In July 2019, Prime Minister Boyko Borissov handed over Bulgaria's OECD Action Plan to the Secretary-General, as part of Bulgaria's efforts to deepen and structure its co-operation with the OECD and contribute to the country's public policy and reform agenda. In September 2019, Bulgaria's Minister of Economy Emil Karanikolov presented the Action Plan to OECD Members in Council. The Action Plan consists of 21 policy areas in which Bulgaria intends to undergo policy reviews and enhance its adherence to OECD instruments and participation in OECD bodies.

90.   Bulgaria is currently an Associate/member or Participant in 11 OECD bodies, projects and programmes and has adhered to 19 legal instruments. In 2019, Bulgaria adhered to the Recommendation of the Council on Guidelines on Corporate Governance of State-Owned Enterprises [OECD/LEGAL/0414], started to carry out an Economic Survey, initiated an Investment Policy Review, made progress on its examination to adhere to the Codes of Liberalisation and advanced on its upcoming accession to the Nuclear Energy Agency (NEA).

6.4 Croatia

91.   Croatia has a longstanding co-operation with the OECD which is co-ordinated by a dedicated inter-ministerial working group. It is an Associate/member or Participant in 12 OECD Bodies and has adhered to 25 legal instruments, including the Investment Declaration.

92.   In 2019, the Regulatory Policy Review of Croatia as well as its Investment Policy Review were published. The Investment Policy Review resulted in Croatia's adherence to the OECD Declaration on International Investment and Multinational Enterprises. In this context, Croatia has also established a National Contact Point (NCP) for Responsible Business Conduct. Croatia has sought to co-operate with the OECD in the context of its Presidency of the Council of the European Union.

6.5 Peru[13]

93.   In 2017, Peru expressed interest in becoming an OECD Member, reiterating its first request in 2012. Currently, Peru participates as Associate/member and Participant in 14 OECD bodies and has adhered to 45 legal instruments, including the OECD Anti-Bribery Convention. The country is currently undergoing its examination to adhere to the Codes of Liberalisation.

---

[13] Peru is also a former Country programme beneficiary and is further discussed in section 7.1.2 of this paper.

94.   In September 2019, Peru presented an Action Plan to the OECD Council, covering the key priority areas of the Peruvian Government: i) governance; ii) equitable, competitive and sustainable economic growth; and iii) social development and welfare. In particular, the Action Plan foresees the implementation of recommendations derived from OECD reviews undertaken during the Country Programme. In 2019, the OECD Latin America and the Caribbean Regional Competition Centre was established in Lima as an initiative from the Peruvian Competition Authority, INDECOPI, to support the dissemination of OECD best practices and standards in this field throughout Latin America.

6.6 Romania

95.   Over the past year, Romania has undertaken steps to further structure and intensify its co-operation with the OECD, paving the way for further reforms and progress towards OECD standards and values. It has been advancing its work on developing an OECD-Romania Action Plan, co-ordinated by the Office of the Prime Minister. Romania is a Partner in 23 OECD bodies, projects and programmes and has adhered to 47 legal instruments.

96.   In 2019, Romania advanced on several OECD policy assessments, including an Economic Survey. Romania has also co-ordinated with the OECD throughout its EU Presidency in the first semester of 2019, thus helping to promote OECD standards and expertise, toolkits and reports on Going Digital. As the holder of the EU Presidency, Romania participated in the 2019 MCM and was one of the first Partner countries to adhere to the Recommendation of the Council on Artificial Intelligence [OECD/LEGAL/0449]. The OECD and Romania co-operated throughout Romania's EU Presidency in the first half of 2019

7. Other Country-specific Approaches

97.   While the OECD has included many Partner countries in its work, it has developed more comprehensive and structured approaches in some strategically important cases, notably within the framework of **Country Programmes [**C/MIN(2013)12**] assisting selected countries to anchor their policy reforms in OECD standards and best practices.** Such Programmes have been completed with Kazakhstan, Morocco and Peru. Pilot evaluations of these Programmes, involving assessments by Members, have confirmed their relevance in fostering mutually beneficial progress for both recipients and OECD Members.

98.   A Country Programme with Thailand is ongoing and the Council invited Egypt and Viet Nam on February 2019 to elaborate similar Programmes with the OECD [C(2019)22/REV1] & [C/MIN(2019)11]. Discussions are still ongoing on the priorities and deliverables of each Country Programme.

99.   Other interested countries include the Prospective Members (see footnote 2) as well as Tunisia and Ukraine, with whom the Organisation is gradually enhancing its co-operation in line with their willingness to move closer to the OECD.

7.1. Completed Country Programmes

7.1.1. Kazakhstan

100.   On 21 November 2018, the OECD and Kazakhstan agreed on a framework for co-operation over 2019-2022, following successful completion of its Country Programme (2015-2018). Key priorities for co-operation include productivity and regulation, SOE reform and privatisation, SDGs implementation and tourism development. Kazakhstan has also been increasingly active in supporting the promotion of OECD approaches and standards in the wider region, most notably via its support for multilateral tax initiatives (BEPS, Global Forum) and for OECD work on trade and transport connectivity in Central Asia.

7.1.2. Peru[14]

101.   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]. In 2017 Peru expressed interest in becoming an OECD Member, reiterating its first request from 2012. Currently, Peru participates as Associate/member and Participant in 14 OECD bodies and has adhered to 45 legal instruments. The country is currently undergoing its examination to adhere to the Codes of Liberalisation.

102.   In September 2019, Peru presented an Action Plan to the OECD Council, covering the key priority areas of the Peruvian Government: i) governance; ii) equitable, competitive and sustainable economic growth; and iii) social development and welfare. In particular, the Action Plan foresees the implementation of all recommendations derived from OECD reviews undertaken during the Country Programme. In 2019, the OECD Latin America and the Caribbean Regional Competition Centre was established in Lima as an initiative from the Peruvian Competition Authority, INDECOPI, to support the dissemination of OECD best practices and standards in this field throughout Latin America.

7.2. Current and possible future Country Programmes

7.2.1. Egypt

103.   The IMF's Extended Fund Facility programme for Egypt has been a key factor underpinning recent signs of economic recovery: a decreasing primary deficit, declining inflation, rebuilt foreign exchange reserves and the highest growth rate in the Arab World. Egypt has repeatedly stated its interest, including at the highest political levels, to take these reform efforts further through a structured co-operation with the OECD in the form of a Country Programme. In February 2019, the Council agreed on an invitation to engage in such a Programme [C/M(2019)4, Item 32].

104.   The OECD Secretariat and the Government of Egypt (GoE) are currently advancing in the preparations for the Egypt-OECD Country Programme (ECP) with in-depth technical consultations. Such discussions are aligned with international financial institutions, organisations, and donor co-ordination mechanisms in Egypt including the International Monetary Fund, the World Bank and the United Nations Office in Cairo. The ECP will support the consolidation of ongoing structural reforms undertaken by the GoE to ensure inclusive and sustainable economic growth. A common concern of the

---

[14] Peru is also a Prospective Member and is further discussed in section 6.5 of this paper.

international community is how to increase the levels of transparency of the economic system and create a better business environment by levelling the playing field for domestic and foreign investors. The ECP is expected to be launched in late 2020.

7.2.2. Morocco

105.   The Memorandum of Understanding for the second phase of the Morocco Country Programme was signed on 25 June 2019 [ERC/M(2019)3, Item 24] by the Head of Government of Morocco and the Secretary-General. The new Programme comprises 15 projects and policy reviews, possible adherence to 20 OECD legal instruments and reinforced participation in six OECD bodies. It builds on four main pillars: public governance, integrity and the fight against corruption; economic growth, investment and taxation; human capital, including education and gender equality; and territorial development.

106.   Building on the achievements of the Programme's first phase, the second phase comprises projects on: the economic outlook of Morocco; the fight against corruption leading to potential adherence to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions [OECD/LEGAL/0293]; the public governance review; the conduct of an Investment Policy Review, etc.

107.   As the COVID-19 outbreak has delayed the launch of the activities, the Secretariat and the Government of Morocco are currently assessing the possible adaptation of the scope of some projects to better respond to the crisis.

7.2.3. Thailand

108.   The Thailand Country Programme (TCP) [ERC(2018)7, ERC(2018)7/ADD], launched in May 2018, will hold its Mid-Term Review most likely in Q4 2020 in Bangkok. The TCP has fostered Thailand's convergence with OECD standards. Thailand was invited in September 2019 to join as a full adherent of the Decision of the Council concerning the Mutual Acceptance of Data (MAD) in the Assessment of Chemicals [OECD/LEGAL/0194]. Thailand recently became a Party to the Convention on Mutual Administrative Assistance in Tax Matters [OECD/LEGAL/0235] on 3 June 2020.

109.   Several policy reviews will be launched at the Mid-term Review after consideration by responsible OECD bodies. The Budgetary Governance Review of Thailand and Gender Budgeting Action Plan were presented at the 15th OECD-Asian Senior Budget Officials Network meeting in Bangkok in December 2019. The Investment Policy Review of Thailand was peer-reviewed at the virtual Investment Committee meeting on 22 June 2020. The Economic and Development Review Committee (EDRC) peer-reviewed the Economic Assessment of Thailand at its virtual meeting on 10 July 2020. Thailand has also been included in several flagship databases such as the OECD Science, Technology and Innovation Outlook 2018 and the forthcoming OECD Digital Economy Outlook.

7.2.4. Viet Nam

110.   In February 2019, Council agreed to invite Viet Nam to engage in a Country Programme [C/M(2019)4, Item 32]. Discussions in Viet Nam started in April 2019, when the Ministry of Foreign Affairs organised the first inter-agency meeting involving 13 ministries in a first attempt to discuss potential output areas of the Country Programme, which will be aligned with Viet Nam's 5 and 10 year development strategies.

111.   The Vietnamese authorities and the OECD Secretariat have been holding consultations to define the themes and components of the Country Programme. Among the projects that are under discussion are those that could in the long term facilitate Viet Nam's convergence with OECD instruments such as the BEPS multilateral convention, the Mutual Acceptance of Data (MAD) in the Assessment of Chemicals [OECD/LEGAL/0194], the OECD Guidelines on Corporate Governance of State-Owned Enterprises [OECD/LEGAL/0414] and the OECD Declaration on International Investment and Multinational Enterprises [OECD/LEGAL/0144].

112.   In March 2020, the Prime Minister of Viet Nam sent an official request to the Secretary-General for an OECD Country Programme, confirming that it stands ready to engage in this Programme's implementation once the necessary conditions and resources are secured. Based on the input from Members and once all the output areas are agreed upon with respective Vietnamese agencies, the Country Programme with Viet Nam will be launched.

7.3. Other country-specific approaches

7.3.1. Tunisia

113.   Tunisia has enhanced its collaboration with the OECD through the MENA-OECD Initiative and activities under the MoU signed in 2012. In 2016, it became co-chair of the MENA-OECD Initiative and in November 2018, it hosted the Women Economic Empowerment Forum in Tunis, where it announced the removal of discriminatory laws against women. Tunisia has adhered to the Declaration on International Investment and Multinational Enterprises [OECD/LEGAL/0144] and related legal instruments, and to 20 other legal instruments.

114.   During a visit to the OECD in February 2019, Tunisia's Head of Government, Mr Youssef Chahed, expressed interest in renewing its engagement would to expand Tunisia's participation in OECD bodies, with special attention to integrity and anti-corruption, productivity, education and skills development. Tunisia's improved engagement with the OECD also supports the Organisation's work in the MENA region. The discussions for the renewal of the existing MoU are advanced. The agreement has been recently adjusted to maximise the OECD's support to Tunisia's policies under the COVID-19 and post-COVID-19 scenario.

115.   The signature of the MoU, initially planned for the third quarter of 2020, is currently on hold, as the Prime Minister, Mr Elyes Fakhfakh resigned on 15 July.

7.3.2. Ukraine

116.   Work continues under the OECD-Ukraine Action Plan for implementation of the MoU with the Government of Ukraine, which was first signed in October 2014 and has since been prolonged to October 2020. The Action Plan covers (i) anti-corruption, (ii) governance and the rule of law, and (iii) investment and business climate. The Plan included over 20 OECD reviews and projects, set explicit goals and led to an uptake in participation in OECD bodies and adoption of OECD standards.

117.   This co-operation has continued despite the change of president and government in 2019 and the COVID-19 pandemic in 2020, which has prompted the Organisation to shift to on-line events in working with Ukraine. The OECD is still working closely with the new authorities in a range of policy domains, including decentralisation, anti-

corruption, business environment reforms, public governance, SOE reform, competition and energy. In early 2020, the government and the OECD agreed to undertake a review of the Action Plan to ensure that it corresponds with current policy challenges and priorities.

8. Concluding Observations

118.   Against the background of the worst pandemic and economic crisis for close to a century, the OECD turned almost entirely digital within a few weeks and kept deepening its engagement with Partner countries to disseminate its standards, while also discussing among the membership how to best adjust its global relations priorities in the context of COVID-19. Regional and country notes covering OECD Regional Programmes as well as Key Partners, Prospective Members and Country Programmes have been 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, culminating with the Digital Ministerial Summit on "Informality and Social Inclusion in the Times of COVID-19", held on 13-17 July 2020 in the Dominican Republic with the participation of several Heads of State, Ministers and high-level officials. High-level webinars involving several ministers to discuss ways of tackling the COVID-19 crisis have been organised with Brazil, Peru and Thailand. Further meetings of this kind will be held to maintain a continuous high-level engagement with major Partners.

119.   As the sharing of best practices can play a key role in helping Member and Partner countries overcome the crisis and put the economy back on track, the monitoring of country approaches as well as targeted policy support will still be an important priority in the coming months. At the same time, building back better in the aftermath of COVID-19 will require more co-ordination efforts with a view to ensuring the smooth functioning of Global Value Chains (GVCs) and the consolidation of global demand. Making sure that everyone abides by the same rules will be of essence in this regard, thereby reinforcing the need to disseminate OECD standards in order to further level the global playing field.

120.   At the same time, carrying out global relations activities in a world that might be durably impacted by COVID-19 could be challenging, for several reasons including, *inter alia*, travel restrictions and the shortcomings of Internet diplomacy, as well as persistent trade tensions and the difficulty to promote co-operative approaches in an international context marked by increased polarisation. Against this background, maintaining close dialogue with Partner countries while also deepening Members' discussions on common priorities will be of essence.