

For Official Use**English - Or. English****20 October 2020****COUNCIL****Meeting of the Council at Ministerial Level, 28-29 October 2020****STANDARD-SETTING PROGRESS REPORT**

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OECD terminology

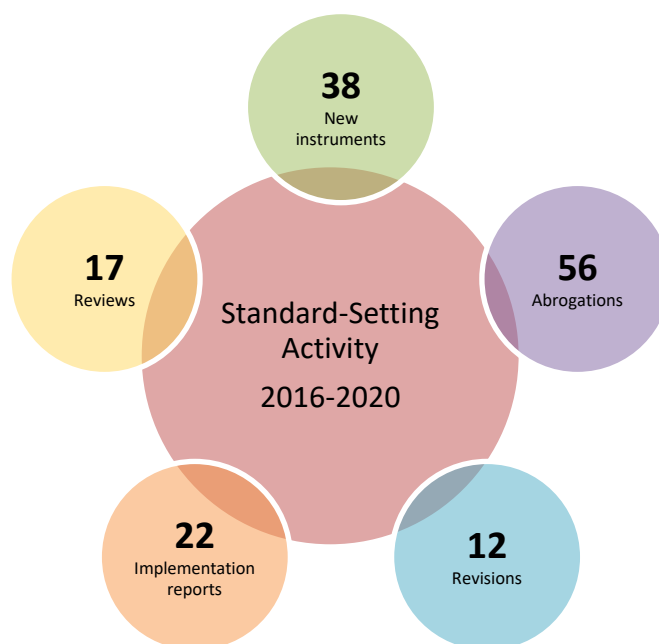
The following OECD terminology is used in the present report and is without prejudice to any definitions which may be used by other international organisations:

- OECD standards: all OECD legal instruments as well as other kinds of policy principles and guidelines developed within the OECD framework. Many OECD standards have been embodied in substantive OECD legal instruments while others have not.
- OECD legal instruments: all substantive OECD Acts adopted pursuant to Article 5 of the OECD Convention (Decisions and Recommendations) and other legal instruments developed within the OECD framework (principally Declarations and international agreements). The term is most often used to refer to substantive legal instruments but could also cover internal OECD legal instruments (e.g. Resolutions). It covers both binding legal instruments (e.g. Decisions and international treaties) as well as non-binding legal instruments (e.g. Recommendations, Declarations).

Executive summary

1. With almost 250 legal instruments currently in force, the OECD has since its creation been at the forefront of cutting-edge policymaking, setting landmark standards in a variety of areas, such as investment, tax, environment, and privacy. These flagship standards are increasingly used in national and international frameworks, demonstrating the growing importance of this tool in policymaking and of the OECD as a global standard-setter.

2. In 2016, the OECD launched its Standard-Setting Review, in order to ensure that OECD standards continue to respond to the challenges governments face and to strengthen their impact and relevance. As part of the Review, 28 OECD committees approved their respective Standard-Setting Action Plans, setting out, where relevant, actions for the existing legal instruments under their responsibility and proposals for developing new ones. As a result, since the beginning of the Review, the Organisation has increased its standard-setting activity, notably abrogating and revising a number of out-dated legal instruments.



3. This report covers standard-setting activities since the previous report, presented at the 2019 Meeting of the Council at Ministerial level (MCM) [[C/MIN\(2019\)13](#)]. In this period, the OECD adopted or revised 19 legal instruments in a variety of policy areas, from neurotechnology and artificial intelligence (AI) through prevention of sexual exploitation in development co-operation to integrity and anti-corruption in state-owned enterprises and governance of infrastructure. Moreover, to enhance the impact of legal instruments under their responsibility and to support their implementation and dissemination, OECD committees have developed toolkits and innovative, interactive tools, like the AI Policy Observatory and the Policy Framework on Sound Public Governance, and conducted dozens of events, seminars, trainings and consultations.

4. This reporting period partly overlapped with the most severe health, economic and social crisis in the 60 years of history of the OECD. The implications of the COVID-19 pandemic are apparent in every area of the OECD's work, and have had implications for the OECD's day-to-day functioning. This is also a time where the OECD's standards can help to guide and support countries' responses and recovery with respect to health data governance, financial markets, corporate governance, digital security and privacy, public governance, and consumer protection, among many others. To make this guidance more easily accessible, relevant legal instruments were made more visible on the [online Compendium of OECD Legal Instruments](#) and in related policy responses on the dedicated [COVID-19 Digital Hub](#).

5. OECD committees were equally quick to respond, taking account of COVID-19 impacts in their current and planned standard-setting work. For instance, the update and consolidation of existing legal instruments in the area of tourism has been postponed in order to take into account forthcoming work to address the drastic impact of the crisis on this sector. In another case, the recent report on the implementation of the Recommendation on Governance of Clinical Trials [C(2020)108] underscores its important role in streamlining clinical trial regulatory processes in international health crises.

6. With nearly 30 legal instruments on a variety of issues under discussion within OECD bodies in 2020, billions of Euros in continued benefits thanks to OECD standards in the areas of tax or chemicals, among others, and unprecedented global reach and interest, the OECD has continued to deliver on its standard-setting work and thereby bring concrete value to its Members. The OECD's evidence-based work and multi-disciplinary approach will ensure that its standards continue to support policymakers in OECD countries in the response to COVID-19 as well as other global challenges in the years to come.

Box 1. Key Takeaways

1. **Standard-Setting Review:** The Review is progressing well, with over half of the actions planned in committees' Action Plans completed. At the same time, the original timeframes have been extended as a result of budget constraints, implications of COVID-19, and the expansion of the work to include further revisions or development of new instruments (Section 1)
2. **Emerging Issues:** OECD committees have been quick to respond to global policy challenges, including the ongoing COVID-19 crisis, by developing evidence-based, innovative standards to guide policymakers (Section 2)
3. **Global Impact:** OECD standards are implemented on a global scale and yield concrete outcomes: generating savings, levelling the playing field, supporting policy reforms and facilitating international co-operation. The OECD proactively promotes the dissemination and implementation of its legal instruments, including through new online tools and initiatives (Section 3)
4. **Leveraging the Multi-disciplinary and Multi-stakeholder OECD:** Thanks to its capacity to bring together different policy communities and stakeholders to address specific issues, the OECD is well placed to identify and implement solutions to today's challenges – and those of tomorrow (Section 4)

1. The Standard-Setting Review

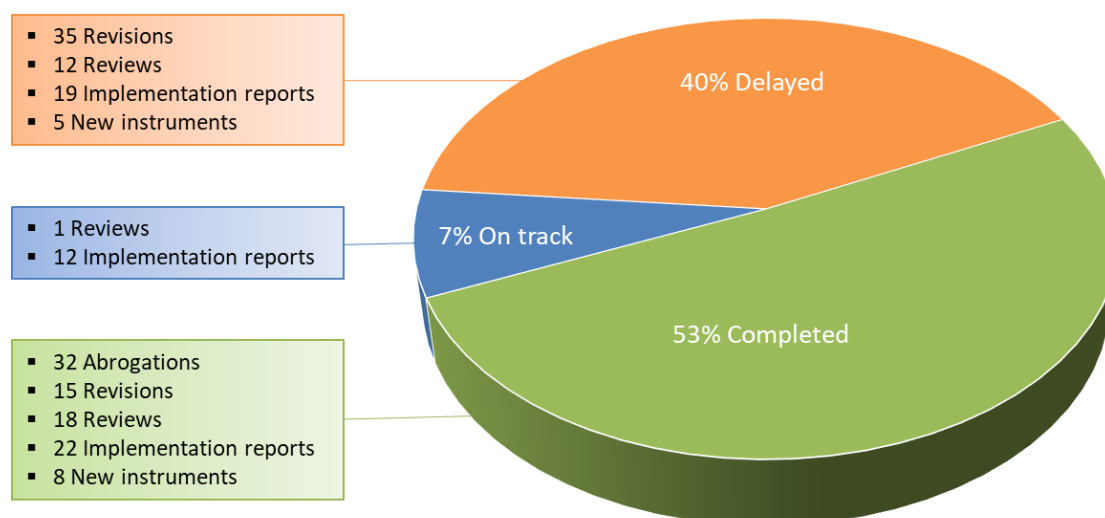
7. In May 2016, the Secretary-General launched an OECD-wide Standard-Setting Review (hereafter the “Review”) in order to ensure that OECD standards continue to respond to the challenges faced by governments and to strengthen their impact and relevance. The Review was welcomed by Ministers at the 2016 MCM, and at the 2017 MCM Members welcomed initiatives to increase the visibility and global implementation of OECD standards.¹

8. The Review has been carried out in two phases:

- During the **first phase** of the Review (between October 2016 and July 2017), OECD committees approved 28 Standard-Setting Actions Plans (hereafter the “Action Plans”) in which they considered all the existing legal instruments under their responsibility and agreed to further review, revise (including through consolidation) or monitor the implementation of 134 of them by 2021 [[C\(2017\)51/ADD1](#)]. The first phase of the Review also included the adoption by the Council of the first set of actions in July 2017, including the abrogation of 32 outdated legal instruments [[C\(2017\)80](#)].
- The **second phase** of the Review (started in September 2017) focuses on the implementation of the 28 Action Plans, including revision and consolidation of existing legal instruments as well as consideration by committees of possible new legal instruments in areas where the OECD could meaningfully address emerging policy challenges. The second phase also includes the implementation of initiatives to improve OECD standard-setting activity and ensure that there are more regular reviews of the relevance and impact of OECD standards.

9. Since May 2016, 95 actions listed in committees’ Action Plans have been completed, 13 are on track for completion, and 71 have been delayed (see Figure 1). Over the past year, OECD committees have continued to implement their Action Plans. In particular, 19 new or revised legal instruments were adopted, with new instruments in areas where the OECD did not previously have standards (such as neurotechnology, illicit trade, and sexual exploitation in development co-operation and humanitarian assistance) as well as revisions of existing instruments to ensure the continued relevance of OECD guidance in these areas (for example, consumer product safety, competition, and environmental assessment). In parallel, ten reports on the implementation of legal instruments have been presented to the Council in this period (see Annex).

¹ See Summary Record of the 2016 MCM [[C/M\(2016\)10/ADD1](#)] and the 2017 MCM Statement [[C/MIN\(2017\)9/FINAL](#)].

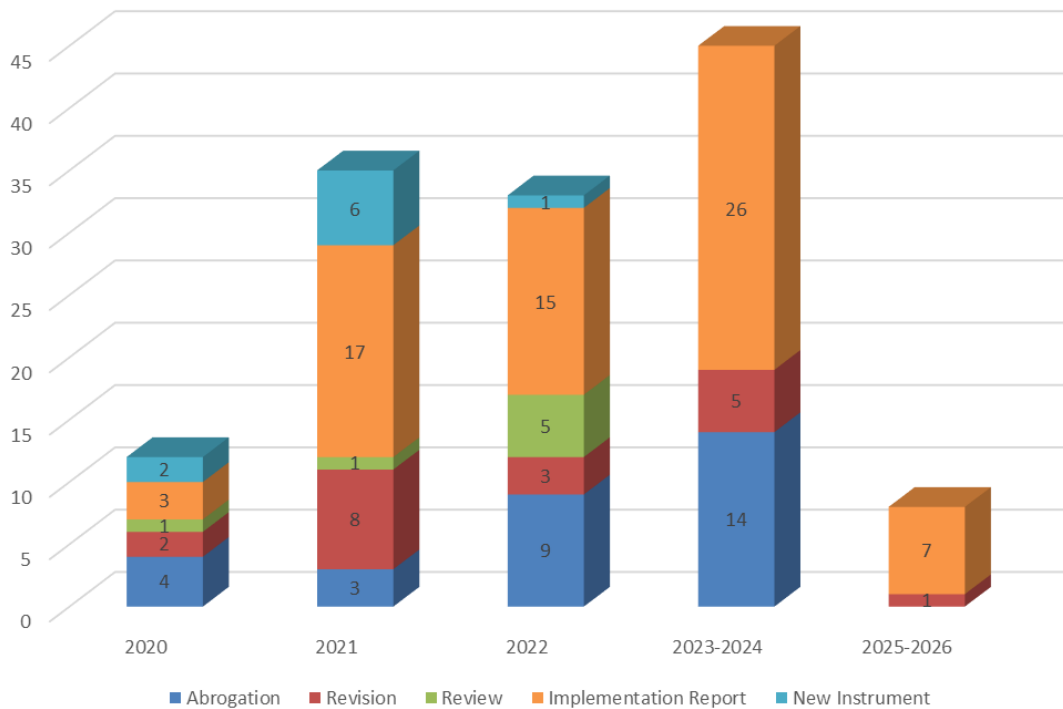
Figure 1. Progress in implementation of committees' Action Plans

10. The updates of existing legal instruments that resulted from the Review help to increase their relevance and impact. For example, the consolidated Recommendation on Consumer Product Safety [[OECD/LEGAL/0459](#)] focuses on new and emerging product safety-related issues such as e-commerce, online market surveillance and new technologies, which were not covered by the previous six legal instruments in this area. It also builds on other more recent legal instruments of the Consumer Policy Committee and Committee on Digital Economy Policy, thus creating complementarity and coherence within the body of OECD standards. In addition, consolidation of six previous instruments into one single Recommendation facilitates dissemination and implementation efforts by providing one overarching framework. Consolidation has the same positive effect in the case of the Recommendation on Environmental Assessment of Development Assistance Projects and Programmes [[OECD/LEGAL/0458](#)], which replaces three Recommendations adopted over time with overlapping provisions. Governments can now base their implementation on an updated and coherent set of provisions.

11. The revisions, further reviews and implementation reports on legal instruments set out in committees' Action Plans were initially planned to be finalised by 2021. However, as part of the process, the Action Plans are in fact evolving over time and work has expanded beyond the original scope and timeline, with reviews leading to revisions or to the development of new instruments, such as the ongoing review of the Recommendation on Combating Bribery in International Business Transactions [[OECD/LEGAL/0290](#)]. In addition, work has been delayed in some cases due to a lack of resources and the need to address other priorities of the committees or new policy developments in the area. The impact of COVID-19 on committees' work has inevitably led to further delays in the implementation of some of the actions. In order to maintain the momentum over the medium-term, clear messaging to committees on the priority for the Organisation of maintaining the relevance and impact of OECD standards would be important.

12. Figure 2 presents an updated overall projection of OECD standard-setting activities in the next three Programme of Work and Budget cycles.

Figure 2. Updated projection of OECD standard-setting activity



13. With respect to initiatives to improve OECD standard-setting activity, the Review has already resulted in the establishment of mechanisms to ensure that OECD legal instruments continue to respond to policy needs as these evolve. Notably, the review of all legal instruments under committees' responsibility to identify whether any updates are needed is now part of the process for the five-yearly mandate renewal or revision. Additionally, provisions on the maximum interval of reporting to Council have been systematically integrated in all Recommendations adopted since 2019, with committees opting for a shorter interval in a number of cases.² These reports on implementation are a key tool for committees to take stock of developments in the area concerned and identify gaps or challenges in implementation, which may merit updating the legal instrument to maintain its relevance and impact.

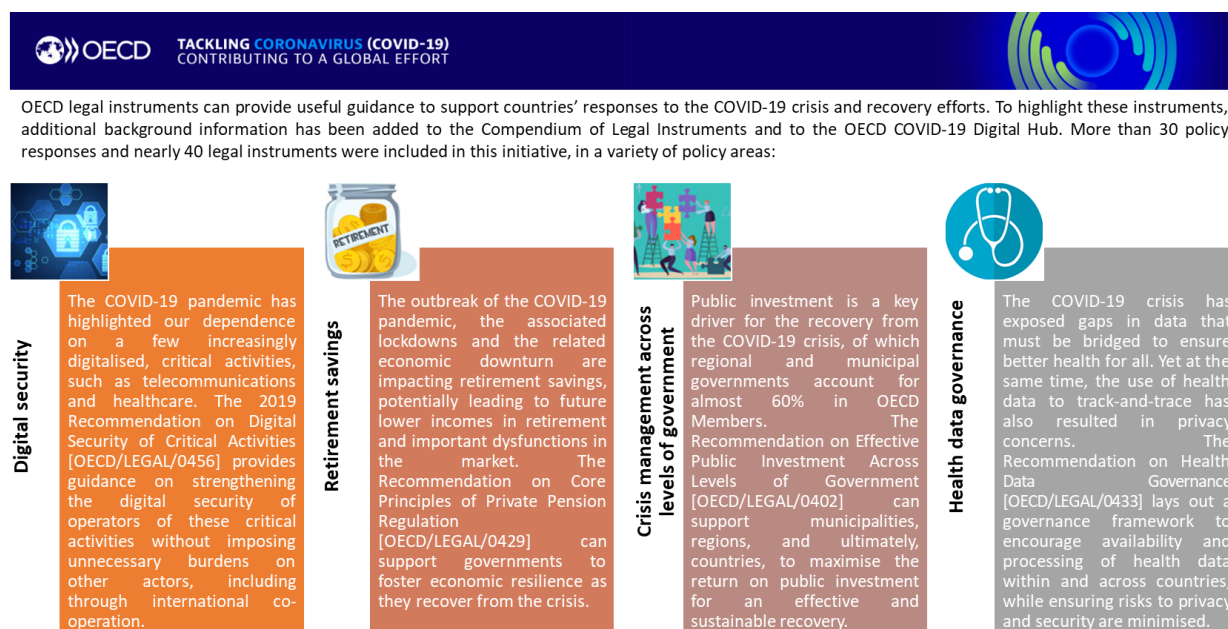
² For example, the Recommendation on the Governance of Infrastructure [[OECD/LEGAL/0460](#)], with reporting "every five years following its adoption".

2. Using standards to address emerging issues

2.1. COVID-19 responses and implications for future work

14. The COVID-19 crisis and its aftermath have implications on all areas of work of the OECD. Existing OECD standards have proven to be a potentially useful resource to provide guidance to policymakers and support countries' crisis response and recovery. Offering guidance in a range of topical policy issues from health data and digital security to public governance and financial affairs, the relevance of existing legal instruments can reinforce the role of the OECD as a source of sound policy advice to its Members and beyond (see Figure 3).

Figure 3. Relevance of existing OECD legal instruments to support COVID-19 crisis response and recovery



Source: OECD, [Online Compendium of Legal instruments](#); OECD Policy Responses to Coronavirus (COVID-19), Dealing with digital security risk during the Coronavirus (COVID-19) crisis, Retirement savings in the time of COVID-19, The territorial impact of COVID-19: Managing the crisis across levels of government, Ensuring Data Privacy as we battle COVID-19, available at: <https://www.oecd.org/coronavirus/en/policy-responses>.

15. Developing new evidence-based standards to support governments policy-making requires research, analysis and discussion in committees and will of course take time. Nonetheless, OECD committees have been responsive to the new reality and quick to adjust their standard-setting activities to take these new policy challenges into account in the development or revision of legal instruments (see Figure 4), in implementation reports, and in exploring possible new areas for standard-setting. This has been the case, for example, in discussions around the legal instruments in the area of tourism, with a change of the scope of the planned revision to address the impact of the crisis on this sector. Similarly, in considering the report on the implementation of the Recommendation on the Governance

of Clinical Trials [C(2020)108], the Committee on Scientific and Technological Policy (CSTP) examined the timely issue of emergency clinical trials. The COVID-19 crisis underscores the role of the Recommendation in harmonising clinical trial regulatory processes across countries, a major obstacle to conducting essential clinical trials in response to pandemics.

Figure 4. Taking account of the impact of COVID-19 in new OECD legal instruments



Note: For more information, please consult the [online Compendium of OECD Legal Instruments](#).

2.2. Keeping up with other policy challenges

16. Emerging challenges in other areas have also been a focus of committee work related to standards. In the past year, the OECD continued to be ahead of the curve with new and revised legal instruments to address recent developments in technology, public governance, corporate governance, and development co-operation (see Box 2 for recent examples and the Annex for a full list of legal instruments adopted since the last report to the 2019 MCM). Moreover, in spite of the unprecedented circumstances, the Organisation has maintained its standard-setting activity during the crisis, with three Recommendations adopted in June and July 2020.³ The continued focus on legal instruments during this period – OECD bodies have discussed the development, revision, review or implementation reports of nearly 30 legal instruments since mid-March – demonstrates the value Members see in this work, at a time when only priority items are being considered.

³ Recommendation on Environmental Assessment of Development Assistance Projects and Programmes [OECD/LEGAL/0458]; Recommendation on Consumer Product Safety [OECD/LEGAL/0459]; Recommendation on the Governance of Infrastructure [OECD/LEGAL/0460].

Box 2. Addressing emerging policy challenges – recent examples



Recommendation on Responsible Innovation in Neurotechnology

The first international instrument in this domain, the Recommendation [OECD/LEGAL/0457] aims to guide governments and innovators to anticipate and address the ethical, legal and social challenges raised by novel neurotechnologies while promoting innovation in the field. Given the significant potential of these technologies to promote health, well-being and economic growth, as well as the issues they raise, such as data privacy, the prospects of human enhancement, and vulnerability to manipulation, this Recommendation aims to assist governments and innovators in addressing and anticipating the challenges raised by both neurological disorders and novel neurotechnologies. To this end, the Recommendation provides guidance on each step of the innovation process and articulates the importance of (i) high-level values such as stewardship, trust, safety, and privacy in this technological context, (ii) building the capacity of key institutions like foresight, oversight and advice bodies, and (iii) processes of societal deliberation, inclusive innovation, and collaboration.

DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response



The DAC Recommendation [OECD/LEGAL/5020] is the first international instrument on sexual exploitation and abuse and sexual harassment that applies to development co-operation and humanitarian assistance. It was developed in response to disturbing reports of sexual exploitation and abuse in development co-operation and humanitarian assistance, and recognising that gender-based violence and violence against women and girls remain some of the most prevalent human rights violations and abuses in the world. The Recommendation provides guidance on combatting these phenomena while maintaining a survivor- and victim-centred approach. It is built around six pillars: (i) Policies, professional conduct standards, organisational change and leadership; (ii) Survivor/victim-centred response and support mechanisms; (iii) Organisational reporting, response systems and procedures; (iv) Training, awareness raising and communication; (v) International coordination; and (vi) Monitoring, evaluation, shared learning and reporting.

Source: OECD, [Online Compendium of Legal Instruments](#)

17. OECD committees have also reviewed and proposed important updates to existing legal instruments in light of recent developments to ensure they remain useful, consolidating in some cases several existing instruments to provide a comprehensive and updated standard. Since the report to the 2019 MCM [C/MIN(2019)13], 12 legal instruments were adopted which updated existing instruments, in the areas of competition, consumer protection, digital security, environment, development, financial markets, and investment. A number of legal instruments were further amended as part of routine technical updates, such as in the areas of chemicals, agriculture, and export credits.

18. The OECD will continue to pioneer the development of new or revised legal instruments to address emerging policy challenges in 2020 and beyond, with seven legal instruments expected to be finalised by the end of this year or in Q1 2021, notably in the areas of competition, environment and science and technology.

3. Making an impact

19. For nearly sixty years, OECD standards have been reflecting the consensus of OECD Members around evidence-based best practices and becoming international reference points for both Member and Partner countries. With flagship legal instruments like the Codes of Liberalisation, the Anti-Bribery Convention, the G20/OECD Corporate Governance Principles, and the Recommendation on Good Statistical Practice, the OECD makes a global impact – generating concrete benefits, levelling the playing field, promoting cross-border co-operation, and bringing Member and Partner countries together around shared policy objectives. OECD legal instruments in the areas of tax, digital economy, environment, responsible business conduct, state-owned enterprises, pensions and foreign direct investment are explicitly recognised as constituting the international standard in the respective field. This section highlights key actions taken in the past year to disseminate and promote the implementation of OECD legal instruments, as well as examples of impact of OECD instruments for OECD Members and beyond.

3.1. Promoting implementation and dissemination

20. The adoption of a legal instrument is only the beginning of a process: the impact of the instrument will depend on whether it reaches policymakers and whether it is effectively implemented in practice. The implementation and dissemination of OECD standards is the responsibility of adhering governments; the Secretariat works actively hand-in-hand with OECD Members to facilitate this essential task. In this regard, as part of the Review, OECD committees have been taking stock of their actions to support the implementation and dissemination of legal instruments under their responsibility and undertaking innovative initiatives to increase their impact. Actions taken within OECD committees to support implementation by governments include peer reviews (for example, in the areas of anti-bribery, tax, and statistics), exchange of information, gathering best practices as well as the development of interactive toolkits, best practice guidance and self-assessment tools (see Box 3 and Figure 5).

Box 3. Facilitating the implementation of legal instruments

Since the 2019 MCM, new tools have been developed to support governments in the implementation of OECD legal instruments, notably:

- The interactive implementation toolkit for the Recommendation on Policy Coherence for Sustainable Development [[OECD/LEGAL/0381](https://www.oecd.org/governance/pcsd/toolkit/)]⁴ provides practical guidance, self-assessment checklists, good practice examples and tools to analyse, enhance and track progress on policy coherence in the implementation of the Sustainable Development Goals (SDGs).

⁴ <https://www.oecd.org/governance/pcsd/toolkit/>

- The interactive implementation toolkit for the Recommendation on Open Government [[OECD/LEGAL/0438](#)]⁵ provides practical advice and case studies on implementing the provisions of the Recommendation, as well as examples of government toolkits.
- The Public Integrity Handbook,⁶ published in March 2020, provides guidance to government, business and civil society on implementing the Recommendation on Public Integrity [[OECD/LEGAL/0435](#)]. It identifies challenges in the implementation of the Recommendation's 13 principles, and provides the core elements in building cultures of integrity across government and society, through a merit-based human resource management system and open organisational cultures.

21. Dissemination, which in itself supports implementation, includes communication strategies and training, outreach events, seminars and workshops, and translation into other languages (see Box 4 and Figure 5).

Box 4. Dissemination initiatives

Dissemination initiatives over this period included:

- Events, seminars, and international and regional conferences, including with a specific COVID-19 focus, for example, in the context of regulatory policy.⁷
- National and regional training workshops for Member and Partner countries in areas such as competition, corporate governance, and responsible business conduct,⁸ expanding the reach of the related legal instruments.
- Development of e-learning modules for legal instruments in the areas of tax and agriculture to support their dissemination across countries and levels of government.⁹
- Newsletters, promotional videos¹⁰ and websites (e.g., National Statistics Offices and National Contact Points for Responsible Business Conduct (NCPs)).
- Translation of OECD legal instruments into additional languages. For example, four legal instruments have been translated into seven languages, including Brazilian Portuguese, German, Greek, Japanese, Latvian, Portuguese and Spanish since January 2019, with more translations underway.

⁵ <https://oecd-opsi.org/guide/open-government/>

⁶ OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>

⁷ <http://www.oecd.org/regreform/regulatory-policy/reg-covid-19-activities.htm>

⁸ See for example events to promote responsible business conduct in Latin America and the Caribbean, <http://mneguidelines.oecd.org/previous-events-promoting-responsible-business-conduct-in-latin-america-and-the-caribbean.htm>

⁹ See <https://www.oecd.org/ctp/crime/tax-crime-academy.htm>

¹⁰ See for example, promotional video on the Decision establishing the OECD Scheme for the Certification of Forest Reproductive Material Moving in International Trade [[OECD/LEGAL/0355](#)], available at: <https://youtu.be/nqGXYz5Sln4>

Figure 5. Innovative initiatives for dissemination and promoting the implementation of OECD legal instruments – examples from 2019

OECD AI Policy Observatory

- Launched on 27 February 2020, the OECD AI Policy Observatory is an online hub to provide multidisciplinary, evidence-based policy analysis on AI and facilitate multi-stakeholder dialogue.
- It supports the implementation of the Recommendation on Artificial Intelligence [OECD/LEGAL/0449], in particular through dedicated practical guidance that provides rationale and related policy initiatives, publications, events and scientific research for each of its provisions.
- With information on more than 300 policies across over 60 countries, the Observatory fosters mutual learning and knowledge sharing and facilitates the AI policy debate. Since the COVID-19 crisis struck, a dedicated page on the Observatory provides AI-powered real-time information.

OECD AI Principles
Wondering what standards to apply to AI policies and practices?
The AI Principles give guidance for a human-centred trustworthy approach.

AI Policy areas
Explore how AI affects everything from transport to jobs and education.
Find out about AI's impact on work innovation, productivity and skills.

Countries & initiatives
Explore over 300 AI policy initiatives from over 60 countries.
Find the latest AI initiatives from business, technologists and others.

Trends & data
Keep up with the latest AI developments and trends.
Explore live news, data and research from the OECD and its partners.

OECD Policy Framework on Sound Public Governance

The Policy Framework on Sound Public Governance is an overarching tool for assessment and dissemination of OECD legal instruments in the area of public governance

OECD Legal Instruments covered by the Policy Framework

Recommendation on Public Integrity	Recommendation on Open Government	Recommendation on Public Service Leadership and Capability
Recommendation on Regulatory Policy and Governance	Recommendation on Improving the Quality of Government Regulation	Recommendation on OECD Guidelines for Managing Conflict of Interest in the Public Services
Recommendation on Principles for Independent Fiscal Institutions	Recommendation on the Governance of Critical Risks	Recommendation on Digital Government Strategies
Recommendation on Principles for Transparency and Integrity in Lobbying	Recommendation on Budgetary Governance	Recommendation on Gender Equality in Public Life

Responsible committees: PGC, RPC

- It promotes their implementation through an integrated perspective that fosters coherence and helps identify trade-offs for governments in designing and implementing public governance reforms.
- The Framework will be used as a self-assessment and benchmarking tool to highlight specific governance areas for reforms. It is also a guidance tool, providing resources and links to further information about OECD legal instruments, toolkits and data.

Source: <https://oecd.ai/> and <https://www.oecd.org/governance/policy-framework-on-sound-public-governance/>.

22. Instrument-based country reviews in the past year, contributing to both dissemination and implementation of OECD legal instruments, included review of Argentina’s policies and practices to fight bid rigging in public procurement,¹¹ OECD

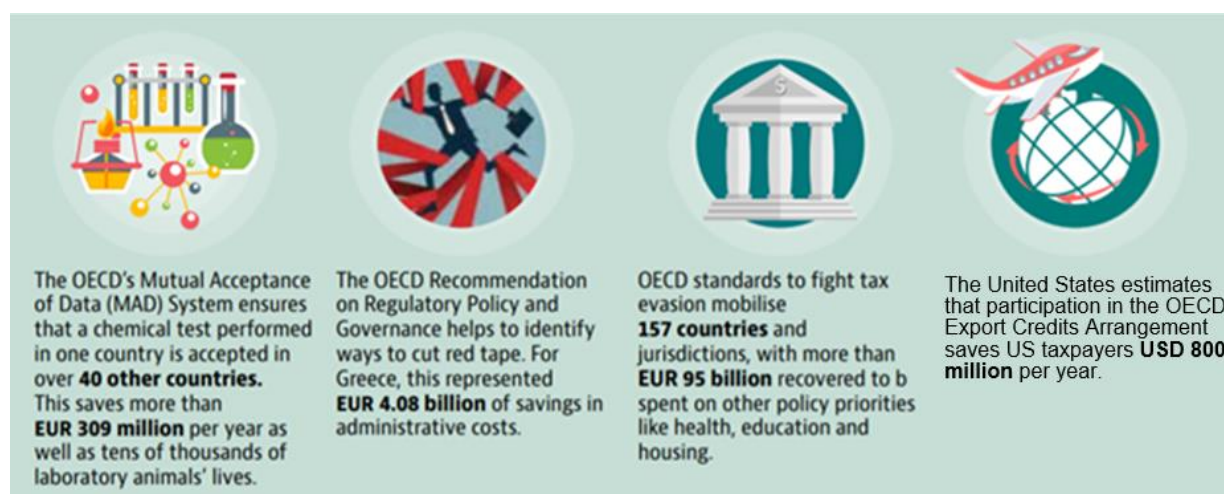
¹¹ OECD (2019), *Fighting Bid Rigging in the Procurement of Public Works in Argentina*, available at <https://www.oecd.org/da/competition/Fighting-bid-rigging-procurement-public-works-Argentina-EN-web.pdf>

Assessment of the Statistical System and Key Statistics of Argentina,¹² peer reviews of the National Contacts for RBC of Argentina, Canada and the United Kingdom,¹³ a public procurement review of Germany,¹⁴ and a review of gender and work in the Netherlands.¹⁵ Notably, in its recent report on the implementation of the Recommendation on Good Statistical Practice [C(2020)102], the Committee on Statistics and Statistical Policy considered that peer reviews of the implementation of the Recommendation have proven beneficial for developing policy recommendations for strengthening national statistical systems, and encouraged Adherents to the Recommendation to undergo such peer reviews. The report draws in part on such a review undertaken by Mexico. Country-specific assessments against OECD legal instruments are also part of the process for OECD accession as well as for adherence by Partner countries to certain instruments.

3.2. Policy impact on a global scale

23. The impact of an OECD standard, particularly in terms of levelling the playing field, also depends on how far the standard reaches policymakers within but also outside the OECD membership. OECD standards contribute to generating concrete benefits (Figure 6), international co-ordination and exchange of information, and drive policy reforms and outcomes domestically. This sub-section focuses on concrete, recent examples of policy impacts of OECD legal instruments, within Member countries and beyond (Figure 7).

Figure 6. Concrete benefits of OECD standards



Source: OECD, Raising the Bar, 2019

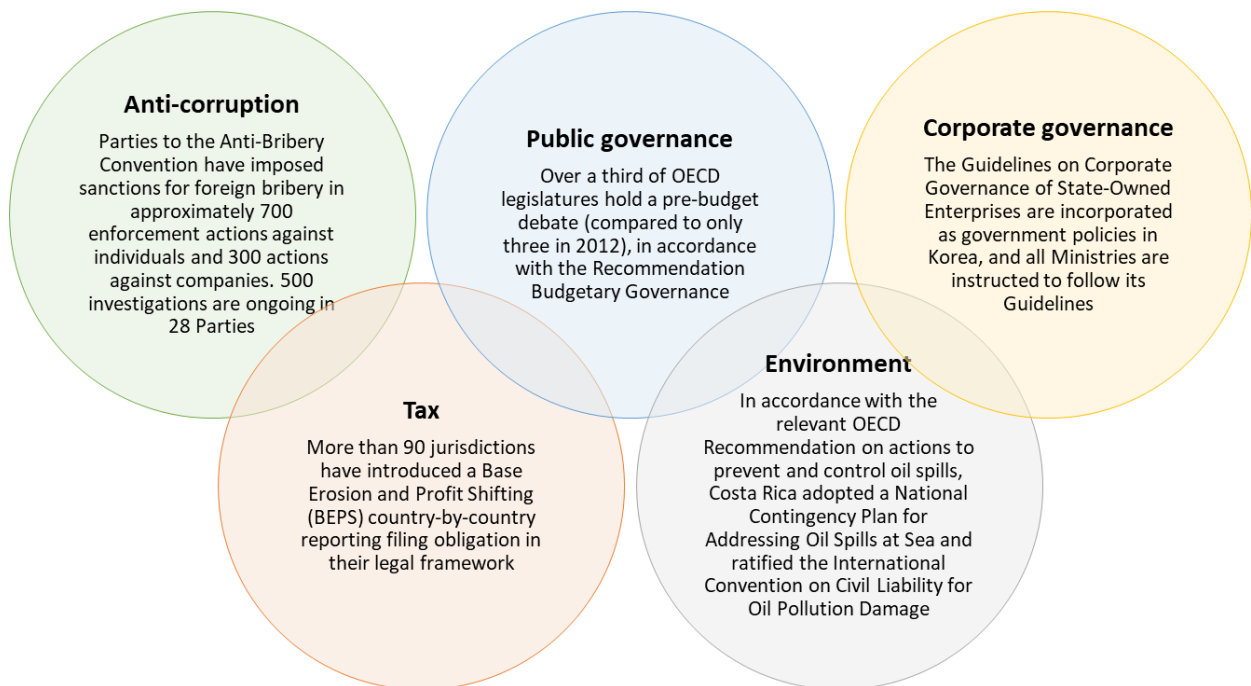
¹² <https://www.oecd.org/statistics/good-practice-toolkit/countryassessments/OECD-Assessment-of-the-Statistical-System-and-Key-Statistics-of-Argentina.pdf>

¹³ OECD (2019), OECD Guidelines for Multinational Enterprises National Contact Point Peer Reviews: Argentina, <https://mneguidelines.oecd.org/Argentina-NCP-Peer-Review-2019.pdf>; OECD (2019), OECD Guidelines for Multinational Enterprises National Contact Point Peer Reviews: Canada <https://mneguidelines.oecd.org/Canada-NCP-Peer-Review-2019.pdf>; OECD (2019), OECD Guidelines for Multinational Enterprises National Contact Point Peer Reviews: United Kingdom, <https://mneguidelines.oecd.org/UK-NCP-Peer-Review-2019.pdf>

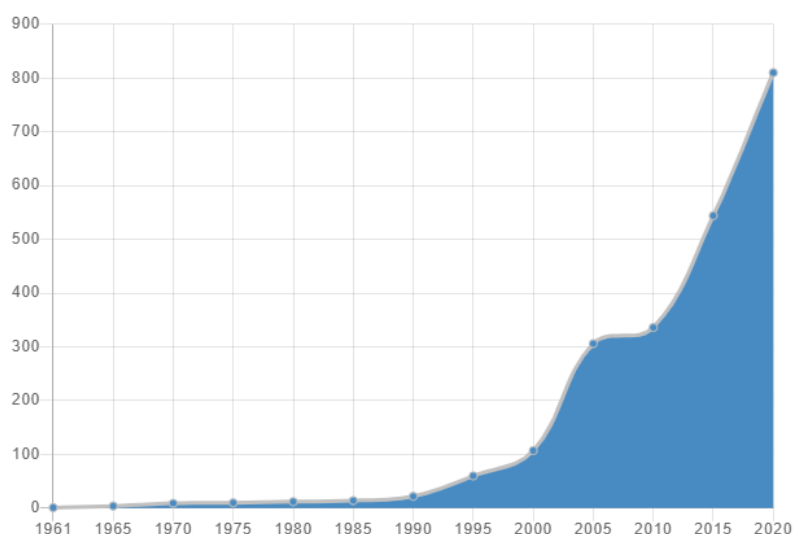
¹⁴ OECD (2019), *Public Procurement in Germany: Strategic Dimensions for Well-being and Growth*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/1db30826-en>

¹⁵ OECD (2019), *Part-time and Partly Equal: Gender and Work in the Netherlands*, OECD Publishing, Paris, <https://doi.org/10.1787/204235cf-en>

Figure 7. Examples of Impact of OECD legal instruments



24. OECD standards reach beyond the membership in different ways. The accession process is a powerful driver for policy reform, bringing new countries in line with OECD legal instruments and best practices. For example, Costa Rica, which was invited to become a Member in May 2020 [[C\(2020\)41/FINAL](#)], undertook transformational reforms related to anti-bribery, governance of state-owned enterprises and the banking sector, and statistics. A measure of success of OECD standards is also the growing interest of Partner countries in adhering to and implementing them, as well as participation in related committee work. Adherence of non-Members to OECD legal instruments has increased in the past decade, with 41 new requests submitted since the 2019 MCM and 71 adherences completed (and an additional ten ratifications of the amended Convention on Mutual Administrative Assistance in Tax Matters (MAAC) [[OECD/LEGAL/0382](#)] and 13 ratifications of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) [[OECD/LEGAL/0432](#)] in this period) at the time of writing. Figure 8 (below) shows this overall increase in the total numbers of adherence of non-Members to all OECD legal instruments; the trends in adherence of course vary depending on the non-Member as well as the legal instrument in question.

Figure 8. Non-Member adherence to OECD legal instruments

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

25. Actions taken by non-Members to implement legal instruments significantly increase their impact by spreading OECD best practices and setting an example for other countries in the region. A recent example is Brazil's legislative and regulatory amendments of 2019, in the context of its process of adherence to the OECD Codes of Liberalisation, to eliminate the equity limit for foreign investors in Brazilian air transport companies, increase the limit for investment abroad of Brazilian open pension funds, ease foreign participation and establishment in the Brazilian banking sector, and allow the increased participation in the reinsurance sector by foreign providers. With increasingly global challenges, like the ongoing COVID-19 crisis, the OECD's ability to set international guidance to support coordinated policy responses around the world is more important than ever.

26. Beyond individual governments, OECD legal instruments are increasingly gaining traction among other inter-governmental organisations and global governance groupings. Notably, the United Nations Development Programme (UNDP) adhered to the Development Assistance Committee (DAC) Recommendation on the Humanitarian-Development-Peace Nexus [OECD/LEGAL/5019], and requests from three other intergovernmental organisations are pending.¹⁶ OECD legal instruments also serve as reference points for other intergovernmental organisations, for example the European Union Regulation on sustainability related disclosures in the financial services sector of November 2019¹⁷ refers to the OECD Due Diligence Guidance for Responsible Business Conduct which is the subject of an OECD Recommendation [OECD/LEGAL/0443]. OECD standards also continue to constitute important deliverables for the G20, for instance

¹⁶ At the time of writing, three other requests for adherence to this DAC Recommendation by intergovernmental organisations (the World Food Programme, the United Nations Children's Fund and the International Organization for Migration) were also being considered.

¹⁷ REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector, available at <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088&from=EN>

with the G20 Osaka Leaders' Declaration of June 2019¹⁸ welcoming the G20 AI Principles, drawn from the OECD Recommendation on Artificial Intelligence [[OECD/LEGAL/0449](#)]. Under the 2020 Saudi Arabia Presidency, G20 Digital Ministers reaffirmed their support for the AI Principles and each committed to advance them in accordance with national priorities.

27. Finally, OECD legal instruments have a significant impact in the private sector as well, with certain instruments aimed at creating an internationally consistent environment for business and promoting fairness, transparency and integrity. The G20/OECD Corporate Governance Principles, for example, are one of the Key Standards adopted by the Financial Stability Board, effectively setting the ground rules for companies around the world. Legal instruments in the areas of export credits or waste recovery are similarly incorporated into national legal and policy frameworks and guide businesses in these sectors. In the area of responsible business conduct, to date, 49 governments have established NCPs to promote the OECD Guidelines for Multinational Enterprises and handle cases regarding their non-observance by enterprises. Since May 2019, more than 30 cases have been filed with NCPs, and of those concluded, five have resulted in an agreement between the parties, and eight contained recommendations to the company. Companies are also actively using the OECD's due diligence guidance and incorporating it into their own due diligence practices.

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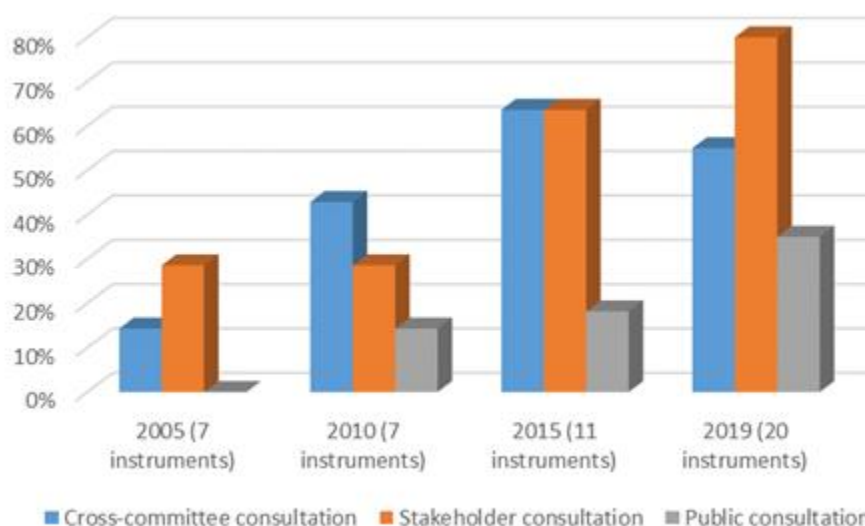
https://www.mofa.go.jp/policy/economy/g20_summit/osaka19/en/documents/final_g20_osaka_leaders_declaration.html

4. Leveraging the multi-disciplinary and multi-stakeholder nature of the OECD

28. One of the OECD's unique strengths in developing standards is its coverage of a vast array of policy areas as well as its convening power with different sets of stakeholders. As emerging policy challenges become more complex with a need to balance different interests, the OECD's ability to bring together different policy communities and different stakeholders will be key to its success as a global standard-setter (Figure 9).

Figure 9. Growing trend of horizontal collaboration and multi-stakeholder consultation in developing or revising OECD legal instruments

Percentage of each type of consultation out of the total number of legal instruments adopted in each year



Note: Total number of legal instruments adopted in brackets for each the year. There can be more than one type of consultation per instrument.

Source: OECD, [Online Compendium of Legal Instruments](#)

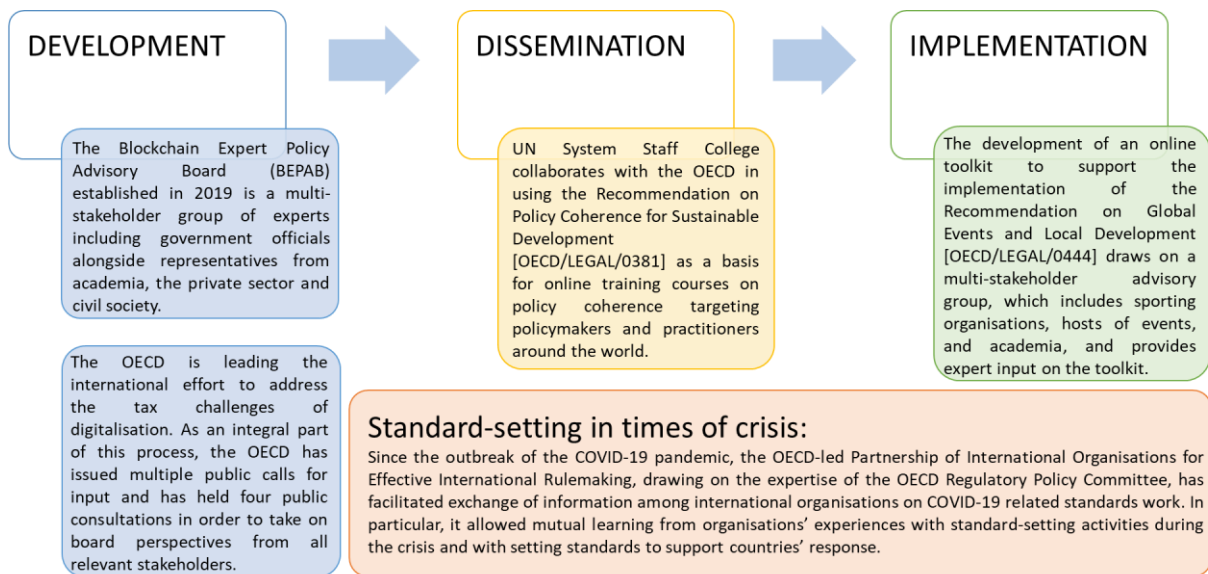
29. Multi-disciplinary work with cross-committee consultation is an increasingly integral part of the development of new and revised OECD legal instruments, and it also plays an important role in their dissemination and in supporting and reporting on their implementation. Consultations among different OECD technical committees took place in about two-thirds of the processes for developing or revising OECD legal instruments adopted since the 2019 MCM (see Annex for full list). This multi-disciplinary process results in legal instruments that are able to effectively address transversal policy challenges, leveraging the complementary competences of different OECD policy communities. Recent examples include the Recommendation on Environmental Assessment of Development Assistance Projects and Programmes [[OECD/LEGAL/0458](#)], developed by the Environment Policy Committee (EPOC) and the DAC, and the Recommendation on Responsible Innovation in Neurotechnology [[OECD/LEGAL/0457](#)], which was developed by the CSTP in consultation with a number of OECD bodies, to ensure that perspectives of

health, public governance, regulatory policy and others were taken into account in addressing and anticipating the governance challenges of this novel technology.

30. Horizontal projects, designed to increase collaboration and exchanges across policy communities at the OECD, can provide a framework within which to develop cross-cutting legal instruments on transversal issues. For example, the Recommendation on Artificial Intelligence [OECD/LEGAL/0449] was developed under the auspices of the *Going Digital* horizontal project, while the Recommendation on Governance of Infrastructure [OECD/LEGAL/0460] constitutes an output of the horizontal project on Strategic Policies for Sustainable Infrastructure [C(2020)119]. More broadly, horizontal projects can foster cross-committee consultations and joint events to disseminate and promote the implementation of existing legal instruments in their respective areas.

31. The OECD’s impact as standard-setter derives also from the Organisation’s ability to convene different stakeholders beyond governments – business, trade unions, civil society organisations, academia, technical expert communities and other international organisations – to provide input from their different perspectives on the development (Figure 9 above), dissemination and implementation of OECD legal instruments. There are a number of recent examples, including the convening of multi-stakeholder expert groups as a preliminary phase to the development of a new legal instrument (Figure 10).

Figure 10. Multi-stakeholder engagement in OECD standard-setting – recent examples



32. Multi-stakeholder engagement – through expert groups, public or targeted consultations, conferences and other events – has the potential to both improve OECD standards, pooling knowledge and providing a range of perspectives, as well as to increase their reach and buy-in, thereby delivering more inclusive and more effective multilateral outcomes.

33. With its ability to effectively bring together different policy and stakeholder perspectives, the OECD is well placed to continue setting quality, evidence-based standards to support countries in facing new and existing challenges.

Annex: Standard-setting activity between May 2019 – October 2020

Legal instruments adopted or revised since May 2019 (including at the 2019 MCM)

 Recommendation on Artificial Intelligence *	 Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises *	 Declaration on Public Sector Innovation *	 OECD Codes of Liberalisation X
 Recommendation concerning Effective Action against Hard Core Cartels X	 Recommendation on Consumer Protection in the field of Consumer Credit X	 DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response *	 Recommendation on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones *
 Recommendation on the Assessment of Projects, Plans and Programmes with Significant Impact on the Environment X	 Recommendation on Digital Security of Critical Activities X	 Recommendation on Responsible Innovation in Neurotechnology *	 Recommendation on Competition Assessment O
 Recommendation on Policy Coherence for Sustainable Development X	 Recommendation on Environmental Assessment of Development Assistance Projects and Programmes O	 Recommendation of the Council on Consumer Product Safety O	 Recommendation of the Council on the Governance of Infrastructure *
 Decision on the Control of Transboundary Movements of Wastes Destined for Recovery Operations X	 Recommendation on the OECD Benchmark Definition of Foreign Direct Investment X		

* Instrument in a new area of work
 X Revision of an existing instrument
 O Revision of several instruments and consolidation

Reports to Council on the implementation, dissemination and continued relevance of legal instruments since May 2019



Report on the Implementation of the Recommendation on Principles for Public Governance of Public Private Partnerships [C(2019)89]



Report on the Implementation of the Recommendation on Public Procurement [C(2019)94/FINAL]



Report on the Implementation of the Recommendation on Consumer Policy Decision Making [C(2019)126]



Report on the Implementation of the Recommendation on Budgetary Governance [C(2020)8 & CORR]



Report on the Implementation of the Recommendation on the Standard For Automatic Exchange of Financial Account Information in Tax Matters [C(2020)47]



Report on the Implementation of the Recommendation Concerning Guidelines on Earthquake Safety in Schools [C(2020)50]



Report on the Implementation of the Recommendation on Good Statistical Practices [C(2020)107]



Report on the Implementation of the Recommendation on the Corporate Governance Principles [C(2020)94]



Report on the Implementation of the Recommendation on Human Biobanks and Genetic Research Databases [C(2020)109]



Report on the Implementation of the Recommendation on the Governance of Clinical Trials [C(2020)108]