China and the OECD
A mutually beneficial partnership

The OECD is proud to have China as a Key Partner and stands ready to support the country’s reform process during an important period of rebalancing and structural adjustment that will put the economy on a more inclusive and more sustainable path of development.

Throughout 2016, the OECD was honoured to support China’s G20 Presidency and our Sherpa teams worked hard to deliver meaningful outcomes for leaders to endorse, from advancing the structural reform agenda and developing fairer and more effective global standards in the field of taxation, corporate governance and anti-corruption, to improving the frameworks for international trade and investment and harnessing new sources of growth like innovation, skills, the digital economy and the new production revolution. The Organisation remains committed to close engagement with China to sustain inter-connected growth and manage economic globalisation so that everyone can share the benefits of development and progress.

Meanwhile, the OECD’s bilateral collaboration with China has also continued to intensify with the implementation of the first comprehensive Joint Programme of Work 2015-16. This framework has facilitated China’s access to OECD expertise and best practises to support its reform agenda in building a “prosperous society” by 2020. It also supports Chinese authorities to address challenges such as creating the conditions for the emergence of new growth engines and moving towards a more efficient, inclusive and ecologically sustainable model. In turn, China’s unique perspectives and policy experience have enriched the work of the OECD, increased the relevance of our analyses and supported a more inclusive global policy debate in today’s challenging global economic environment. Looking ahead, even stronger engagement of China with the OECD would help increase recognition of the country’s reform progress and strengthen its role in global economic governance.

ANGEL GURRÍA, OECD Secretary-General
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The co-operation between China and the OECD has developed progressively since the mid-1990s. A Key Partner of the OECD, China participates as Member, Associate or Participant in nine OECD bodies and adheres to seven OECD legal instruments. It contributes actively to the Organisation’s work on tax transparency and compliance, macroeconomic monitoring, science and technology, trade, investment and agriculture policies. More than thirty Chinese ministries and agencies take part in the activities of the OECD, with the Ministry of Commerce playing an important co-ordinating role.

In 2016, a number of breakthrough developments have further consolidated the OECD-China partnership. The close collaboration throughout China’s G20 Presidency in 2016 brought the OECD-China relationship to a new level. The implementation of the OECD-China Joint Programme of Work for 2015-16 also intensified this partnership in a broad range of policy areas. At the regional level, the OECD has been an active supporter of the Asia Pacific Economic Co-operation (APEC), for instance on issues such as long-term investment, disaster risk financing and BEPS, which are important priorities for China. Over the past years, China has also strengthened its collaboration with various specialised organisations affiliated to the OECD, including the OECD Development Centre (page 10), the International Transport Forum (page 46), the International Energy Agency (page 52) and the Nuclear Energy Agency (page 53).

In engaging increasingly with the OECD, as well as with other major international economic and financial institutions, China is enhancing its contribution to global governance.

**2016 HIGHLIGHTS**

**26-27 February**
Secretary-General Angel Gurría and Minister of Finance LOU Jiwei jointly launch the OECD *Going for Growth* report during the G20 Finance Ministers and Central Bank Governors Meeting.

**20 March**
Secretary-General Angel Gurría and LI Wei, President of Development Research Center of the State Council launching the OECD-DRC joint project of Industrial Upgrading for Green Growth in China, at the China Development Forum.

**22-25 March**
OECD Deputy Secretary-General Douglas Frantz *(left picture)* and OECD Chief of Staff and Sherpa to the G20 Gabiela Ramos *(right picture, middle)* participating at the Boao Forum for Asia 2016 Conference.

**11 May**
China hosted the 10th OECD Forum on Tax Administration in Beijing.
31 May
Bilateral meeting between Secretary-General Angel Gurría and Vice-Minister of Commerce WANG Shouwen at the OECD Ministerial Council Meeting 2016, Paris.

1 June
LI Wei, President of China’s DRC speaking at the OECD Forum 2016, Paris.

22 July
Secretary-General Angel Gurría participating at the “1+6” Round Table hosted by Chinese Premier LI Keqiang in Beijing.

24 July
Secretary-General Angel Gurría and Minister of Finance LOU Jiwei at the joint High-Level Seminar of “New Approaches to Economic Challenges” (NAEC), Chengdu.

4-5 September
China presided at a successful G20 Summit in Hangzhou, which benefited from OECD support in a broad range of areas.
In 2016, the OECD’s collaboration with China in the context of its G20 Presidency, underpinned by the successful 2015 OECD-China G20 Skills Development Programme, further strengthened our bilateral relationship and supported a successful Hangzhou Summit focused on building an “Innovative, Invigorated, Interconnected and Inclusive World Economy”.

Against the grim economic background of prolonged low growth and weak investment and trade, the Chinese Presidency successfully addressed the challenge of harnessing the potential of innovation, technology, and of the digital economy, while at the same time emphasising a more effective combination of structural, monetary and fiscal policies. In this context, the OECD played a critical role in substantiating the G20 Blueprint for Innovative Long-term Growth, as well as the G20 Action Plans on innovation, the digital economy and the new industrial revolution, including by delivering the 2016 G20 Innovation Report to leaders and creating the G20 Community of Practice within the OECD/World Bank Innovation Policy Platform.

The Chinese Presidency also focused on ensuring that the “traditional” engines of economic growth – trade and investment – regain momentum and on further exploring the relationship between them. The OECD worked closely with China to develop the G20 Trade Growth Strategy and the G20 Guiding Principles for Global Investment Policymaking, drawing upon the OECD Policy Framework for Investment.
In its endeavour to improve global governance, the Chinese Presidency relied on the OECD’s support in key areas leading to ground-breaking outcomes in Hangzhou, such as the implementation of the international tax agenda - particularly through the Base Erosion and Profit Shifting (BEPS) project which brought OECD and non-OECD countries on an equal footing under the new Inclusive Framework. Another milestone was the establishment of the Global Forum of Steel Excess Capacity, for which the OECD was asked in Hangzhou to play a facilitating role.

The OECD’s fruitful co-operation with China’s G20 Presidency further contributed to a productive Hangzhou Summit, where leaders committed to provide a fresh impetus to global sustainability and global public good agendas such as the Sustainable Development Goals, the Paris Climate Agreement and global health, notably in the area of Anti-Microbial Resistance. The OECD’s work in 2017 will be important to further support these legacies from the Chinese Presidency.

“The OECD’s support to China’s Presidency of the G20 in 2016 contributed to considerably strengthening our collaboration in the pursuit of an innovative, invigorated, interconnected and inclusive global growth. In the current context where we are facing multiple long-term challenges such as the backlash against globalisation, technological transformation and or climate change, the solid grounds for a robust partnership between the OECD and China will help OECD and G20 members achieve important milestones, such as the establishment of a Global Forum on Steel Excess Capacity launched at the Hangzhou Summit.”

Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20

© Family photo of the G20 Summit, Hangzhou, 4 September 2016.
“1+6” Round Table: Enhancing international economic policy coordination

Strong co-operation and co-ordination among international organisations is increasingly critical in today’s challenging context. China organised in July 2016 the “1+6” Roundtable dialogue in Beijing under the aegis of Premier LI Keqiang. The Roundtable convened OECD Secretary-General Angel Gurría and the heads of five other major international economic and financial institutions – World Bank Group (WGB) President Jim Yong Kim, International Monetary Fund (IMF) Managing Director Christine Lagarde, World Trade Organisation (WTO) Director-General Roberto Azevedo, International Labour Organisation (ILO) Director-General Guy Ryder and Financial Stability Board (FSB) Chairman Mark Carney to discuss ways that China and the six organisations could enhance coordination on policies related to economic growth, structural reform, trade, financial markets, development, and employment.

As reflected in its leadership of the G20 Presidency in 2016, China can make a significant contribution to address common challenges and improve global governance, working closely with international partners.

“The OECD, the IMF and other IOs will continue to contribute proactively to the work streams under the G20 Growth Framework and tap into their expertise to provide valuable policy analysis and recommendations for G20 structural reforms... the OECD will continue to support the delivery and implementation of an innovation-driven growth path.”

Joint Press Release of Premier LI Keqiang, OECD Secretary-General Angel Gurría, World Bank Group President Jim Yong Kim, IMF Managing Director Christine Lagarde, WTO Director-General Roberto Azevedo, ILO Director-General Guy Ryder and FSB Chairman Mark Carney on the “1+6” Roundtable, 22 July 2016

© Premier LI Keqiang in discussion with Secretary-General Angel Gurría at the “1+6” Roundtable, Beijing, 22 July 2016.
Family photo of the “1+6” Roundtable, Beijing, 22 July 2016. From left to right – OECD Secretary-General Angel Gurría, WTO Director-General Roberto Azevedo, World Bank Group President Jim Yong Kim, Premier Li Keqiang, IMF Managing Director Christine Lagarde, ILO Director-General Guy Ryder, FSB Chairman Mark Carney.
Secretary-General Gurría and Minister of Commerce Gao Hucheng signed *A Vision for Medium Term and a Programme of Work for 2015-16 (POW)* in the presence of Premier LI Keqiang during his official visit to the OECD Headquarters in July 2015. Since then, the OECD has been working closely with the Ministry of Commerce and other partner ministries on the implementation of this programme.

The implementation of the Programme of Work – in parallel to OECD support for China’s G20 presidency – has intensified the bilateral OECD-China co-operation. The POW has helped raise the profile and visibility of the Organisation’s collaboration with China, while providing a more structured mode of collaboration. It reinforced the co-operation with long-time partners including the Ministry of Commerce, Ministry of Finance, the National Development and Reform Commission, the Ministry of Supervision and the China Security Regulatory Commission. The implementation of the programme has also allowed initiating collaboration with the Cyberspace Administration of China on digital economy.
Secondment Programme: Chinese government officials working with the OECD Secretariat

To foster knowledge-sharing and reinforce ties between the OECD and the Chinese administration, the OECD established a “Programme of Temporary Assignments for Chinese Government Officials to the OECD” in 2012.

The Programme gives Chinese officials the opportunity to work in the OECD Secretariat in Paris for several months, on a specific assignment in relation to their area of work. Through these secondments, the Chinese officials can help their respective Ministries gain a better understanding of the OECD and how its work can support China’s reform efforts. The seconded Chinese officials also help ensure that China’s perspectives are better integrated into OECD analyses.

Since 2012, the Programme has welcomed 39 Chinese officials to work on policy areas that are priorities for the rebalancing and structural adjustment of the Chinese economy. Their assignments cover a wide range of policy areas, from reviews of China’s economic development, rural, urban and regional development, to research on sustainable agriculture productivity, global value chains and services trade as well as policy exchange on tax matters and chemical safety. The scope of the Programme also extended to seeking effective solutions to address emerging challenges such as industrial upgrading for green growth in China, enhancing legislation as regards public-private partnerships and promoting responsible business conduct.

Officials have been sent from more than ten “key” Chinese ministries and institutions, which include the National Development and Reform Commission; the Development Research Centre of the State Council; Ministries of Commerce, Finance, Agriculture, Science and Technology, Environmental Protection, Water Resources, and Transport; the State-owned Assets Supervision and Administration Commission; the State Administration of Taxation; and the People’s Bank of China. The OECD welcomes the important role that secondees have played in fostering mutual learning and policy dialogue between the Organisation and China.

“From September to December 2016, I worked in the OECD Centre for Tax Policy and Administration. China and the OECD have a long history of in-depth cooperation in the field of taxation, in particular on international tax issues within the G20 process. It is my dream to work in a world-famous international organisation such as the OECD. During three months of work, I felt the equal, inclusive and friendly work atmosphere. I participated in many-faceted work such as tax revenue statistics, harmful tax practice, country reports and more. My skills was improved and I achieved fruitful results. Also, when I returned to China I got a promotion. I would like to thank my OECD colleagues for their generous help. Now, I continue to work in the International Tax Division, Tax Policy Department of the Ministry of Finance of China, which enables me to have more opportunities to work with the OECD. I will try my best to continue to promote coordination between China and the OECD in the international taxation field in future.”

WANG Mingru, Ministry of Finance seconded to the OECD Centre for Tax Policy and Administration, September to December 2016
Represented by the Development Research Center (DRC) of the State Council, China became a member of the OECD Development Centre in July 2015. Since then, China has shared its experiences in development and engaged in mutual learning with 50 other countries from Asia, Africa, Latin America and Europe. In turn, China has facilitated the involvement of the Centre in the SiLKS, the think tank network of the Silk Road and in the DRC-hosted Center for International Knowledge on Development (CIKD). Looking ahead, the Centre looks forward to increasing co-operation with China on translating learnings from Chinese development experiences for other developing countries and advancing common ground and co-operation among knowledge providers in countries along the Belt and Road Initiative.

OECD Development Centre’s regional economic outlooks on Africa, Latin America and South East Asia contribute to the OECD’s global outreach and increasingly enhance China’s impact on other developing countries. The African Economic Outlook, a joint product with the African Development Bank and the UNDP, discusses the economic and social performance of the continent and its 54 countries. The 2016 edition, which focuses on sustainable cities and structural transformation, provides analysis on how the rebalancing of the Chinese economy will impact Africa.

The Latin American Economic Outlook, jointly produced with the Development Bank of Latin America (CAF) and the United Nations Commission for Latin America, has been translated into Chinese since 2009. The 2016 edition included a focus on the evolving relationship between China and Latin America. The 2017 edition of the Economic Outlook for Southeast Asia, China and India focuses on the energy challenge and on renewable energy in emerging Asia, and looks at the impact of China’s rebalancing on the region. This report regularly informs the OECD-AMRO-ADB Joint Asian Regional Roundtable, an annual dialogue to discuss near-term macroeconomic and structural policy challenges and promote knowledge sharing on better policies.

www.oecd.org/dev
www.africaneconomicoutlook.org/en
www.latameconomy.org/en/outlook
www.oecd.org/site/seao

“...China will share its knowledge and experience with the rest of the world, while continuing to learn with a humble attitude. China’s historic decision to join the OECD Development Centre provides the perfect platform to share such knowledge and experience on development with other countries. In this way, China can actively contribute to a new round of global economic prosperity.”

Excerpt of DRC President LI Wei’s blog post “A view into China’s Development: Opportunities, Challenges, Actions” on OECD Development Matters blog.

© Mario Pezzini. Director of the OECD Development Centre and DRC President LI Wei during the OECD Development Centre’s High-Level Meeting, OECD, 2 June 2016.
Secretary-General Angel Gurría launching the Latin American Economic Outlook 2016 during the Economic Summit of the China Development Forum, Beijing, March 2016.
“In a challenging international environment, China’s participation in the global economy is paramount as shown by a sustained major contribution to growth and trade. China is increasingly playing an important and influential role worldwide. Chinese Presidency of G20 advanced both the Global Economic Governance and the Sustainable Development agendas. Building upon a two decades long mutual beneficial agenda, and on the recent membership in the OECD Development Centre, China and the OECD are embarking on a new ambitious joint work programme furthering better policies for better lives, the dissemination of OECD standards in view of an inclusive and sustainable growth.

Paulo Vizeu Pinheiro, Ambassador of Portugal to the OECD, Chair of the External Relations Committee

“As Co-Chairs of the OECD’s Informal Reflection Group on China, we have been delighted at the high degree of interest and support by OECD Member Countries for the ongoing work of the OECD with China, a Key Partner of the Organisation. In the last 12 months the level of cooperation has intensified, demonstrated by the close collaboration of the OECD with the Chinese G20 Presidency. A major priority for 2017 is to initiate a new joint work programme to further deepen the engagement between the OECD and China. We are confident that the new work program will be constructive, mutually beneficial, and ambitious.”

Joint statement from Co-Chairs of the China Informal Reflection Group – Noé van Hulst, Ambassador of the Kingdom of the Netherlands to the OECD and Brian Pontifex, Ambassador of Australia to the OECD

“The OECD’s Global Relations Strategy seeks to make the Organisation a more effective and inclusive global policy network to the benefits of advanced, emerging and developing countries. Reflecting its growing weight in the global economy and increasing role in global governance, close co-operation with China along with the four other Key Partners (Brazil, India, Indonesia and South Africa) – is a crucial element of this Strategy. The OECD is proud of the remarkable progress achieved in its co-operation with China in the past biennium, particularly in the excellent collaboration in support of the Chinese G20 Presidency and implementation of the first comprehensive China-OECD Programme of Work for 2015-2016. We look forward to continue deepening our longstanding and mutually beneficial co-operation and strengthening our support for China’s reform agenda through our new work programme and, in turn, to learning from China’s unique development experiences.”

Andreas Schaal, Director of OECD Global Relations and OECD G20 Sous-Sherpa

“The OECD works with China on several policy areas such as education, trade, water, taxes, energy and environment, food security, and infrastructure. Chinese experiences and policy perspectives enrich the policy debate at the OECD and can provide valuable lessons to other countries. We look forward to enhancing our co-operation and to working with China within the UN system to support SDG implementation in countries at different stages of development.”

Marcos Bonturi, OECD Special Representative to the United Nations
SUSTAINABLE, BALANCED AND INCLUSIVE GROWTH
After more than three decades of double-digit growth, China is facing the challenges of economic rebalancing and structural adjustment. The OECD provides policy makers with state-of-the-art analyses on China’s macroeconomic and structural policies and emerging trends to guide policy reform.

Through various publication series, the OECD examines the evolving interaction between macroeconomic and structural policies. Twice a year, the Economic Outlook analyses recent global economic developments and provides projections on 45 economies, including China.

Going for Growth provides an annual comparative overview of structural policy developments and reform priorities to enhance productivity, job creation and social inclusion with the aim of improving living standards over the longer term. For China, the 2017 edition highlights the need to further streamline the licensing and registration system; phase out implicit government guarantees, to create a more level playing field for all enterprises; provide a minimum level of social services to all households, irrespective of where they are registered; and increase the cost of emissions and other pollution for polluters, in order to encourage greener growth.
The **Economic Surveys**, published biennially for each OECD Member and Key Partner economy, analyse major economic challenges and propose reform options drawing on international best practices. The fifth **Economic Survey of China**, prepared in co-operation with China’s State Information Centre of the National Development and Reform Commission, is to be released in Beijing in March 2017. It discusses economic prospects and challenges and offers recommendations on how to promote more sustainable and inclusive growth, with a focus on corporate performance and social policies.

[www.oecd.org/eco](http://www.oecd.org/eco)  
Rapid growth has transformed China over the past three decades. Yet, there is a need to address the quality and the inclusiveness of economic growth to ensure the benefits of growing prosperity are shared evenly. The OECD provides evidence-based analysis, shares international best practices and identifies policy options in support of China’s efforts to foster inclusive growth.

The OECD works with governments to identify policy solutions to break down the barriers to inclusive growth. All on Board: Making Inclusive Growth Happen in China, a report commissioned by the National Development and Reform Commission (NDRC) and praised by Premier Li Kegiang during his visit to the OECD in July 2015, provides valuable insights to the development of the country’s 13th Five Year Plan (FYP). It examines the key drivers of multidimensional living standards in China and proposes a roadmap for promoting inclusive growth, through policies to reduce the urban-rural income gap, improve access to quality health care for all, make the tax-benefit system more equitable and enhance the educational attainment and skills of the labour force. The OECD’s work on inclusive growth and development also covers India in addition to OECD Members.

As part of its All on Board for Inclusive Growth Initiative, the OECD has created the OECD Centre for Opportunity and Equality in October 2015. The new Centre is a platform for promoting and conducting policy-oriented research on the trends, causes and consequences of inequalities in society and the economy; it is also a forum to discuss how policies can best address these inequalities. Moreover, given the important role of cities and metropolitan areas in making inclusive growth happen, the OECD launched the Inclusive Growth in Cities Campaign in late March 2016 to increase awareness of rising inequalities, refocus the debate on concrete solutions and empower local governments as leaders in the transition towards more inclusive growth.

www.oecd.org/inclusive-growth
Like many other countries, China faces the challenge of managing the trade-off between economic growth and environmental pressures. Through in-depth research and collaborative projects with the Chinese authorities, the OECD continues to support China’s efforts in promoting a transition towards green growth.

Since 2015, the OECD and the Development Research Center (DRC) of the State Council have been collaborating on a joint project, the Industrial Upgrading for Green Growth in China. The joint policy brief of the project, to be delivered in March 2017, provides recommendations to the Chinese government on a coherent set of policies to ensure that environmental protection and economic and industrial development are better aligned and mutually supportive for the transition towards greener growth during the 13th Five-Year Plan period. The relevant Chinese policy development studies through this joint effort hold useful lessons for OECD countries and others. In a broader context, the DRC will also be providing valuable input for the project Growth, Investment and the Low-carbon Transition, to be implemented during 2017 G20 Presidency.

The OECD has shared with Members and Key Partners including China the best practices and policy insights from core OECD work on green growth, such as the Green Growth Strategy and its associated reports, as well as work on the Economic Surveys of China. The flagship publication Aligning Policies for a Low-carbon Economy, points to a number of potential reforms in the policy domains of finance, taxation, trade, innovation and adaption, as well as in three specific sectors - electricity, urban mobility and land-use. Examples from China and other emerging economies have significantly contributed to enrich this analysis. For the biennium of 2017-2018, the OECD has planned to undertake a few country and city based case studies on urban green growth, whereby Asian countries including China will be invited to participate.
Promoting responsible business conduct

In collaboration with the Ministry of Commerce (MOFCOM) and other institutions, the OECD continues to support the work of the Chinese government in improving the business environment in China. This includes facilitating the country’s Go Abroad strategy and aligning responsible business conduct policies to international standards.

The co-operation between the OECD and China has intensified to align the Chinese Responsible Business Conduct (RBC) sectorial standards with the OECD Due Diligence Guidance.

- The OECD and the China Chamber of Commerce for Metals, Minerals & Chemicals Importers and Exporters (CCCMC) have jointly developed a set of Due Diligence Guidelines for Responsible Mineral Supply Chains for Chinese industry, based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected Areas.

- The OECD has worked closely with Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) to promote the alignment of regulatory standards concerning the import and export of tin, tantalum and tungsten. OECD Due Diligence Guidance has also focused on gold, with the addition of cobalt in 2016, through the establishment of the Responsible Cobalt Initiative (RCI).

- With active participation of the China National Textile and Apparel Council (CNTAC), the OECD has developed the newly launched OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. This publications provides the very first standard on supply chain due diligence in the sector.

- The OECD Guidelines for Multinational Enterprises provide China with a useful reference tool to develop a supporting institutional and legal framework in order to advance the RBC agenda at home and abroad.

www.oecd.org/corporate.mne

PLANNED ACTIVITIES TO REINFORCE THE CO-OPERATION WITH CHINA ON RBC

1. Further collaboration with AQSIQ to incorporate the OECD principles into national standards

2. Support CCCMC in its role as Secretariat of the RCI and the development of audit protocols and tools in mineral supply chains

3. Strengthen collaboration with CNTAC to develop a Chinese due diligence guidance for the garment and footwear sector

4. Join forces with international agencies to implement a pilot project on the supply chains due diligence in China
RESPONSIBLE COBALT INITIATIVE (RCI)

- China is the world’s largest producer of refined cobalt and contributed 49.7% to global output in 2015.
- CCCMC launched the RCI in November 2016 with strong support from the OECD.
- It brings together Chinese and international companies sourcing cobalt from the Democratic Republic of the Congo to address adverse impacts notably the child labour.
Boosting regional development and improving urbanisation

The OECD’s work on policies to promote regional, urban and rural development, support China’s goals of more inclusive and sustainable economic growth by building on quality urbanisation and effective urban-rural linkages.

The OECD has been engaged with China for many years on regional, urban and rural development. As a result, the Organisation has produced two reviews: first, a national assessment OECD Rural Policy Review of China (2009), followed by OECD Territorial Reviews of Guangdong, China (2010), a provincial level review. Meeting the pressing challenges of urbanisation has been the subject of the OECD Urban Policy Review of China (2015), a publication developed in collaboration with the National Development and Reform Commission (NDRC) and building on a 2013 joint report with the China Development Research Foundation on Urbanisation and Green Growth in China. The Chinese cities of Dalian, Tianjin, Qingdao and Yantai were engaged in the OECD’s study on Trans-border Urban Co-operation in the Pan Yellow Sea Region (2009). Shanghai and Hong Kong were also included in a report on the Competitiveness of Global Port Cities (2013). In 2015, the OECD co-organised a high-level symposium with the Chinese Academy of Social Sciences (CASS), and the authorities in Hubei Province and the City of Yichang. The purpose was to discuss the future of China’s Three Gorges Region through the exchange of international and regional experiences as well as best practices in promoting integrated regional green growth development.

The success of China’s Urbanisation Plan 2014-2020 depends on improving the quality of urbanisation. This needs to include environmental preservation and social sustainability as critical elements in economic progress. The country’s goals for inclusive growth also require strategies to ensure the economic vitality of rural areas and the availability of public services to their residents. OECD research has offered new perspectives on the measurement of urban places in China, as well as highlighting the role of different fiscal, economic and other policy incentives that underpin urban development and rural-urban dynamics. The collaborative reviews have illustrated how better governance arrangements facilitate more effective investments and service delivery in both urban and rural contexts.

The OECD looks forward to continued collaboration with the NDRC, the National Bureau of Statistics, and the CASS, among others, through data exchange, peer reviews and joint knowledge sharing activities to address urban and regional development needs in support of inclusive and sustainable growth.

www.oecd.org/gov/regionaldevelopment
www.oecd.org/gov/ruraldevelopment
www.oecd.org/gov/cities
Increasing agricultural productivity and food security

The work of the Chinese leadership to secure access to a sufficient food supply has achieved impressive progress over the past two decades. The incidence of undernourishment has been cut by more than half since 1990 to 9.3% in 2016. However, a number of challenges still persist, which will require a policy mix of enhancing productivity growth, strengthening the agriculture innovation system and diversifying sources of the food supply through an enhanced integration of domestic and international agro-food markets.

Co-operation between the OECD and China on agriculture-related issues has deepened over the past two decades and today covers a range of collaborative analytical activities, including:

- China’s invaluable participation since 2005 in the annual OECD Agricultural Policy Monitoring and Evaluation. This yearly assessment provides a unique source of objective and transparent information across 50 countries that account for the majority of the global value-added in agriculture. It also offers a broad perspective regarding agricultural policy developments.

- Joint work on the development of the annual OECD-FAO Agricultural Outlook, a publication which details projections on the medium-term outlook of important commodities in the major world economies.

- Regular theme-based workshops co-organised by the OECD and the Ministry of Agriculture, providing valuable inputs to inform China’s domestic and agro-food trade policies.

- Since 1988, China’s active membership and dedicated participation in the OECD Tractor Codes has made it the second largest user of OECD Tractor Codes certificates today.

“We are ready to continue the active promotion of responsible agricultural investment, in line with the ... OECD-FAO Guidance for Responsible Agricultural Supply Chains...”

G20 Agriculture Ministers’ Declaration 2017
Looking ahead, the ongoing collaboration between the OECD and the Development Research Center of the State Council will produce a comprehensive review of policies to improve agricultural productivity and sustainable growth. The review is set to be released in 2017. The OECD and China will also continue working together on regular agricultural policy evaluations and monitoring, and will again partner in the autumn to host an agricultural policy workshop in Beijing. Moreover, the OECD will invite Chinese companies in the agricultural value chain to participate in the 2017 pilot implementation programme of the OECD-FAO Guidance on Responsible Agricultural Supply Chains, responding to the call of G20 Agriculture Ministers to promote responsible agricultural investment.

www.oecd.org/agriculture/
www.oecd.org/tad/agriculture-policy-notes.htm
www.oecd.org/tad/agricultural-policies/innovation-food-agriculture.htm
www.oecd.org/agriculture/code

CHINA: LEVEL, STRUCTURE AND EVOLUTION OF AGRICULTURAL SUPPORT

Increasing agricultural productivity and food security

Better data for better policies

The OECD maintains comprehensive databases of internationally comparable statistics to support its analytical and policy work, as well as aids countries in their policy making processes. The Organisation also develops and promotes international statistical standards and co-ordinates these activities with other international organisations. The OECD’s engagement with China provides the best opportunity to develop a full range of standardised, comprehensive statistical indicators; this allows for meaningful co-operation in China’s continued socio-economic development.

For over a decade, China has been included in some of the most important OECD databases, including national accounts and short term economic statistics (international trade, monetary aggregates and interest rates, balance of payments, production indices, prices, etc.). Statistics on China, covering a wide selection of statistical topics, are increasingly being incorporated into OECD statistical publications. The OECD Factbook and the OECD How’s Life? Measuring Well-being are examples of such evidence-based analysis and policy discussion at the OECD.

The OECD has been working to integrate China into the OECD Income Distribution Database. The Organization partners with the National Bureau of Statistics (NBS) to get estimates from the Integrated Household Survey and then computes those estimates from micro-data obtained in the China Family Panel Studies (CPFS). These studies are part of a longitudinal survey conducted by the Institute of Social Science Survey (ISSS) of Peking University. In addition, and with the support of the Ford Foundation, the OECD has produced important indicators of income inequality and poverty for 2012, which was included in a paper, Inequality Patterns in Selected Emerging Countries. The OECD also plans to add income estimates gathered from 2014 into the OECD Income Distribution Database in 2017.

The OECD is playing a leading role in international trade in value added (TiVA) policy and produces TiVA data for China to illustrate its position in value chains. The Organisation is also currently collaborating with China in an effort to develop a TiVA database for the APEC region.

In 2015, the OECD and the NBS signed a Memorandum of Understanding and a Statistics Co-operation Plan to frame their statistical co-operation. The OECD will continue to pursue collaboration with China as defined in the Statistics Co-operation Plan, including data exchange and sharing, national accounts, well-being measurements, leading indicators and tendency surveys, in addition to hosting NBS staff at the OECD.

www.oecd.org/std
www.oecd.org/statistics/howslife.htm
http://stats.oecd.org/Index.aspx
Fostering dialogue on development co-operation

Through China’s expanding bilateral programme and its support for new international organisations, like the Asian Infrastructure Investment Bank, the country is playing a major role in promoting sustainable development in developing countries. China and the OECD can benefit from each other’s experiences by working together in development co-operation.

China participates in the high-level and senior-level meetings of the OECD Development Assistance Committee (DAC). In recent years, the DAC has made important decisions at these meetings to encourage more official development assistance (ODA) for low-income countries and to better capture the wide array of support provided to promote development through a new measure of Total Official Support for Sustainable Development (TOSSD). The DAC also approved a series of principles with the intent of offering the right incentives for the public sector to use private sector instruments (e.g. loans and guarantees) to support activities in developing countries.

Since China is a major contributor in development co-operation, it is important that the OECD shares lessons with China on its work in this area. According to estimates by the OECD, China’s concessional development co-operation reached USD 3.4 billion in 2014. Of this, China’s development contributions through multilateral organisations amounted to USD 397 million and were primarily channelled through the United Nations (51%) and the African Development Bank (45%). In addition, China is helping to establish new multilateral development institutions, to include the Asian Infrastructure Investment Bank and the New Development Bank.

The OECD will continue to encourage China to engage with and share its experience with providing development cooperation. China will continue to be invited to important DAC meetings. China may also wish to renew the experience of participating, as an observer, in DAC peer reviews. China is also becoming more active in triangular co-operation and is welcome to contribute to the OECD’s leading work in this area.

www.oecd.org/dac
EFFICIENT FUNCTIONING OF MARKETS
Invigorating international investment

International investment has played an important role in China’s successful integration into the modern global economy. The country is now a major investor abroad with an annual foreign investment growth of 30% between 2005 and 2015. Furthermore, China actively participates in working towards a more open, fair and rules-based international investment system.

The OECD promotes investment policy reform and co-operation on international investment to foster wellbeing, prosperity and sustainable development. China, with its increasing economic importance and integration in global markets, has progressively engaged in more areas of OECD-led work. China participates in policy dialogues at the OECD on openness, non-discrimination and investment treaties through the OECD-hosted Freedom of Investment Roundtable (FOI). The FOI fosters mutual understanding and exchange of information on a broad range of investment policies of importance for capital importing and exporting economies, to include responding to national security concerns or issues related to foreign investment in state-controlled enterprises. This unique dialogue provides China with a platform to share its investment perspectives with recipient countries and build collective agreements with its partners.

In 2016, the OECD provided considerable support to an initiative of the Chinese G20 Presidency by establishing the G20 Trade and Investment Working Group. The OECD has also worked in close collaboration with China in the crafting of the G20 Guiding Principles for Global Investment Policymaking, drawing on the OECD Policy Framework for Investment.

www.oecd.org/investment
Facilitating trade and upgrading in global value chains

Trade liberalisation has played a key role in China’s economic transformation. Maintaining open markets is a shared interest among OECD countries and China. To that end, China participates in the OECD’s work towards developing a better understanding of global value chains (GVCs) and their policy implications.

The OECD and China have collaborated for many years on a range of trade-related issues including GVCs, trade facilitation and trade in services, in addition to the development of the statistical infrastructure necessary to support research on these topics. Since the beginning of the OECD-WTO Trade in Value Added (TiVA) project, China and the OECD have worked together on GVCs both bilaterally and multilaterally through fora like APEC and the G20, particularly during China’s G20 Presidency. The OECD is a permanent partner organisation of the China Beijing International Fair for Trade in Services and China is fully incorporated into the Services Trade Restrictiveness Index (STRI) database. Both serve in supporting China’s efforts to make key reforms to its services markets.

The 2015 release of TiVA indicators emphasised how China is highly integrated within GVCs. The indicators revealed, for example, that foreign content (via imported intermediates) accounts for 40% of the value of China’s manufactured exports. China strives to transition to a higher value-added, innovation-driven economic model and at the same time make key reforms to support the vibrant and efficient services sectors. The country’s continued participation in the OECD’s analytical efforts, their ongoing dialogues with the OECD trade policy and statistics communities, as well as their crucial engagement on the Initiative on GVC and Projection Transformation and Development. China’s involvement in these areas will help identify and anticipate trends in trade and investment and support the efforts to build greater mutual understanding on critical trade-related issues among countries in different stages of economic development. For instance, China is one of very few countries whose underlying data allow the OECD to distinguish between exporting and non-exporting firms, an important metric in GVC analyses. The OECD is coordinating efforts to encourage other countries to follow China’s lead and develop data sets that can better differentiate firms’ involvement in GVCs.

In the coming years, the OECD will continue to work actively with China to deepen our co-operation in the above-mentioned significant areas and importantly, conduct further work on agriculture trade.

www.oecd/gvc

“China values the participation in the OECD Initiative for Policy Dialogue on GVCs, Production Transformation and Development as a relevant platform for sharing experiences on how to design and implement better policies to improve participation in GVCs on a global beneficial way”.

SHEN Danyang, Director General of Policy Research Department, Ministry of Commerce of China
The OECD works closely with China to enhance the policy environment for fair competition and ensures that consumers can benefit from economic growth.

Co-operation with China regarding competition issues has strengthened in the last few years as competition policy matures and gains greater importance in China; the Chinese authorities are broadening their enforcement capabilities in this area. Chinese officials have been participating in meetings with the OECD Competition Committee, as well as numerous technical capacity-building events organised by the OECD Korea Policy Centre Competition Programme. Topics include cartels, monopolies and other fair competition concerns. In addition, 56 roundtable summaries from the OECD Competition Committee were translated and published in a compilation by the China Law Press in 2015.

Since the introduction of the Fair Competition Review Mechanism in the Development of the Market System in China in 2016, the OECD has been sharing with the National Development and Reform Commission and other Chinese authorities, its expertise on assessing competition as well as providing information on the functioning and practical implementation of the OECD Competition Assessment Toolkit. The publication specifies a methodology that enables policy makers to review laws and regulations in order to promote fairer opportunities for stakeholders in competitive markets. This, in turn, will help Chinese authorities to identify and implement best practices to reduce unfair competition.

As China further develops its work on the Fair Competition Review Mechanism, the OECD will continue to co-operate and share its experience in implementing competition assessment projects across the world.

www.oecd.org/competition
The OECD promotes efficient, open, stable and sound market-oriented financial systems, based on high levels of transparency, confidence and integrity. In 2016, China stepped up its cooperation with the OECD in its work on financial markets, in particular within the context of the G20.

OECD’s core work in financial systems is conducted under the aegis of the OECD Committee on Financial Markets (CMF) and its subsidiary bodies. China has participated specifically in work on institutional investing and long-term investment and has also explored co-operation on issues related to capital flow management and liberalisation.

China has, in particular during its 2016 G20 presidency, played an active role in promoting and integrating OECD work on financial markets in the G20. The country has been especially active in fostering the areas of long-term financing, including: green investment financing, digital financial inclusion and literacy, and SME financing. China’s concentrated involvement has supported Chinese policy-making in orienting the economy towards a more sustainable growth path; likewise, policy dialogues with OECD Members have helped China to better understand the issues at hand and shape policies to be tackled in a coordinated fashion.

While Chinese authorities have taken a number of measures in recent years to improve the functioning of the financial sector, challenges are now arising from the international financial and macroeconomic environment in parallel with domestic developments. Specific concerns include rising corporate debt levels and exchange rate pressures. Continued co-operation with the OECD can help China in facing these challenges at the global as well as domestic policy levels by offering the following opportunities:

- Continued participation within the CMF’s subsidiary bodies, to include: the Working Party on Public Debt Management, covering national debt management and government bond markets; the G20/OECD Task Force on Institutional Investors and Long-term Financing, with its contributions concerning climate finance; and the newly established OECD Centre on Green Finance and Investment, where co-operation could also be sought.

- Continued co-operation on capital flow management and liberalisation via engagement with the Advisory Task Force using the OECD Codes of Liberalisation of Capital Movements, followed by collaborative assessments of China’s comparative progress in relation to OECD code standards.

www.oecd.org/daf/fin
www.oecd.org/daf/fmt
www.oecd.org/finance/lti
www.oecd.org/cgfi/
It is important to provide financial education to consumers in China. This enables them to better understand financial products and services and make more informed decisions concerning the quality of their investments. The OECD’s best practices and tools can support China’s efforts in developing a framework to promote effective financial inclusion and stability.

In 2016, the OECD worked closely with the Chinese G20 Presidency to prepare two new and important publications. Together they further enhance existing evidence-based policy guidance on financial education developed by the OECD and its International Network on Financial Education (OECD/INFE):

- **G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults**, as requested by the G20 leaders, this framework compliments the **OECD INFE Core Competencies Framework on Financial Literacy for Youth** developed in 2015 and provides a valuable tool for China and other countries to use as they implement their National Strategy on Financial Education.

- **Financial Education and Financial Consumer Protection for all in the Digital Age**, discusses the challenges of digitalisation, the approaches taken to develop financial education programmes to address these challenges, the potential of digital delivery of financial information, in addition to awareness and guidance.

Working with the Chinese G20 Presidency has made it possible to ensure that leaders and high-level policy makers around the world are aware of the financial tools developed through the OECD/INFE, as well as the benefit of their support in the widespread dissemination of these educational publications.

China’s strong presence in the OECD/INFE and its continuing collaborative efforts in the G20, will help to support future work on financial education and financial literacy. This includes, through its contribution of data, a new report on levels of financial literacy in the G20 countries due to be released during the German G20 Presidency in 2017. As a full Member of the OECD/INFE, the People’s Bank of China has been invited to contribute to the OECD’s new and existing work streams, to include those involving the implementation of financial education strategies, financial education for long-term savings and investments, and digitalisation.

PUBLIC AND CORPORATE GOVERNANCE
Maintaining fiscal discipline, allocating resources to where they are most valued, and achieving greater efficiency in government operations have a crucial impact on overall national economic performance. The OECD is proud to support the Ministry of Finance of China in its budgeting system reform process.

Budgeting and procurement practices are advancing rapidly in Asia. As an active participant in several OECD Asian networks, China is analysing the experiences of OECD countries that strengthen the OECD’s relationships in the region. China is deeply involved in the OECD’s Senior Budget Officials’ Regional Network for Asia, a unique network for dialogue and interaction which brings together budget directors and senior officials from Asian and OECD countries to share policy experiences and discuss common budgetary issues. In October 2016, China co-hosted the Asian Public Governance Forum on Public Private Partnerships and the International Public Procurement Forum, focusing on topics such as prioritizing infrastructure investment and improving decision-making, as well as legislative reforms for PPPs.

Most recently, the OECD and China have been collaborating, from both an institutional and a methodological perspective, on the issues of budget transparency, comparative research of legal frameworks, and public governance of public-private partnership (PPPs). China’s focus on promoting private capital to participate in public service delivery will provide a unique opportunity to draw from each other’s experiences and achievements in the areas of infrastructure and PPPs.

To carry forward the co-operation in these policy areas, future joint efforts may include the assessment of the adequacy of infrastructure management in China, by drawing on the OECD Framework for the Governance of Infrastructure. This may include benchmarking the quality and stock of infrastructure and a review of funding and governance models. The assessment would then explore the mechanisms used in China as compared to benchmark countries to ensure the efficient provision of infrastructure.

www.oecd.org/gov/budgeting
www.oecd.org/gov/budgeting/ppp.htm
The co-operation between China and the OECD in 2016 marked a milestone in the areas of tax transparency and compliance. Its role as G20 Presidency country and active membership in both the Global Forum on Transparency and Exchange and the BEPS Project, were fundamental in advancing international tax co-operation.

China's active participation in and support for the OECD’s international tax agenda is essential in promoting the OECD as a global standard setting body on taxation. Throughout its G20 Presidency, China has worked closely with the OECD to increase momentum on a number of critical OECD tax reforms; a particular focus was on the Base Erosion and Profiting Shifting (BEPS) project, a highlighted priority in the Leaders' Hangzhou Communiqué in September 2016. The OECD and China worked together in preparation for this summit. China also plays an important role as a member of the steering group and as the deputy chair for the Inclusive Framework on BEPS, established in June 2016, which allows OECD Member and Partner countries to discuss the BEPS issues on an equal footing.

In May 2016, China hosted the Plenary Meeting of the Forum on Tax Administration in Beijing. The meeting, which brought together the Heads of 44 tax administrations, addressed the co-ordinated action required for the effective implementation of the G20/OECD international tax agenda, as well as the challenges related to building modern tax administrations. China played a key role in promoting improved capacity building in tax administration, following up on the G20’s call for improving the effectiveness of technical assistance programmes in developing countries. Furthermore, China’s participation in the steering group of the Global Forum on Transparency and Exchange of Information, comprised of 137 members, is also advancing the transparency agenda. Lastly, the OECD and China’s State Administration of Taxation (SAT) jointly established a Multilateral Tax Centre in Yangzhou in 2016, which becomes the first tax centre in a non-member country. This example of co-operation demonstrates that China is not only contributing to OECD policy making, but is playing an active role in the dissemination of OECD tax initiatives throughout the Asian region and in developing countries.

As an active member of the steering group of the Inclusive Framework to Implement BEPS, China will continue to help define and implement international tax policies. The Yangzhou Multilateral Tax Centre, integrated into the OECD Network of MTCs, will continue to support a consistent implementation of BEPS outcomes for the benefit of developing countries.

www.oecd.org/tax
www.oecd.org/tax/forum-on-tax-administration/meetings/meeting.htm
www.oecd.org/ctp/tax-global/yangzhou-tax-centre-china.htm

© Commissioner WANG Jun of China's State Administration of Taxation (second left) and Pascal Saint-Amans, Director of OECD Centre for Tax Policy and Administration (second right) in the Press Conference of the 10th Meeting of the OECD Forum on Tax Administration, hosted by China in Beijing, 11 May 2016.
China plays an important role in the fight against transnational corruption. The country has engaged in a number of key anti-bribery dialogues with the OECD Working Group on Bribery and has stepped up its co-operation with the Organisation on monitoring and implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Given China’s experience in the fight against various forms of corruption as well as its direct participation in the implementation of the Anti-Bribery Convention, the country could lend valuable aid in its co-operation concerning international bribery cases. In the event of China’s possible accession to OECD membership, the country could directly contribute to international standards and policy making, as well as actively participate in monitoring the implementation of these standards through its trade and investment partners. Moreover, China’s potential adherence to the convention would increase the reputation of transparency for Chinese enterprises involved in cross-border transactions. Also of note, the parties to the Anti-Bribery Convention have a long tradition of welcoming China to the meetings of the Working Group on Bribery (WGB), an important working group that monitors the adherent parties’ implementation of the convention. In recent years, China has indicated a strong interest in the convention and the WGB. In June 2016, the OECD and China held constructive discussions on the technical implications and mechanisms of the WGB, as well as the benefits and potential challenges of ratifying the convention; this with a view to exploring China’s possible future adherence to the Anti-Bribery Convention.

The increased co-operation between China and the OECD contributed to further efforts in combating bribery and corruption in global terms. The OECD was proud to assist China as the chair of the G20 Anti-Corruption Working Group in 2016. In March 2016, China joined more than 50 countries at the OECD Ministerial Meeting on the Anti-Bribery Convention to advance the international anti-corruption agenda and boost the enforcement of anti-bribery and corruption laws. Following in April 2016, the OECD partnered with China and the United Kingdom in Beijing to co-host a workshop regarding mutual legal assistance in international corruption cases. Finally, and in collaboration with the Chinese G20 Presidency, the OECD co-organised a G20 Seminar on Anti-Corruption and the Global Economy in Paris, October 2016.

Building on past co-operation, the OECD will continue to strengthen its collaboration with China in fighting transnational corruption by providing assistance in the implementation of the G20 Anti-Corruption Action Plan for 2017-2018, as well as the Asia-Pacific Law Enforcement Network for Anti-Corruption Practitioners. Accordingly, the OECD encourages China’s increased engagement in its activities with the WGB and its participation in the Global Law Enforcement Network for Anti-Corruption Practitioners.

www.oecd.org/corruption/
www.oecd.org/corruption/international-co-operation-in-combating-foreign-bribery.htm
The OECD works with its member and partner countries, including China, to promote a culture of integrity and accountability in public institutions.

In 2016, the OECD supported China during its G20 presidency in the development of the G20 Anti-Corruption Action Plan for 2017-2018. The Organisation stands ready to assist the Central Commission for Discipline Inspection of China (CCDI) and the Chinese Ministry of Supervision to implement this ambitious action plan. The plan will provide policy advice on: public administration structuring, tools to effectively detect and minimise integrity risks, information sharing practices regarding assets disclosures, and managing conflict of interest concerns affecting public officials.

As an active member of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific since 2005, China has made a significant contribution to the global integrity and anti-corruption agenda. Recently, Chinese officials joined procurement officials and innovators from OECD member and partner countries along with other international organisations with long-standing experience in the field to participate in the activities of the OECD Working Party of Leading Practitioners on Public Procurement. This working party provides a global view of leading procurement practices and develops policy guidance for continuous improvement in public procurement. In addition, the OECD has established a relationship with the China Anti-Corruption Research Center of the Chinese Academy of Social Sciences (CASS).

The OECD looks forward to continued co-operation with China under the ADB/OECD Anti-Corruption Initiative for Asia-Pacific and will continue to support the work of CASS’s China Anti-Corruption Research Center through enhanced dialogue and the sharing of solid public sector integrity practices. Furthermore, China is invited, through increased participation in the Working Party of Leading Practitioners on Public Procurement, to engage with the OECD on work related to the OECD Recommendation on Public Procurement as well as promote the OECD developed Public Procurement Toolbox and the Methodology for Assessing Procurement Systems (MAPS) in the country.

www.oecd.org/gov/ethics
www.oecd.org/site/adboecdanti-corruptioninitiative
Improving corporate governance and governance of SOEs

The rapid growth of the Chinese economy and changes in China's equity markets make corporate governance and the governance of state-owned enterprises a priority on the national reform agenda. Healthy capital markets, where enterprises can access finance to support long-term value creation, are essential for innovation and growth.

The OECD has engaged closely with China for over a decade to support its reform efforts and in turn benefit from China's feedback regarding its experience on addressing corporate governance issues. This has been accomplished most notably through the OECD Corporate Governance Committee, the Working Party on State Ownership and Privatisation Practices, the OECD Asian Roundtable on Corporate Governance, and the Asia Network on Corporate Governance of SOEs. Two OECD instruments, the G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-Owned Enterprises, serve as references of this collaboration. The principles from the first instrument were endorsed by China and the other G20 countries in 2015. Concerning the guidelines of the second work, the revision benefited greatly from China's step-by-step participation in the process.

At the invitation of the Chinese Securities Regulatory Commission (CSRC), the OECD participated in a seminar in August 2016 to discuss the updating of the 2002 Chinese Corporate Governance Code using the G20/OECD Principles of Corporate Governance as a benchmark. With regard to State Owned Enterprises (SOEs), a joint study of state ownership practices by the OECD and partner countries was developed in 2015-16 in collaboration with the State-owned Assets Supervision and Administration Commission (SASAC). The results will be peer reviewed at a workshop in China taking place in 2017.

Chinese authorities have frequently employed the principles and guidelines of these OECD instruments as a basis, in part, towards domestic reform of corporate governance practices in China. The next step will be for the Chinese authorities to further their involvement in the OECD Corporate Governance Committee and the OECD Working Party on State Ownership and Privatisation Practices.

www.oecd.org/daf/ca/china-oecdcorporategovernancepolicydialogue.htm
www.oecd.org/corporate/principles-corporate-governance.htm
EMPLOYMENT AND SOCIAL DEVELOPMENT
Fostering skills through education and training

Skills development is a key issue for China’s transition to an inclusive, knowledge based economy. Despite having the largest education system in the world, meeting both the demands of its fast-growing economy and public aspirations for education remain a challenge. The OECD’s work on education and skills can help support China in strengthening its education system to promote stronger and more inclusive economic growth within an increasingly knowledge-based global society.

The recent activities of the OECD-China co-operation on education achieved remarkable progress in the following areas:

- China was represented by schools in Beijing, Jiangsu, Guangdong and Shanghai in the Programme for International Student Assessment (PISA) 2015. The Special Administrative Regions of Hong Kong, China and Macao, China also participated in PISA 2015.

- In February 2016, Shanghai launched its national report on results from the 2013 OECD Teaching and Learning International Survey (TALIS). Shanghai will participate again in TALIS 2018.

- The OECD published Education in China: a Snapshot (2016) as an overview of Chinese education and context for China’s high achievement in PISA.

- In November 2016, China hosted the Fourth Informal Working Group for the OECD Education 2030.

- Data on China continues to be included in the annual OECD flagship publication, Education at a Glance.

Growing collaboration with the OECD enables China to benchmark progress in raising student performance against other regions within the country and around the world. Data from PISA can help inform education policy and achieve greater equity in skills development. For example, participation in TALIS allows Shanghai to gain internationally comparable data on classroom factors that influence student learning. OECD international surveys and research on education also give China access to international networks where successful policies and practices of effective education systems are shared to further improve education. OECD work can also support Chinese policy makers to identify and promote the strategies that are driving excellence in the Chinese school system.

Moving forward, China may wish to explore country-wide participation in PISA 2018 and expand representation in future rounds of TALIS. Deeper engagement in the OECD Education 2030 project could also allow China to join the global discussion on curriculum design and innovative pedagogies. The OECD Enhancing Higher Education System Performance project is another area where China may be interested in engaging with the OECD as it seeks to further develop its talent base.
The OECD monitors and compares developments in employment and labour markets across OECD member and partner countries. In 2016, the OECD worked closely with China in the framework of the Employment Working Group under the G20 Chinese Presidency.

In co-operation with other international organisations, the OECD prepared background papers on generating adequate job opportunities, enhancing employability, and promoting decent work to support the efforts of the G20 Employment Working Group (EWG) under the Chinese Presidency. Built on extensive work done by the OECD with the G20 (EWG) in past years, these contributions include information on China in a number of reports on youth labour market outcomes, active labour market policies, job quality, skills, and quality apprenticeships. In February 2015, China participated in the OECD-G20 Conference on Quality Apprenticeship and a background paper was presented to review recent initiatives to strengthen apprenticeship systems for the youth in G20 countries.
Improving the labour market prospects of youth

The OECD work on China provides the country with measures to benchmark its performance against OECD countries and in turn provide insight for the OECD on employment related developments in China. For example, the OECD publication *Society at a Glance* systematically includes information from China; pension models are maintained for China and are included in the annual OECD output *Pensions at a Glance*. Likewise, OECD flagship publications include relevant chapters for emerging economies and China. For instance, the *Employment Outlook* measures job quality in emerging countries; both *In it Together: Why Less Inequality Benefits All* and *Divided We Stand: Why Inequality Keeps Rising* also have chapters dedicated to income distribution trends in developing markets. The contrast between the circumstances experienced in emerging countries and OECD member and partner countries are made available by the interchange of information between parties through the OECD community network. The necessity of OECD analyses and global debates on employment and labour policies, in addition to providing countries with evidence-based best practices, continues to be reaffirmed.

www.oecd.org/els
www.oecd.org/g20/topics/employment-and-social-policy
Addressing the financing challenge for small and medium-sized enterprises (SMEs) is imperative to create new jobs and foster innovation in China.

The OECD analyses best practices in terms of design, implementation, and the evaluation of initiatives to promote entrepreneurship and growth of SMEs in terms of local economic and workforce development. Since 2000, China has participated in the OECD Bologna Process on SME and Entrepreneurship Policies, an initiative that brings together high-level policy makers from OECD countries and emerging economies to debate policy successes and failures in the area of SME and entrepreneurship policy. In April 2016, Secretary-General Gurría and Governor ZHOU Xiaochuan of the People’s Bank of China jointly launched the OECD Scoreboard on Financing SMEs and Entrepreneurs, in which China has been participating since 2015. Most recently, China is taking part in the work of identifying effective approaches for the implementation of the G20/OECD High-Level Principles on SME Financing.

In support of the work under the Chinese G20 Presidency, the OECD has produced a report on enhancing employability, which highlights the importance of local approaches to skills’ enhancement in order to boost job creation and productivity. The report provides examples of how to inject flexibility into the vocational education and training system at the local level.
to ensure that institutions and programmes are adapted to the needs of employers to include, SMEs, individuals and the local labour market in general.

China plays an active role in the Initiative on Employment and Skills Strategies in Southeast Asia (ESSSA). It is conducted jointly by the OECD, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the International Labour Organisation (ILO) and ASEAN. The initiative provides the architecture for the OECD Regional Network on Education and Skills to strengthen government capacities in implementing effective local employment and skills development strategies. The annual meeting was hosted in Cebu, Philippines in October 2016 with a focus on Bridging the Gap: the private sector’s role in skills development and employment. The next annual meeting will be held in Hanoi.

www.oecd.org/cfe/smes
www.oecd.org/cfe/leed/employmentesssa.htm

Family photo of the 8th Annual Expert Meeting of the ESSSA Initiative, Cebu, October 2016.
As countries attempt to break out of the current low-growth economic environment, policies harnessing achievements in science, technology and innovation, for growth and well-being are becoming crucial. The OECD is working closely to support China as it charts a path to develop a knowledge economy.

China is an active participant in the work of the Committee for Scientific and Technological Policy. The country most recently adopted the 2015 OECD Daejeon Ministerial Declaration on Science, Technology and Innovation Policies for the Global and Digital Age and sent an official from the Ministry of Science and Technology to contribute to projects on infrastructure research, as well as the OECD Next Production Revolution (NPR) programme. Since 2015, China and the OECD have also intensified their collaboration on digital economic policy through a Memorandum of Understanding signed with the Cyberspace Administration of China (CAC). Furthermore, the OECD has provided important support to China’s G20 Presidency, contributing to the Breaking a New Path for Growth work stream and supporting the first G20 Science, Technology and Innovation Ministers Meeting.

China’s expenditure on research and development now exceeds that of the European Union and it has the world’s largest pool of human capital potential to dedicate to science and technology. The country represents over a fifth of total internet users and is a top player in the global interchange of new technologies related to The Internet of Things work stream and big data. Given its size and dynamism, the participation of China in both the data and policy aspects of the OECD’s science, technology and innovation, and digital economy work contributes significantly to the OECD’s statistics and policy work, along with its debates among OECD member and other partner countries.

Along with other cooperative work in 2017, CAC plans to continue to translate and distribute publications of particular interest to China, including the OECD Privacy and Security Risk Management Guidelines. In addition, China is participating in and plans to translate and launch a Chinese translation of the OECD 2017 Digital Economy Outlook at the World Internet Conference in 2017.

www.oecd.org/sti
Restructuring the shipbuilding and steel sectors

The shipbuilding and steel sectors are suffering from significant excess capacity globally due to a slowdown in demand and persistent structural challenges. The OECD works closely with China, the world’s largest shipbuilder and steel producer, to promote policies that encourage the necessary restructuring and adjustments in these two industries.

The work of the OECD Council Working Party on Shipbuilding (WP6) and the Steel Committee benefits from the active participation of government representatives from relevant Chinese ministries. Currently, the OECD is cooperating with the Development Research Center (DRC) of the State Council of China on a joint project Industrial Upgrading for Green Growth in China to develop recommendations on efficiently managing industrial restructuring, addressing excess capacity and fostering a green transition of China’s industrial sector. The project consists of dedicated research teams working on industry restructuring and excess capacity issues.

Co-operation with China’s DRC allows the OECD to conduct policy-relevant research with DRC experts on industrial policy issues, as well as knowledge and data sharing activities. The OECD thus has the possibility to better understand market and policy developments in China and to improve the quality and significance of its policy recommendations, while at the same time adding value to the research undertaken by DRC experts.

In 2016, a number of workshops were held in Beijing and Paris to discuss research results. On the occasion of the China Development Forum in March 2017, the OECD Secretary-General and DRC President will release a policy brief of the project including key recommendations to address the excess capacity issue. The OECD Secretariat is looking forward to working with China, G20 members and other interested OECD countries at the Global Forum on Steel Excess Capacity, a forum created following the decision by G20 Leaders at the 2016 Hangzhou Summit of the Chinese G20 Presidency.

www.oecd.org/sti/ind/steel.htm
www.oecd.org/sti/ind/steel.htm
www.oecd.org/sti/ind/shipbuilding.htm
In November 2011, China became the 53rd member of the International Transport Forum (ITF), an intergovernmental specialised programme of the OECD that helps shape the transport policy agenda on a global level.

The co-operation between China and the ITF has strengthened over recent years through high-level participation by China in the ITF Annual Summits, policy exchanges, and analytical research. DAI Dongchang, Vice Minister and CPC Leadership Member of the Ministry of Transport was a panel speaker in the Opening Plenary of the 2015 Summit on Transport, Trade and Tourism: mobility for a connected world and took part in the Ministers’ Roundtable on The Path beyond Paris: paving a low-carbon future for transport at the 2016 Summit on Green and Inclusive Transport.

In September 2016, the ITF was invited by the China Academy of Transportation Sciences (CATS) to speak at the International Forum on Innovation and Transformation of Urban Transport workshop, focusing on the development of safe, green and inclusive urban transport for China. The ITF was also invited to serve on the Advisory Committee of the China Urban Sustainable Transport Research Center (CUSTReC), which is part of CATS, for the next five years.

In October 2016, the ITF participated in discussions on the impact of air transport liberalisation on the global air freight market and unmanned aircraft as a means of transportation at the China Air Cargo Summit in Shenzhen.

The ITF Transport Outlook 2017 published in January 2017 includes a specific section dedicated to the analysis and projection of mobility demand and CO₂ emissions in Chinese cities, as well as the identification of effective sustainable mobility policies and measures that are also energy efficient.

Furthermore, the China Academy of Transportation Sciences has proposed to translate the ITF Transport Outlook 2017 into Chinese and distribute it across regional and local transport authorities.

www.itf-oecd.org
Enhancing chemical safety

The OECD supports its Members and non-Members, including China, in protecting human health and the environment by advising on improving chemical safety, making chemical control policies more transparent and efficient, saving resources for government and industry, and preventing unnecessary distortions in the trade of chemicals and chemical products.

OECD’s Mutual Acceptance of Data (MAD) system is a multilateral agreement which allows the sharing of safety testing data on chemicals across observing countries. Key benefits of this system are it helps to avoid duplicative testing and saves observing governments and companies over EUR 150 million every year in costs. The OECD is currently discussing with China possible steps to adhere to the MAD system. This could improve China’s access to chemical markets by ensuring that Chinese safety data will be accepted for the registration of Chinese chemicals in other countries. The OECD and its members will continue to work with China to address outstanding issues and facilitate China’s possible acceptance into the system. To advance the process, the OECD is encouraging China to attend relevant OECD meetings where countries have the opportunity to share valuable insights and engage in mutually beneficial discussions on sound laboratory practices in addition to other key issues.

China has been a regular participant to the OECD Programme on Test Guidelines and has participated in the OECD programme that seeks international harmonisation in the area of regulatory assessment of novel foods and feeds, to ensure the protection of human and animal health. The country is also engaged in the work of the OECD Working Group on the Harmonisation of Regulatory Oversight in Biotechnology, which aims to ensure that the information and methods used in risk and safety assessment of genetically engineered crops are as similar as possible in order to increase mutual understanding and avoid duplication.

www.oecd.org/ehs/mad
www.oecd.org/env/nanosafety
www.oecd.org/env/pesticides
ENVIRONMENT AND ENERGY
Towards a cleaner and healthier environment

China faces the burden of social costs caused by environmental degradation, air and water pollution. Economic growth will not be sustainable if pollution and the depletion of natural resources are not addressed. A number of collaborative initiatives on promoting a healthier environment and greener growth have deepened China’s engagement with the OECD.

Activities with China from 2015 through 2016 have spanned into several areas. Currently there is a joint project *Industrial Upgrading for Green Growth in China* between the OECD and the Development Research Center (DRC) of the State Council. It was created in order to assess China’s environmental policy with respect to green growth by using a set of green growth indicators specifically adapted to China’s circumstances. Other efforts include a seminar on waste management and dual collaboration on *Extended Producer Responsibility (EPR)* schemes. The *OECD Guidance on Extended Producer Responsibility* published in June 2016 included a case study developed by the Ministry of Environment (MEP) on the implementation of the Chinese E-waste Disposal Fund Scheme. In May 2015, an event on EPR for e-waste was organised with the MEP in Beijing, which brought together a broad range of stakeholders from government, academia and the private sector, as well as a number of OECD experts. The event provided recommendations to help the government identify ways in which the current e-waste management system in China could be further improved and the State Council of China has since published its plans for extended producer responsibility, including possible reform of the current e-waste system.

To further co-operation with China, the OECD is willing to support the development and implementation of a circular economy in the country. With the OECD Green Growth measurement framework in addition to the OECD’s experience with environmental information systems, using green growth indicators in policy performance assessment would provide a good foundation for the next steps in this cooperative effort.

[www.oecd.org/environment](http://www.oecd.org/environment)
China is scaling up its efforts to address the major challenge of reducing its greenhouse gas emissions and lowering its vulnerability to the impacts of climate change, while at the same time maintaining strong economic growth. Exchanging best practices, particularly on green financing and the mobilisation of green investments, can be mutually beneficial to OECD countries and China.

For many years, the OECD has been supporting the UNFCCC climate negotiations through the OECD/IEA Climate Change Expert Group (CCXG) and the associated Global Forum for Environment by participating in and hosting events and seminars focused on climate change. In the run up to COP21 and beyond, OECD helped its members and partner countries obtain a comprehensive picture of their policies and progress in tackling climate change. For example, in 2015, the OECD published a report on Climate Change Mitigation: policies and progress, providing an overview of current policies to reduce greenhouse gas emissions in all OECD countries and 10 partner countries, including China. The OECD has also mainstreamed climate change into its OECD Economic Surveys, incorporating inputs from China.

The OECD work on mobilising finance for low-emissions, climate-resilient development has been influential. Under the Chinese G20 Presidency in 2016, the OECD was a lead contributor to the G20 Green Finance Study Group’s work on green bonds and green infrastructure investment. China’s own climate and economic goals will require major new investments in green infrastructure. The Organisation’s work in this area can both benefit from and support China’s efforts. Published in April 2016, an OECD report on Green Investment Banks: scaling up private investment in low-carbon, climate-resilient infrastructure contributed to the resolve of the China Council for International Co-operation on Environment and Development (CCICED) in recognising the need for a Chinese National Green Development Fund.

The OECD would welcome and encourage China’s enhanced engagement in a variety of OECD fora on the policy challenges associated with moving to low-emissions, climate-resilient development pathways consistent with the aims of the Paris Climate Agreement. To account for climate change mitigation policies adopted since COP21, the OECD will produce an updated, more in-depth analysis in 2018, following up on its 2015 report Climate Change Mitigation: policies and progress.

www.oecd.org/env/cc
The Sustainable Development Goals acknowledge water as a driver for sustainable growth and development. The OECD and China can further co-operate to facilitate investments that contribute to water security and sustainable growth, both in China and globally.

Co-operation between the OECD and China on water issues has strengthened in recent years. In 2015, the Chinese Minister for Water Resources (MWR) joined the OECD Global Water Partnership (GWP) High-Level Panel on Water Security and Sustainable Growth and endorsed the final policy statement. The work of this panel has firmly established water as a driver for sustainable growth and development. For the first time, documenting the economic costs of water-related risks as well as characterising investments that best contribute to water security and sustainable growth have been accomplished. China has been invited to join the continued work initiated by the high level panel and share its experiences. This work will take place at the Roundtable on Water Finance, with a focus on financing investments that contribute to water security and sustainable growth.

In recent activity, the Development Research Centre of the MWR renewed its membership to the OECD Water Governance Initiative in May 2016. China has also committed to support the implementation of the OECD Principles on Water Governance adopted in June 2015, in particular through its participation in the consultation on water governance indicators and by sharing best practices on water governance in the country. The water initiative, consisting of a set of indicators and a database, will support all governments and stakeholders who have endorsed the OECD Principles on Water Governance along with China. The Water Governance Indicators, currently under development, will provide a self-assessment framework to be used as a consensus building tool across all levels of domestic government, enabling them to identify gaps and ultimately to learn from less successful experiences in water governance. The Database on Water Governance Best Practices will also provide evidence of success at different levels through the inputs of information collected. The data will highlight results achieved and lessons learned during policy and reform processes in order to foster peer-to-peer dialogue and benchmark-learning for city to country level stakeholders facing similar types of water governance challenges. The results of this initiative will be documented in the upcoming Water Governance at a Glance publication to be launched at the Eighth World Water Forum in Brasilia, March 2018.

Furthermore, China will be invited to adhere to the new OECD Council Recommendation on Water. The recommendation provides comprehensive policy guidance on water quality, quantity, disasters, governance and financing proposals that can support water policy reforms in China.

www.oecd.org/water
Providing affordable and low-carbon energy

The International Energy Agency (IEA), an autonomous body within the OECD, works to ensure reliable, affordable and clean energy for its 29 member countries and beyond.

Widely recognised as the world’s most authoritative source of energy market analysis and projections, the IEA provides critical insights into trends in energy demand and supply and their impact on energy security, environmental protection and economic development. The IEA’s work covers large parts of the world, beyond its membership. Core IEA publications include the annual World Energy Outlook, Energy Technology Perspectives, market reports on oil, gas, coal, renewables, energy efficiency, as well as China-focused reports.

Co-operation between the IEA and China began in 1996 and it covers key energy sector issues, including oil emergency preparedness, natural gas infrastructure, renewables, energy efficiency, and technology innovation. The IEA has direct relationships with the National Energy Administration (NEA), the Ministry of Science and Technology (MOST) and the National Bureau of Statistics (NBS), among others.

In November 2015, China was among the first IEA Association countries, which marked an important milestone in the IEA’s worldwide engagement, shortly after Dr Birol had called for a “new era” of institutional ties between China and the IEA. In February 2017, the IEA signed a three-year work programme with China to build on and broaden co-operation on energy security, capacity building, data and statistics, and to support China’s energy transition. The agreement builds on the IEA’s open-door policy of expanding ties with China and other emerging economies. The IEA’s flagship publication, the World Energy Outlook, will feature a special report on China’s Energy Outlook and implications for the global energy markets in its 2017 edition.

www.iea.org

Signing ceremony of the Three-Year Work Programme, Beijing, February 2017.

20th-anniversary ceremony of IEA-China Engagement, Beijing, March 2016.
China has the largest programme worldwide for the construction of new nuclear power plants. The Nuclear Energy Agency (NEA) brings together the world’s most advanced countries in order to maintain and further develop the scientific, technological and legal bases required for a safe, environmentally sound and economical use of low-carbon nuclear energy for peaceful purposes.

Collaboration with China on important nuclear energy issues continues to be strengthened under the Joint Declaration on Co-operation with the China Atomic Energy Authority (CAEA) and the Memorandum of Understanding with the National Nuclear Safety Administration (NNSA). Co-operation discussions with the National Energy Administration are also ongoing. China is a full participant in the Generation IV International Forum (GIF), the Multinational Design Evaluation Programme and the International Framework for Nuclear Energy Co-operation, three NEA-serviced bodies, as well as in several NEA joint projects. In 2016, China signed the ten-year extension of the GIF Framework Agreement. The NEA Director-General and staff visit China on a regular basis to meet with Chinese officials and institutions.

China currently has the largest nuclear new build programme in the world, with 20 reactors under construction and many more planned to meet the country’s growing low-carbon electricity needs. China can greatly benefit from the experience of the 31 NEA member countries, notably as it pertains to nuclear regulatory activities and inspection practices, radiological protection and emergency management, as well as stakeholder involvement and radioactive waste management. NEA countries welcome co-operation with China as it strives ahead in many new areas, including its development of innovative designs and materials; working together they can have significant impact on nuclear energy’s state-of-the-art innovations and best practices.

In addition to continuing co-operation with the CAEA and the NNSA, the NEA looks forward to building working relations with all relevant institutions in the nuclear energy field, including the National Energy Administration, the Ministry of Science and Technology, along with research institutes and select universities. Further co-operation and agreements may be pursued to cover the full spectrum of nuclear energy activities, in particular towards the development of future technologies and their licensing in countries across the world.

www.oecd-nea.org
www.gen-4.org
www.ifnec.org
ANNEXES
The OECD is an intergovernmental organisation created to promote policies that will improve the economic and social well-being of people all over the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. Governments of Member and Partner countries work with the Organisation to understand the key drivers of economic, social and environmental change. The OECD measures productivity and global flows of trade and investment, it analyses and compares data to predict future trends, and it sets international standards on a wide range of issues.

GLOBAL RELATIONS
Through its relationship building over the last 50 years, the OECD has transformed itself into a global organisation, with 35 Members from America, Europe, Asia, and Oceania, including developed and developing countries. Since 2007, the OECD has identified Brazil, China, India, Indonesia and South Africa as “Key Partners” and has been co-operating substantially with these countries. Colombia, Costa Rica and Lithuania are in the accession process towards OECD membership.

The OECD’s global relations also cover regions of strategic importance including South-East Asia, South-East Europe, Eurasia, the Middle East and North Africa, as well as Latin America and the Caribbean. The OECD also hosts the secretariats of several international programmes such as the Financial Action Task Force on Money Laundering.

FAST FACTS
History: established in 1961
Headquarters: Paris, France
Membership: 35 countries
Key Partners: 5 countries (Brazil, China, India, Indonesia, South Africa)
Accession: 3 countries (Colombia, Costa Rica, Lithuania)
Country Programmes: 3 countries (Kazakhstan, Morocco, Peru)
Regional Programmes: 5
Secretary-General: Angel Gurría
Publications: 250 new titles/year
Committees: Almost 300 Committees, Working Groups and Task Forces

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GOVERNANCE STRUCTURE
The OECD is structured around the Council, Committees and the Secretariat:

- Decision-making power is vested in the OECD Council. Overseeing the Organisation’s functioning and giving strategic direction, it is made up of one representative per member country plus a representative of the European Commission and they take decisions by consensus.

- At the Committee level, representatives of member countries and countries with Observer status from the permanent delegations to the OECD or their capitals participate in meetings, to request, review and contribute to work undertaken by the Secretariat. Terms for partner participation in committees are discussed on page 58.

- The Secretariat collects data, conducts research and analyses and produces policy proposals. The Secretary-General heads the Secretariat and is assisted by one or more Deputy Secretaries-General. The Secretary-General also chairs the Council, providing the link between national delegations and the Secretariat.

WORKING METHODS
Through the OECD, governments work together with a multidisciplinary approach to develop evidence-based policy guidance, increasingly involving different stakeholders including parliaments, business communities and civil society. On the basis of comparable statistics collected across member and partner governments, the OECD Secretariat analyses countries’ policy experiences and identifies good practices, to inform policy making in participating countries and beyond. “Peer reviews”, based on dialogue and consensus-building, allow for an effective monitoring of reform progress in a broad range of policy areas. Identified good practices and policy recommendations contribute to designing new international standards in the form of “instruments” as described on page 57.
OECD LEGAL INSTRUMENTS

The OECD has developed a wide range of legal instruments based on the substantive work carried out in the Organisation’s Committees, many of which have become global standards. They are based on in-depth analysis and reporting undertaken within the Secretariat and cover a wide range of topics. The OECD Acts (i.e. legal instruments adopted by the OECD Council) are as follows:

- **Decisions** are legally binding on all Adherents. While they are not international treaties, they do entail the same kind of legal obligations as those subscribed to under international treaties. Adherents have to implement Decisions and take the measures necessary for such implementation.

- **Recommendations** are not legally binding but practice accords them great moral force as representing the political will of Adherents, and there is an expectation that Adherents will do their utmost to implement them.

Other legal instruments are also developed within the framework of the Organisation:

- **Declarations** are solemn texts setting out relatively precise policy commitments which are subscribed to by Adherents.

- **Arrangements and Understandings** are not legally binding instruments negotiated and adopted in the framework of the Organisation by some Members and/or non-Members.

- **International Agreements** may be concluded in the framework of the Organisation and are legally binding on the Parties, which may include Members and non-Members.

Bringing China and other partner countries closer to OECD instruments is an important priority for the Organisation. A concerted effort is being made to further integrate the perspectives of China and other partner countries in the OECD’s standard-setting activities. In particular, the participation of China and other Key Partner countries in developing new instruments and revising existing ones is crucial to ensure their global relevance.

OECD LEGAL INSTRUMENTS TO WHICH CHINA HAS ADHERED

**Decision:**
- Decision of the Council revising the OECD Standard Codes for the Official Testing of Agricultural and Forestry Tractors (since 1988)

**Declarations:**
- Daejeon Declaration on Science, Technology and Innovation Policies for the Global and Digital Age (since 2015)
- Declaration on Automatic Exchange of Information in Tax Matters (since 2014)
- Paris Declaration on Aid Effectiveness (since 2005)
- Declaration on Access to Research Data from Public Funding (since 2004)
- Declaration on International Science and Technology Co-operation for Sustainable Development (since 2004)

**International Agreements:**
- Multilateral Convention on Mutual Administrative Assistance in Tax Matters (since 2013)
PARTICIPATION IN OECD BODIES AND PROJECTS

Non-Members can be invited to participate in OECD Committee work with three levels of partnership:

- Members/Associates participate in a Committee, a project or the development or revision of a legal instrument usually for an open ended period with the same rights and obligations as OECD Members, with the exception of discussions related to the accession of new Members to the Organisation.
- Participants participate in OECD Bodies except in discussions marked as confidential, usually for an open-ended period.
- Invitees are invited to one meeting at a time, for non-confidential items only.

CHINA’S PARTICIPATION IN OECD BODIES AND PROJECTS

**Member of:**
- OECD Development Centre and its Governing Board (since 2015)
- International Transport Forum and Joint OECD/ITF Transport Research Committee (since 2011)
- Global Forum on Transparency and Exchange of Information for Tax Purposes (since 2009)
- OECD Standard Codes for the Official Testing of Agriculture and Forestry Tractors (since 1988)

**Associate in:**
- Working Party No. 10 on Exchange of Information and Tax Compliance of the Committee on Fiscal Affairs (since 2014)
- Project on Base Erosion and Profit Shifting (since 2013)

**Participant in:**
- Programme for International Student Assessment (since 2006)
- Committee on Fiscal Affairs and its subsidiary bodies (since 2004)
- Committee for Scientific and Technological Policy and its subsidiary bodies (since 2001)

Besides its participation in the above-mentioned OECD Bodies and projects, China also participates in the following OECD Asian Networks:

- OECD/ADBI Roundtable on Capital Market Reform in Asia (“Tokyo Roundtable”)
- OECD-Asian Roundtable on Corporate Governance
- ADB/OECD Anti-Corruption Initiative for the Asia-Pacific
- APEC/OECD Cooperative Initiative Regulatory Reform
- Network of Senior Budget Officials for Asia
- OECD/ADBI Roundtable on Labour Migration in Asia
- OECD Employment and Skills Strategies in Southeast Asia (ESSSA)
- OECD Development Centre-AMRO Joint Asian Regional Roundtable

China is also an “Association Country” of the International Energy Agency (since 2015)
DIALOGUE AND DATA

The OECD discusses its data and analyses with stakeholders through a range of channels.

The Trade Union Advisory Committee to the OECD (TUAC) and the Business and Industry Advisory Committee to the OECD (BIAC) bring their perspectives to the policy dialogue. In particular, the BIAC China Task Force supports OECD-China co-operation by providing OECD business expertise and advice.

Taking stock of China’s increasing importance as a source and destination of FDI, the OECD Development Centre’s Emerging Market Network (EMnet) has organised a meeting in Beijing since 2010. This event has enabled companies to benefit from the OECD’s expertise and to discuss the constraints they face in Chinese markets or when investing abroad. Between 2010 and 2015, EMnet and the China International Council for the Promotion of Multinational Corporations (CICPMC), a business association supervised by the Ministry of Commerce, joined forces to provide a setting for discussions between CEOs from Chinese and foreign companies and high-level government officials. The meeting was held during the annual International Roundtable of Multinational Corporations Leaders. In 2016, EMnet organised an event to discuss the key outcomes of the Chinese Presidency of the G20, titled “China’s New Normal and the G20: Challenges and Opportunities for Businesses”. The meeting was held in partnership with the American Chamber of Commerce and the European Union Chamber of Commerce in China.

www.tuac.org
www.biac.org
www.oecd.org/dev/oecdemergingmarketsnetworkemnet.htm
www.oecd.org/dev/oecdemnet.htm

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The Organisation for Economic Co-operation and Development (OECD) is an international organisation helping governments tackle the economic, social and governance challenges of a globalised economy. It provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.