

## RESOLUTION OF THE COUNCIL ON DECISION-MAKING BY THE COUNCIL AND ITS STANDING COMMITTEES

Adopted by the Council on 17 December 2014

THE COUNCIL,

Having regard to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Rules of Procedure of the Organisation [[C\(2007\)14/FINAL](#)];

Having regard to the Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/FINAL](#)];

Having regard to the Resolution of the Council on Strengthening the OECD's Global Reach [[C\(2013\)58/FINAL](#)];

Having regard to the Report of the Chair of the Council Working Group on Governance ("WGG") of 15 July 2014 [[C\(2014\)90/REV2](#)], including its Annex II (Report of the Chair of the WGG Sub-Group on Decision-Making to the Working Group on Governance), presented by Ambassador Banks, and to the Council conclusions of 15 July 2014 [[C/M\(2014\)9](#)], agreeing to paragraphs 13 to 23 on decision-making in the Report of the Chair of the WGG;

Having regard to the Resolution of the Council on a New Governance Structure for the Organisation, as revised in 2010 [[C\(2006\)78/REV1/FINAL](#)] (the "Revised Resolution on Governance"), whose Sections III-VII of Chapter 3 and all of Chapter 4 are repealed and superseded by this Resolution;

ADOPTS the following rules and procedures set out below on decision-making by the Council and its Standing Committees.

## **I. General principles and definitions**

1. The Council reaffirms the importance of consensus as the general principle for OECD decision making. Chairs are invited to continue striving for consensus in all cases. At the same time it recognises that the existing procedures, which provide for other decision making methods, have not been actively used. The Council encourages Committee chairs, with the support of the Secretariat, to fully use the decision making procedures available to them.

2. All issues to be decided by the Council, or delegated by the Council to a Standing Committee,<sup>1</sup> are classified as either normal, fundamental or special cases. Normal cases are the default category, while fundamental and special cases are those corresponding to the lists of issues set out in Sections II and III below. Each of the three categories of cases has its own decision-making rule and procedure, as set out in Sections II, III and IV below.

3. Any problem of interpretation on the classification of a specific issue into one of the categories of cases will be prepared by the Executive Committee and decided by the Council as a normal case.

4. Existing Council decisions which attribute decision-making authority to Standing Committees remain unchanged unless otherwise indicated below or decided in the future by the Council. All decisions taken by a Standing Committee in application of a delegation by the Council to that Standing Committee will be formally recorded by the Secretary-General.

5. Nothing in the present Resolution shall be interpreted as altering the prerogatives of the Secretary-General and of the Members as set out in Article 10(2) of the Convention establishing the OECD and Rule 13(b) of the Rules of Procedure.

6. "A" points are those items prepared by a Standing Committee and likely to be adopted by the Council without debate. "A" points are mentioned in each Council session agenda. "B" points are those items that are to be decided by the Council following discussion, as well as items for discussion or information of the Council.

7. For each item prepared for the Council by a Standing Committee, the Chair of the Standing Committee decides whether to present the item to the Council as an "a" point or a "b" point. In making this decision, the Chair should refer to the decision-making procedures set out below for each category of case.

8. Mutual agreement, also referred to as consensus, is the absence of objection by any Member to a proposal. Unanimity is the agreement of all Members to a proposal.

9. Chairs will decide on the cloture of debates and will implement the decision-making mechanism applicable to the case at hand, as soon as they feel that all arguments have been examined and discussed. It is the prerogative of the Chair to take such a decision. Chairs should aim to reach a decision within two sessions. Members may invite the Chair to proceed with the cloture of debates.

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<sup>1</sup> There are three plenary Standing Committees: Executive Committee, Budget Committee and External Relations Committee. Each of these three bodies is responsible for a cohesive group of functions and issues [*See Revised Governance Resolution, C(2006)78/REV1/FINAL, Chapter 3, Section I*].

## II. Fundamental cases

### *General Description*

10. Fundamental cases are those listed below, which are regarded by the Members as involving key strategic issues, either because the issues are highly political in nature, because they create political or legal obligations for Members, because they require a whole-of-membership perspective or because they involve the overall stewardship of the Organisation.

### *Decision-Making Rule*

11. Fundamental cases are decided by the Council or, when delegated, by a Standing Committee, by mutual agreement or unanimity. For certain fundamental cases, unanimity is required by the Convention, as noted in the list below.

### *Decision-Making Procedure*

12. For items prepared in a Standing Committee for decision by the Council, if there is consensus at the level of the Standing Committee, the Chair should submit the item to the Council as an “a” point, unless the Chair considers that there is a good reason for having a discussion in the Council. In the absence of consensus at the level of the Standing Committee, the item may be submitted as a “b” point to the Council.

### *List of Fundamental Cases*

13. The following fundamental cases are decided by the Council:
- i. Approval of the Organisation’s governance structures;
  - ii. Revision of the mandates of Standing Committees;
  - iii. Creation of special cases including the cases to be delegated (unanimity is required under Article 6 of the Convention);
  - iv. Adoption and revision of the Rules of Procedure of the Organisation, including its language regime;
  - v. Approval of priorities, strategic and budget orientations and policy frameworks;
  - vi. Adoption and revision of Acts (Decisions, Recommendations) and Agreements under Article 5 of the Convention;
  - vii. Decision on new membership (unanimity is required under Article 16 of the Convention);
  - viii. Approval of policy frameworks with respect to relations with non-Members, international organisations, Parliaments and other public authorities and civil society, including academia;
  - ix. Approval of new invitations and new participation of non-Members in the work of the Organisation;
  - x. Adoption of the budget envelope, defined as the sum of appropriations financed from assessed contributions and other income, and special budgets;
  - xi. Approval of supplementary budgets which induce an increase in the assessed contributions of current members/participants;

- xii. Approval of the principles and rules on the scale of contributions;
- xiii. Closing of annual accounts and discharge to the Secretary-General;
- xiv. Decisions on appointments, elections and designations attributed to the Council;
- xv. Decisions on the Headquarters (Article 18 of the Convention).

14. The following cases are delegated to the Standing Committees identified below:

**(a) *Executive Committee:***

- i. Decisions regarding the implementation of policy frameworks towards civil society.

**(b) *External Relations Committee:***

- i. Decisions regarding the implementation of policy frameworks on relations with non-Members;
- ii. Decisions regarding the implementation of policy frameworks on relations with international organisations.

### **III. Special cases**

#### ***General Description***

15. The Convention (Article 6.1) provides that decisions are taken by mutual agreement of all Members unless the Council unanimously agrees otherwise for special cases. The cases so agreed by the Council are listed below.

#### ***Decision-Making Rule***

16. Special cases are decided by Qualified Majority Voting (QMV), at the level of the Council and, when delegated, in the Standing Committees. Under QMV, decisions supported by at least 60% of Members are adopted, unless opposed by three or more Members representing at least 25% of the Part I scale of contributions of the Budget.

#### ***Decision-Making Procedure***

17. The application of QMV involves a process of several steps. The Chair will first make every effort to reach mutual agreement, and should aim to do so within two sessions. If unable to reach mutual agreement, the Chair will call for a short pause for reflection and will set a final date for reaching a decision. If mutual agreement is still not achieved by that time, the Chair will call for a vote by QMV.

18. For items prepared in Standing Committees for decision by the Council, if there is consensus at the level of the Standing Committee, the Chair should submit the item to the Council as an “a” point, unless the Chair considers that there is a good reason for having a discussion in the Council. In the absence of consensus at the level of the Standing Committee, the item may be submitted as a “b” point to the Council, in which case the procedure described in paragraph 17 above would apply.

**List of Special Cases**

19. The following special cases are decided by the Council:
- i. Creation, continuation and abolition of substantive committees and programmes, including revision of their mandates;
  - ii. Adoption and revision of Staff Regulations and Rules;
  - iii. Adoption and revision of Financial Regulations and related rules;
  - iv. Decisions implementing the Financial Regulations and related rules (attributed to the Council therein), including those concerning modifications to the Programme of Work or to the allocation of resources and the carry forwards of resources;
  - v. The Organisation's Programme of Work and Budget, within a consensus-agreed budget envelope, and any related decisions which allocate resources down to the Output Area level, with decisions prepared in the Budget committee and taken at Council, both bodies acting on the qualified majority voting basis, if required;<sup>2</sup>
  - vi. Medium-Term Orientation and Programme Implementation Report methodology;
  - vii. Decisions regarding the Evaluation Committee's recommendations to substantive committees;
  - viii. Decisions to hold sectoral ministerial meetings and decisions regarding their themes and dates;<sup>3</sup>
  - ix. Hosting of external entities, their related Memoranda of Understanding and their renewal(s);<sup>4</sup>
  - x. Decisions concerning the Staff Provident Fund and its rate of interest;
  - xi. Decisions concerning pre-accession budgets of accession countries;
  - xii. Decisions concerning decreases of Part II budgets;
  - xiii. Modification of the decisions establishing the Capital Investment and Budget Fund (CIBRF) and the Post-Employment Healthcare Liability (PEHL) Reserve.
20. The following special cases are delegated to the Standing Committees identified below:
- (a) **Executive Committee:**
- i. Decisions implementing CCR recommendations (except methodology and use of the affordability clause);

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<sup>2</sup> Cf. the Council decision of 22 April 2004 [C/M(2004)10, Item 143].

<sup>3</sup> As well as locations of ministerial meetings other than those of the bodies of the Organisation.

<sup>4</sup> Some examples are the FATF (Financial Action Task Force), the SWAC (Sahel and West Africa Club), and MOPAN (Multilateral Organisation Performance Assessment Network).

- ii. Decisions regarding the implementation of policy frameworks related to communications and publishing;
- iii. Decisions regarding the implementation of policy frameworks related to OECD centres;
- iv. Decisions concerning subsidiary bodies of substantive committees under Article 21 of the Rules of Procedure.

**(b) Budget Committee:**

- i. Annual approval of the scales of contributions;
- ii. Decisions on the implementation of the Programme of Work and Budget;
- iii. Decisions implementing the Financial Regulations and related rules (attributed to the Budget Committee therein), including those concerning modifications to the Programme of Work, the reallocation of resources, commitments in a future financial period, commitments in the current financial period for expenditure to be made after the end of that period and the approval of grants and voluntary contributions;
- iv. Approval of supplementary budgets which do not induce increases in the assessed contributions of current Members/Participants;
- v. Decisions on the management of the Pension Budget and Reserve Fund.

**(c) External Relations Committee:**

- i. Decisions on non-Members' fees, after consultation with the Budget Committee;<sup>5</sup>
- ii. Decisions on the renewal of invitations to non-Members to participate in the Organisation's work.

#### **IV. Normal Cases**

##### ***General Description***

21. Normal cases are all those that are not included in the lists of fundamental and special cases. Thus, the normal case category is the default category.

##### ***Decision-Making Rule***

22. Decisions on normal cases will be made at the Council level, after preparation in the Standing Committees. A decision on a normal case will be deemed adopted unless 15% of Members

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<sup>5</sup> Consultation would concern the level of fees. If, after the consultation with the Budget Committee, views differ, the ERC should advise the BC accordingly and provide it with another opportunity to offer its views before taking the final decision.

(rounded to the nearest unit),<sup>6</sup> or more, object, or one or more Member(s) activate(s) the safeguard mechanism as defined in paragraph 26 below.<sup>7</sup>

### ***Decision-Making Procedure***

#### ***(a) For items prepared by a Standing Committee***

23. If there is consensus or broad and substantial support at the level of the Standing Committee, the Chair should submit the item to the Council as an “a” point, unless the Chair considers that there is a good reason for having a discussion in the Council. In the absence of consensus or broad and substantial support at the level of the Standing Committee, the item may be submitted as a “b” point to the Council.

24. A normal case submitted as an “a” point would become a “b” point at the request of 15% of the Members (rounded to the nearest unit), or more, or if one or more Member(s) activate(s) the safeguard mechanism as described in paragraph 26 below. The request to reopen the issue will be made by the head(s) of the relevant delegation(s) before the meeting of Council.

25. An item that has been submitted as a “b” point, or that has become a “b” point at the Council pursuant to the procedure set out in paragraph 24 above, will be discussed by the Council, which will either adopt a decision, aiming to do so within two sessions, or refer the issue back to the Standing Committee for further work.

#### ***(b) Safeguard mechanism***

26. If a very important interest of a Member is endangered by a draft decision on a normal case presented to the Council, the Secretary-General, upon written request of that Member, shall call for a special meeting in the Council to address the issue. At this meeting, the Member invoking its national interest will explain the problem and will be expected to suggest a solution. The Council will either adopt a decision by mutual agreement or refer the issue back to the Standing Committee for further work.

### **V. Revision Clause**

27. An assessment of the decision-making mechanisms adopted by this Resolution will be conducted in 2019, on the basis of a report prepared by the Secretariat, to determine whether further adjustments are needed. If necessary, any modification, deletion or reclassification of a specific item will require a decision by mutual agreement.

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<sup>6</sup> If 15% of the membership results in a figure equally distant to two units it will be rounded up. For example, if 15% of the Members resulted in 5.5, this would be rounded up to 6 Members.

<sup>7</sup> This decision-making system for normal cases is understood to be compatible and in conformity with Article 6 of the OECD Convention.