COUNCIL

Meeting of the Council at Ministerial Level, 30-31 May 2018

PROGRESS REPORT ON STANDARD-SETTING REVIEW

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JT03432079

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EXECUTIVE SUMMARY

In May 2016, the Secretary-General launched an OECD-wide Standard-Setting Review (hereafter the “Review”) in order to ensure that OECD standards continue to respond to the challenges faced by governments and to strengthen their impact and relevance. The findings of the first phase of the Review were welcomed by Ministers at the 2017 Ministerial Council Meeting (MCM), who looked forward to “the proposal for relevant possible new standards by OECD committees and a report by the Secretary-General at the 2018 MCM on the second phase of the standard-setting review”1. The work on the Review has progressed and this report aims to update Ministers on the following aspects:

1. OECD Standards in a Shifting Landscape

The OECD has developed around 450 legal instruments since its creation in 1961, 241 of which are in force today. These standards, which span a variety of substantive areas, are at the core of the OECD’s aspiration to promote shared values, good policies and practices in both domestic and international settings as well as well-governed markets. A large number of them have also achieved impact well beyond the OECD membership. Drawing on its unique characteristics including the “bottom-up” evidence-based approach, the OECD has continued to broker consensus on innovative solutions to emerging global challenges, as in the case of the work on taxation to prevent Base Erosion and Profit Shifting (BEPS)2. OECD standards contribute to three main goals:

- levelling the global playing field, i.e. ensuring fair competition between actors in the international arena;
- increasing international technical co-operation to provide fluidity and cost efficiency in global flows and exchanges;
- implementing shared policy objectives at the domestic level to improve the well-being of citizens.

In a global landscape in flux, it is more urgent than ever for the OECD to reflect on its role in the development and implementation of international standards, to ensure the relevance and impact of existing standards and to fully draw on its strengths in identifying areas where it can usefully provide a platform for dialogue on possible new standards.

2. Status of the OECD Standard-Setting Review

Following a comprehensive analysis of 260 legal instruments by OECD committees, the first phase of the Review was concluded in July 2017 with the adoption of a first set of

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2 Base Erosion and Profit Shifting: tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax jurisdictions. See http://www.oecd.org/tax/beps/
actions, including the abrogation of 32 outdated instruments. The second phase of the Review focuses on the implementation of the committees’ Action Plans (i.e. the review, revision or monitoring of implementation of 134 legal instruments). It also includes consideration of proposals for possible new instruments in areas where the OECD could usefully address emerging policy challenges such as civil service capacity, enhanced access to data and integrity and anti-corruption for state-owned enterprises (SOEs).

3. Improving OECD Standards

The 2017 MCM progress report [C/MIN(2017)15] identified five areas in which the OECD could seek improvements: broadening knowledge and interest in OECD standards; strengthening their implementation; extending their reach and impact beyond OECD membership; increasing horizontal and international co-operation; and maintaining the relevance and impact of OECD standards as well as the OECD’s capacity to tackle emerging issues. The 2017 MCM Statement [C/MIN(2017)9/FINAL], in welcoming the Review, also “welcome[d] initiatives to increase the visibility and global implementation of OECD norms”.

The present report develops ideas included in the 2017 MCM progress report, drawing on good practices in certain workstreams while bearing in mind the specificities of committees and instruments. The key ideas (see p. 5 for an overview) include:

- Maintaining a regular focus on the relevance and impact of OECD standards over time by means of a five yearly stock-taking at committee level, a biennial update to the MCM and drawing on initiatives in other international organisations;
- Active consideration of the participation of non-Members and other stakeholders in the work on OECD standards to extend their reach and impact, level the global playing field and bolster legitimacy;
- Improving dissemination and communication about OECD standards to ensure that they are well-known within and outside the membership, to facilitate effective implementation and encourage adherence by non-Members;
- Strengthening and supporting implementation of OECD standards through the development of toolkits, creating platforms for sharing experiences, improving data collection, strengthening OECD peer reviews and peer pressure and more regular reporting to Council;
- More political high level guidance from Members (e.g. through the biennial discussion at the MCM) to inform the technical work and greater fluidity in the exchanges between the political level and its strategic, cross-disciplinary perspective and the technical level with its subject-specific expertise to efficiently address emerging and cross-cutting issues;
- Effective coordination with other international organisations in order to avoid duplication, ensure complementarity and develop mechanisms for peer learning, including through the Partnership for Effective International Rule-Making.

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3 [C/MIN(2017)9/FINAL], para. 18

Box 1. OECD Terminology

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

- **OECD standards**: all OECD legal instruments as well as other kinds of policy principles and guidelines developed within the OECD framework. Many OECD standards have been embodied in substantive OECD legal instruments while others have not.

- **OECD legal instruments**: all substantive OECD Acts adopted pursuant to Article 5 of the OECD Convention (Decisions and Recommendations) and other legal instruments developed within the OECD framework (principally Declarations and international agreements). The term is most often used to refer to substantive legal instruments but could also cover internal OECD legal instruments (e.g. Resolutions).
Key Ideas in the 2018 MCM Progress Report

Development / Revision of OECD Standards: A Horizontal and Integrated Process (3.1.)
- Efficiently addressing emerging and cross-cutting issues (3.1.1.)
  - Benefit from more regular strategic and cross-disciplinary discussion on OECD standards
  - Encourage synergies between different policy communities
  - Explain the legal nature and process for developing and revising OECD legal instruments
- Involving relevant stakeholders to extend reach and bolster legitimacy (3.1.2.)
  - Optimize the OECD Global Relations toolbox for involvement of relevant non-Members in standard-setting
  - Engage relevant stakeholders, including business and civil society, as part of the work on standards
- Building collaboration with other international organisations (3.1.3.)
  - Systematically map existing standards established by other international organisations
  - Review the involvement of international organisations in OECD committees
  - Take full advantage of the Partnership for Effective International Rule-Making

Dissemination of and Communication about Standards: A Comprehensive Strategy (3.2.)
- One Platform to Access All OECD Legal Instruments (3.2.1.)
  - New online Compendium of OECD Legal Instruments
- A Tailored Dissemination and Communication Strategy (3.2.2.)
  - Agree on a dissemination and communication strategy in parallel with the evaluation of the instrument
  - Events for government officials and/or other stakeholders to explain the objectives, scope, and content
- Non-Member Adherence (3.2.3.)
  - Establish a standard template for adherence requests

Implementation of OECD Standards: Providing Support and Measuring Impact (3.3)
- Supporting Implementation at Committee Level (3.3.1.)
  - Develop toolkits or companion documents to support effective implementation by Adherents
  - Committees actively serving as a forum for exchanging information and experience on implementation of standards
  - Conduct a survey on the use of peer review mechanisms
  - Greater use of positive incentives
  - Taking into account, where appropriate, the different needs and situations of certain groups of countries
- Reporting to Council on Implementation to Assess Relevance and Impact (3.3.2.)
  - Adjust the standard reporting provision
  - Ensure, using the Global Relations toolbox, that non-Member Adherents are covered by the reporting
  - Improve the methods for collecting data from Adherents
  - Draw on the work of the Partnership for Effective International Rule-Making

Relevance and Impact of Standards Over Time: A Systematic Review Mechanism (3.4)
- A five-yearly stock-taking on OECD standards
- A biennial update to the MCM on OECD standards
- Peer learning with other international organisations

PROGRESS REPORT ON STANDARD-SETTING REVIEW
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1. **OECD Standards in a Shifting Landscape**

1. In May 2016, the Secretary-General launched an OECD-wide Standard-Setting Review (hereafter the “Review”) in order to ensure that OECD standards continue to respond to the challenges faced by governments and to strengthen their impact and relevance. The first phase of the Review, which was concluded in July 2017, saw 27 committees agree on standard-setting action plans (hereafter the “Action Plans”) with proposals to abrogate 32 outdated legal instruments and to review, revise or monitor the implementation of 134 legal instruments. During the second phase of the Review which is ongoing, committees are implementing their respective Action Plans and also reflecting on areas where the Organisation could usefully develop new standards. Section 2 of the present report provides a full update on the status of the work on the Review. The Review also provides an important opportunity for the OECD to reflect on ways to improve the development and implementation of standards and to maintain the relevance and impact of its standards over time. Section 3 of the report presents a number of possible initiatives to this effect, in some cases building on existing good practices.

2. The OECD has developed around 450 legal instruments since its creation in 1961, 241 of which are in force today (see Figure 1.1). The Organisation’s flagship standards include the Anti-Bribery Convention, the Codes of Liberalisation, the Guidelines for Multinational Enterprises, the OECD/G20 Principles of Corporate Governance, the standard on exchange of information in tax matters and the Recommendation on Good Statistical Practice. These standards, which span a variety of substantive areas, have achieved impact well beyond the OECD membership and have helped promote better-governed global markets.

![Figure 1.1. Number of OECD Legal Instruments Over Time](image)

3. In recent years, the OECD has continued to demonstrate its agility in developing standards on emerging global challenges and its ability to broker consensus on innovative solutions. One example is the commitment by 113 jurisdictions to the OECD/G20 Base Erosion and Profit Shifting (BEPS) Package and the development of the ground-breaking Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS
(BEPS Convention) which will enter into force on 1 July 2018 and modify the network of bilateral tax treaties. Another is the work on due diligence guidance for companies in order to promote responsible business conduct, resulting in a series of OECD Recommendations and encapsulated in the overarching Recommendation on Due Diligence Guidance for Responsible Business Conduct to be adopted at this year’s Ministerial Council Meeting (MCM).

4. The OECD has a number of characteristics which have contributed to this capacity to effectively foster agreement on standards:

- Its membership and streamlined workflow mean that it is able to move quickly in developing standards.
- Its multidisciplinary nature and broad technical expertise allow it to address the increasing number of issues which cut across different policy areas.
- Its combination of top down political guidance from Ministers and “bottom-up” evidence-based approach from its expert committees ensures that the standard is well-founded technically and that consensus around the standard is built progressively as it moves through the different stages of the process.
- It has developed innovative mechanisms and tools to support the implementation of standards.

5. Yet the global landscape is in flux, with growing criticism that the benefits of globalisation have not been equally shared by all. Despite the many recent achievements of multilateralism and the need for multilateral solutions in order to leave no one behind, the agility and effectiveness of multilateral approaches have been called into question.

6. In this environment, it is more urgent than ever for the OECD to reflect on its role in the development and implementation of international standards, to ensure the relevance, effective implementation and impact of existing standards and to fully draw on its strengths in identifying areas where it can usefully provide a platform for dialogue on possible new standards. The Organisation should also consider carefully how it communicates about the standards it develops to ensure greater understanding of their objectives and effects.

7. Traditionally, the Organisation has perceived itself and been perceived by the outside world as promoting the levelling of the global playing field i.e. ensuring fair competition between actors in the international arena whether companies or States. This is indeed a principal objective and a key driver behind the OECD’s flagship standards such as the Anti-Bribery Convention, the Guidelines on Multinational Enterprises, the G20/OECD Principles on Corporate Governance or the Guidelines on State-Owned Enterprises. At the same time, these flagship OECD standards also aim to ensure fairness, integrity and the collective well-being of citizens. For example, the BEPS Package was designed to ensure that governments are able to collect a fair level of taxation which can then be used for other social and economic priorities. The G20/OECD Principles of Corporate Governance and Codes of Liberalisation among others promote sustainable economic growth and financial stability with the aim of warding off future financial and economic crises.

8. A second category of OECD standards are designed to provide mechanisms for international technical co-operation to provide fluidity and cost efficiency in global flows and exchanges. This category includes the set of instruments on mutual acceptance of chemical test data, which ensure that chemical tests do not need to be repeated in each country, the instruments on transboundary movements of hazardous wastes, and the
agricultural codes and schemes which facilitate international trade by simplifying and harmonising documentary, inspection and testing procedures for seeds, forests, tractors, fruit and vegetables.

9. A third growing category of standards represent a shared policy objective at the multilateral level which mainly has effect at the domestic level in order to improve the well-being of citizens. Examples include the OECD Recommendations in the area of public governance (e.g. the Recommendation on Open Government and the Recommendation on Public Integrity) and on social policies (e.g. the Recommendation on Ageing and Employment and the Recommendation on Health Data Governance). In this regard and in addition to OECD legal instruments, the benchmarking exercises done by the OECD, such as PISA, play an important role.

10. One of the lessons to be learned from the current environment may be that the OECD and other multilateral institutions need to do better in communicating with different groups of stakeholders, including the wider public, about these objectives and impacts of their standards and their work more generally.

11. Moreover, while carefully preserving and supporting the bottom up approach which works so well within the OECD, it may be necessary to ensure greater fluidity in the exchanges between Members at the political level with a cross-disciplinary perspective and the technical, expert level which is by nature subject-specific. This adjustment, which could be achieved, for example, through a biennial discussion on standard-setting at the MCM, would help to ensure that the Organisation is able to optimise its strong technical expertise at committee level in order to respond quickly and effectively to the strategic priorities of governments. It would also enable greater horizontality between the different policy communities at the OECD, building synergies between work-streams and avoiding potential overlaps or inconsistencies.

12. Finally, in order to better serve their Members and citizens, multilateral institutions need to more effectively coordinate their efforts in order to avoid duplication, ensure complementarity and develop mechanisms for peer learning among institutions. In this regard, since 2014 the OECD has been facilitating an initiative, involving more than fifty international organisations, to review their practices in the development and implementation of standards, from the variety of instruments adopted to their implementation and how to measure the impact of standards. The objective of this Partnership is for international organisations to learn from each other’s experiences in order to enhance the effectiveness and legitimacy of their work on international standards.

2. Status of the OECD Standard-Setting Review

2.1. First Phase of the Review

13. Between October 2016 and March 2017, OECD committees analysed in a holistic manner 260 OECD legal instruments, resulting in the approval of 28 Action Plans. For each instrument, committees proposed a specific action (abrogation, revision or further review), noted that an instrument would be subject to upcoming monitoring of implementation or decided that no immediate action was required (see Figure 2.1 for a summary of proposed actions). As part of this first phase, committees also identified 13 areas in which new instruments could be developed.

Figure 2.1. Summary of proposed action

14. The findings of the first phase of the Review were presented to Council in April 2017 and transmitted to the 2017 MCM at which Ministers welcomed the Review and “initiatives to increase the visibility and global implementation of OECD norms”, including OECD’s efforts “to spread its standards through G20, G7, APEC, ASEAN, the Pacific Alliance, and other global and regional fora”. Ministers also looked forward to “the proposal for relevant possible new standards by OECD committees and a report by the Secretary-General at the 2018 MCM on the second phase of the standard-setting review”.

15. At its 12 July 2017 meeting, Council concluded the first phase of the Review with the adoption of the first set of actions to clean up the existing stock of OECD legal

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instruments through the abrogation of 32 outdated instruments (representing 12% of existing OECD legal instruments at the time of abrogation – see Figure 2.2 for an overview) and minor updates to take account of the abrogation of an instrument or a shift of expertise between OECD bodies.\(^8\)

**Figure 2.2. Overview of Abrogated Legal Instruments by Committee**

2.2. Second Phase of the Review

16. The second phase of the Review focuses on the implementation of the Action Plans as well as reflection and discussion of proposals for possible new instruments in areas where the OECD could usefully address emerging policy challenges and could make a valuable contribution. It will result in significant activity relating to OECD standards over the next few years. Figure 2.3 provides an updated timeline for the proposed actions.

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17. To date (as shown in Figure 2.4), 31% of the actions foreseen in the committee Action Plans have been completed (including the abrogation that concluded the first phase of the Review), 49% are on track and should be completed in the agreed timeline and 21% have been delayed.

18. The delays are mainly explained by the need to gather additional analytical information (e.g. the proposed new instrument on enhanced access to data), an adjustment of priorities in the concerned committees (e.g. the focus on the organisation of the Ministerial Conference on SMEs) and/or the need to reschedule in order to avoid overburdening the committee and Secretariat (e.g. the Committee for Scientific and Technological Policy has decided to sequence the work to have no more than two instruments reviewed or monitored at the same time, see DSTI/STP(2017)23). It is also true in some cases that the importance attached to maintaining the relevance and impact of OECD standards at the level of the governing bodies is not always reflected in technical committees which may have different priorities for the allocation of resources.

19. Overall, the Review has already had a positive impact in increasing the focus on streamlining and updating the body of OECD legal instruments. Proposals for new
actions have emerged in committees after the approval of their Action Plans and some committees have decided to be more ambitious in terms of deliverables. These new proposals mostly concern the development of new legal instruments (see Annex A for an update on new instruments).

20. During the first phase of the Review, thirteen proposals for possible new legal instruments were made and, since the beginning of the second phase of the Review, ten additional proposals are being discussed by committees. Two proposals have already led to the adoption by Council of a new instrument (the Recommendation on Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and the Recommendation on Open Government) and three others are scheduled for adoption at the MCM (Recommendation on Due Diligence Guidance for Responsible Business Conduct, Recommendation on Sustainable Lending Practices and Officially Supported Export Credits, Recommendation on Global Events and Local Development). Other possible instruments under discussion address areas such as civil service capacity, enhanced access to data, transparency in free trade zones as well as SOE integrity and anti-corruption.

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<thead>
<tr>
<th>Box 2.1. Timeline for OECD Standard-Setting Review Timeline</th>
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<tr>
<td>- May 2016: Launch of the OECD-wide Standard-Setting Review by the OECD Secretary-General</td>
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<td>- June 2017: First MCM Progress Report – Ministers welcomed the Review⁹</td>
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<td>- July 2017: First set of actions by the Council including abrogation of 32 legal instruments</td>
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<tr>
<td>- Sep 2017 onwards: Implementation of the Action Plans by OECD committees (revisions, further reviews and monitoring of implementation)</td>
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<tr>
<td>- May 2018: Second MCM progress report</td>
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<tr>
<td>- May 2018 – June 2021: Continued implementation of the Action Plans by OECD committees and annual reports to the MCM</td>
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<tr>
<td>- June 2021: Planned completion of the implementation of the Action Plans</td>
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3. Improving OECD Standards

21. The 2017 MCM progress report identified five areas in which the OECD could seek improvements:

**Box 3.1. Challenges Identified in the 2017 MCM Progress Report**

A. **Broadening knowledge and interest in OECD standards**: While the Council has repeatedly emphasised the importance of OECD standards as one of the hallmarks of the Organisation, OECD standards are not always well-known and/or used across the relevant policy communities. There is also a need to improve awareness of OECD standards with a broader audience outside the Organisation.

B. **Strengthening the implementation of OECD standards**: Some standards, whether legally binding or not, are more effectively implemented than others; this depends on multiple factors among which the strength of the political commitment and the existence of peer review mechanisms are particularly important.

C. **Extending the reach and impact of standards beyond OECD membership**: The share of OECD Members in the global economy continues to decline (from 60% in 2000 to estimated 44% in 2032). In order to remain effective in particular to level the global playing field, OECD standards need to reach countries outside the membership.

D. **Increasing horizontal and international co-operation**: In order to avoid duplication, identify synergies and draw on multidisciplinary expertise, increased cooperation between policy communities within the OECD as well as between different multilateral institutions is essential. At the same time, it will be important to avoid burdensome, bureaucratic processes which could reduce efficiency.

E. **Maintaining the relevance and impact of OECD standards and the OECD’s capacity to tackle emerging issues**: The OECD needs to ensure that its standards are kept up to date over time, respond to changes in the policy environment and that it remains at the forefront of standard setting by identifying emerging issues on which it can add value.

22. Part 3 of this document develops ideas that were included in the 2017 MCM progress report on the Review, drawing on good practices in certain work-streams while bearing in mind the specificities of committees and instruments. The initiatives are organised around the life cycle of OECD standards: starting with their development or revision (section 3.1), their dissemination (section 3.2), their implementation by Adherents (section 3.3) and finally how to ensure their continued relevance over time (section 3.4).

23. A table matching the initiatives with the main challenge which they seek to address (Box 3.1) is included after each section.
3.1. Development/Revision of OECD Standards: A Horizontal and Integrated Process

3.1.1. Efficiently addressing emerging and cross-cutting issues

24. The development and revision of OECD standards is evidence-based and consensus-building, going through a bottom-up approach which results in high quality standards and strong commitment to the implementation of the resulting instrument, even if it is not legally binding. This is a strength of the Organisation which must be carefully preserved. At the same time, substantive committees have a tendency to operate in silos and, while maintaining the bottom-up process, there is a need to build bridges in order to address cross-cutting challenges in a timely and effective manner. In order to strengthen the OECD’s ability to respond quickly to emerging challenges which cut across policy areas, the Organisation could:

- Benefit from more regular strategic and cross-disciplinary discussion on OECD standards. This could include the provision of guidance by the Ministerial Council Meeting to substantive committees on overall policy priorities for which new standards could be considered. This could take place on the occasion of a biennial update on OECD standards to the Ministerial Council Meeting to provide a brief overview of the standard-setting activity in the last two years and an update on possible new instruments to be developed in the coming two years (see para. 45 below).

- Encourage synergies between different policy communities through an enhanced and efficient process for consultation of relevant substantive committees during the development or revision of cross-cutting legal instruments, including through the creation of an online consultation platform (see Box 3.2).

**Box 3.2. Coordination between OECD policy communities**

In recent years, the Organisation has developed more standards which cut across policy areas. This has been done in different ways:

- **Consultation of relevant committees on the draft instrument to ensure coherence between the approaches of different policy communities.** Depending on the timing, these consultations have either been undertaken at committee meetings (e.g. consultation of the Working Group on Bribery on the Recommendation on Bribery and Officially Supported Export Credits) or by written procedure. An important tool in this respect would be the development of an online consultation platform to facilitate input from different committees.

- **Shared responsibility of several committees in the development and implementation of standards.** There have been a number of recent cases in which the responsibility for the elaboration and proposal to Council of a new instrument has been shared between different committees. The most successful approach has been the use of a lead committee in consultation with other committees (e.g. Recommendation on Gender and Recommendation on Water). In other cases, there has been joint responsibility between committees but this has tended to create administrative burden and delay due to the timing of committee meetings and different work methods.

- **Liaison groups involving permanent delegations** have proven useful to identify areas of shared competencies between ministries, co-ordinate inputs through one channel and prepare discussions in the Executive Committee and Council (e.g. the Recommendation on Water and the Recommendation on Global Events and Local Development).
Explain the legal nature and process for developing and revising OECD legal instruments to all policy communities involved and at all levels (from the expert group to the standing committees) to ensure that Members have the necessary information in order to decide whether the development of a legal instrument may be appropriate; for example, through the development of a guidance document and induction sessions for delegates in substantive committees as well as new members of permanent delegations.

3.1.2. Involving relevant stakeholders to extend reach and bolster legitimacy

25. To extend the reach and impact of standards beyond OECD membership and level the global playing field as well as to bolster the legitimacy of the standards, the level and means of participation of relevant non-Members and other stakeholders (in particular the private sector and civil society) in the work on OECD standards should be actively considered to ensure that their views can be taken into account as appropriate. For both engagement with non-Members and with other stakeholders, the right approach will depend on the specific policy area and the intended objectives of the standards under development but this question should be systematically and explicitly raised when embarking on new standard-setting work.

26. With regard to non-Members, engagement can be achieved through links with global governance mechanisms such as the G20, co-operation with other international or regional organisations (see section 3.1.3 below), and strategic collaboration with individual Partner countries. In this regard, partnerships in OECD committees as well as engagement through global fora, regional programmes and country programmes all have an important role to play. Recent successes, in particular in the tax area, demonstrate that the early involvement of key players outside the membership greatly facilitates the subsequent adherence and implementation of OECD standards (see Box 3.3). In this regard, it would be important to:

- Optimise the OECD Global Relations toolbox for involvement of relevant non-Members in standard-setting, in particular when developing a programme of work with Key Partners or a Country Programme. Where appropriate, committees should consider inviting non-Members to be Associates or Invitees in discussions concerning an OECD legal instrument pursuant to the Revised Resolution of the Council on Partnerships in OECD Bodies [C(2012)100/REV1/FINAL, Annex, para 6]. This approach proved successful in obtaining the endorsement of G20 members of the G20/OECD Principles of Corporate Governance. In this regard, it is important for committees to identify the relevant non-Members at the outset of the process so that they are fully informed and integrated into the work-stream. By the same token, it is equally important that non-Member adherents are fully involved in the monitoring part of the standards cycle so that their commitment to and implementation of OECD standards can be assessed (see further para. 44 below).

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10 As set out in para 6 c) of the Annex to the Resolution, Associates in discussions concerning an OECD legal instrument “would be expected to associate themselves to the outcome […] of the discussion unless they state otherwise”.

11 See G20 Leaders’ Communiqué, Antalya Summit, 15-16 November 2015, para. 10.
Box 3.3. Sequencing and Timeline for Ensuring the Global Reach of the BEPS Package

- **June 2012**: G20 Leaders referred to “the need to prevent base erosion and profit shifting” (BEPS) and stated that they would “follow with attention the ongoing work of the OECD in this area”.

- **May 2013**: Declaration on BEPS adopted during the 2013 MCM by all OECD Members, Argentina, Brazil, Indonesia and the Russian Federation, urging the OECD to “proceed speedily on the elaboration and agreement” of an Action Plan.

- **June 2013**: Approval of the BEPS Action Plan by the Committee on Fiscal Affairs (CFA) and launch of the BEPS Project to carry out the work envisaged in the Action Plan.

- **July 2013**: Council invited G20 non-OECD members as Associates in the BEPS Project [C(2013)97/REV1] as well as Colombia and Latvia [C(2013)123].

- **September 2013**: G20 Leaders fully endorsed the ambitious and comprehensive BEPS Action Plan and welcomed the establishment of the G20/OECD BEPS Project.

- **December 2014**: Council invited the African Tax Administration Forum (ATAF) and Inter American Center for Tax Administrations (CIAT) to participate as observers in the CFA to ensure that developing countries have a mechanism to provide input into the development of the BEPS Package.

- **September 2015**: Approval of the BEPS Package by the CFA. Stakeholders were consulted widely in the development of the Package. In total, the BEPS Project received more than 1,400 submissions from industry, advisers, NGOs and academics, totalling approximately 12,000 pages of comments.

- **October 2015**: Endorsement of the BEPS Explanatory Statement and the measures set out in the BEPS Final Reports by the Council.

- **November 2015**: G20 Leaders endorsed the BEPS Package and called on the OECD to develop an inclusive framework with the involvement of interested non-G20 countries and jurisdictions which commit to implement the BEPS project, including developing economies, on an equal footing.

- **April 2016**: Launch of the Platform for Collaboration on Tax between the OECD, International Monetary Fund (IMF), United Nations (UN) and World Bank. One of the tasks of the Platform is to support the implementation by developing countries of BEPS measures.

- **May 2016**: Council approved the invitation of an additional 123 countries and jurisdictions to become Associates/members of the OECD/G20 BEPS Project, which led to the formation of the “Inclusive Framework on BEPS” [C(2015)125/REV1].

As of March 2018, 113 countries and jurisdictions are members of the Inclusive Framework. For more information please consult: http://www.oecd.org/tax/beps/beps-about.htm.

27. To bolster the legitimacy of OECD standards with other stakeholders including business and civil society, while respecting the intergovernmental nature of the standard-setting process, the Organisation needs to broaden the involvement of relevant stakeholders in work on new or revised standards, building on, as appropriate, successful examples such as the close collaboration with BIAC, TUAC and OECD Watch which was an essential element of the 2011 revision of the Guidelines for Multinational
Enterprises and the valuable input of Transparency International to the OECD’s anti-corruption work. Accordingly, the OECD could:

- Drawing on the good practices related to its long-standing relationship with BIAC and TUAC, engage as appropriate relevant stakeholders, including business and civil society, as part of the work on standards, through (i) increased participation in dedicated discussions in committee meetings, workshops and/or consultation sessions as well as (ii) the mainstreaming of stakeholder or public consultation including by means of online consultation platforms to ensure that stakeholder who cannot travel to Paris can provide their input. These kind of public or more restricted stakeholder consultations have been used successfully by committees throughout the Organisation (see Box 3.4) and could continue to be improved to ensure that relevant stakeholders are able to provide their views at the right stage of the process. In these efforts, the Organisation could also draw as appropriate on good practices of other international organisations through the Partnership on Effective International Rule-Making.

### Box 3.4. Examples of Public and Stakeholder Consultation

Public consultations on draft instruments are used when the objective of the new standard is to have a direct impact on the lives and well-being of citizens. The recent public consultation on the draft Recommendation on Open Government is a case in point (see [GOV/PGC(2017)19](#) for a detailed report): the consultation was open for two months in order to ensure that the final text reflected as far as possible the interests and aspirations of the global open government community at large. The consultation generated significant interest on social media, with relevant posts being extensively shared and commented. The social media campaign on Twitter reached over 73,000 people and resulted in over 1,300 interactions (including tweets & comments).

In other cases, consultations are restricted to defined list of stakeholders and have been conducted through written procedure as well as through dedicated meetings (e.g. multi-stakeholder workshop gathering representatives of host and event organisers on the draft Recommendation on Global Events and Local Development). Such consultations have been instrumental to ensure the support of specific stakeholders who will be directly affected by the new instrument (e.g. responsible business conduct, consumer protection, information technology).

### 3.1.3. Building collaboration with other international organisations

28. In order to avoid duplication, identify synergies and draw on multidisciplinary expertise, the Organisation needs to increase co-operation with relevant international organisations (see Box 3.5). The Review has already helped identify areas of duplication and a number of instruments were abrogated at the end of the first phase because they were rendered obsolete by more recent standards developed by another organisation.

29. With the objective of ensuring more fluid cooperation between the OECD and other international organisations, it is proposed to:

- Systematically map existing standards established by other international organisations as part of the process of the development of a new OECD standard, to avoid duplication and ensure the added value of a possible new standard.

- Review the involvement of international organisations in OECD committees to facilitate their participation in relevant discussions on standards.
Take full advantage of the Partnership for Effective International Rule-Making in order to share knowledge and experience between international organisations and establish a network facilitating future co-operation on standard-setting.

Box 3.5. Coordination between the OECD and other international organisations

There are many ways in which the OECD co-operate with other international organisations (IOs):

- **OECD membership and/or participation in meetings of other IOs** have allowed the Organisation to disseminate its standards, increase coordination and avoid redundancies. For example, the Organisation is a member of the Financial Stability Board (FSB) since 2010, through which it contributes to the assessment of vulnerabilities in the financial system and to the work on financial reform in the aftermath of the crisis. As a result, a number of flagship OECD standards, such as the G20/OECD Principles of Corporate Governance have been included in the FSB Compendium of Standards.

- **Participation of other IOs in OECD work and/or meetings of OECD bodies**: OECD committees work regularly with other IOs, including through attendance in meetings of OECD bodies on an ad hoc basis or as permanent observer (which is granted by Council on a recommendation of the committee). A number of them have contributed to the development, dissemination and implementation of OECD standards. For example, the Working Party on Export Credits and Export Credits Guarantees, has worked hand-in-hand with the World Bank and the IMF to develop the draft Recommendation on Sustainable Lending Practices and Officially Export Credits.

- **Platforms regrouping international organisations**: The Platform for Collaboration on Tax brings together the OECD, IMF, UN and World Bank in order to intensify co-operation on international tax issues. Since, the Organisation participates in the Inter-Organisation Programme for the Sound Management of Chemicals (IOMC), a coordinating mechanism to strengthen international cooperation in the field of chemical safety, which compile and disseminate the tools and standards developed by the OECD and the other eight participating organisations through its Online Toolbox for Implementing Chemical Safety. The Partnership for Effective International Rule-Making offers a voluntary platform to foster collective action among IOs and their constituencies to promote greater quality, effectiveness and impact of international rules, regardless of their substantive scope.
Table 3.1. Main Challenges Addressed by Each Initiative

<table>
<thead>
<tr>
<th>Strategic guidance</th>
<th>Broaden Knowledge</th>
<th>Strengthen implementation</th>
<th>Extend Reach</th>
<th>Increase Co-operation</th>
<th>Maintain Relevance &amp; Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergies between policy communities</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explain legal nature and process</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimise Global Relations toolbox</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public / stakeholder consultation</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Map existing IO standards</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Review IO involvement</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO Partnership</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

3.2. Dissemination of and Communication about Standards: A Comprehensive Strategy

30. Dissemination of and communication about OECD standards is essential throughout their life cycle. Dissemination is how the Organisation can ensure that new OECD standards are well-known within and outside the membership, facilitate effective implementation by Adherents and encourage further adherence by non-Members. Strategic communication can be used as a vehicle to ensure that the wider public is informed about OECD standards, their objectives and impact.

3.2.1. One Platform to Access All OECD Legal Instruments

31. In this regard, a key deliverable of the Review is the overhaul of the existing database of OECD legal instruments which is the main platform for accessing the text of the instruments and providing other relevant information:

- The new online Compendium of OECD Legal Instruments12, developed and maintained by the Directorate for Legal Affairs, has been completely revamped to provide more types of information in a user-friendly interface, including information on the rationale for developing or revising an instrument (see Box 3.6). For each instrument, a brochure identified as part of the OECD Legal Instruments series, can be downloaded to facilitate and increase the dissemination of and communication about OECD standards.

Box 3.6. New Online Compendium of OECD Legal Instruments

The new online Compendium has been specifically designed to respond to the five challenges identified during the first phrase of the Review (see Box 3.1):

- Background information to guide the visitor through the different categories of legal instruments and description of the rationale for developing the instrument.
- Monitoring section for each instrument which will provide the link to implementation toolkits and reports to Council.
- Adherence section includes information on all Adherents.
- Related instruments section to make the links between the different policy communities and work of other OECD committees and international organisations.
- More visibility through integration of the Compendium in other tools such as iLibrary.

3.2.2. A Tailored Dissemination and Communication Strategy

After the adoption of a new or revised legal instrument, it is essential to ensure that all relevant stakeholders are informed and that implementation can start at all levels of government. The responsibility to disseminate OECD standards is shared between the Adherents and the Secretary-General. To assist Adherents and improve the dissemination of OECD legal instruments:

- The relevant committee should agree on a dissemination and communication strategy in parallel with the finalisation of the text of the instrument. This will ensure that committees reflect on and discuss how best to ensure that that information about the instrument reaches the right audience. This greater awareness about the new standard will facilitate quick and effective implementation.
33. In addition to the availability of all relevant information through the online Compendium, it is also necessary to communicate actively with Adherents and other relevant stakeholders including through:

- Events (e.g. workshop, seminars, conferences, roundtable) for government officials and/or other stakeholders to explain the objectives, scope and content of the instrument(s) that can be organised by the responsible committee or individual Adherents with the assistance of the Secretariat, by the Secretariat upon request, by international organisations or other stakeholders to reach out to all interested actors. Such events should also focus on the implementation of the instrument(s) (including how it is monitored) – see para. 39 below.

3.2.3. Non-Member Adherence

34. Participation in the development of the standard and dissemination after adoption can lead to an expression of interest from non-Members to adhere to the instrument, especially from the Partners of the responsible committee. All OECD Acts (Decisions and Recommendations adopted by the OECD Council) are open for adherence by non-Members. Since 2009, an express provision has been added in the operative paragraphs of each new Recommendation to invite non-Members to take due account and adhere.

35. Non-Members can either adhere at the moment of the adoption of the new instrument (in which case this is recognised in the conclusions of the Council) or at any time after adoption. The process for non-Member adherence to OECD Decisions and Recommendations after adoption is triggered by a formal request. For legally-binding Decisions and a few other cases mandated by Council, a substantive in-depth review is conducted by the relevant committee (e.g. Codes of Liberalisation, Investment Declaration, Mutual Acceptance of Data, Guidelines on State-Owned Enterprises) before transmission to the Council via the External Relations Committee. For non-binding Recommendations, the substantive committee is consulted followed by the External Relations Committee. The process is set out Figure 3.1.

13 See for example Annex A of the Report on the Implementation of the Recommendation of the Council on the Governance of Critical Risks [C(2017)138], which provides a comprehensive list of promotion and dissemination activities, including for example workshops organised by Members to present the Recommendation to relevant stakeholders and presentations in events organised by other international organisations.

14 The last instruments restricted to OECD Members were the Codes of Liberalisation which were opened for adherence by non-Members in 2011 [C(2011)80].

15 Adherence to an OECD Declaration entails the consultation of the External Relations Committee (ERC). International agreements developed in the framework of the OECD include a specific provision setting out the conditions for becoming a Party.
Figure 3.1. Process for Non-Member Adherence to OECD Decisions and Recommendations

1. NON-MEMBER ADHERENCE REQUEST

2. COMMITTEE CONSULTATION/REVIEW

   - Consultation
     - YES
     - NO
     - ERC
       - YES
       - NO

   - In-Depth Review mandated by Council
     - YES
     - NO
     - COUNCIL
       - YES
       - NO

3. ERC

4. CONFIRMATION OF ADHERENCE
In order to facilitate the consideration of requests for adherence to OECD legal instruments, it is proposed to establish a standard template for adherence requests which are subject to committee consultation. The template would request information about how the country’s legislation, policies and practices align with the instrument and the way forward.

Table 3.2. Main Challenges Addressed by Each Initiative

<table>
<thead>
<tr>
<th></th>
<th>Broaden Knowledge</th>
<th>Strengthen Implementation</th>
<th>Extend Reach</th>
<th>Increase Co-operation</th>
<th>Maintain Relevance &amp; Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online compendium</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
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<td></td>
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</tr>
<tr>
<td>Dissemination &amp;</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>communication strategy</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Adherence template</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

3.3. Implementation of OECD Standards: Providing Support and Measuring Impact

36. At the 2017 MCM, Members welcomed “initiatives to increase the visibility and global implementation of OECD norms”. The Chair’s Summary of the 2017 meeting of the Global Strategy Group, reflecting the views of a number of Members, emphasised “the need to strengthen standards as a growing number of issues can no longer be solely addressed through domestic policies” and stressed the “importance of reinforcing the implementation and monitoring of standards”.

37. The level of implementation of OECD standards depends on multiple factors among which the strength of the political commitment and the existence of peer review mechanisms are particularly important. Experience has shown that the level of implementation is not necessarily linked to the legal status of the standard, i.e. whether legally binding or not. Indeed, in the OECD, certain non-legally binding standards may well enjoy high levels of implementation due to strong political backing and robust peer review, e.g. the standard on exchange of information and the BEPS minimum standards.

3.3.1. Supporting Implementation at Committee Level

38. The implementation of OECD standards is supported by the responsible committees, usually through the experts in their subsidiary bodies. This is reflected in the legal instruments themselves which include a provision whereby Council instructs the responsible committee to play an active role in supporting implementation by Adherents. Over time, this provision has been progressively strengthened, reflecting the importance attached by Members to facilitating the implementation of new OECD standards. It is

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17 Chair’s Summary of the Breakfast Session of the Global Strategy Group, 29 November 2017, presented to Council on 18 January 2018 as Room Document No. 5.
important that non-Member Adherents are fully associated in the work on implementation to ensure that they follow through on the commitment made at the time of adherence.

39. Many different tools have been used by committees to support Adherents’ implementation and a number of successful practices were identified during the first phase of the Review. While keeping in mind the differences between OECD standards, it would be valuable to ensure consideration of the use of these tools with respect to other standards:

- In recent years, several committees have developed toolkits or companion documents to support effective implementation by Adherents. These documents are developed in parallel with the instrument or shortly afterwards usually by the network of experts that participated in the development of the instrument. The toolkits usually explain the rationale for the different provisions detailing the intention of the drafters and provide best practices and examples on how to effectively implement the provisions. They are often web-based to ensure regular updates and facilitate access by all relevant stakeholders. In order to facilitate the consideration of wider use of these toolkits or companion documents, a guidance document and compilation of practices could be prepared.

- A number of committees actively serve as a forum for exchanging information and experience on implementation of standards. In the future, this role could be reflected and/or reinforced in the mandates of OECD committees. In addition to discussions in regular meetings, the organisation of dedicated events involving all Adherents, with the option of online participation, has proven very useful to have greater in-depth discussion and avoid burdening the agenda of regular meetings. It also facilitates the participation of a broader range of stakeholders including non-Members interested in adherence, other international organisations, sub-national actors (see Box 3.7) and non-governmental stakeholders.

**Box 3.7. Relevance of OECD Standards at All Levels of Government**

In recent years, the OECD has developed an increasing number of standards in areas of shared responsibility between levels of government (e.g. Recommendations on Open Government, Water and Effective Public Investment).

While respecting the legal and institutional framework of each Adherent, it is important to find ways to ensure the involvement of relevant sub-national actors in the process of development, dissemination and implementation of OECD standards. This could be done by direct consultation, where appropriate, with relevant sub-national actors to support and improve implementation (see for example the [World Observatory on Subnational Government Finance and Investment](http://www.oecd.org/governance/observatory/subnational-government-finance-and-investment/)) or by ensuring systematic coordination between committee delegates and other levels of government.

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19 For example, the [OECD Forum on Due diligence in the garment and footwear sector](http://www.oecd.org/governance/due-diligence/forum/clothing/) that took place on 30-31 January 2018 at the OECD reviewed progress on the implementation of the Due Diligence Guidance, addressed emerging risks in the sector and shared learnings on implementation of the due diligence guidance across geographies.
40. A number of committees regularly review the implementation of the instruments under their responsibility. This may be done at general (for all countries), regional or country level. There are also horizontal reviews of all countries on one specific element of an instrument. In this regard, one of the hallmarks of the OECD has been the successful use of mandatory or voluntary peer review (see Box 3.8) and peer pressure in supporting the implementation of its standards. In this regard, it is proposed to:

- Conduct a survey on the use of peer review mechanisms across the Organisation in order to better understand the characteristics and impact of peer review throughout the Organisation facilitate the sharing of experience between policy communities and consider whether elements of peer review could usefully be extended to other areas.

41. Country peer reviews often lead to the identification of recommendations for improvement but also to the identification of good practices and high levels of implementation. In this regard, it may be useful to consider:

- Greater use of positive incentives, such as public recognition of successful efforts by a country to implement standards, could be a means for committees to encourage and support effective implementation.

**Box 3.8. OECD Peer Review**

For OECD purposes, peer review can be described as the “systematic examination and assessment of the performance of a State by other States, with the ultimate goal of helping the reviewed State improve its policy making, adopt best practices, and comply with established standards and principles” (see SG/LEG(2002)1).

Notable examples of mandatory peer review against standards include the Working Group on Bribery, the Global Forum on Tax Transparency and Exchange of Information and the BEPS Inclusive Framework. Examples of voluntary peer review include Environment Policy Reviews, Public Governance and Integrity Reviews as well as the reviews of National Contact Points under the Guidelines for Multinational Enterprises.

Peer reviews have effectively served as a catalyst of reform, setting out concrete recommendations for changes to domestic legislation, policy and practice in order for reviewed countries to better align with OECD standards.

42. In supporting implementation of standards by non-Members, it may be necessary in some cases to:

- Take into account, where appropriate, the different needs and situations of certain groups of countries. This is already an integral part of the work on tax where an

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20 See OECD (2016), *The Liability of Legal Persons for Foreign Bribery: A Stocktaking Report*: “Before the adoption of the Convention in 1997, at least 25 Convention Parties (61%) had either statutes or rules developed through case law establishing Legal Persons (LP) liability for economic or regulatory offences. The time line shows that, after the signature of the Convention, at least 66 law-making events took place in 40 countries to either establish or refine LP liability. As shown below, these changes were often a direct response to commitments made in the Convention or subsequent peer pressure from the WGB.”
increasing number of developing countries have committed to the BEPS Package and to the standards on exchange of information. The Platform for Collaboration on Tax (see para. 26 above), involving the OECD, IMF, World Bank and the UN, is developing toolkits to assist developing economies in implementing efficiently BEPS action items and addressing additional specific tax issues.

3.3.2. Reporting to Council on Implementation to Assess Relevance and Impact

43. For 22% of OECD legal instruments in force, committees have to report to Council on implementation. For the past 20 years, a standard provision has been added in all new instruments requiring the responsible committee to monitor implementation and report back to Council three or five years after their adoption. These reports are then made public. The objective of this exercise has been to assess the relevance and impact of the instrument and any need for possible revision. At the same time, this reporting has also been a valuable way to advance the level of implementation of the standard including by creating a dialogue in committees about effective modalities for implementation.

44. This one-off reporting to Council after adoption has often become more regular with Council asking the committee to report back again especially in cases where there were concerns about the overall lack of implementation. Accordingly, it is proposed to:

- Adjust the standard provision in new instruments in order to request reporting to Council on implementation at a minimum interval (e.g. every ten years following the initial report five years after adoption).
- Ensure, using the Global Relations toolbox, that non-Member Adherents be covered by the reporting and other work on implementation and respond to the information requests in order to ensure a level playing field.
- Improve the methods for collecting data from Adherents for the purposes of reporting on implementation by:
  - Maintaining an updated list of contact points for each instrument so that the implementation questionnaire gets to the right people without delay (currently there are gaps and delays in country responses due to the misdirection of the questionnaires);
  - Using an online survey platform to facilitate responses and centralise surveys and data collected in a secure environment (see Box 3.9 for a recent example).

Box 3.9. Science, Technology and Innovation (STI) Policy Database

A new database that provides information on countries’ science, technology and innovation (STI) policies and stores country responses to questionnaires has been developed in co-operation with the European Union as part of a wide-ranging initiative to improve the monitoring and analysis of countries’ STI policies. As of mid-February, the database contained approximately 6,700 STI policy initiatives and information on the design of approximately 5,300 policy instruments (see DSTI/STP(2018)1 for further information). This knowledge management platform could be used as a tool for future surveys on the implementation of relevant OECD standards.

- Draw on the work of the Partnership for Effective International Rule-Making to identify other methods to measure the concrete impact of international standards and assess the feasibility of their use with respect to OECD legal instruments.
Table 3.3. Main Challenges Addressed by Each Initiative

<table>
<thead>
<tr>
<th>Implementation toolkits</th>
<th>Strengthen Implementation</th>
<th>Extend Reach</th>
<th>Increase Co-operation</th>
<th>Maintain Relevance &amp; Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forum for exchange</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer review survey</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Positive incentives</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapting to different needs</td>
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<td></td>
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<tr>
<td>Regular reporting to Council</td>
<td>✓</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ensuring non-Member participation</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Improving data collection</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Measuring impact</td>
<td>✓</td>
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</tbody>
</table>

3.4. Relevance and Impact of Standards Over Time: A Systematic Review Mechanism

45. The Review has already yielded positive results in terms of awareness and interest in standards across the policy communities of the Organisation. It will be important to build on this momentum and ensure that the work on maintaining the relevance, effective implementation and impact of OECD standards is sustained and that another 30 years do not pass before the next review of OECD standards. To that effect, it is proposed to ensure a regular focus on standards by means of:

- **A five-yearly stock-taking on standards:** As part of its proposal for mandate renewal every five years and similar to the evaluation of the continuing relevance of its substructure, each committee would be required to briefly discuss the relevance and impact of the instruments under their responsibility and identify possible follow-up actions to be undertaken, such as revision or a review of implementation. A sequenced timeline could be set up for the follow-up actions to ensure that this does not place too heavy a burden on committees. In the case of committees with a high number of legal instruments such as the Environment Policy Committee, this could be done in a sequenced way with a different group of instruments addressed every five years.

- **A biennial update to the MCM to provide a brief overview of OECD standard-setting activity:** This would be an opportunity for Members to take stock, at the political level, of the OECD’s standard-setting activity across all policy communities and provide a strategic and whole-of-government view, including by identifying policy priorities on which new standards could be considered.

- **Peer learning with other international organisations:** Through the Partnership for Effective International Rule-Making, the OECD may be able to identify and

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adapt, as appropriate, initiatives put in place by other international organisations and the way they have been conducted.

Table 3.4. Main Challenges Addressed by Each Initiative

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Broaden Knowledge</th>
<th>Strengthen Implementation</th>
<th>Extend Reach</th>
<th>Increase Co-operation</th>
<th>Maintain Relevance &amp; Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 yearly committee stock-taking</td>
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<td></td>
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<td></td>
<td>✓</td>
</tr>
<tr>
<td>Biennial MCM update</td>
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<td></td>
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<td></td>
<td>✓</td>
</tr>
<tr>
<td>Examining other IO initiatives</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Annex A. Update on Proposals for New OECD Standards

New Instruments included in Committee Action Plans during the First Phase of the Review:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artificial Intelligence</td>
<td>At its 21 November 2017, CDEP agreed to the development of an analytical report to be discussed at its May 2018 meeting. Depending on the results of this analysis, CDEP could launch the work on a draft Recommendation at its November 2018.</td>
</tr>
<tr>
<td>Civil Service Capacity</td>
<td>The first draft of the Recommendation was well received by delegates of the Working Party on Public Employment and Management (PEM) of the PGC at their 26 March 2018 meeting [GOV/PGC/PEM(2018)1]. Comments will be considered in the following draft which will then be shared with the PGC in the Spring 2018 and go through a public consultation during the summer of 2018.</td>
</tr>
<tr>
<td>Due Diligence Guidance for Responsible Business Conduct</td>
<td>The Guidance [DAF/INV/RBC(2018)3] was approved and the draft Recommendation (which recommends the use and promotion of the Guidance) [DAF/INV/RBC(2018)4] was discussed by the Working Party on Responsible Business Conduct and Investment Committee at their March 2018 meeting. Following approval by the Committee by written procedure on 6 April 2018, the draft Recommendation has been transmitted to the Council for adoption at its 2018 meeting at Ministerial level.</td>
</tr>
<tr>
<td>Enhanced Access to Data</td>
<td>An informal joint steering group has been set up drawing on expertise from CDEP, PGC and CSTP to work on a gap analysis and identification of specific principles and innovative practices. Depending on the results of this analysis, the committees could launch the work on a draft Recommendation at the end of 2018.</td>
</tr>
<tr>
<td>Export Credits and Sustainable Lending Practices</td>
<td>The draft Recommendation on Sustainable Lending Practices and Officially Supported Export Credits was approved by the ECG at its November 2017 meeting [TAD/ECG(2017)9]. It was discussed by the Executive Committee on 6 March 2018 [C(2018)18] and transmitted to the Council for adoption at its 2018 meeting at Ministerial level.</td>
</tr>
<tr>
<td>Illegal Trade of Pesticides</td>
<td>ONIP has approved the draft Recommendation and best practice guidance for inspectors including regulatory practices for identifying and tackling illegal trade of pesticides at its February 2018 meeting [ENV/JM/PEST/ONIP(2018)1]. The draft Recommendation will be discussed and submitted for approval of the Working Group on Pesticides in June 2018 and Joint Meeting in November 2018 for transmission to Council for adoption early 2019.</td>
</tr>
<tr>
<td>International Co-operation</td>
<td>The Competition Committee agreed to continue looking for opportunities to improve international co-operation but decided to wait for the results of the monitoring of the Recommendation concerning International Co-operation on Competition Investigations and Proceedings which will take place in 2019 before developing a new standard.</td>
</tr>
<tr>
<td>Market Studies</td>
<td>The Competition Committee agreed that the existing material on market studies should be consolidated into an OECD publication in 2018. The discussion on whether this consolidation could lead to the development of a new Recommendation will take place at a later stage.</td>
</tr>
<tr>
<td>Topic</td>
<td>Status</td>
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<td>-------------------------------------------</td>
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</tr>
<tr>
<td>Open Government</td>
<td>The Recommendation of the Council on Open Government was adopted by the Council at its 14 December 2017 meeting. The work on the indicators has already started. A report will be transmitted to the Council in 2020.</td>
</tr>
<tr>
<td>SME Financing</td>
<td>Delegates asked for further substantive work to be done in particular consultations of public institutions. There has not been any decision or further discussion on the proposal considering the focus in the Working Party on SMEs on the 2018 Ministerial Conference. In April 2018, the WPSMEE will discuss a draft report on Effective Approaches for the Implementation of the Principles with a view to deliver the report to the G20 in 2018.</td>
</tr>
<tr>
<td>SOE Corruption and Integrity</td>
<td>The Working Party on State Ownership and Privatisation Practices is developing Anti-Corruption and Integrity Guidelines for State-Owned Enterprises, with the goal to submit the Guidelines for approval of the WPSOPP in March 2019. The Guidelines could be embodied in a new OECD legal instrument which could be adopted by the Council in mid-2019. Given the OECD’s support to the G20 Anti-Corruption Working Group in their development of High-Level Principles on countering corruption in state-owned enterprises in 2018, the OECD also intends to explore the potential for the Guidelines to become a joint OECD-G20 instrument or to be endorsed by the G20 in 2019.</td>
</tr>
<tr>
<td>Tourism Collaborative Economy</td>
<td>The Tourism Committee has approved in October 2017 its roadmap for implementing its Action Plan [CFE/TOU(2017)9/REV1] and decided to focus at this stage on revising the two existing instruments. The issue of tourism collaborative economy is one that could potentially be covered by the updated instruments. The work on the update of these instruments has started and will be discussed at the 9-10 April 2018 meeting of the Tourism Committee.</td>
</tr>
</tbody>
</table>

**New instruments Proposed during the Second phase of the Review:**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth</td>
<td>The Declaration was adopted on 23 February 2018 by all OECD Members, 20 non-Members and the European Union in the context of the OECD Ministerial Conference on SMEs and Entrepreneurship for Productivity and Inclusive Growth, which took place in Mexico City, Mexico on 22-23 February 2018. The Declaration has been noted by the OECD Council on 10 April 2018 [C(2018)64].</td>
</tr>
<tr>
<td>Draft Recommendation of the Council on Global Events and Local Development</td>
<td>The first draft of the Recommendation of the Council on Global Events and Local Development has been reviewed by the LEED Directing Committee. Following a second round of consultation, including relevant OECD bodies and stakeholders, a revised draft was shared with the LEED DC for approval by 28 April 2018 [CFE/LEED(2018)1/REV2]. A discussion took place at the 10 April meeting of the Tourism Committee and a consultation of LEED DC delegates took place on 23 April through a webinar. Following approval, the draft will be transmitted to the Council for adoption at its 2018 meeting at Ministerial level.</td>
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<td>Harmonised Conformity Check for Internet Sales of Fresh Fruit and Vegetables</td>
<td>The December 2017 Plenary Meeting of the Fruit and Vegetable Scheme discussed a questionnaire exploring the challenges that national authorities and in particular inspections services are facing when dealing with internet sales of fruit and vegetables has been shared with members and there is emerging consensus on the development of the draft Recommendation. The 2017 Plenary Meeting agreed to set-up a Sub-Working Group (SWG). Members of the SWG are: Belgium, France, Germany, Kenya, the Netherlands and Spain. The SWG will provide an update at the next Plenary Meeting [TAD/CA/FVS/M(2017)1].</td>
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<td>Public Innovation</td>
<td>A pilot informal consultation with the OPSI National Contact Points (NCPs) on the possibility to develop an instrument on public sector innovation took place over the summer 2017. The OPSI National Contact Points on Public Sector Innovation agreed to work towards preparing a draft Declaration on Public Sector Innovation at its November 2017 meeting which took place back to back with the OPSI conference “Innovation in Government: The New Normal”, where the need of the draft declaration was highlighted. The proposal has been included in the draft PWB of the PGC for 2019-20.</td>
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<td>Topic</td>
<td>Status</td>
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<td>Responsible Innovation in Neurotechnology</td>
<td>The Working Party on Biotechnology, Nanotechnology and Converging Technologies is currently engaged in a project on “Neurotechnology and Society”. It will discuss an outline of draft principles for responsible innovation in neurotechnology at its May 2018 meeting and steps towards a possible OECD Recommendation on Responsible Innovation in Neurotechnology during the 2019-20 biennium (see DSTI/STP/BNCT(2018)2 for an update on the project to the CSTP).</td>
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<td>Rural Policy</td>
<td>On 19 April 2018, the Regional Development Policy Committee agreed to develop OECD Principles on Rural Policy and to organise a joint policy workshop in September 2018 between its two Working Parties to advance the proposal [CFE/RDPC/RUR(2018)1]. The Working Party on Rural Policy, under the RDPC, has been producing data analysis, thematic reports and country-specific reviews on rural development over the past 20 years. Following a comprehensive assessment of past OECD rural work, the proposed Principles would aim at helping countries to design and implement better rural policies that can support rural economies and increase the well-being of rural dwellers.</td>
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<td>Sustainable / Green Finance</td>
<td>Not started yet but under discussion for the 2019-20 Programme of Work and Budget. May be developed in the future through the CMF the IPPC through their task force on long term investment financing together with other relevant committees.</td>
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<td>Traceability of Fruit and Vegetables</td>
<td>At the December 2017 Plenary Meeting of the Fruit and Vegetable Scheme, Poland introduced the Progress report on Traceability [TAD/CA/FVS(2017)6]. The Plenary Meeting clarified that the status of the document is currently a check-list but that it would be useful to elaborate on it to get also guidelines for inspection and traceability. The Plenary Meeting agreed more time is needed to elaborate on the document. The Sub-Working Group on Traceability will continue developing the document and will submit a revised version to its June 2018 meeting to be held back-to-back to the harmonisation meeting hosted by the Netherlands with the view to submit a proposal for approval at the 2018 Plenary Meeting.</td>
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<td>Transparency in Free Trade Zones</td>
<td>A first draft “Guidance on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones” was well received by the High Level Risk Forum/Task Force on Countering Illicit Trade. The Public Governance Committee agreed to open an inclusive consultation process, including other committees as well as a public consultation on the draft guidance.</td>
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<td>Urban Policy</td>
<td>On 16 April 2018, the Working Party on Urban Policy agreed to develop OECD Principles on Urban Policy (on the basis of the background note “20 years of OECD urban work: stock-taking and ways forward towards OECD Principles on Urban Policy”, see CFE/RDPC/URB(2018)1). On 19 April 2018, the RDPC supported the initiative and welcomed the proposal to hold a joint workshop in September 2018 between its two Working Parties to advance the proposal. Following a comprehensive assessment of all recommendations put forward in past OECD urban work, the proposed Principles would aim at consolidating OECD's expertise in urban policy into a clear, highly visible narrative that helps shape, implement and monitor effective urban policy in the future.</td>
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