This Note, by the French Delegation, is circulated for INFORMATION.
STATUS TO BE GIVEN TO NON-MEMBERS
WHO ACCEDE TO THE “DECLARATION ON INTERNATIONAL INVESTMENT
AND MULTINATIONAL ENTERPRISES”.

1. France is in favour of non-Member countries acceding to the “Declaration on International Investment and Multinational Enterprises”, and in particular to the “OECD Guidelines for Multinational Enterprises” annexed to the Declaration. As pointed out by the Secretariat itself, such a development is necessary to make this instrument fully effective.

2. It is also aware that an over-strict application of the major player criterion involves a risk of systematically excluding countries with small economies from the Organisation’s work. These considerations are similar to those contained in the report of the Task Force on Evaluation of Co-operative Activities with Non-Members [CCN(99)19] and are currently being studied by the Member countries in the appropriate bodies of the Organisation.

3. Nevertheless, we wish to emphasise our concern to maintain the cohesion of the Organisation, which requires a certain homogeneity of the status of non-Member countries.

4. It is pointed out that in general the decision in C(96)64/REV2/FINAL provides that observer invitations “should continue to be the norm for non-Member participation in official sessions” (paragraph 5 of the Appendix) and that in any event full participation “is not envisaged” for the Committee on International Investment and Multinational Enterprises” [paragraph 6 c)].

5. As regards the particular case of the CIME and its Working Party on the Guidelines, the status of “full participant” does not seem appropriate since it would mean that in an initial phase there would be three different types of status (Members of the Organisation, observers, full participants) within the Committee.

6. The presentation by the Secretariat of this status as the only way of making an exception to the major player criterion is questionable since this criterion applies in the same way to all requests for whatever kind of status. The status of observer is therefore in no way incompatible in principle with the participation of small economies should the Member countries deem this useful.

7. Moreover, such a development is not justified, firstly because of the effectiveness of observer status (which, for example, has enabled non-Members who have acceded to the Declaration to take a full part in the revision of the Guidelines), and secondly because the prerogatives of the two types of status are very similar, having regard to the constant practice of the Organisation vis-à-vis observers.

8. Lastly, the solution of providing for full participation by these new countries only for that part of the CIME’s work concerning the follow-up to the Declaration, provided for in the Council Resolution of 1996 [paragraph 6 c]), but on an exceptional basis only, risks in the end becoming an unnecessary source of confusion in the work of the CIME, where candidate countries already participating in the Committee’s work on international investment do so in the capacity of observers.
9. France points out that the sole objective of its position is to maintain a certain coherence as regards all the relations the Organisation has with non-Members, in compliance with Council Resolutions. It can therefore only regret the unnecessary delay concerning the accession of interested countries to the OECD Declaration on Investment.

In consequence, France proposes that:

- the accession of non-Members to the Declaration be welcomed;
- the participation of these countries in the relevant work of the CIME (Working Party on the Guidelines), the logical counterpart of their commitments, take place in the traditional capacity of observers.