

**Meeting of the Council at Ministerial Level, 9-10 June 2022****THE SECRETARY-GENERAL'S REPORT TO MINISTERS ON THE  
IMPLEMENTATION OF THE OECD GLOBAL RELATIONS STRATEGY****JT03496712**

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## EXECUTIVE SUMMARY

In 2021, OECD Members celebrated 60 years of service as a community of **like-minded, market-based democracies, with shared values regarding the preservation of individual liberty, democracy, the rule of law, and the defence of human rights**. They are **committed to working together on solutions to the world's most pressing economic challenges**. By engaging beyond its membership, the OECD has delivered on its mission to **foster economic growth and well-being, through making its standards and policy recommendations count on a global scale and levelling the global playing field**. The OECD has enriched policy making and standard-setting across the world, delivering each year over 500 major reports, country surveys and peer reviews. Partner countries' adherences to OECD standards have more than doubled over the past decade from 405 in 2012 to 874 today.

OECD Ministers adopted the first **OECD Global Relations Strategy** [[C/MIN\(2021\)17/FINAL](#)] and the **Vision for the Organisation's for the next decade** [[C/MIN\(2021\)16/FINAL](#)] at the OECD Ministerial Council Meeting in October 2021. The OECD thereby recognised that **effective international co-operation is needed** to address megatrends including climate change and environmental degradation, digitalisation, migration, global and regional value chains, mobility of capital and labour, informality and rising inequality, so that no one is left behind, in line with the 2030 Agenda for Sustainable Development.

In addition, as multilateralism faced one of its greatest crises since the end of the Second World War, the OECD **responded with speed, resolve and unity to the large-scale aggression by the Russian Federation against Ukraine**. The OECD Council condemned the aggression in the strongest possible terms as a clear violation of international law and a serious threat to the rules-based international order, and it immediately decided to suspend the participation of Russia and Belarus in OECD bodies. The Council expressed solidarity with Ukraine and its people, asked the Secretary-General to **develop concrete and comprehensive proposals in support of Ukraine's recovery and reconstruction**, and supported the establishment of an OECD Ukraine-Kyiv Liaison office, to be initially based in Paris [[C/M\(2022\)8](#), Item 98].

While the OECD does not seek to become a universal Organisation, the effective, horizontal and co-ordinated implementation of its Global Relations Strategy will allow the OECD to **meet future challenges related to engagement with partner countries** and remain a **respected, credible and relevant voice on global challenges**. A few months after the adoption of the Strategy, this report **takes stock of the OECD's global reach**. In the context of the current challenging global environment, the Global Relations Strategy provides the necessary flexibility for engaging with various partners, and it positions the OECD to respond appropriately and make decisions consistent with its values, mandate, and rules.

- Membership remains the most effective way to secure partners' comprehensive commitment to OECD standards and best practices. Further to the decision of the Council on 25 January 2022 to *open accession discussions with six candidate countries (Argentina, Brazil, Bulgaria, Croatia, Peru and Romania)* [[C\(2017\)92/FINAL](#)], these countries will undergo in-depth accession reviews by more than 20 committees in line with Accession Roadmaps to be adopted by Council.
- **Engagement with the OECD's five Key Partners (Brazil, People's Republic of China, India, Indonesia and South Africa) has progressed in a flexible manner on the basis of shared Members' interests and mutual benefits**. Brazil is an accession candidate in line with the Council decision of 25 January 2022. Council welcomed the Strategic Framework for OECD co-operation with China in May 2021 [[C/M\(2021\)10](#), Item 105]. Discussions for a fourth Joint Work Programme (JWP) with Indonesia have commenced and co-operation is ongoing in the context of its G20 Presidency. The OECD and India continue to discuss a possible JWP and have started to exchange on India's 2023 G20 Presidency. A key objective for 2022 is to finalise an ambitious South Africa-OECD JWP.
- **Comprehensive Regional Programmes with Southeast Asia (SEA)<sup>1</sup>, Eurasia, Latin America and the Caribbean (LAC), the Middle East and North Africa (MENA) and South East Europe (SEE)<sup>2</sup>** have contributed significantly to knowledge sharing, dissemination of OECD standards and

best practices in these regions, and improving regional co-operation. While further synergies will help address transversal challenges across regions, the OECD Council has confirmed its strengthened engagement with the five regions and possible future regional programmes [[C\(2017\)92/FINAL](#)].

- **The Organisation’s identification of *Southeast Asia* and, more broadly speaking *Asia-Pacific*, as a region of strategic priority, with a view to potential membership [[C/MIN\(2021\)17/FINAL](#) & [C\(2017\)92/FINAL](#)], was reaffirmed.** Given the increasing importance of the region, confirmed over time by its continued high growth and enhanced integration in global value chains, the OECD Southeast Asia Regional Programme (SEARP) will strive to provide whole-of-OECD strategic engagement to support domestic reform and strengthen regional integration.
- **The OECD aims to further structure and enhance its engagement with *African countries, institutions and regional organisations*,** in particular on the 2030 Agenda for Sustainable Development and the African Union’s Agenda 2063. A new partnership approach to OECD co-operation with Africa is under development, based on shared Members’ interests and African ownership and demand, strengthening horizontal and coherent efforts across the Organisation.
- **The Organisation’s *Country Programmes* remain instrumental in enabling selected countries to anchor their policy reforms in OECD standards and best practices.** Thailand successfully concluded its own Country Programme in 2021, while the implementation of the second phase of the Morocco Country Programme has started. Implementation of the Egypt Country Programme is expected to start in the first half of 2022, and work is ongoing to prepare an eventual Country Programme with Viet Nam. Potential new Country Programmes could be discussed in the near future.
- **Partner countries’ active *participation in OECD bodies, projects and programmes*** has been critically important for the promotion and dissemination of OECD standards and best practices and continues to develop, bringing positive contributions to OECD bodies’ programmes of work.
- **The Organisation’s *presence and involvement in the global governance architecture* has supported the dissemination of and alignment with OECD standards and best practices, particularly within the G20, where several partner countries will hold upcoming presidencies (Indonesia – 2022; India – 2023; Brazil – 2024; and South Africa – 2025).** Based on its comparative advantages and in line with Members’ priorities and continued guidance, the OECD has continued to contribute data, analysis and expertise to the G20, the G7, the United Nations, APEC, ASEAN, the African Union, the Union for the Mediterranean, as well as other fora and regional bodies.

### KEY OECD GLOBAL RELATIONS ACHIEVEMENTS 2021-22

- Ministers adopted the first **OECD Global Relations Strategy** [[C/MIN\(2021\)17/FINAL](#)] at the Meeting of the Council at Ministerial Level on 5 October 2021, creating an overarching framework for stronger and more coherent global engagement based on shared interests and mutual benefits.
- Members confirmed in the Organisation’s 60<sup>th</sup> Anniversary Vision Statement “**Trust in Global Cooperation – The Vision for the OECD for the next decade**” [[C/MIN\(2021\)16/FINAL](#)] their ambition that the OECD seek global impact in its external relations, ensuring that its standards are promoted, protected and not compromised.
- The OECD took a key decision on 25 January 2022, when it decided to **open accession discussions**

<sup>1</sup> In view of its priority status, this document lists this Programme first; the four other Comprehensive Regional Programmes, of equal status, are included in alphabetical order.

<sup>2</sup> Chronologically, the South East Europe Regional Programme was launched in 2000, the MENA-OECD Initiative on Governance and Competitiveness for Development was launched in 2005, the Eurasia Competitiveness Programme was launched in 2008, the Southeast Asia Regional Programme was launched in 2014, and the Latin America and the Caribbean Regional Programme was launched in 2016.

with six candidate countries (Argentina, Brazil, Bulgaria, Croatia, Peru and Romania), upon confirmation of their adherence to the OECD's values, vision and priorities contained in the Organisation's 60<sup>th</sup> Anniversary Vision Statement and the 2021 MCM Statement [[C\(2017\)92/FINAL](#)].

- 137 jurisdictions have joined the **Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy**, underlining the critical contribution the OECD/G20 Inclusive Framework on BEPS has made to the OECD's global reach.
- The OECD **responded to the large-scale aggression by Russia against Ukraine** with swift, strong, and united measures. The OECD Council condemned the aggression in the strongest possible terms as a clear violation of international law and a serious threat to the rules-based international order, and it decided an immediate suspension of the participation of Russia and Belarus in OECD bodies. The OECD **expressed solidarity with Ukraine and began work on concrete and comprehensive proposals in support of Ukraine's recovery and reconstruction**, in close consultation with the Ukrainian authorities. An OECD Ukraine-Kyiv liaison office is to be created, operating from Paris until conditions are suitable for its establishment in Kyiv.
- Members welcomed **country-specific Strategic Frameworks for OECD Co-operation with China** in May 2021 [[C\(2021\)66](#)] and with **Indonesia** in January 2022 [[C\(2022\)17](#)].
- The 2022 **SEARP Ministerial Conference** was hosted by Korea on 9-10 February 2022 in Seoul and participants adopted a Joint Communiqué highlighting the significance of digital transformation and the green recovery, and new priorities for the Programme's third phase (2022-2025) were discussed. The **OECD-ASEAN Memorandum of Understanding (MoU)** was signed on this occasion.
- The **Eurasia Competitiveness Programme has continued the work of its peer-review mechanism**, the OECD Eurasia Competitiveness Roundtable, to benchmark and monitor policy reforms in Eurasia countries against OECD standards and best practices.
- The **OECD LAC Regional Programme celebrated its fifth anniversary** in a high-level event with Ministers from OECD and LAC countries in May 2021. As a concrete mandate from this event, an Environmental Sustainability priority was added for the third cycle (2022-2025), starting in June 2022.
- The MENA-OECD Ministerial Declaration, adopted at the widely attended 2021 MENA-OECD Ministerial Conference, launched the programme's new mandate for 2021-25, acknowledging that **MENA's participation in global policy making is paramount to foster a solid multilateral system**.
- The **South East Europe Regional Programme has launched a new work stream on labour migration**, and it engaged in a policy debate with Ministers from the SEE region and OECD Members at the SEE High-Level Conference on 17 May 2022.
- The OECD signed MoUs for the **Egypt Country Programme** in October 2021 and for the **deepening of co-operation with Viet Nam** in November 2021.
- Amidst the worst global health crisis in a century, the **OECD deepened its engagement with partner countries and provided policy support** as they navigate the recovery from the COVID-19 pandemic.

## 1. Introduction

1. As reaffirmed in the Organisation's 60<sup>th</sup> Anniversary Vision Statement "Trust in Global Cooperation – The Vision for the OECD for the next decade" [[C/MIN\(2021\)16/FINAL](#)] and the OECD Global Relations Strategy [[C/MIN\(2021\)17/FINAL](#)], OECD Members form a like-minded community with shared values regarding the preservation of individual liberty, democracy, the rule of law, and the defence of human rights. Over the past 60 years, the OECD's global engagement beyond its membership

has contributed to placing the Organisation at the heart of global governance and has ensured that it remains a respected and relevant voice on a wide range of global challenges. While the OECD does not aspire to become a universal organisation, Members recently confirmed in the Vision for the OECD for the next decade [[C/MIN\(2021\)16/FINAL](#)] and the OECD Global Relations Strategy [[C/MIN\(2021\)17/FINAL](#)] that the OECD seek global impact in its external relations, ensuring that its standards are promoted, protected and not compromised. Together, these documents set out the values, goals and purpose for targeted, effective and impactful co-operation with partner countries going forward.

2. These developments come at a particularly important moment considering the current **difficult geopolitical context** and the **increasingly significant role of emerging and developing countries in global economic, social and environmental trends and challenges**. Engagement with partner countries remains essential to promote and implement high standards of government and business responsibility; achieve resilient, inclusive, sustainable and green economic growth; optimise the strength and quality of the global recovery; and contribute to the 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals, while ensuring a level global playing field.

## 2. Values, Goals and Purpose of the OECD's Global Relations

### 2.1. The Vision for the OECD for the next decade and the Global Relations Strategy

3. To achieve the goals set out in the Vision for the OECD for the next decade, **co-operation with partner countries is guided by shared interests and mutual benefits in line with the priorities of the OECD Global Relations Strategy**, adopted by Ministers at the October 2021 Meeting of the Council at Ministerial Level (MCM). This engagement observes general principles to promote open and transparent market economies, a global level playing field, a rules-based international order, effective multilateralism and international co-operation. These principles, underpinned by the Organisation's approach of evidence-based policy making, peer reviews, and standard-setting, can promote inclusive sustainable growth and improved economic and social well-being for all countries, including those beyond the OECD membership. Importantly, the OECD Global Relations Strategy increases synergies within the Organisation and strengthens the coherence, impact, and relevance of the OECD's Global Relations, while also contributing to protecting the reputation of the Organisation in a rapidly evolving environment.

4. The OECD's Global Relations efforts contribute to **integrating partner countries into the Organisation's knowledge base, providing a platform for policy dialogue and peer learning, disseminating OECD standards and best practices and building capacity for their implementation**.

5. While successfully delivering on its mission to level the global playing field, **the Organisation has continued to make important contributions to finding and implementing shared solutions to global challenges**, including climate change and environmental degradation, digitalisation, migration, global and regional value chains, mobility of capital and labour, informality, and rising inequality, so that no one is left behind.

### 2.2. Global Relations in a changing global environment

6. The world faces a range of complex challenges in a changing global environment. The most important consequence of the large-scale aggression by Russia against Ukraine is the lives lost and the humanitarian and refugee crisis involving huge numbers of besieged and displaced people. However, there are also significant economic implications, notably the setback to the global recovery from the COVID-19 pandemic, which, prior to the large-scale aggression, was expected to continue in 2022 and 2023.<sup>3</sup>

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<sup>3</sup> OECD Economic Outlook, Interim Report March 2022: Economic and Social Impacts and Policy Implications of the War in Ukraine.

7. Addressing the profound effects of this succession of crises on the economies of OECD Members and partners will require effective and practical international co-operation. Against the background of an increasingly complex international context, the OECD Global Relations Strategy will play a critical role in guiding the Organisation's work with partner countries through its policy tools, evidence-based analysis, and the dissemination of its standards and best practices. The OECD's support to the democratically elected government of Ukraine to prepare for the country's recovery and reconstruction will be an important further development within the framework of the Strategy.

8. In addition to responding to the immediate effects of the current crisis, it remains crucial to confront the other significant and growing challenges faced by OECD Members and partner countries by pursuing common approaches beyond the OECD's membership. Achieving inclusive, green, and sustainable growth, underpinned by the rule of law and trust in government, requires co-operation between Members and partner countries. Considering that investment decisions that can lock in CO<sub>2</sub> emissions for decades are increasingly taken in emerging economies, co-operation with partner countries will be particularly important to achieve the green transition. Going forward, the **OECD's Global Relations tools will be crucial in monitoring responses to these and other challenges, as well as in informing and contributing to international co-ordination efforts.**

9. **Preserving and continuing to strengthen the multilateral system** remains central to tackling shared issues and achieving progress towards the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The OECD will strengthen its contributions to international and regional fora, in particular the G20, G7, United Nations, and Asia-Pacific Economic Co-operation (APEC). As current and forthcoming G20 Presidencies are or will be held by four of its Key Partners (Indonesia – 2022; India – 2023; Brazil – 2024; and South Africa – 2025), the OECD will build on this to bring these countries closer to the Organisation and its standards.

### 3. Global Relations Tools

#### 3.1. Accession candidate countries

10. Given its transformative character, OECD accession remains the most effective way to promote and disseminate the Organisation's standards and best practices. On 25 January 2022, the OECD Council decided to open accession discussions for OECD membership with six candidate countries – Argentina, Brazil, Bulgaria, Croatia, Peru and Romania – upon confirmation of their adherence to the OECD's values, vision and priorities contained in the Organisation's 60<sup>th</sup> Anniversary Vision Statement and the 2021 MCM Statement. This follows careful deliberation by OECD Members on the basis of its evidence-based Framework for the Consideration of Prospective Members (hereafter "the Framework") [[C\(2017\)50/FINAL](#)] and the progress made by the six countries since their first respective requests for OECD membership. Individual roadmaps for the detailed assessment process are being prepared for the countries that have confirmed their adherence to the values, vision, and priorities reflected in the 60<sup>th</sup> Anniversary Vision Statement and the 2021 Ministerial Council Statement [[C/MIN\(2021\)25/FINAL](#)].

##### 3.1.1. Argentina

11. Co-operation between Argentina and the OECD dates back to 1982. Argentina applied for OECD membership first in 1997 and again in 2016. Since 2018, Argentina has been implementing an Action Plan that spans over 16 policy areas and has supported reforms and policy changes such as the enactment of a law on the liability of legal persons (2018), the design of an Open Government Strategy (2019) and the National Integrity Strategy (2021). Argentina plays an important role in the OECD Latin America and the Caribbean Regional Programme (LACRP), disseminating OECD standards and best practices across the region. Since 2018, Argentina has hosted the OECD Latin America Academy for Tax and Financial Crime

Investigation in Buenos Aires. As a G20 country, Argentina supports and promotes the OECD's partnership with the G20, in particular during its Presidency in 2018.

12. Argentina participates as an Associate/member or Participant in 28 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 51 OECD legal instruments. Argentina is currently being reviewed against the OECD Codes of Liberalisation<sup>4</sup> as part of its adherence process.

### *3.1.2. Brazil<sup>5</sup>*

13. A Key Partner of the OECD since 2007, Brazil presented its expression of interest to become an OECD Member in 2017, and has since intensified its co-operation with the Organisation, notably by focusing on its alignment with the OECD's standards and upgrading its participation in OECD bodies. The Brazilian authorities have regularly restated their commitment to co-operation with the Organisation and have strengthened their efforts to align the country's policies with OECD standards and best practices.

14. Brazil participates as an Associate/member or Participant in 37 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 106 OECD legal instruments. In recent years, the Brazilian government has prioritised addressing long-standing and sensitive policy issues, notably through: (i) the adherence process to the OECD Codes of Liberalisation, which has been completed subject to Brazil's acceptance of the invitation to adhere issued by the Secretary-General on 9 May 2022; (ii) dialogue with the OECD on its transfer pricing system; (iii) a project to support the country to meet the requirements of the OECD standards on waste and chemicals; and (iv) an ongoing integrity review with a view to possibly adhere to the OECD Recommendation on Public Integrity. [[OECD/LEGAL/0435](#)]. Furthermore, Brazil has shown commitments to international efforts on development co-operation, reporting for the first time data under the new measurement of Total Official Support for Sustainable Development (TOSSD).

### *3.1.3. Bulgaria*

15. OECD membership has been a priority for Bulgaria since its first application in 2007. Two further requests followed in 2012 and 2015. Over the last two years, Bulgaria has significantly enhanced its efforts to deepen and structure its co-operation with the OECD, notably through the steady implementation of its overarching OECD Action Plan, which spans over 20 policy areas and aims at fostering Bulgaria's alignment with OECD legal instruments, enhancing its participation in OECD bodies and fostering policy assessments and substantive reviews. Bulgaria participates as an Associate/member or Participant in 17 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 33 OECD legal instruments.

16. In the coming months, Bulgaria is expected to finalise: (i) the process for adherence to the Codes of Liberalisation; and (ii) its Investment Policy Review, with a view to adhere to the Declaration on International Investment and Multinational Enterprises [[OECD/LEGAL/0144](#)] and related legal instruments. The Bulgarian reform agenda, as presented in its National Recovery and Resilience Plan 2021-26, includes measures in areas such as decarbonisation of the economy, education and skills, research and innovation, smart industry, energy efficiency, sustainable agriculture, digital connectivity, social inclusion, and healthcare. In this respect, Bulgaria has been actively seeking OECD support to help the country advance its domestic reform agenda. Bulgaria is also engaged with the OECD to strengthen and reform its development co-operation system.

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<sup>4</sup> The "Codes of Liberalisation" refers to the Decision of the Council Adopting the Code of Liberalisation of Current Invisible Operations [[OECD/LEGAL/0001](#)]; and the Decision of the Council Adopting the Code of Liberalisation of Capital Movements [[OECD/LEGAL/0002](#)].

<sup>5</sup> For further information on OECD engagement with Brazil, see section 3.2.1.

### 3.1.4. Croatia

17. Since its formal application to become a Member in 2017, Croatia has been steadily advancing its engagement with the OECD. Croatia participates as an Associate/member or Participant in 13 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 29 OECD legal instruments.

18. Work is advancing on Croatia's requests to adhere to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereafter "Anti-Bribery Convention") [[OECD/LEGAL/0293](#)] and related legal instruments, the Codes of Liberalisation, and the OECD Recommendation on Principles for Internet Policy Making [[OECD/LEGAL/0387](#)].

### 3.1.5. Peru<sup>6</sup>

19. OECD membership is a state priority for Peru, which first applied for OECD membership in 2012. Peru renewed its application in 2016, 2018, 2020, and, most recently, in 2021 following a letter from President Pedro Castillo to the Secretary-General. The establishment of a Special Congressional Commission responsible for Peru's membership request has supported OECD-related reforms.

20. Peru's engagement with the OECD has expanded over time. It participates as an Associate/member or Participant in 18 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 46 OECD legal instruments. Peru is currently being reviewed against the OECD Codes of Liberalisation as part of its adherence process.

### 3.1.6. Romania

21. Romania expressed its interest in becoming an OECD Member in 1991, 1996, 1997, and 2002, and it made an official request in May 2004, which was reiterated in 2012 and 2016. Deepening co-operation with the OECD with a view to membership has been an overarching priority for consecutive Romanian administrations, who have continuously sought to align the country's policies with OECD standards and best practices.

22. Romania participates as an Associate/member or Participant in 21 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 56 OECD legal instruments. In October 2020, then-Prime Minister Ludovic Orban expressed Romania's interest to become a party to the Anti-Bribery Convention and that Romania planned to start work towards its adherence to the OECD Codes of Liberalisation. Romania is committed to implementing the policy recommendations of the OECD Economic Assessment of Romania which was conducted over the period 2019-2021 and launched on 28 January 2022. Romania has also started to engage with the OECD to strengthen its development co-operation system.

## 3.2. Key Partners

### 3.2.1. Brazil<sup>7</sup>

23. Brazil has supported the expansion of OECD collaboration with Latin America and the Caribbean. Along with Mexico, Brazil is currently Co-chair of the OECD Latin America and the Caribbean Regional Programme (LACRP). In June 2022, Brazil will host the LACRP's Fourth Ministerial Summit on Productivity in Brasília, to be held back-to-back with the OECD-Brazil Forum.

24. In 2021, the OECD worked closely with Brazilian authorities and supported the country's recovery from COVID-19 through a series of policy dialogues led by the Presidency (*Casa Civil*) through specific activities in a range of policy areas, including a project focusing on the country's sustainable economy and green growth agenda as a driver for recovery.

<sup>6</sup> For further information on OECD engagement with Peru, see section 3.4.1.2.

<sup>7</sup> For further information on OECD engagement with Brazil, see section 3.1.2.

### 3.2.2. China

25. The OECD's engagement with China is guided and conducted on the basis of Members' shared values and common interests, which are reflected in the Strategic Framework for OECD Co-operation with China [C(2021)66] welcomed by Council on 7 May 2021. The Informal Reflection Group on China held a series of in-depth thematic discussions in 2021-2022 covering key areas of the Organisation's work with and on China. While recognising the varying extent of progress in engagement with the country, the discussions highlighted Members' interest in OECD policy dialogue with China in areas such as climate and carbon pricing, tax policy, competition, development co-operation, as well as their concern for the lack of co-operative practices in areas including trade, excess capacity and technology.

26. Although China's level of commitment to OECD standards lags behind other Key Partners, it continues to participate in a number of areas of the OECD's work. China participates as an Associate/member or Participant in 11 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to nine OECD legal instruments. China is included in various OECD reviews, indicators and databases, ensuring the country's coverage in OECD flagship publications and research papers. The OECD's engagement in the G20 has been a driver of its relations with China, and has helped bring it closer to OECD standards and best practices. China is an Adherent to the OECD Recommendation on Principles of Corporate Governance [OECD/LEGAL/0413] through G20 Leaders' endorsement, and, most recently, the two-pillar solution to address the tax challenges arising from the digitalisation and globalisation of the economy. China has also adhered to OECD standards on Base Erosion and Profit Shifting (BEPS) and Automatic Exchange of Information (AEOI) through G20 Leaders' endorsement.

### 3.2.3. India

27. OECD engagement with India has strengthened, albeit slowly, with progress primarily in areas that align with India's domestic and foreign policy priorities. These include, amongst others, Artificial Intelligence (AI) and data governance, chemicals, competition policy, consumer policy, corporate governance, education, fiscal relations across levels of government, insurance and private pensions, energy, steel, sustainable development, triangular co-operation, and taxation. India participates as an Associate/member or Participant in 19 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 14 OECD legal instruments. Most recently, India became an Associate in the Discussions Concerning the Recommendation of the Council on Principles of Corporate Governance, as well as a Participant in the Corporate Governance Committee in March 2022, and it became a Participant in the Committee for Scientific and Technological Policy (CSTP) in 2020.

28. The OECD's engagement in the G20 has been a key driver in its relations with India. Frequent contact between the OECD Sherpa and Indian counterparts in the Ministries of External Affairs and Finance and the dialogue and co-operation on key policy issues in the G20 context have helped advance OECD-India co-operation. The Secretary-General's participation in G20 summits and ministerial meetings contributes to increasing the OECD's visibility *vis-à-vis* this Key Partner. In view of its upcoming G20 Presidency in 2023, India has initiated exchanges with the OECD on possible assistance in both the Sherpa and Finance tracks.

### 3.2.4. Indonesia

29. Indonesia was the first Key Partner to sign a Framework of Co-operation Agreement in 2012, renewed in 2017. Four Joint Work Programmes (JWPs) have been undertaken (2015-16; 2017-18; 2019-2021; and 2022-2025). These have considerably strengthened the relationship between the OECD and Indonesia, building a more structured partnership, with a whole-of-government approach. The establishment of the OECD Jakarta Office in 2015 has reinforced co-operation and further supported the engagement with ASEAN and other regional partners. Engagement with Indonesia in the G20 context is expanding further with its G20 Presidency this year, which is of particular importance as it is the only Southeast Asian country in the G20. Indonesia will be the ASEAN Chair in 2023, which could facilitate

further dissemination of OECD work across the region. The OECD also engages with Indonesia in the context of APEC.

30. Indonesia participates as an Associate/member or Participant in 10 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 15 OECD legal instruments. Through continuous high-level engagement and technical discussions as part of the JWPs, the OECD-Indonesia co-operation has contributed to the government's efforts to address the short-term impact of COVID-19 and long-term challenges. The OECD has actively supported the Indonesian government in implementing its reform agenda in policy areas including macroeconomic policy, tax, investment, trade, regulatory policy, governance and anti-corruption, development co-operation, and finance for sustainable development. Indonesia takes part in a wide array of country-specific reviews, regional and OECD flagship publications, and statistical databases. It also participates in a range of OECD workshops, trainings and other events involving high-level officials from most relevant government institutions as well as other stakeholders.

### **3.2.5. South Africa**

31. The OECD's longstanding co-operation with South Africa remains multi-faceted and solid. South Africa participates as an Associate/member or Participant in 26 OECD bodies (and/or their subsidiary bodies and projects) and is an Adherent to 23 OECD legal instruments. The country participates in numerous OECD flagship projects and publications, such as the *Economic Outlook* and is included in almost half of all OECD datasets, including the latest health statistics and revenue statistics in Africa. South Africa is currently in the process of adhering to the Code of Liberalisation of Capital Movements [[OECD/LEGAL/0002](#)]. The OECD also engages with South Africa on an ongoing basis at the G20 level, including through the Secretary-General's participation in G20 Summits.

32. A key objective for 2022 is the finalisation of the South Africa-OECD JWP. With the goal of promoting South Africa's alignment with OECD standards and best practices, the JWP is structured around five strategic areas that address the country's economic development and institutional enhancement. The JWP aims to implement an ambitious agenda within a period of five years. It will also support the country's National Anti-Corruption Strategy and contribute to its Economic Reconstruction and Recovery Plan. The signature of the JWP by the OECD Secretary-General and the South African Minister of Finance is expected to take place in Q2 2022.

## **3.3. Regional approaches**

### **3.3.1. Southeast Asia Regional Programme – a strategic priority region**

33. OECD Ministers have identified Southeast Asia as a region of strategic priority “with a view to identifying countries for possible membership” [[C/MIN\(2007\)4/FINAL](#) & [C/MIN\(2014\)12](#)]. It is one of the most dynamic and diverse areas in the world, with a growing influence on the world economy and an ambitious regional integration roadmap. Since its launch in 2014, the SEARP has supported domestic reform priorities, regional integration and connectivity efforts, and has brought the region closer to OECD standards and best practices.

34. The SEARP also seeks to foster mutual learning and the exchange of best practices between policy makers in Southeast Asia and OECD Members. The Programme's structure is designed to encourage a systematic exchange of experiences in order to develop common solutions to regional and global policy challenges. It is comprised of thirteen work streams, which build on the work programme of substantive OECD and Southeast Asian bodies and dialogue processes. The total number of adherences to OECD legal instruments by the ten partners in the SEARP is 61, of which 34 (56%) have come into effect since the programme was established in 2014. The *Economic Outlook for Southeast Asia, China and India* is a key publication.

35. Under the Co-chairmanship of Korea and Thailand during the Programme's second phase (2018-2022), the SEARP greatly advanced its co-operation with the region. The OECD-ASEAN Memorandum

of Understanding (MoU) was signed at the second Ministerial Conference of SEARP held in Seoul, Korea on 9 February 2022. The MoU aims to provide a framework for strengthening and further expanding co-operation on matters of mutual interest, and sets out a strategic framework to enable efficient, co-ordinated and consistent collaboration in 35 areas within the ASEAN economic and socio-cultural pillars. The recognition of the OECD-ASEAN MoU in the 38<sup>th</sup> and 39<sup>th</sup> ASEAN Summit Leaders' Statement has raised the visibility and relevance of the SEARP in the region.

36. Korea hosted a hybrid SEARP Ministerial Conference on 9-10 February 2022 in Seoul with high visibility and active engagement of all ten Southeast Asian countries, OECD Members, and the ASEAN Secretariat. The Conference adopted a Joint Communiqué highlighting the significance of digital transformation and green recovery. The Steering Group received draft plans for the implementation of the OECD-ASEAN MoU and the ASEAN Comprehensive Recovery Framework (ACRF) and set the scene for new priorities for the third phase of the Programme (2022-2025).

### *3.3.2. Eurasia Competitiveness Programme*

37. The main goal of the OECD Eurasia Competitiveness Programme (ECP) is to support the design and implementation of policies to enhance competitiveness, improve the business climate and strengthen the institutions in the countries in the Eastern Partner (EaP) region and Central Asia.<sup>8</sup> An increasing focus on investment policies, trade and transport connectivity, and level playing field conditions ensures that this work supports Eurasia's further integration into the global economy and alignment of policies and standards with those of OECD Members. The ECP organises the OECD Eurasia Competitiveness Roundtable, a platform for peer review and knowledge sharing on approaches to competitiveness that allows monitoring of reform progress and benchmarking of policies against OECD standards and best practices.

38. The ECP encourages the alignment with OECD standards and participation in OECD bodies, engages in analytical and capacity building work in partnership with substantive OECD Directorates, and supports policy dialogue among countries in the region and between the ECP countries and OECD Members. It also co-ordinates OECD-wide work with two countries in the region, under the OECD-Ukraine Action Plan and the OECD Memorandum of Understanding with Kazakhstan. The total number of adherences to OECD legal instruments by the partners in the ECP is 87, of which 69 (79%) have come into effect since the programme was established in 2008.

39. The Programme's current mandate, which runs to the end of 2025, emphasises three competitiveness-related policy priorities: institutions, interconnectedness, and inclusion [ERC(2020)31]. These priorities reflect a growing awareness that efforts to address the region's competitiveness challenges must encompass the broader business environment, including policies to promote and facilitate entrepreneurship, private-sector development, better government services for business, and the creation of level playing field conditions for domestic and foreign firms.

40. The COVID-19 pandemic highlighted the fragility of the region's private sector, as well as challenges associated with adequate framework conditions for businesses and the effective delivery of targeted anti-crisis support in many countries. It has also underlined the importance of transversal challenges facing countries in Eurasia with respect to such issues as gender equality, informality, and digitalisation, which are increasingly prominent in ECP work.

41. The COVID shock, from which the region's economies had begun to recover, has been compounded this year by the large-scale aggression by Russia against Ukraine, which has unsettled the whole region's politics, heightened the sense of vulnerability felt by Russia's smaller neighbours and put

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<sup>8</sup> Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Afghanistan is covered by the ECP mandate but activities there were suspended in August 2021, following the change of regime in Kabul. Belarus is likewise covered but engagement with Belarus has been suspended under the Council's decision of 8 March in response to the country's facilitation of the large-scale aggression by Russia against Ukraine [C/M(2022)4, Item 73].

post-COVID recoveries at risk. The war is the fourth major shock to hit the region in little over a decade, highlighting the ECP countries' continued vulnerability to shocks and their exposure to Russian economic performance, in particular.

### 3.3.3. *Latin America and the Caribbean Regional Programme*

42. Launched in 2016, the LACRP provides an umbrella for all OECD activities with countries in the LAC region. Currently co-chaired by Mexico and Brazil, this whole-of-government, high-level platform supports the region in advancing its ambitious reform agenda along four priorities: increasing productivity; enhancing social inclusion; strengthening institutions and governance; and ensuring environmental sustainability.

43. The COVID-19 pandemic has exacerbated many pre-existing regional challenges and underscored the importance of the LACRP's mandate to promote a stronger, inclusive, resilient and green recovery. An innovation during 2021 was the organisation of LACRP webinars, which contributed to building momentum towards the Ministerial Summit on Governance,<sup>9</sup> hosted virtually by El Salvador on 8-10 December 2021 with the participation of 22 countries and 8 international organisations. Other core activities during 2021 included the publication of the *Latin American Economic Outlook 2021: Working Together for a Better Recovery*, the hosting of the 13<sup>th</sup> International Economic Forum on LAC,<sup>10</sup> and the publication of *How's Life in Latin America? Measuring Well-being for Policy Making*. With the support of the European Union, under the EU Regional Facility on Development in Transition (DiT), a set of projects was launched in July 2021 to support the region's response to the pandemic.

44. In 2022, the LACRP will transition to its third cycle (2022-2025) during the 14<sup>th</sup> Steering Group Meeting, which is scheduled to take place in Brazil on 24 June 2022. On this occasion, two new Co-chairs will be appointed and an Evaluation Report of the second cycle (2019-2022) will be presented. A preliminary version of the new Programmatic Document will be introduced with a view to its approval at the 15<sup>th</sup> Steering Group Meeting. The 2021 LAC-DAC Dialogue proposed to transition into the LACRP. The total number of adherences to OECD legal instruments by the 11 partners in the LACRP is 242, of which 168 (69%) have come into effect since the programme was established in 2016.

### 3.3.4. *MENA-OECD Initiative on Governance and Competitiveness for Development*

45. OECD engagement with the MENA region has considerably strengthened since the launch of the MENA-OECD Initiative on Governance and Competitiveness for Development in 2005. This engagement responds to the mandate approved by Members, most recently renewed for another five years [[ERC\(2020\)32](#)]. The 2021-2025 mandate promotes and supports national reform agendas through policy analysis, peer exchanges, and capacity building. It operates through a dual track approach of regionally co-ordinated policy communities and reform support at national level, disseminating OECD tools and best practices. The total number of adherences to OECD legal instruments by the 19 partners in the MENA-OECD Initiative is 116, of which 103 (89%) have come into effect since the programme was established in 2005.

46. The Initiative has continued to encourage and support MENA economies' efforts to seize the opportunities of a post-COVID-19 world and facilitate an inclusive and sustainable recovery. The [MENA-OECD Ministerial Declaration](#) adopted at the widely attended MENA-OECD Ministerial Conference 2021 (high-level representatives from 38 economies including 15 Ministers), acknowledged that MENA's participation in global policy making is paramount to foster a solid multilateral system. While significant achievements have been observed in bringing countries closer to OECD recommendations, important challenges remain in building more competitive economies and efficient governments, delivering social

<sup>9</sup> LACRP Ministerial Summit on Governance, "[Government Integrity and Citizen Trust](#)", 8-10 December 2021.

<sup>10</sup> 13<sup>th</sup> International Economic Forum on LAC "[LAC in the emerging global order: From crisis to opportunity?](#)", 27 May 2021.

equity and prosperity, and building trust in public institutions. In that regard, the COVID-19 crisis offers an opportunity to engage in comprehensive reform agendas.

47. To this end, the MENA-OECD Competitiveness Programme has engaged with senior policy makers through its regional policy communities in 2021 focusing on (i) women’s economic empowerment, (ii) anti-corruption and integrity, as well as (iii) quality investment. Through its regional Working Groups and Networks, the MENA-OECD Governance Programme, co-chaired by Tunisia and Italy, similarly continues to foster policy exchange among senior public officials from across MENA and OECD economies on civil service integrity, open and innovative government, public budget and financial management, regulatory reform and rule of law, public procurement, youth empowerment, and gender equality. Through the MENA-OECD Training Centre of Caserta, the Governance Programme supports the post-COVID-19 recovery in the MENA region.

48. The **OECD Istanbul Centre**, which was inaugurated by the Secretary-General and the President of the Republic of Turkey in 2021 and became effective in 2022, will play a critical role in the implementation of the OECD Global Relations Strategy. This new Centre will contribute to increasing the visibility and impact of the Organisation’s work. It will serve as a hub for policy support, peer-to-peer learning, and high-level policy dialogue in support of the Organisation’s existing Regional Programmes including, but not limited to, the MENA-OECD Initiative, the Eurasia Competitiveness Programme, the South East Europe Regional Programme, the Southeast Asia Regional Programme, and the Latin America and the Caribbean Regional Programme. As a platform for cross-regional work, it will bring together policy-makers, experts and practitioners from various regional networks with a view to furthering policy dialogue, the exchange of good practices, and the dissemination of OECD standards and best practices.

### *3.3.5. South East Europe Regional Programme*

49. Since its creation under the auspices of the Stability Pact in 2000, the OECD South East Europe Regional Programme (SEERP) has been an important contributor to the region’s structural reform efforts, encouraging alignment with OECD standards and participation in OECD bodies. The Programme has established the Organisation as a reliable partner in the design, implementation, and monitoring of reforms in more than 20 policy domains pertinent for inclusive and sustainable growth. The OECD SEE High-Level Conferences and its engagement in regional co-operation processes (Berlin Process Summit, Dubrovnik Forum) have also supported policy dialogue between the economies of the region and their peers from OECD Members. The total number of adherences to OECD legal instruments by the nine partners in the SEERP is 138, of which 128 (93%) have come into effect since the Programme was established 22 years ago.

50. In 2021, the SEERP engaged a wide range of actors from the region on several projects, mobilising the OECD’s multi-disciplinary expertise in areas particularly relevant for the region’s resilient recovery, such as strengthening competitiveness and trade integration; small business development; migration and diaspora policies; and the fight against corruption. Applying a whole-of-OECD approach, the SEERP has continued to collaborate closely with experts across the Organisation to incorporate the latest relevant OECD tools and best practices in its analytical frameworks. Through dozens of high-level and technical meetings, it has enabled hundreds of policy makers and non-government stakeholders from the region to exchange with OECD experts on the implementation of OECD best practices and participation in OECD bodies. In line with the SEERP assessment recommendations, five Western Balkan economies have become members of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), and three of them are parties to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS [[OECD/LEGAL/0432](#)].<sup>11</sup>

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<sup>11</sup> All Western Balkan economies except Kosovo\* have joined the Inclusive Framework on BEPS and all except Kosovo\* and Montenegro have signed or ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. \*Kosovo’s designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo’s declaration of independence.

51. The SEERP's analytical work has been a key reference for informing domestic reforms, regional strategies, and the EU's enlargement agenda. In 2021, Secretary-General Cormann released the publication *Competitiveness in South East Europe 2021: A Policy Outlook* at the Western Balkan Summit of the Berlin Process. The Heads of State or Government of the six Western Balkan economies and the nine EU member states that are part of the Berlin Process, as well as heads of international and regional organisations, acknowledged the valuable guidance provided by the publication for pursuing an inclusive and sustainable reform agenda.<sup>12</sup> In addition and complementary to the SEERP, the OECD Development Centre's Multi-dimensional Review of the Western Balkans aims to foster opportunities for regional peer learning on strategic priorities for sustainable development. The SEERP has also embarked on a new major work stream on labour migration, and it engaged in a policy debate with Ministers from the SEE region and OECD Members at the SEE High-Level Conference on 17 May 2022. On that occasion, the OECD released the new report on Labour Migration in the Western Balkans.

### 3.3.6. Africa

52. OECD engagement with Africa has grown considerably in recent years. This commitment responds to the mandates received from Ministerial Council Meetings since 2015, reaffirmed in 2021 in the OECD Global Relations Strategy, to establish a mutually beneficial co-operation framework, with a view to helping the continent achieve the African Union's *Agenda 2063*, the 2030 Agenda for Sustainable Development and the Paris Agreement.<sup>13</sup> Members have welcomed the willingness shown by several African countries and regional bodies to come closer to OECD standards and best practices. They have also acknowledged that Africa's participation in global policy making is necessary to strengthen the multilateral system.

53. Through coherent and horizontal efforts across the Organisation, OECD bodies and entities within the OECD family have developed focused forms of engagement with African countries. Taxation and domestic resource mobilisation, financing for development, investment and the business climate, territorial development, and food and nutrition security have so far been at the core of the OECD's engagement in support of Africa's transformational agenda. The OECD carries out various initiatives and capacity building activities to support African countries implement tools to tackle tax avoidance, including bespoke BEPS Induction Programmes, and bilateral transfer pricing and BEPS-related capacity building support. Such tailored actions complement longstanding initiatives, such as the collaboration with the African Tax Administration Forum (ATAF). In 2021, the mandate of the OECD Sustainable Investment Programme for Africa was extended until 2023. The Development Assistance Committee (DAC) collects and analyses data on financing for development in Africa and has conducted several pilot studies with African countries. The Development Centre, through its longstanding interaction with African institutions and countries and its periodic studies and initiatives such as the African Development Dynamics or the International Economic Forum on Africa contributes to the strong ties linking the OECD to the continent. The Sahel and West Africa Club (SWAC) contributes to increasing understanding of the relationship between socio-economic and political evolution.

54. Building on coherent horizontal efforts across the Organisation, Members are actively discussing the best way forward on developing a new partnership approach to co-operation with Africa. Concrete steps are underway to ensure this will be a mutually beneficial process based on shared Members' interests and African ownership and demand. Building up this institutionalised partnership, which will go beyond development, should serve at least three strategic purposes: (i) informing Africa's transformation and integration process with the OECD's evidence-based approach; (ii) further disseminating OECD shared values, standards and policies, thus contributing to levelling the global playing field; and (iii) improving the response to megatrends by enhancing Africa's participation in global processes.

<sup>12</sup> See: Western Balkans Summit – Chair's Conclusions (<https://www.bundesregierung.de/breg-de/suche/western-balkans-summit-chair-s-conclusions-1939788>).

<sup>13</sup> [C/MIN\(2015\)14](#) & [C/MIN\(2017\)9/FINAL](#). A subsequent discussion was held at the 2018 MCM [[C/MIN\(2018\)9](#)].

## 3.4. Country-specific approaches

### 3.4.1. Completed Country Programmes

#### 3.4.1.1. Kazakhstan

55. Signed in January 2015, the Kazakhstan Country Programme (KCP) ran until 31 December 2018. While it was under way, 30 OECD reviews and capacity building projects were conducted and Kazakhstan adhered to 29 OECD legal instruments and joined several OECD bodies as an Associate or Participant. Kazakhstan was also increasingly incorporated into OECD databases and indicators, including the indicators of Product Market Regulation, the Trade in Value Added (TiVA) database, the Revenue Statistics in Asia and the Pacific, the Social Institutions and Gender Index (SIGI), and work on agricultural support estimates. Outputs delivered under the KCP often accompanied the implementation or development of reform initiatives, although implementation challenges were recognised in a number of areas. During the KCP, Kazakhstan became increasingly active in supporting the promotion of OECD standards and best practices in the wider region, most notably via its support for multilateral tax initiatives, as well as OECD work on trade and transport connectivity in Central Asia.

56. On 21 November 2018, the OECD and Kazakhstan signed a Memorandum of Understanding (MoU) providing for a framework for co-operation during 2019-22. Key priority areas for future co-operation include productivity and regulation, SOE reform and privatisation, SDG implementation, development co-operation, and tourism development. Continued co-operation on such issues as connectivity, mining competitiveness, public governance and integrity, and labour market and skills policies is also envisaged.

#### 3.4.1.2 Peru<sup>14</sup>

57. From 2015 to 2017, Peru was amongst the first countries to be part of a Country Programme and has been implementing a unilateral Action Plan with a view to support its reform agenda drawing on OECD expertise, legal instruments and evidence-based analysis, including through the [Multi-dimensional Country Review](#). Peru has aligned with OECD standards and implemented policy recommendations to advance reforms such as the enactment of a law on the liability of legal persons (2018), the establishment of the Public Integrity Secretariat (2018) and the adoption of 29 Legislative Decrees on integrity, anti-corruption, water, solid waste management, transfer pricing, BEPS and tax evasion.

58. At the regional level, Peru co-chaired the OECD Latin America and the Caribbean Regional Programme (LACRP) from 2016 to 2019. In October 2018, the LACRP Ministerial Summit on Governance was held in Lima. Peru also co-chaired the 2021 LAC-DAC Dialogue on Development Co-operation. Since 2019, it has hosted the OECD Regional Centre for Competition in Latin America.

#### 3.4.1.3 Thailand

59. The key objectives of the Thailand Country Programme (TCP) 2018-2021 – the first in Southeast Asia – were to bolster Thailand’s domestic reform agenda and bring Thailand closer to the OECD through its alignment with OECD standards and best practices. The Programme was framed around four key pillars: (i) good governance and transparency; (ii) business climate and competitiveness; (iii) Thailand 4.0; and (iv) inclusive growth. The Programme delivered tangible results, including 17 policy reviews and reports, each with policy recommendations based on OECD standards and best practices.

60. The Thailand Country Programme has already demonstrated impact on domestic policy reforms and outcomes, particularly in the areas of good regulatory practice, public integrity, and the Multi-Dimensional Country Review. Currently, the Thai Parliament is vetting the amendment of the Revenue Acts on Automatic Exchange of Information (AEOI) and Exchange of Information on Request (EOIR) to

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<sup>14</sup> For further information on OECD engagement with Peru, see section 3.1.5.

ratify the Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [[OECD/LEGAL/0382](#)]. The TCP has been a catalyst for change in a broad array of policy areas, while bringing Thailand closer to OECD bodies and standards and enabling discussion of critical global and regional issues. Thailand has reaffirmed its interest to continue collaboration with the OECD on a Phase II of the TCP, pending the approval of the External Relations Committee (ERC).

### *3.4.2. Current and future Country Programmes*

#### *3.4.2.1 Egypt*

61. In February 2019, the Council invited Egypt to undertake a Country Programme to incentivise and support the second wave of structural reforms under its National Structural Reform Programme. Since then, several consultations were undertaken to identify the scope and shape of a transformational Country Programme, which focuses on five pillars: (i) inclusive and sustainable economic growth; (ii) innovation and digital transformation; (iii) governance and anti-corruption; (iv) statistics and monitoring; and (v) sustainable development.<sup>15</sup> In October 2021, the Memorandum of Understanding for the Programme was signed in Paris by the OECD Secretary-General and Dr. Mostafa Madbouly, Prime Minister of Egypt. Its implementation is expected to start in the first half of 2022.

62. The Country Programme is the outcome of a strong and longstanding relationship between Egypt and the OECD. Egypt was one of the first supporters of the MENA-OECD Initiative on Governance and Competitiveness for Development. It is one of the MENA economies with the most adherences to OECD legal instruments, and it was the first Arab country to adhere to the Declaration on International Investment and Multinational Enterprises [[OECD/LEGAL/0144](#)] and related legal instruments in 2007. Egypt is the current Co-chair of the MENA-OECD Women's Economic Empowerment Forum and the MENA-OECD Network on Public Procurement. It has recently concluded a [Production Transformation Policy Review](#) as part of its effort to harness the benefits of the African Continental Free Trade Area (AfCFTA) and update its policy approach for economic transformation.

#### *3.4.2.2 Morocco*

63. Longstanding, the OECD's partnership with Morocco dates from 2005. It was the first MENA country to benefit from such an advanced form of co-operation, starting with the first phase of the Country Programme (2015-2018). Following the positive evaluation of the first phase, the OECD welcomed Morocco's request to engage in a second phase built on four pillars: (i) public governance, integrity, and the fight against corruption; (ii) economic growth and investment; (iii) women's economic empowerment and education; and (iv) territorial development.

64. The implementation of the second phase started in 2021. Morocco is currently undergoing three policy reviews under the Country Programme: a Public Governance Review, including on integrity, which is a condition for adherence to the Anti-Bribery Convention; an Investment Policy Review; and a National Urban Policy Review. A gender perspective is mainstreamed across all the projects implemented and is a specific deliverable aimed at improving the participation of women in the economy. The new government appointed following the September 2021 general election has expressed interest in further extending the scope of the current Country Programme, as well as in requesting adherence to additional OECD legal instruments, for which discussions are underway.

#### *3.4.2.3 Viet Nam*

65. In February 2019, the OECD Council invited Viet Nam to engage in a whole-of-government Country Programme. In March 2020, Prime Minister Nguyen Xuan Phuc sent an official letter requesting the Secretary-General establish the Country Programme. On 5 November 2021, the Secretary-General and the Vietnamese Minister of Foreign Affairs Bui Thanh Son signed the OECD-Viet Nam Memorandum of

<sup>15</sup> [[ERC\(2021\)13/REV1](#)].

Understanding (MoU). [The Multi-dimensional Country Review of Viet Nam](#), developed in close collaboration with the drafting team of Viet Nam's new National Socio-Economic Development Strategy 2021-2030, fed directly into this important document. The MDCR was an important stepping-stone for the current MoU. The MoU details the planned collaboration between the OECD and Viet Nam for the period 2022-2027. In addition, Viet Nam is a Co-Chair of the SEARP for the period 2022-2025.

### ***3.4.3. Other country-specific approaches***

#### ***3.4.3.1 Tunisia***

66. Tunisia is fully committed to the MENA-OECD Initiative as its Co-chair for a second term. In addition, the OECD continues to support Tunisia's reform efforts through the EU-OECD Mediterranean Investment Programme, which aims to promote OECD tools and best practices on investment through public-private dialogue on quality investment. The MENA-OECD Governance Programme also supports Tunisia in the implementation of public governance reforms to strengthen frameworks for gender equality, youth empowerment, and open government. Ongoing efforts have enabled Tunisia become one of the most integrated partner countries in the OECD's statistical tools. In addition, Tunisia and the OECD are finalising the extension of the existing Memorandum of Understanding to bring the country even closer to OECD standards and best practices.

#### ***3.4.3.2 Ukraine***

67. Since 2014, OECD-Ukraine co-operation has been structured by the Memorandum of Understanding (MoU) between the OECD and Ukraine and by the OECD-Ukraine Action Plan for its implementation, signed in 2015 and renewed in early 2019. The MoU was renewed in early 2021 for a period until October 2025, and the Action Plan is currently being revised to ensure its relevance to current policy priorities. The current Action Plan is structured around three key pillars: improving governance; fighting corruption; and strengthening the business environment. Ukraine has adhered to 24 OECD legal instruments, 19 of which have taken place within the framework of the MoU and Action Plan.

68. On 8 March 2022, in response to the large-scale aggression by Russia against Ukraine, the OECD Council requested the Secretary-General to develop proposals to strengthen support to the democratically elected government of Ukraine, to prepare for the country's recovery and reconstruction, including proposals for the necessary institutional arrangements [[C/M\(2022\)4](#), Item 73]. Work is well underway in the Council's deliberations on these proposals and discussions with the Ukrainian authorities are ongoing. Designing and successfully implementing such reconstruction and development plans for Ukraine will be critical to providing the economic and governance foundations for its long-term stability. The Organisation has great potential to provide analytical and policy support to Ukraine's own reconstruction efforts and to the efforts of its bilateral and multilateral partners.

## **3.5. Co-operation with other international organisations, global forums, and other stakeholders**

### ***3.5.1. Co-operation with the G20***

69. As its strategic partner, the OECD has participated in G20 efforts for over a decade, alongside other international organisations and at the invitation of successive G20 Presidencies. The OECD has effectively informed discussions of various G20 working groups, ministerial meetings and leaders' summits. OECD contributions to the G20 have helped shape global solutions regarding key megatrends, from the digital transformation to the climate and energy transition to addressing the COVID-19 crisis. This engagement has led to critical achievements notably the overhaul of the international tax system through the OECD/G20 BEPS project and to the wider dissemination of OECD standards. Recent examples of this co-operation include work on:

- the Anti-Bribery Convention, which is a key pillar of the G20 Anti-Corruption Action Plans. Engagement in the G20 has led to Saudi Arabia joining the OECD Working Group on Bribery on International Business Transactions as a Participant and criminalising foreign bribery;
- the OECD Codes of Liberalisation, on which engagement with the G20 has led to the process to finalise Brazil's adherence, and to increased engagement on capital flows issues with Argentina and South Africa;
- the Recommendation of the Council on Artificial Intelligence [[OECD/LEGAL/0449](#)] (upon which the G20 AI Principles were drawn);
- the Recommendation of the Council on Children in the Digital Environment [[OECD/LEGAL/0389](#)], which provided the basis for the G20 High Level Principles for Children's Protection and Empowerment in the Digital Environment; and
- Finance for Sustainable Development, including the OECD DAC Blended Finance Principles and TOSSD, have been recognised as international standards in the G20 development work.

70. Going forward, the Organisation's engagement with the G20 will build upon the Vision for the OECD for the next decade, developing evidence-based analysis that helps generate innovative policies and standards to build stronger, more sustainable and more inclusive economies, inspiring trust and confidence for resilient, responsive and healthy societies. This also aligns with the implementation of the OECD Global Relations Strategy and its objective of further enhancing OECD engagement with global fora – in particular, the G20 – in order to promote the dissemination of, and alignment with, the Organisation's standards and best practices.

71. In 2022, as part of its engagement with the Indonesian G20 Presidency, the OECD will continue bringing forward the implementation of a two-pillar solution to address the tax challenges arising from the digitalisation of the economy. It will engage with all G20 members to support a low carbon transition. The OECD will also deliver a revision of the G20/OECD High-Level Principles on SME financing and the G20/OECD High-Level Principles for Financial Consumer Protection (which are embodied in an OECD Recommendation [OECD/LEGAL/0394](#)). Finally, it will strengthen its engagement with Indonesia on foreign bribery.

### *3.5.2. Co-operation with the United Nations*

72. The OECD's contribution to the purposes of the United Nations (UN) is embodied in its founding Convention – a commitment reaffirmed by Members over the last 60 years through, for example, the decisions to pursue observer status at the Economic and Social Council (granted in 1971) and the UN General Assembly (1998). Since 2018, the Organisation has maintained a modest representation office in New York, which has facilitated co-ordinated approaches among Members, as well as fostering collaboration between the two organisations. In 2021, the UN General Assembly adopted, by consensus, a Resolution on Co-operation between the United Nations and the OECD.<sup>16</sup> This initiative is intended to enhance the visibility of the OECD's work at UN headquarters, and to encourage further dialogue and uptake of OECD work in UN processes over time.

73. UN fora serve as useful spaces for the OECD to bring its data, standards, and policy tools to bear on key global agendas, including those on sustainable development, climate change, anti-corruption, gender equality and finance. In 2021, OECD experts contributed actively to UN processes on, for example, Financing for Development in the context of COVID-19; the UN General Assembly Special Session on

<sup>16</sup> “Co-operation between the United Nations and the Organisation for Economic Co-operation and Development (OECD)“, resolution adopted by the UN General Assembly in its 75th session, New York, 29 March 2021, [A/RES/75/269](#), as subsequently presented to the OECD Council on 6 April 2021 [[C/M\(2021\)8](#), Item 77].

anti-corruption; the High-Level Political Forum on Sustainable Development; and preparations for the UN Climate Change Conference (COP26). UN bodies' resolutions can also serve to profile OECD tools and standards and build trust among the wider international community. For example, in 2021, Members were successful in securing recognition of the BEPS two-pillar solution in a General Assembly resolution, further raising visibility of and support for the OECD's tax standards on the global stage.<sup>17</sup> In terms of adherences to OECD legal instruments, the following funds and programmes of the UN are Adherents to the DAC Recommendation on the Humanitarian-Development-Peace Nexus [[OECD/LEGAL/5019](#)]: United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United Nations High Commissioner for Refugees (UNHCR), the United Nations Human Settlement Programme (UN-Habitat), and the United Nations Population Fund (UNFPA). Additionally, UNICEF, UNHCR, and UNFPA adhere to the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response [[OECD/LEGAL/5020](#)].

74. The OECD also partners closely with several UN agencies, funds and programmes. Their global footprint and operational mandates often complement the OECD's standard-setting and analytical capacities, providing vehicles through which familiarity with and uptake of OECD tools and standards can be enhanced. Pertinent examples include the Tax Inspectors Without Borders initiative and the Global Partnership for Effective Development Co-operation (both with UNDP); collaboration with UN Women on the EQUALS initiative and the 2021 Generation Equality Forum; collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) for advancing the LDCs agenda; and the longstanding partnership with the Food and Agriculture Organisation (FAO) on the annual Agricultural Outlook.

### 3.5.3. *Co-operation with regional organisations and fora*

75. The OECD's engagement with the **Asia-Pacific Economic Co-operation (APEC)** and its member economies aims at supporting them in achieving greater economic co-operation and sustainable and inclusive development and implementing the Putrajaya Vision 2040. In that context, the OECD is engaging with the APEC 2022 host Thailand with regard to contributing to APEC policy discussions through the Organisation's work on a wide range of issues, sharing data, analysis and tools as well as by offering capacity building activities. In line with the Council's designation of Southeast Asia as a region of strategic priority, engagement with APEC will seek to bring partner countries in the region closer to the OECD.

76. The OECD has developed stronger bilateral relationships with regional integration mechanisms in the Latin America and the Caribbean region, including through its support to the **Pacific Alliance** (Alianza del Pacífico) as a strategic adviser. This can help build synergies to better contribute to the global agenda, support specific priorities of the Pro-tempore Presidency, and mainstream OECD's expertise in the Alliance's working groups.

77. The OECD is supporting reform efforts in the Southern and Eastern Mediterranean countries of the **Union for the Mediterranean (UfM)**, based on an MoU between the OECD and the UfM signed in 2018. The OECD *Regional Integration in the Union for the Mediterranean: Progress Report*, launched at a high-level event on 27 May 2021, provides a monitoring tool to assess the state of integration in the region. It is also a vehicle to disseminate best practice tools of the Organisation in several policy areas, encompassing trade, finance, energy and transport infrastructure, movement of people, and higher education and research. A second project supporting UfM activities focused on the economic impact of the COVID-19 crisis in the MENA region of the UfM, and on the potential for proximation of global value chains in these countries.

78. The OECD is working with several Multilateral Development Banks (MDB) and Regional Development Banks (RDBs) on development co-operation and the 2030 Agenda.

<sup>17</sup> United Nations (2021), "Promotion of international co-operation to combat illicit financial flows and strengthen best practices on assets return to foster sustainable development", resolution adopted by the UN General Assembly in its 75th session, New York, 17 December 2021, [A/RES/76/196](#).

## 4. Priority Setting, Co-ordination and Monitoring

### 4.1. Priority setting and co-ordination

79. By engaging globally with various stakeholders at the bilateral, regional and multilateral levels, the Secretariat, led by the Secretary-General, raises the Organisation's profile on the international scene and contributes to its global goals in line with the Global Relations Strategy. The Global Relations and Co-operation Directorate (GRC) supports the **implementation and internal co-ordination of the OECD's Global Relations Strategy, as well as the development and implementation of its tools across the Organisation.**

### 4.2. Measuring our impact in levelling the global playing field

#### 4.2.1. Partners' increased commitment to OECD bodies and standards

##### 4.2.1.1 Adherence to OECD legal instruments

80. Adherence by partner countries to OECD legal instruments amounts to a total of 874 at present. Accession candidate countries, Key Partners and other non-OECD G20 countries, as well as Partners in a Country Programme or any other structured, country-specific approach (see the list in Table 1) are responsible for 541 of these instances (62%). Figure 1 (below) illustrates the overall increase in the total number of instances of adherences by partner countries across all OECD legal instruments over the past decade.

Table 1. Key Partners, G20 Countries <sup>1</sup> , Candidates to OECD membership and other selected partners: Partnerships in OECD committees (and their bodies or projects) <sup>2</sup> and adherence to OECD legal instruments <sup>3</sup>						
	Number of Partnerships:			Number of adherences:		
	as Associate/member <sup>2</sup>	as Participant	Total	adherence confirmed	adherence requested	Total
<b>Argentina</b> <sup>b, d</sup>	12	16	<b>28</b>	51	6	<b>57</b>
<b>Brazil</b> <sup>a, b, d</sup>	15	22	<b>37</b>	106	48	<b>154</b>
<b>Bulgaria</b> <sup>d</sup>	8	9	<b>17</b>	33	19	<b>52</b>
<b>China</b> <sup>a, b</sup>	6	5	<b>11</b>	9	0	<b>9</b>
<b>Croatia</b> <sup>d</sup>	8	5	<b>13</b>	29	5	<b>34</b>
<b>Egypt</b> <sup>c</sup>	6	7	<b>13</b>	22	0	<b>22</b>
<b>India</b> <sup>a, b</sup>	9	10	<b>19</b>	14	0	<b>14</b>
<b>Indonesia</b> <sup>a, b</sup>	5	5	<b>10</b>	15	0	<b>15</b>
<b>Kazakhstan</b> <sup>c</sup>	8	17	<b>25</b>	39	5	<b>44</b>
<b>Morocco</b> <sup>c</sup>	10	4	<b>14</b>	30	3	<b>33</b>
<b>Peru</b> <sup>c, d</sup>	6	12	<b>18</b>	46	2	<b>48</b>
<b>Romania</b> <sup>d</sup>	15	6	<b>21</b>	56	13	<b>69</b>
<b>Saudi Arabia</b> <sup>b</sup>	3	5	<b>8</b>	7	0	<b>7</b>
<b>South Africa</b> <sup>a, b</sup>	7	19	<b>26</b>	23	1	<b>24</b>
<b>Thailand</b> <sup>c</sup>	5	5	<b>10</b>	10	0	<b>10</b>
<b>Tunisia</b> <sup>e</sup>	7	2	<b>9</b>	21	0	<b>21</b>
<b>Ukraine</b> <sup>e</sup>	7	5	<b>12</b>	24	2	<b>26</b>
<b>Viet Nam</b> <sup>c</sup>	3	2	<b>5</b>	6	0	<b>6</b>

Notes: a: Key Partner; b: G20 country; c: Former, current or prospective Country Programme partner (see text);

d: Candidates to OECD Membership; e: Partner in other country-specific approaches (see text).

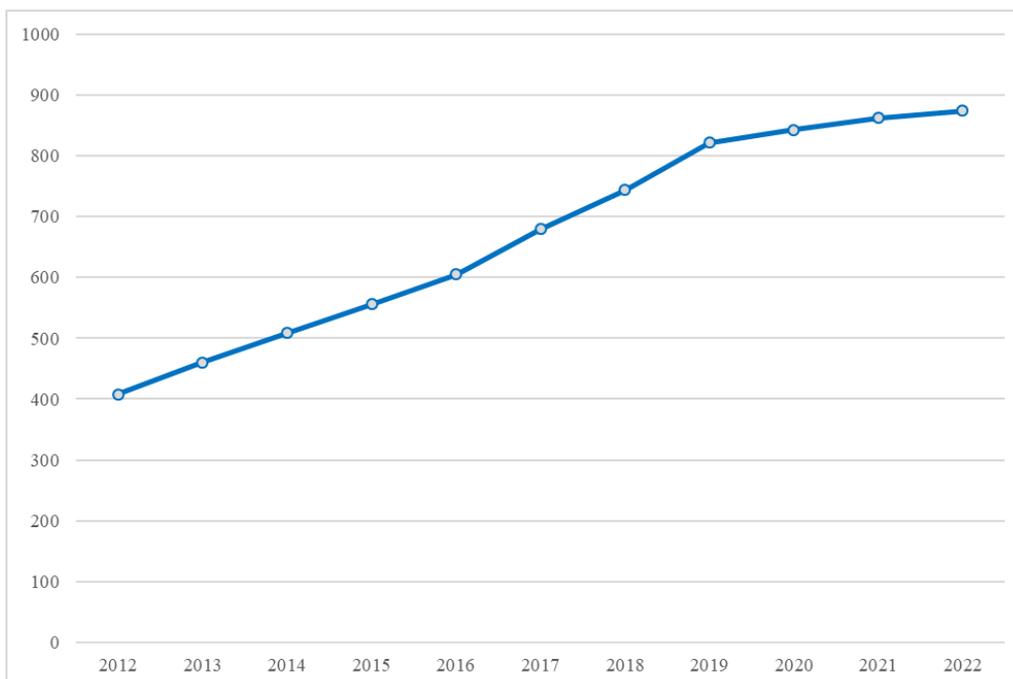
- 1 With regard to the Russian Federation, on [24 February 2022](#), the OECD decided to reconsider all co-operation with Russia as a matter of urgency. The OECD Council took a number of initial decisions on [25 February 2022](#) [C/M(2022)3, Item 67] and on [8 March 2022](#), the OECD Council decided an immediate suspension of the participation of Russia and Belarus in OECD bodies and will continue to review the situation as appropriate [C/M(2022)4, Item 73].
- 2 These figures include Associate/member status granted in line with the Revised Resolution of the Council on Partnerships in OECD Bodies [C(2012)100/REV1/FINAL] as well as similar membership status in OECD programmes, entities within the OECD family or hosted entities, i.e. of the Development Centre, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Nuclear Energy Agency, the International Transport Forum, the Global Partnership on Artificial Intelligence, and the Governing Board of the Programme for Teaching and Learning International Survey.
- 3 Data on partnerships and adherences as of 8 April 2022.

81. The following OECD legal instruments are those with the largest number of non-Member Adherents/parties:

- Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [[OECD/LEGAL/0382](#)] (81 non-Member parties);
- Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs [[OECD/LEGAL/0328](#)] (38 non-Member Adherents);
- Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting [[OECD/LEGAL/0432](#)] (36 non-Member parties);
- Decision of the Council Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade [[OECD/LEGAL/0308](#)] (26 non-Member Adherents);

Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth [[OECD/LEGAL/0439](#)] (17 non-Member Adherents).

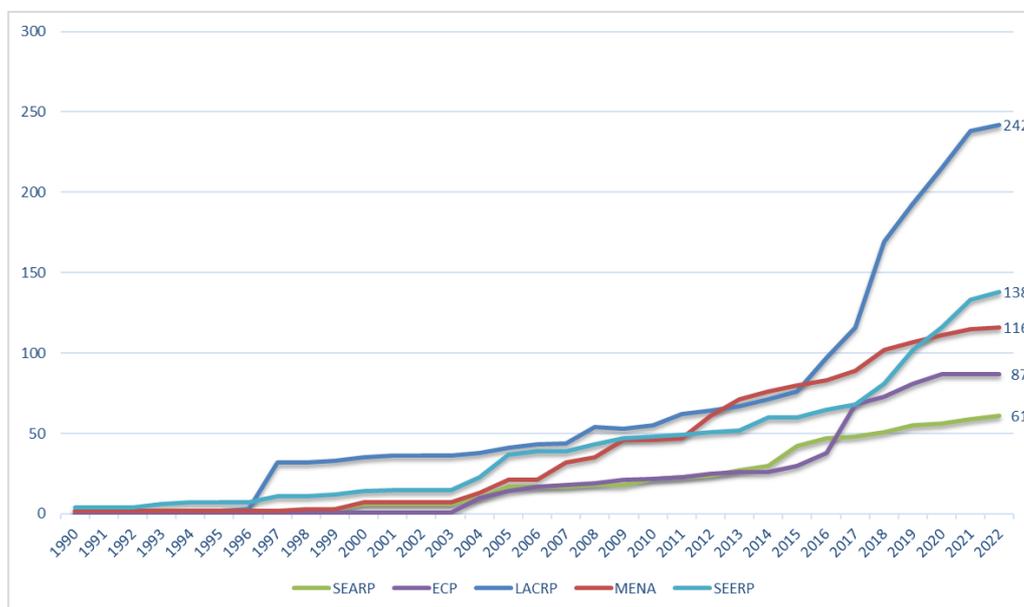
**Figure 1. Non-Member adherences to OECD legal instruments**



Source: OECD Directorate for Legal Affairs data (as of 8 April 2022)

82. When considering the regional dissemination of OECD standards and best practices, Figure 2 illustrates the trend in the total number of non-Member adherences to OECD legal instruments across the Regional Programmes.<sup>18</sup>

*Figure 2. Non-Member adherences to OECD legal instruments by Regional Programme*

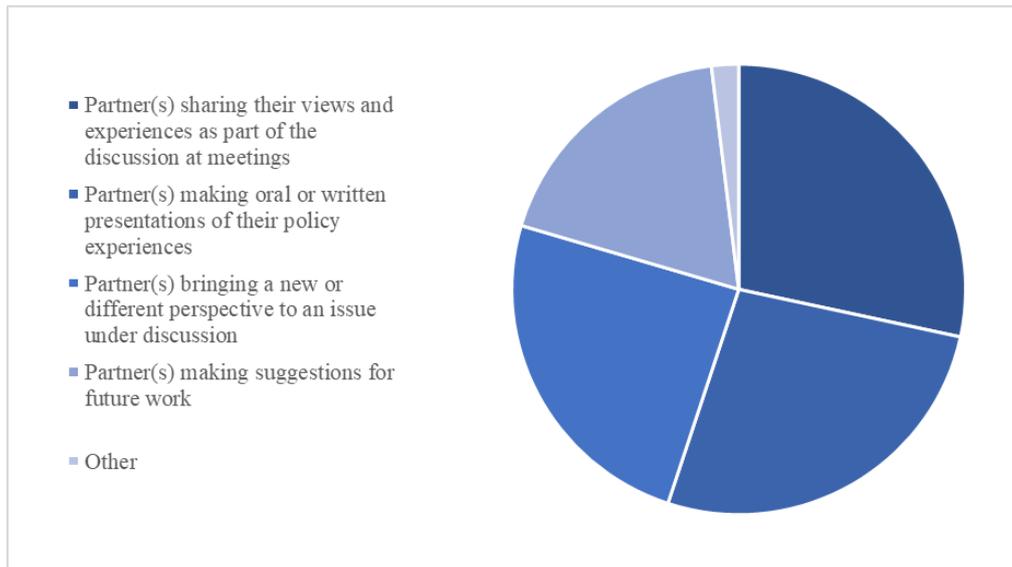


Source: OECD Directorate for Legal Affairs data (as of 8 April 2022)

#### 4.2.1.2 Participation in OECD bodies

83. Partnerships in OECD bodies remain fundamental to enable the Organisation to promote and disseminate its values, increase the relevance of alignment with its standards, and enrich policy discussions in OECD bodies with different or new perspectives. **Partners' presence in meetings is especially useful to broaden the reach of the OECD's databases and indicators and build more comprehensive and accurate comparisons of policies and practices at the international level.** In a recent fact-finding exercise [ERC(2021)21], all of the 36 surveyed OECD bodies recorded positive contributions from Associates, Participants and Invitees (Figure 3). Most of the bodies were satisfied with partners' responsiveness and engagement during committee meetings.

<sup>18</sup> It should be noted when comparing these trends that the five Comprehensive Regional Programmes engage with a different number of partner economies and were all established at different times (see also footnote 2 and section 3.3).

**Figure 3. Share of invited Partners' contributions by type**

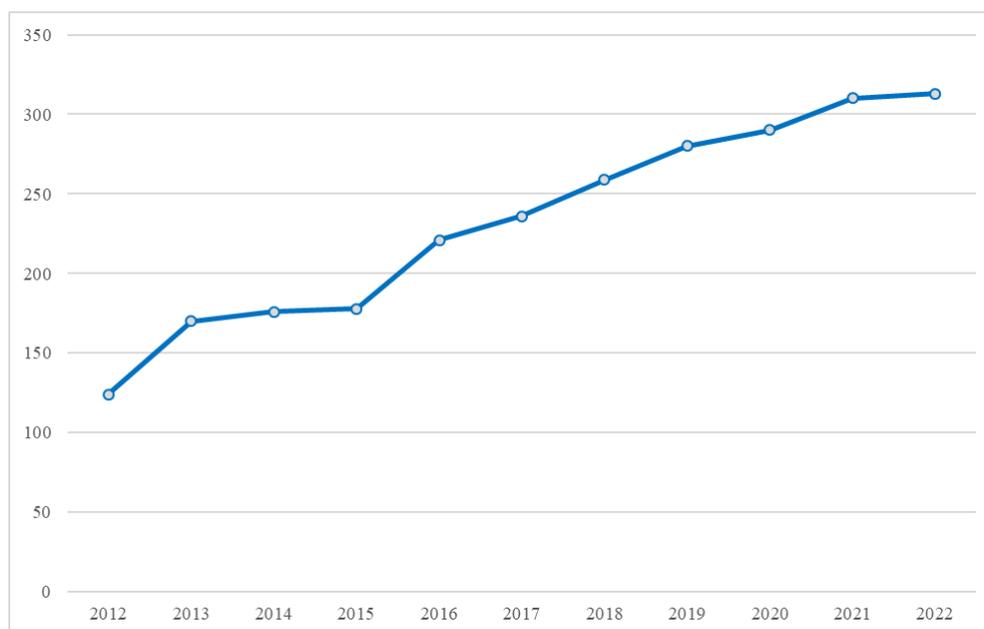
Source: [ERC\(2021\)21](#)

84. In most OECD bodies, the number of Partners participating regularly, i.e. as Associates or Participants, is limited to strategically important Partners. Consequently, out of the 313 currently valid invitations<sup>19</sup> to Partners in either of these two capacities, 272 (87%) concern the 18 countries mentioned in Table 1. Figure 4 (below) shows the overall increase of these 313 invitations as Associates or Participants over the past decade.

85. Of these, the committees with the largest number of invitations to Partners as Associates and Participants are:

- Investment Committee (19 invitations as Associates in the Freedom of Investment Roundtable project, as well as 13 invitations as Associates and 7 as Participants in its subsidiary bodies);
- Corporate Governance Committee (9 invitations as Associates in the Discussions Concerning the Recommendation of the Council on Principles of Corporate Governance [[OECD/LEGAL/0413](#)] and 19 as Participants in its subsidiary bodies);
- Committee on Financial Markets (11 invitations as Associates, 9 of which are Associates invited to the Discussions Concerning the Recommendation of the Council on High-Level Principles on Financial Consumer Protection [[OECD/LEGAL/0394](#)], and 11 as Participants in its subsidiary bodies);
- Committee on Fiscal Affairs (10 invitations as Associates, 7 of which are Associates invited to the BEPS Project prior to 1 January 2016, and 12 as Participants in its subsidiary bodies); and
- Competition Committee (2 invitations as Associates and 12 as Participants).

<sup>19</sup> These are invitations issued as of 8 April 2022 by virtue of the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)], except for invitations as Associate in the BEPS project issued after 1 January 2016. Out of these invitations, 244 (78%) have been formally accepted to date. Further to the Council decision of 8 March 2022 on an immediate suspension of the participation of the Russian Federation and Belarus in OECD bodies [[C/M\(2022\)4](#), Item 73], this section excludes invitations to these two countries when counting the number of partnerships in OECD bodies.

*Figure 4. Invitations as Participant or Associate issued since 2012*

Source: Database of partnerships in OECD bodies (as of 8 April 2022).

86. Partnerships in bodies overseeing a Part II programme and in projects such as the Inclusive Framework on BEPS deserve mention here, as their members are more varied. These bodies and projects have made a critical contribution to the OECD's global reach, thus demonstrating the Organisation's relevance and impact worldwide. As part of this effort, the OECD Development Centre and its Governing Board approved recently the updated Membership and Outreach Strategy [[DEV/GB\(2021\)1/FINAL](#)].

#### *4.2.2. Assessing partners' alignment with OECD standards*

87. As the OECD continues to deepen its engagement with partner countries and encourage their alignment with its standards and best practices, it has also undertaken **efforts to assess the impact of its Global Relations efforts**. The ongoing project on Considering Partner Countries' Convergence with OECD Standards to Level the Global Playing Field [[ERC\(2020\)30/REV1](#) & [ERC\(2022\)5](#)] has showed progress and setbacks in selected partners' qualitative alignment in key policy areas. The report highlights that most of the selected partner countries came from a relatively far position but are gradually converging in most areas highlighted.

88. The report also reveals **the initial impact of the COVID-19 crisis** on continuous convergence to varying extents across selected Partners. For example, the global regulatory environment for trade in services became more restrictive in 2020. Reforms for less restrictive measures should be encouraged with all Partners to safeguard the convergence observed in recent years. Additionally, the positive trend in terms of the development of competition law regimes and enforcement slowed down in 2021, as national priorities shifted and legal processes halted. Nevertheless, the partner countries considered have generally made considerable progress over time in liberalising restrictions on foreign investment and aligning closer with the OECD average, particularly in the Asia Pacific region.

89. The strong commitment of **candidate countries** to become OECD Members has ensured progressive and steady alignment with OECD standards and best practices. When considering the Framework, all six candidates have fulfilled at least half or more of the eight requirements listed in the Framework (Croatia 5/8; Brazil, Bulgaria and Romania 6/8; Argentina and Peru 7/8).

90. Joint Work Programmes and specific projects with **Key Partners**, such as the Economic Surveys, have strengthened their perception of the OECD's relevance. While the level of commitment to OECD

values, standards and best practices has varied across the Key Partners, the engagement has facilitated understanding of, and subsequent adherence to, OECD legal instruments. Indonesia, for example, was the first Key Partner to sign a Framework of Co-operation Agreement in 2012, renewed in 2017, and the four subsequent JWPs have strengthened this relationship considerably. The establishment of the OECD Jakarta Office in 2015 has reinforced this co-operation. Brazil has also steadily grown its co-operation with the Organisation in recent years. The signature of a co-operation agreement in June 2015 and the successful implementation of the Joint Work Programme in 2016-2017, were pivotal to the country's official request to become an OECD Member in May 2017.

91. **Regional Programmes** have been instrumental in disseminating OECD standards and best practices, notably through peer learning and strengthened regional co-operation. The following provide such examples:

- In addition to regional policy dialogue and peer learning events, the **South East Europe Regional Programme (SEERP)** has developed the *Competitiveness Outlook* assessment series to serve as a gateway to apply OECD tools and standards to the six Western Balkan economies and to monitor their policy convergence across 16 areas. Data collected through the analytical frameworks have already enabled all six economies to be included in major OECD indicators and databases, such as the FDI Regulatory Restrictiveness Index, the Services Trade Restrictiveness Index (STRI), the Digital STRI, CompStat, and the STIP Compass. The 2021 *Competitiveness Outlook* provided policy makers with tailored regional and economy-specific policy recommendations and more than 70 examples of OECD good practice.
- The **Eurasia Competitiveness Programme (ECP)** works to bring ECP countries closer to OECD standards, particularly in areas such as co-operation to fight tax evasion and corruption, climate change, and the creation of a level investment playing field. Since 2016, there have been 57 adherences by ECP countries to OECD instruments. While the largest share of these adherences involve Kazakhstan and Ukraine under the Kazakhstan Country Programme and the OECD-Ukraine Action Plan, other Eurasia countries are involved. Six Eurasia countries have joined the Inclusive Framework on BEPS, eight are members of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and four have signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, while three have ratified it.

92. Finally, **Country Programmes** have also significantly contributed to selected partners' closer engagement with the OECD. The three-year Thailand Country Programme produced 17 policy reviews and reports, each with policy recommendations based on OECD standards and best practices. Over the Programme's three years, Thailand signed the Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [[OECD/LEGAL/0382](#)] in June 2020 and became a Full Adherent to the OECD Council Acts related Mutual Acceptance of Data in the Assessment of Chemicals (MAD) [[OECD/LEGAL/0194](#) and [OECD/LEGAL/0252](#)] in July 2020. More recently, Thailand became an Adherent to the Recommendation of the Council on Regulatory Policy and Governance [[OECD/LEGAL/0390](#)] in July 2021.

### 4.3. Challenges and the way forward

#### 4.3.1. Addressing global trends and challenges

93. Since the adoption of the OECD Global Relations Strategy just a few months ago, **the global environment has changed rapidly**. On 24 February 2022, the OECD Council condemned the large-scale aggression by Russia against Ukraine in the strongest possible terms as a clear violation of international

law and a serious threat to the rules-based international order. The Council also expressed its solidarity with the people of Ukraine. Following this, on 8 March 2022, the Council decided an immediate suspension of the participation of Russia and Belarus in OECD bodies [C/M(2022)4, Item 73]. Even in the midst of such challenging circumstances, the OECD Global Relations Strategy provides the necessary flexibility for engaging with various partner countries, economies, and regions. Importantly, it positions the OECD to respond appropriately in such contexts and make decisions consistent with its values, mandate, and rules. The Organisation's support to the democratically elected government of Ukraine, including to support recovery and reconstruction, will be a significant example of such action.

94. Going forward, **the OECD's set of flexible and inter-related Global Relations tools will remain critical to enhancing the reach of OECD standards and levelling the global playing field.** The developments related to the COVID-19 pandemic will result in enhanced demand for cross-country analysis and co-ordination needs, while achieving growth in the face of setbacks to the global economic recovery will require effective and practical international co-operation. Global Relations tools will be crucial in monitoring responses to these challenges and informing international co-ordination efforts.

95. **As climate change continues to pose a critical challenge, it also raises significant questions related to Global Relations,** given that an ever increasing number of investment decisions with potentially strong carbon footprint – from energy to transport and housing – are taken in emerging economies. Against this background, GRC will work horizontally with OECD bodies involved in addressing the low-carbon transition, to ensure that the Global Relations angle of the equation is adequately addressed.

96. In addition, large connectivity and infrastructure initiatives are associated with significant risks to financial stability, environmental sustainability, and integrity and competition in the global market place. OECD Global Relations tools, notably Regional and Country Programmes, can play a critical role to help host countries ensure that **infrastructure and connectivity projects abide by high standards of accountability, responsibility and sustainability.**

#### *4.3.2. Strengthening coherence in a changing global environment*

97. While Global Relations activities remain a product of bottom-up and top-down priority-setting and strategic planning processes, OECD bodies remain responsible for defining and prioritising their work with partner countries. **The OECD Global Relations Strategy provides clear orientations and guidance for the OECD's external engagement.** Since its adoption, six OECD bodies have already updated their Global Relations Strategies in line with the overarching Strategy and a further 15 are expected to pursue such updates throughout 2022.

98. Conscious of the importance of **speaking to partner countries with one voice and acting in a coherent manner,** the Strategy provides the necessary framework to strengthen the co-ordination of the OECD substantive bodies' work with partner countries. Together with the guidance from the Members, this ensures coherent implementation and communication that enhances both the Organisation's impact and protects its reputation in a rapidly evolving environment.

99. A significant challenge for the implementation of the OECD's Global Relations tools can be seen in the **funding of the co-ordination function fulfilled by the Global Relations and Co-operation Directorate.** While Members have agreed that GRC should further develop its co-ordination role across the OECD on Global Relations activities, the large gap between Part 1 funding and voluntary contributions presents a challenge going forward in ensuring the GRC can continue to develop the volume of core activities to the extent that Members may seek.

#### *4.3.3. Overcoming selective engagement from partners*

100. The OECD does not seek to be a universal organisation in terms of the size of its membership, but strives to level the playing field globally, promoting growing gradual commitment by its partner countries to its values, standards and best practices. Nevertheless, levels of engagement with the OECD have been uneven across all partner countries, which challenges the efforts to strengthen further the relevance and

mutual benefit of the Organisation's global engagement. To address this, the Organisation will continue **to develop flexible approaches to its Global Relations tools based on evolving global circumstances, including tailored frameworks for engagement with specific Partners.**

101. The OECD will continue to implement these aims through the **promotion of evidence-based analysis and standards** that foster prosperity, equality of opportunity, and well-being for its Members and Partners. Together with governments and policy makers, other stakeholders (business, trade unions, civil society, academia), and international organisations, the OECD should continue to facilitate international policy dialogue, encourage data sharing, and promote best practices in a mutually beneficial way with partner countries.

## 5. Concluding observations

102. In its 60 years of existence, the OECD has assisted both Members and partner countries in fostering good governance and informing, reforming and improving their public policies. **This global engagement has enabled the Organisation to become a trusted multilateral actor and to play a vital role in the global governance architecture.** The OECD work and standards also contribute to cultivating a spirit of trust and multilateral co-operation, bringing partner countries and regions closer to the Organisation's shared values and principles – a commitment to individual freedom, democracy, human rights, the rule of law, market-based economic principles and a rules based international trading system.

103. **Current international challenges call for strengthened concerted action by the international community** to ensure a global level playing field where everyone abides by the same rules. This is particularly important in the context of the current challenging and rapidly evolving global environment. Against this background, enhancing the global reach and impact of OECD standards remains essential. The Organisation's Global Relations efforts remain key to serving its Members with global impact.