

COUNCIL**Meeting of the Council at Ministerial Level, 22-23 May 2019****PROGRESS REPORT ON STANDARD-SETTING REVIEW**

Declassified

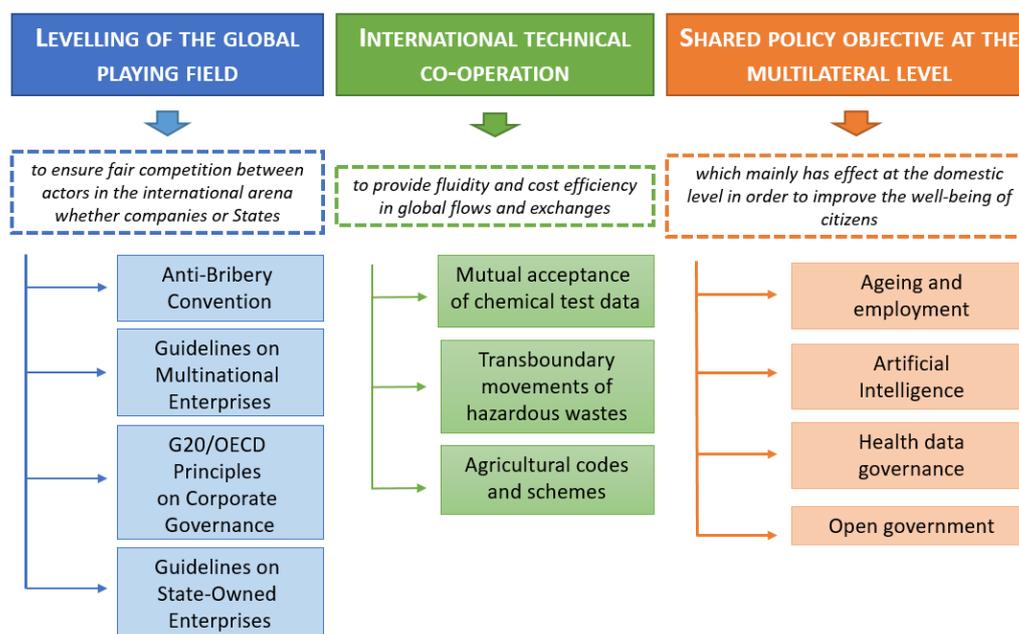
This document is issued under the responsibility of the Secretary-General of the OECD and does not necessarily reflect the official views of OECD Members.

JT03447391

Executive Summary

1. The body of OECD standards developed over almost 60 years serves three main objectives: levelling the global playing field; increasing international technical co-operation; and implementing shared policy objectives to improve the well-being of citizens (see Figure 1).

Figure 1. Objectives served by OECD Standards



2. For OECD standards to achieve these goals over time, the standards must be reviewed and updated where necessary in order to continue to effectively respond to the challenges faced by governments, including ensuring more sustainable and inclusive growth. With this in mind, in May 2016, the Secretary-General launched an OECD-wide Standard-Setting Review to strengthen the relevance and impact of OECD standards. The Review was welcomed by Members at the 2016 Ministerial Council Meeting (MCM) and at the 2017 MCM, Members welcomed initiatives to increase the visibility and global implementation of OECD norms.¹ This report provides an update on progress made in the review since the 2018 Ministerial Council Meeting [see [C/MIN\(2018\)11](#)], and looks ahead to the next steps.

1. The Standard-Setting Review

3. The first phase of the review, in which OECD committees approved 28 Standard-Setting Action Plans, concluded in July 2017 with the adoption of a first set of actions by Council, including the abrogation of 32 outdated instruments. The second phase, which is ongoing, focuses on implementation of these Action Plans, which involves activities in relation to 134 OECD legal instruments, as well as consideration of possible areas for the

¹ See the Summary Record of the 2016 MCM, Item 139: Management Issues [[C/M\(2016\)10/ADD1](#)] and the 2017 Ministerial Council Statement [[C/MIN\(2017\)9/FINAL](#)].

development of new OECD instruments, and improvement of the standard-setting function across the Organisation.

4. Since the 2018 MCM progress report on the standard-setting review, and including instruments adopted at the 2018 MCM, eight new or revised legal instruments have been adopted (see Figure 1.2), including seven in areas of work where the OECD did not previously have standards, and four implementation reports have been presented to Council. In the calendar year 2019 it is projected that a total of 12 new legal instruments and revisions or consolidation of 10 existing legal instruments will be transmitted to Council (see Figure 1.3). The successful development of quality standards in 2018-19 on cutting-edge topics like artificial intelligence has drawn on the characteristics of the OECD that make it an effective, agile and trusted global standard setter.

2. Boosting the relevance and impact of OECD Standards

5. While recognising the specificities of each policy community and legal instrument, existing ‘good practices’ in the development, dissemination and implementation of OECD instruments can serve as a menu of options for committees to draw on in their own standard-setting activities. Innovative practices by OECD committees have already shown the review’s impact as a catalyst to improve processes related to the Organisation’s standards. The review will build on these in future years to further improve the standard-setting function across the Organisation.

6. *Mainstreaming work on standards within the OECD.* The implementation of the Standard-Setting Action Plans, as well as of the key ideas identified in the 2018 report (see summary on p. 10), has helped incorporate activities relating to the standards into the regular work programmes of committees. It has also raised awareness in committees of their existing instruments and of standard-setting as a valuable option in the policy toolbox. Regular stock-taking of OECD standards is now ensured through an assessment of the relevance and impact of the legal instruments under the responsibility of OECD committees as part of the mandate renewal process. Similarly, as of 2019, new or revised OECD legal instruments include a maximum interval for reporting to Council following the first report five years after adoption.

7. *A focus on dissemination.* The process of development or revision of instruments now systematically includes discussion in committees of activities to promote and disseminate the standard, which can be deployed from the moment of adoption. OECD committees in different policy areas have developed good practices for the dissemination of their instruments, including the development of innovative communication and training tools, showcasing instruments at global and regional events, and translation into multiple languages.

8. *Maintaining high standards and supporting implementation through dedicated tools and dialogue.* As it extends the reach of its legal instruments beyond its membership, the OECD must continue to aim high in both the design and implementation of its standards in order to continue to effectively respond to the challenges faced by governments. Strengthening the OECD’s global reach benefits OECD Members by expanding the level playing field, while Partners can use OECD standards to drive much-needed domestic reform. In a sign of the success of its standards in reaching a broader audience, the OECD is receiving increased expressions of interest from Partners seeking to adhere to OECD standards. OECD committees are in charge of considering what may be needed at committee level for non-Members to adhere to OECD standards in their area of competence, with a view to increasing the impact of the standards while maintaining their

standing and credibility. The final provisions included in OECD legal instruments now reflect a wide variety of tools to support implementation by all Adherents. Regular discussions and peer reviews promote exchange of information on best practices among Adherents and allow governments to learn from each other's experiences. Drawing on existing good practices in the use of toolkits and companion documents, in 2018-19 new and improved tools to support implementation have been developed (see Section 2.3 below).

9. *Bringing stakeholders into the conversation.* Significant progress has been made by policy communities across the OECD in engaging a broader range of internal and external stakeholders in the development or revision of OECD standards. The development of new draft instruments on public sector innovation and artificial intelligence benefited from inputs from different groups of internal and external stakeholders through public consultation, expert groups, and consultation with other OECD committees. Reflecting the inclusive nature of the ongoing OECD/G20 work on base erosion and profit shifting (BEPS), an innovative public consultation took place on possible solutions to the tax challenges arising from the digitalisation of the economy. The use of online consultation platforms has already helped facilitate these processes, and will be further developed over the coming year.

Box 1. OECD Terminology

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

- *OECD standards*: all OECD legal instruments as well as other kinds of policy principles and guidelines developed within the OECD framework. Many OECD standards have been embodied in substantive OECD legal instruments while others have not.
- *OECD legal instruments*: all substantive OECD Acts adopted pursuant to Article 5 of the OECD Convention (Decisions and Recommendations) and other legal instruments developed within the OECD framework (principally Declarations and international agreements). The term is most often used to refer to substantive legal instruments but could also cover internal OECD legal instruments (e.g. Resolutions).

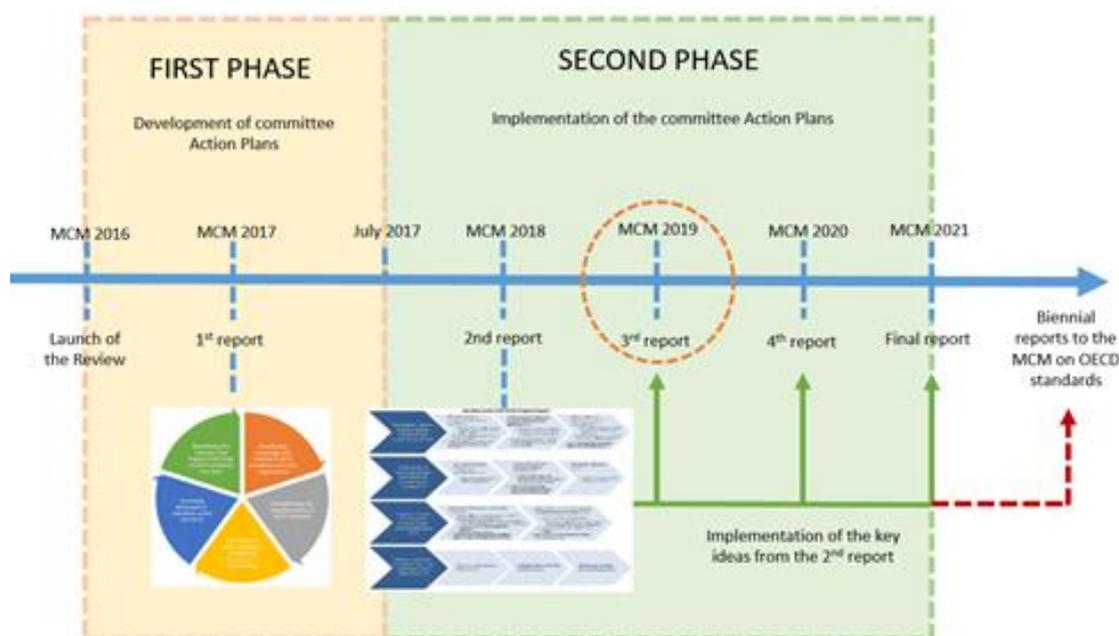
1. The Standard-Setting Review

10. In May 2016, the Secretary-General launched an OECD-wide Standard-Setting Review (hereafter the “Review”) in order to ensure that OECD standards continue to respond to the challenges faced by governments and to strengthen their impact and relevance. The Review was welcomed by Members at the 2016 MCM and at the 2017 MCM, Members welcomed initiatives to increase the visibility and global implementation of OECD norms.²

11. The Review is divided in two phases (see Figure 1.1 for a detailed timeline):

- During the **first phase** of the Review (between October 2016 and July 2017), OECD committees approved 28 Standard-Setting Actions Plans (hereafter the “Action Plans”) in which they agreed to further review, revise (including through consolidation) or monitor the implementation of 134 legal instruments under their responsibility by 2021 [C(2017)51/ADD1]. The first phase of the Review also included the adoption by Council of the first set of actions in July 2017, including the abrogation of 32 outdated instruments [C(2017)80].
- The **second phase** of the Review (from September 2017 to May 2021) focuses on the implementation of the 28 Action Plans, as well as consideration by committees of possible new instruments in areas where the OECD could usefully address emerging policy challenges.³ The second phase also includes the implementation of initiatives to improve OECD standard-setting activity.

Figure 1.1. Timeline of the Standard-Setting Review



² See Summary Record of the 2016 MCM [C/M(2016)10/ADD1] and the 2017 MCM Statement [C/MIN(2017)9/FINAL].

³ See Section 1.1 for an update on the implementation of the Action Plans and Annex for more details on the development of OECD standards in new areas.

1.1. Update on Committee Work on Standards

12. Since the 2018 MCM report, and including instruments adopted at the 2018 MCM, eight legal instruments have been adopted (including seven in areas of work where the OECD did not previously have standards) and four implementation reports have been presented to Council (see Figure 1.2).

Figure 1.2. Standard-Setting work between 2018 MCM and 2019 MCM

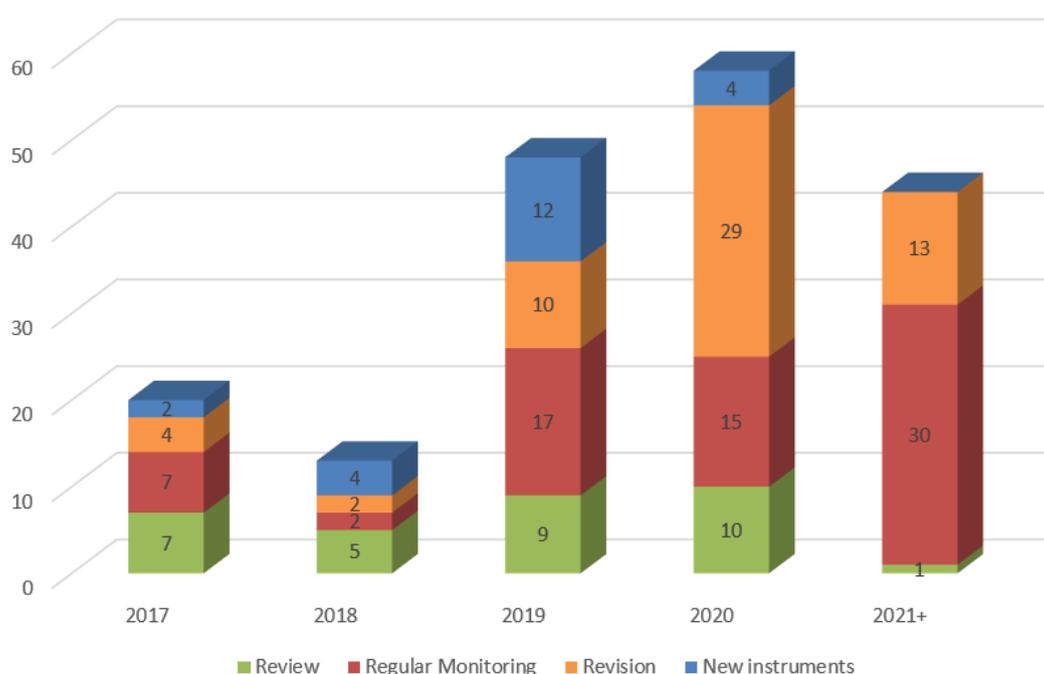


13. Over the past year, committees have continued to implement their Standard-Setting Action Plans. Implementation of the revisions, further reviews and monitoring of implementation of instruments foreseen in the Action Plans is projected to continue until 2021. However, depending on other priorities and available resources at committee level, implementation of some of the actions may need to continue after 2021.

14. In addition to their technical work to implement the Action Plans, discussions on standards have led to a number of committees proposing new actions in relation to their legal instruments (See Figure 1.3 for an updated projection of work). Notably, several committees have decided to update old instruments in light of developments in their policy areas and their current programmes of work:

- The 1977 Recommendation on Consumer Protection in the field of Consumer Credit [[OECD/LEGAL/0150](#)] is currently in the final stages of revision in the Committee on Financial Markets. The revised instrument takes into account changes to the consumer credit market and significant developments in approaches to regulation of consumer credit in the four decades since its adoption and in particular the 2011 G20/OECD High-Level Principles on Financial Consumer Protection⁴ (see [DAF/CMF/FCP\(2019\)7](#) for more information).
- During the recent review of implementation of the Recommendation on the Protection of Children Online [[OECD/LEGAL/0389](#)], the Working Party on Security and Privacy in the Digital Economy of the Committee on Digital Economy Policy agreed that the Recommendation should be updated to take account of technological and legal developments, in particular the growth in the use of mobile devices (see [DSTI/CDEP/SPDE\(2019\)7](#) for more information).

Figure 1.3. Updated projection of work



15. In a number of areas, the horizon-scanning approach engendered by the standard-setting review has led to the identification of a number of areas in which the OECD could usefully develop new standards. In response to the call by Ministers at the 2017 MCM for further work to promote inclusive and sustainable trade and investment, in particular in the areas of illicit trade, artificial intelligence and responsible business conduct,⁵ new OECD instruments in these areas have been adopted or are in advanced stages of development. Underlining the OECD's continued role as a leading global standard-setter, of the three legal instruments scheduled for adoption at the 2019 MCM, the draft Recommendation of the Council on Artificial Intelligence (see Box 1.1) and the draft Declaration on Public

⁴ The Principles are set out in a Recommendation of the Council [[OECD/LEGAL/0394](#)].

⁵ 2017 Ministerial Council Statement [[C/MIN\(2017\)9/FINAL](#), para. 17].

Sector Innovation will be the first and only multilaterally-agreed standards in their respective areas.

Box 1.1. A Recent Success Story: Artificial Intelligence

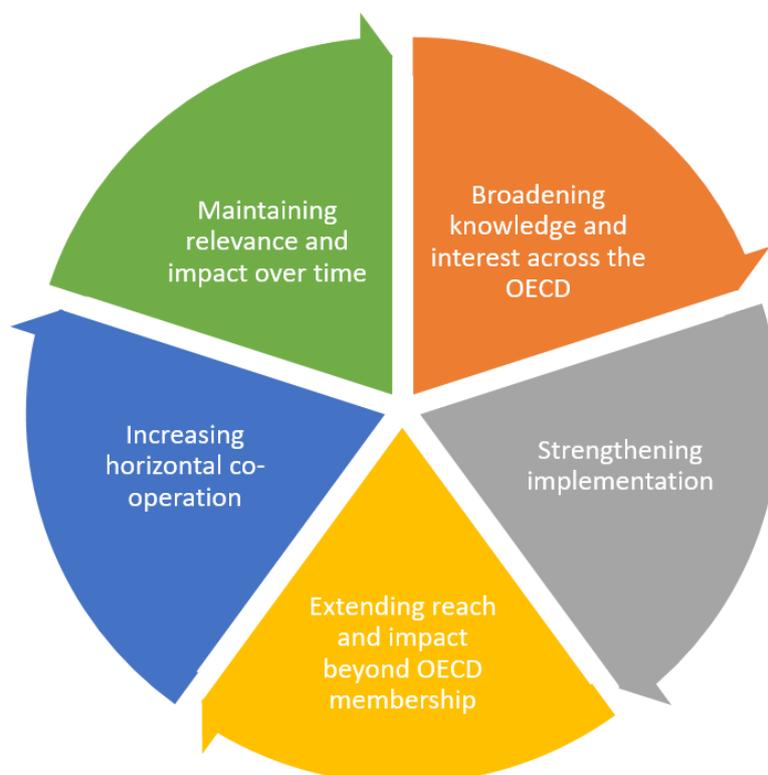
The OECD's agility in developing standards that address emerging global challenges and its ability to broker consensus on innovative solutions is well-illustrated by the process of development of the draft Recommendation on Artificial Intelligence (AI), scheduled for adoption by Council at the 2019 MCM:



1.2. Improving OECD's standard-setting

16. The Review provides a unique opportunity for the OECD to take a step back and reflect on how it could improve its standard-setting function. The first report on the standard-setting review to the 2017 MCM [[C/MIN\(2017\)15](#)] identified five action points that the Organisation could pursue to address the challenges to extending the reach and impact of its standards (see Figure 1.4). In the 2017 MCM Statement [[C/MIN\(2017\)9/FINAL](#)], Ministers “welcome[d] initiatives to increase the visibility and global implementation of OECD norms” [[C/MIN\(2017\)9/FINAL](#), para. 18].

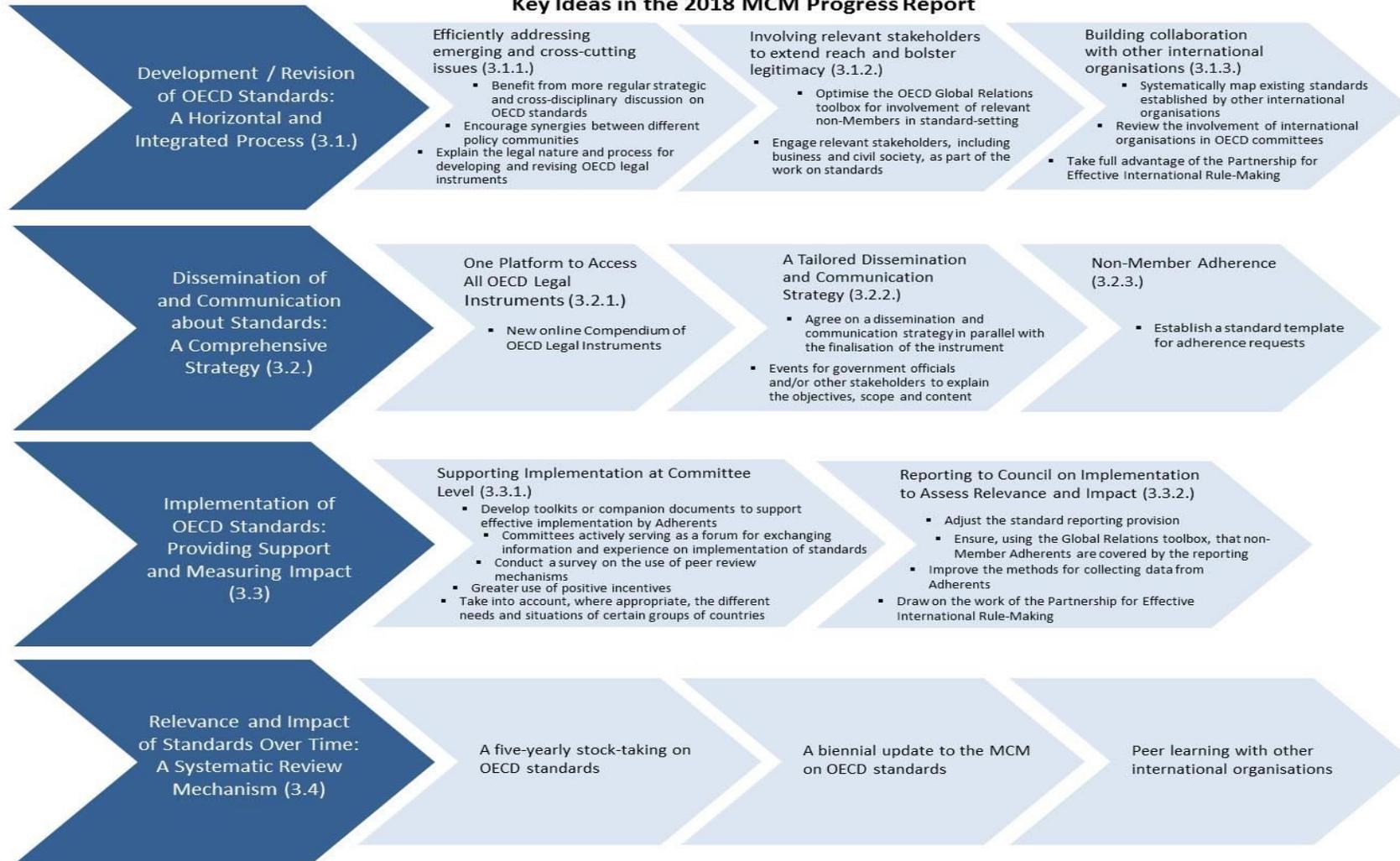
Figure 1.4. Action points identified in the 2017 MCM Progress Report



17. The second report to the 2018 MCM [[C/MIN\(2018\)11](#)] developed key ideas to address these challenges throughout the life cycle of OECD standards (see summary on p. 10). In line with the OECD's bottom-up approach, these initiatives draw on existing good practices in certain work-streams while respecting the specificities of different committees and legal instruments.

18. The present report provides in Section 2. an update on progress made on a number of the initiatives identified in the 2018 MCM report.

Key Ideas in the 2018 MCM Progress Report



2. Improving OECD Standard-Setting: Boosting the relevance and impact of OECD Standards

19. The Review has already acted as a catalyst to improve standard-setting processes since, in the implementation of their Action Plans, committees have developed innovative approaches to the development and implementation of standards. While recognising the specificities of each policy community and each legal instrument, these ‘good practices’ can serve to inspire other committees. These practices provide a menu of options that committees can draw on in their own standard-setting activities. The Review has also encouraged certain policy communities to explore the option of developing standards: OECD standards are inherently flexible and can be tailored to different policy areas and objectives.

20. Finally, the Review has resulted in an increased sensitivity to the need to ensure that OECD standards maintain relevance and impact over time. The adoption of a new standard is not the end of the process but the beginning of a workstream supporting implementation and regularly reviewing whether the instrument continues to respond to the needs of governments.

2.1. Mainstreaming work on standards within the OECD

21. The development and implementation of the Action Plans has raised awareness among committees of the existing instruments under their responsibility and has led them to incorporate activities relating to the standards into their work programmes. It has also resulted in committees being more readily able to identify the situations in which it may be appropriate to embody the result of their work in an OECD standard.

<i>Key idea (2018 report)</i>	➤ <i>Explain the legal nature and process for developing and revising OECD legal instruments to all policy communities involved and at all levels (from the expert group to the standing committees).</i>
-----------------------------------	---

22. The Review aims to ensure that committees have the information necessary to allow them to consider and use standard-setting, when appropriate, as an option in the policy toolbox to support their work. The Secretariat provides appropriate information, advice and support to OECD committees in their standard-setting activities.

- Following its launch in April 2018, the Secretariat has presented to committees the [online Compendium of OECD Legal Instruments](#) (see Figure 2.1). The Compendium provides easily accessible information on all OECD legal instruments and offers the possibility to download booklets including background information to facilitate dissemination.

Figure 2.1. Online Compendium of OECD Legal Instruments



- A webinar on OECD standards will be developed for Committee delegates to allow the smooth transmission of knowledge when delegates change.

<i>Key idea (2018 report)</i>	➤ <i>A five-yearly stocktaking on standards as part of committees' proposal for mandate renewal every five years and similar to the evaluation of the continuing relevance of its substructure.</i>
-----------------------------------	---

23. A regular stock-taking of OECD standards by the responsible committee will help ensure OECD instruments continue to respond to challenges faced by governments over time. As of 2019, as part of the process for renewing their mandates, committees are assessing the relevance and impact of the legal instruments under their responsibility and identifying any appropriate follow-up actions, such as an update of the instrument or a review of implementation to measure the relevance and impact of the instrument.

- The Employment, Labour and Social Affairs Committee [[DELSA/ELSA\(2019\)4](#)], the Committee on Consumer Policy [[DSTI/CP\(2019\)6](#)], the Committee on Scientific and Technology Policy [[DSTI/STP\(2019\)3](#)] and the Public Governance Committee [[GOV/PGC\(2019\)12](#)] are the first committees which have started reviewing the continued relevance of the legal instruments under their responsibility as part of their mandate renewal process. The outcome of the review will be included in the note to Council proposing the renewal of their mandate before the end of 2019.

<i>Key idea (2018 report)</i>	➤ <i>Adjust the standard provision in new instruments in order to request reporting to Council on implementation at a maximum interval (e.g. at least every ten years following the initial report five years after adoption).</i>
-----------------------------------	--

24. As of 2019, new or revised OECD legal instruments include a maximum interval for reporting to Council following the first report five years after adoption.⁶ The idea is to provide a backstop to ensure that outdated instruments that are no longer implemented by Adherents do not remain on the books. Ten years is the longest period possible without a report on implementation: in fact, the conclusions adopted by Council when considering monitoring reports usually call for further reporting in five years.⁷ In addition, for fast-moving subjects, like artificial intelligence, committees recognise that it may be necessary to report to Council with significantly shorter intervals.

2.2. A focus on dissemination

25. The process of development or revision of instruments now systematically includes discussion within committees of possible activities to promote and disseminate the standard, which are deployed from the moment of adoption. Good practices have emerged in diverse policy areas and include dissemination and awareness raising through participation in external events and the organisation of events dedicated to the launch of the new standards.

<i>Key idea (2018 report)</i>	<i>➤ The relevant committee should agree on a dissemination and communication strategy in parallel with the finalisation of the text of the instrument.</i>
-----------------------------------	---

26. Innovative initiatives have been developed to promote and disseminate at the level of particular instruments:

- The Public Governance Committee has recently adopted a Gender Mainstreaming Strategy [[GOV/PGC\(2019\)7](#)] which supports the implementation of the Recommendation on Gender Equality in Public Life [[OECD/LEGAL/0418](#)]. The strategy identifies a number of good practices in the communication and dissemination of the instrument since its adoption in December 2015: showcasing the Recommendation in high-level global events with the participation of political leaders, having dedicated national- and regional-level events, and its translation into Arabic, Japanese, Russian and Spanish.
- The implementation plan for the 2018 Recommendation on the OECD Due Diligence Guidance for Responsible Business Conduct [[OECD/LEGAL/0443](#)] proposes a number of good practices for dissemination of the Recommendation and of the Guidance [[DAF/INV/RBC\(2018\)24/REV1](#)]. These include the development of a package of communication and training tools such as webinars and an online

⁶ Recommendation of the Council on Public Service Leadership and Capability [[C\(2018\)166](#), para. VIII (c)]; Recommendation of the Council on Countering the Illegal Trade of Pesticides [[C\(2019\)13/REV1](#) para VI (iv)]; DAC Recommendation on the Humanitarian-Development-Peace Nexus [[DCD/DAC\(2018\)49/REV3](#), para. X (c)].

⁷ Report on the Implementation of the Recommendation of the Council on Effective Public Investment Across Levels of Government [[C\(2019\)14/REV3](#)]; Report on the Implementation of the Recommendation of the Council on Regulatory Policy and Governance [[C\(2019\)60](#)]; Report on the Implementation of the Recommendation of the Council on the Safety Testing and Assessment of Manufactured Nanomaterials [[C\(2019\)55/REV1](#)].

visualisation tool, further translations⁸, and participation in government, industry and stakeholder events. The 2019 Global Forum on Responsible Business conduct will be a key tool for reaching non-Adherents [[DAF/INV/RBC\(2018\)27](#)].

2.3. Maintaining high standards and supporting implementation through dedicated tools and dialogue

27. For OECD standards to maintain relevance and impact in order to continue to effectively respond to the challenges faced by governments, the OECD must continue to aim high, in both the design and implementation of its standards.

28. Committees are increasingly sensitive to the need to adopt proactive strategies to support the implementation of OECD legal instruments. The final provisions included in OECD legal instruments now reflect a wide variety of tools that can be used for supporting implementation of Recommendations, including through regular dialogue at committee level. The final provisions proposed by the committees may invite them to:

- serve as a forum for exchange of information on experiences and on best practices;
- monitor the activities and trends in the area of the instrument;
- collect and map information and data; and
- develop guidance, methodologies, toolkits and/or indicators.

29. Discussing the implementation of OECD instruments within committees provides valuable insights as to the relevance and impact of the instrument in practice. These discussions allow the exchange of information on best practices and allow governments to learn from each other's experiences in implementation. More and more frequently, discussions on implementation start very soon after the adoption of a new instrument.

<i>Key ideas (2018 report)</i>	➤ <i>Develop toolkits or companion documents to support effective implementation by Adherents.</i>
------------------------------------	--

30. The 2018 Report identified the development of toolkits or companion documents to OECD legal instruments as an important way to support implementation. There is now systematically a discussion at committee level on how to best assist Adherents in implementation of the legal instrument under development. It is now common practice for committees to develop toolkits or some other kind of guidance document on implementation and in certain cases, there are explicit instructions from Council to this effect⁹. Drawing on existing good practices, new and improved tools to support implementation have been developed.

⁸ Translations into Finnish, German, Italian, Japanese, Norwegian, Spanish, and Ukrainian have been completed or are already ongoing. The Secretariat will also support translations for the countries covered by the programme on Responsible Supply Chains in Asia, implemented in partnership with the International Labour Organization (ILO) and funded by the European Union (e.g. Mandarin, Thai, Vietnamese, and Burmese).

⁹ See, for example, Recommendation of the Council on Public Service Leadership and Capability [[OECD/LEGAL/0445](#)]; Recommendation of the Council on Global Events and Local Development [[OECD/LEGAL/0444](#)].

- As agreed during the development of the Recommendation on Public Service Leadership and Capability [[OECD/LEGAL/0445](#)], adopted on 17 January 2019, a Toolkit will be developed to be a ‘living resource’ containing practical guidelines and relevant good practice examples that Adherents could use as a resource in the design of their own policies.
- In the area of Responsible Business Conduct, pilot Alignment Assessment initiatives have been developed in relation to due diligence in the garment and footwear sector [[OECD/LEGAL/0437](#)] and for supply chains of minerals from conflict-affected and high-risk areas (see [OECD/LEGAL/0386](#)).¹⁰ While primarily geared towards assessment of the alignment of the standards and implementation of collaborative initiatives such as industry programmes with the recommendations in the OECD Due Diligence Guidance, they may also be used by individual companies to carry out self-assessments of their due diligence practices against the Guidance.
- The upcoming review of the Recommendation concerning Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data [[OECD/LEGAL/0188](#)] will examine how governments are implementing the Privacy Guidelines and the challenges they face. In addition to the responses from Adherents, the review will draw on inputs of external stakeholders and experts. As well as the mandated report to Council, possible outputs of the review may include a compilation of useful practices or toolkits to promote implementation of the Guidelines and overcome identified challenges [see [DSTI/CDEP/SPDE\(2018\)8](#) for more information].

<i>Key idea (2018 report)</i>	<ul style="list-style-type: none"> ➤ <i>A number of committees actively serve as a forum for exchanging information and experience on implementation of standards</i> ➤ <i>Conduct a survey on the use of peer review mechanisms across the Organisation</i>
-----------------------------------	--

31. Committees now have more regular discussions on the standards under their responsibility which facilitates the sharing of experiences among Adherents who benefit from open exchanges, as well as tailored policy recommendations to support them in implementing OECD standards. As foreseen in the 2018 progress report [[C/MIN\(2018\)11](#), para. 40], a Secretariat survey will be conducted by the Directorate for Legal Affairs to collect information on peer review methodology, with a view to identifying the different peer review mechanisms and how they have evolved since the last Secretariat survey in 2002¹¹ as well as facilitating the sharing of experience.¹² In addition to peer review mechanisms, other methods for supporting implementation include the circulation of self-assessment questionnaires or online repositories of policy actions, which allow Adherents to monitor their own performance and progress against that of their peers. For example:

- Over the past five years, the Regional Development Policy Committee (“RDPC”) discussed every six months the 2014 Recommendation on Effective Public

¹⁰ See <http://mneguidelines.oecd.org/Alignment-assessment-of-industry-programmes-with-the-OECD-minerals-guidance.pdf> and <http://www.oecd.org/corporate/mne/alignment-assessment-due-diligence-garment-footwear.htm> for more information.

¹¹ [SG/LEG\(2002\)1](#).

¹² The outcomes of the Survey will be reported to Council in a future progress report on the Standard-Setting Review.

Investment Across Levels of Government [[OECD/LEGAL/0402](#)] at regular committee meetings (either a general update on its implementation, a discussion on a specific principle or of an individual review). These regular discussions have helped raise interest in the web-based [Implementation Toolkit](#), which has had more than 24,600 views since 2016 [see [C\(2019\)14/REV3](#) for more information].

- In June 2018, the Committee on Statistics and Statistical Policy discussed a peer review of Mexico to assess its implementation of the Recommendation on Good Statistical Practice [[OECD/LEGAL/0417](#)] and suggest possible improvements to Mexico's national statistical system. Another objective was to identify good practices in Mexico that may be of interest to other Adherents [see [SDD/CSSP\(2018\)8](#) for more information].

Key idea (2018 report)	<ul style="list-style-type: none"> ➤ <i>Establish a standard template for adherence requests which are subject to committee consultation</i> ➤ <i>Ensure, using the Global Relations toolbox, that non-Member Adherents be covered by the reporting and other work on implementation and respond to the information requests in order to ensure a level playing field.</i>
---------------------------	--

32. The impact of OECD standard-setting extends far beyond the Organisation's membership [see also the 2019 Report by the Secretary-General to Ministers on OECD Global Relations – [C/MIN\(2019\)11](#)]. Strengthening the OECD's global reach benefits OECD Members by expanding the level playing field, while Partners can use OECD standards to drive much-needed domestic reform. In a sign of the success of its standards in reaching a broader audience, the OECD is receiving increased expressions of interest from Partners seeking to adhere to OECD standards. OECD committees are in charge of considering what may be needed at committee level for non-Members to adhere to OECD standards in their area of competence, with a view to increasing the impact of the standards while maintaining their standing and credibility. The appropriate approach will depend on the committee concerned, as well as the legal status and content of the standard.

- In accordance with established practice, for all legally-binding instruments a pre-adherence review process mandated by the Council is set up since adherence creates rights and obligations for the non-Member Adherent as well as for other Adherents [see for example the procedural steps for non-Member adherence to the OECD Codes of Liberalisation in Annex II of [C\(2012\)88/REV2](#) and the proposed process for the legal instruments with legally-binding elements under the responsibility of the Joint Meeting of the Chemicals Committee and the Working Party on Chemicals, Pesticides and Biotechnology in [ENV/JM/WRPR\(2019\)9](#)].
- For a limited number of non-binding instruments, where justified by the nature of instrument, a lighter pre-adherence process mandated by Council can also be set up [see for example [C\(2019\)28](#) for the process established for the Recommendation on Good Statistical Practice - [OECD/LEGAL/0417](#)].
- In response to requests from certain committees, more information is being systematically provided when committees consider an adherence request, in particular how current or planned legislation, policies and practices of the requesting non-Member align with the instrument.

33. The processes to support dissemination and implementation of standards for Members also ensure that standards have real impact for non-Member Adherents. In this

regard, it is essential that non-Member Adherents systematically take part in reporting on implementation of the instruments to which they adhere and other peer review processes in the same way as OECD Members. This ensures that adherence is not simply a political commitment but that there is the same expectation as for OECD Members that non-Member Adherents will take appropriate action in order to align their policy-making with the relevant OECD standard.

- Non-Members participated actively in the survey on the implementation of the Recommendation on Consumer Policy Decision Making [[OECD/LEGAL/0403](#)] [see [DSTI/CP\(2019\)4](#) for more information].
- Through the participation of Partners in the Working Party on Manufactured Nanomaterials and in its regular Tour de Table on Developments on the Safety of Manufactured Nanomaterials, non-Members report on their alignment with OECD standards under the Working Party's responsibility [see [ENV/CHEM/NANO\(2019\)3](#) for more information].¹³

2.4. Bringing stakeholders into the conversation

<i>Key ideas (2018 report)</i>	<ul style="list-style-type: none"> ➤ <i>Encourage synergies between different policy communities through an enhanced and efficient process for consultation.</i> ➤ <i>Drawing on the good practices related to its long-standing relationship with BIAC and TUAC, engage as appropriate relevant stakeholders, including business and civil society, as part of the work on standards.</i>
------------------------------------	--

34. Significant progress has been made by a number of policy communities across the OECD in engaging a broader range of internal and external stakeholders more closely in the development or revision of OECD standards, thus boosting the legitimacy of the final product. Standard-setting by OECD committees increasingly includes both consultation within the Organisation, through the engagement of other interested OECD bodies in the development process, and external consultation, with civil society, business and beyond.

35. There is increasing consultation between OECD committees to ensure synergies between different policy communities in the development of OECD standards on cross-cutting issues, thus maximising the added value of the OECD as a multi-disciplinary organisation.

- The Recommendation on Water [[OECD/LEGAL/0434](#)] was developed in co-operation with four OECD committees and supported by an Informal Liaison Group to ensure that the views of all policy communities were adequately taken into account. The development of the monitoring report which is scheduled for consideration by Council in 2020 will follow the same cross-disciplinary process [[ENV/EPOC/WPBWE\(2019\)3](#)].

36. Public or more limited stakeholder consultation processes provide a valuable opportunity to receive input from a diverse range of voices and encourage ownership of the standard adopted. When considering the appropriate consultation processes, it is important for the responsible committee to tailor the approach to the particular characteristics of their

¹³ This practice allows for continuing review of the Recommendation and formed part of the evidence base for the recent Report on Implementation of the Recommendation on the Safety Testing and Assessment of Manufactured Nanomaterials [[C\(2019\)55/REV1](#)].

policy community and subject matter. There have been a number of successful examples in recent months.

- The draft Declaration on Public Sector Innovation, which is proposed for adoption by individual governments within the context of the 2019 MCM [C/MIN(2019)6], benefited from a public consultation to strengthen the draft. The consultation was supported by a co-design exercise, an integrated stakeholder engagement and strategic communications campaign - the cornerstone of which was the ‘Declare to Innovate’ social media campaign - which successfully encouraged participation in the development process, and in particular the public consultation exercise. The invitation to join the consultation was also shared with the delegates of three PGC sub-committees [see [GOV/PGC\(2018\)28/REV1](#) for more information].
- The draft Recommendation of the Council on Artificial Intelligence, also proposed for adoption at the 2019 MCM [C/MIN(2019)3], was developed through a multi-stakeholder participatory process that incorporated input from a group of 50 experts from government, industry, civil society, trade unions, and academia. In addition, an internal consultation with other relevant OECD policy communities resulted in over 34 submissions.
- Reflecting the inclusive nature of the ongoing OECD/G20 work on base erosion and profit shifting (BEPS), on 13-14 March 2019 a public consultation took place on possible solutions to the tax challenges arising from the digitalisation of the economy. Over 500 persons participated, representing academia, business - including representatives of global accounting and law firms, and global civil society, such as the Tax Justice Network. A public consultation document describing the proposals discussed by the Inclusive Framework on BEPS was circulated for comment in advance of the meeting via the OECD Centre for Tax Policy’s website, which centralises all requests for stakeholder input on tax matters.¹⁴ In order to promote a constructive exchange of views, the public consultation meeting was organised as a series of panels, inviting discussion on different elements of the proposals, with speakers selected from among those who provided timely written comments. The consultation meeting coincided with the 2019 OECD Going Digital Summit, which helped maximise participation by stakeholders attending the conference.

37. Future actions will focus on developing more efficient processes for consultation, including a centralised online platform for public consultations (see Box 2.1).

Box 2.1. Online Platform for Public Consultation

The OPSI public consultation on the draft Declaration on Public Sector Innovation was managed on the OPSI website, which had a dedicated landing page and blog content, and was integrated with an online consultation platform that handled the intake of feedback. Based on lessons learned from its public consultation, and an observed demand from governments and OECD teams, the Secretariat is working on developing and testing the inclusion of a consultation platform as a centralised tool that could be used across governments and the OECD to conduct public consultations, and which could be completed by the 2020 MCM.

¹⁴ <http://www.oecd.org/tax/planned-stakeholder-input-in-oecd-tax-matters.htm>

2.5. Next steps

38. The standard-setting review has served as a major catalyst for committees across the OECD to review and update their standards and has also served to identify important new areas where new OECD standards can make a useful contribution. In parallel with the implementation by committees of their Standard-Setting Action Plans, work to improve OECD standard-setting processes will continue, building on the progress set out above, and drawing on the key ideas identified in the report to the 2018 MCM as well as on innovations by committees in their work on standards.

39. The strengthened focus on dissemination, implementation, and stakeholder engagement will increasingly generate its own momentum, as more systematic processes for monitoring and review become embedded at all levels of the Organisation. Key initiatives which are in the planning stages, such as the planned peer review Secretariat survey, development of a centralised online consultation platform, a template request for adherence by non-Members providing more detailed information, and a webinar for delegates, will support and catalyse the improvement of standard-setting as the Review progresses. In addition, an important challenge for the Organisation in the future will be to optimise the multi-disciplinary nature of the OECD through joint work between different policy communities to address cross-cutting issues.

40. The focus on how the OECD could do better in setting standards and in ensuring their relevance and impact is more important than ever at a time of greater globalisation and interconnectivity across countries. Continuing to aim high in both the design and implementation of its standards will be critical to maintaining the OECD's value added in levelling the global playing field, increasing international technical co-operation, and implementing shared policy objectives to improve the well-being of citizens.

Annex. Update on New Legal Instruments

I. New Legal Instruments adopted between May 2016 and May 2019

Declaration on Policies for Building Better Futures for Regions, Cities and Rural Areas

DAC Recommendation on the Humanitarian-Development-Peace Nexus

Recommendation of the Council on Countering the Illegal Trade of Pesticides

Recommendation of the Council on Public Service Leadership and Capability

Recommendation of the Council on the OECD Due Diligence Guidance for Responsible Business Conduct

Recommendation of the Council on Sustainable Lending Practices and Officially Supported Export Credits

Recommendation of the Council on Global Events and Local Development

Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth

Recommendation of the Council on Open Government

Recommendation of the Council on the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

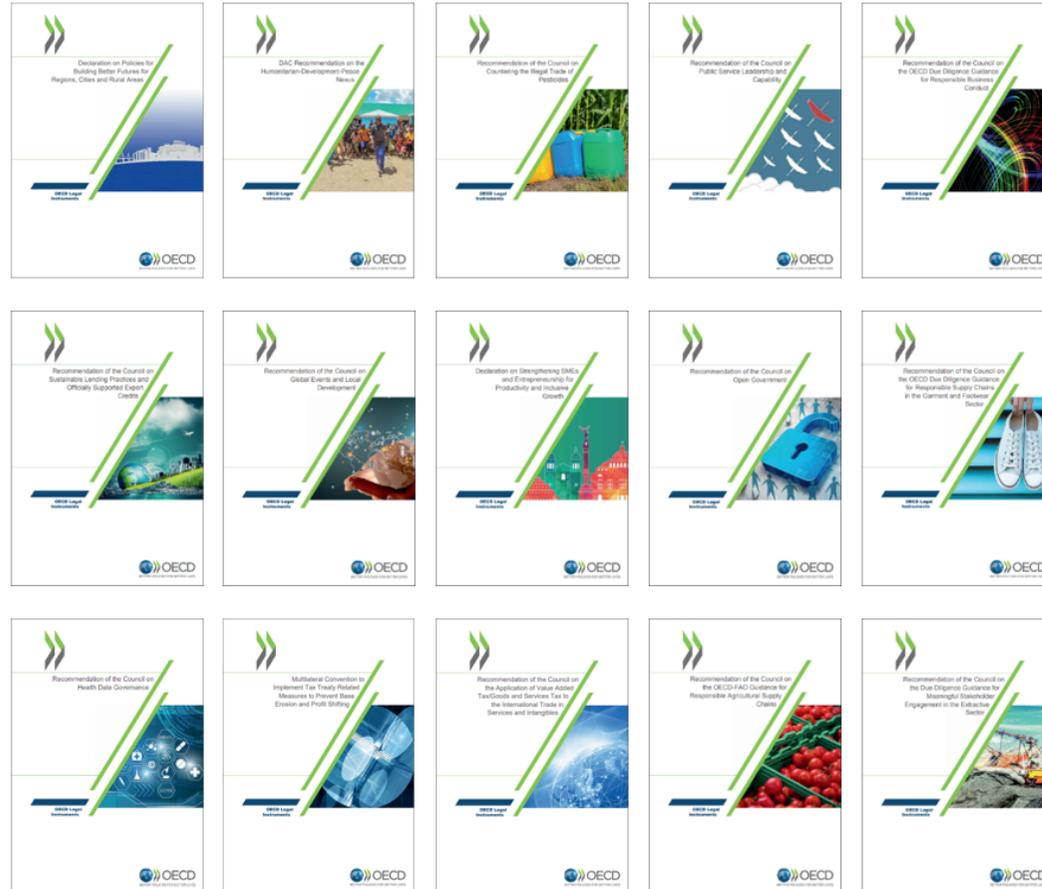
Recommendation of the Council on Health Data Governance

Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting

Recommendation of the Council on the Application of Value Added Tax/Goods and Services Tax to the International Trade in Services and Intangibles

Recommendation of the Council on the OECD-FAO Guidance for Responsible Agricultural Supply Chains

Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector



II. New Legal Instruments proposed for adoption at the 2019 MCM:

Legal Instrument	Status
Draft Recommendation of the Council on Artificial Intelligence	Following discussions that took place during four meetings of the Expert Group on Artificial Intelligence in Society in late 2018/early 2019, the draft Recommendation was approved by the Committee on Digital Economy Policy at its 14-15 March 2019 meeting [DSTI/CDEP(2019)2/REV1] and has been transmitted to Council for possible adoption at the 2019 MCM [C/MIN(2019)3].
Draft Recommendation of the Council on Guidelines on Anti-corruption and Integrity in State-owned Enterprises	The draft Recommendation was approved by the Working Party on State Ownership and Privatisation Practices (WPSOPP) at its 12 March 2019 meeting [DAF/CA/SOPP(2019)1] and by the Corporate Governance Committee by written procedure on 26 March 2019 [DAF/CA/SOPP(2019)1/REV1]. It has been transmitted to Council for possible adoption at the 2019 MCM [C/MIN(2019)5].
Draft Declaration on Public Sector Innovation	At the 16 April 2019 meeting of the Public Governance Committee (PGC) delegates approved the transmission of the draft Declaration to Council [GOV/PGC(2018)28/REV2] with a view to the Declaration being adopted by individual governments within the context of the 2019 MCM [C/MIN(2019)6].

III. New Legal Instruments in development:

Topic	Status
Draft Recommendation on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones	The draft Recommendation was approved by the Task Force on Countering Illicit Trade at its 18 March 2019 meeting [GOV/PGC/HLRF/TFCIT(2019)2/REV1] and by the High Level Risk Forum on 2 April 2019 by written procedure [GOV/PGC/HLRF/TFCIT(2019)2/REV2]. Following discussion by the PGC at its 15-17 April 2019 meeting [GOV/PGC(2019)32], the substance of the draft Recommendation was agreed and it will be transmitted to Council for possible adoption in due course.
Competitive Neutrality	A discussion on the scope of a possible instrument on competitive neutrality took place at the November 2018 meeting of the Competition Committee's Working Party No. 2 on Competition and Regulation [DAF/COMP/WP2(2018)5]. A discussion of a revised set of principles and the possibility of developing a legal instrument in this area will take place at the Working Party's 3 June 2019 meeting [DAF/COMP/WP2/A(2019)1].
Preventing Sexual Exploitation and Abuse in Development Co-operation	Pillars of a proposed DAC Recommendation [DCD/DAC(2019)10] were discussed by the DAC Senior Level Meeting on 22 February 2019 [DCD/DAC/M(2019)1/FINAL]. There will be a further discussion at the June 2019 DAC meeting, with possible adoption by the DAC Senior Level Meeting in September 2019.
Enhanced Access to Data	The three partner committees (Committee on Digital Economy Policy; Public Governance Committee; Committee for Scientific and Technological Policy) agreed to carry out the Project on Enhanced Access to, and Sharing of, Data (EASD) under two workstreams as described in the Work Plan and Terms of Reference (ToR) [COM/DSTI/CDEP/STP/GOV/PGC(2017)1]. Workstream 1 aimed at (i) strengthening the evidence base on the opportunities and challenges of EASD, and (ii) identifying good practice in governance and, through gap analysis, common policy issues that could be addressed through the development of general principles under Workstream 2. The joint report [COM/DSTI/CDEP/STP/GOV/PGC(2018)1], which was presented to the three partner committees in the second half of 2018, summarises the final output of Workstream 1. Workstream 2 would aim at assuring the coherence of existing OECD guidance on enhanced access to data through the development of general principles that could be embodied in an OECD legal instrument, subject to approval by the partner committees. The Secretariat is currently assessing definitions and concepts used across

Topic	Status
Harmonised Conformity Check for Internet Sales of Fresh Fruit and Vegetables	<p>existing legal instruments to propose general principles addressing the common policy issues and gaps identified under Workstream 1.</p> <p>The 2018 Plenary Meeting approved the two-step action plan proposed by the Sub-working Group [TAD/CA/FVS(2018)4]: (1) determine what type of information needs to be gathered, with a preliminary discussion at the International Meeting Quality Control of Fruit and Vegetables on 25 - 27 March 2019 and (2) discuss possible solutions to tackle the challenges posed by the online trade of fruits and vegetables. [TAD/CA/FVS/M(2018)1]. A Recommendation could potentially be adopted by Council in late 2020.</p>
International Co-operation	<p>The Competition Committee agreed to continue looking for opportunities to improve international co-operation but decided to wait for the results of the monitoring of the Recommendation concerning International Co-operation on Competition Investigations and Proceedings which will start in 2019 before developing a new standard.</p>
Market Studies	<p>The Competition Committee agreed that the existing material on market studies should be consolidated into an OECD publication in 2018. The discussion on whether this consolidation could lead to the development of a new Recommendation will take place at a later stage. A Guide on Market Studies for Competition Authorities was produced by the Secretariat upon request by the Competition Committee [DAF/COMP/M(2017)2], declassified and made available on the OECD website in September 2018.</p>
Urban and Rural Policies	<p>The Regional Development Policy Committee (RDPC) adopted the Principles on Urban Policy [CFE/RDPC/MIN(2019)3] and the Principles on Rural Policy [CFE/RDPC/MIN(2019)4] on 1 March 2019. Ministers welcomed the Principles at the meeting of the RDPC at Ministerial level on 19-20 March 2019 and invited the RDPC to consider transforming the Principles into the form of OECD Recommendation(s) [CFE/RDPC/MIN(2019)5].</p>
Responsible Innovation in Neurotechnology	<p>Draft revised Principles for Responsible Innovation in Neurotechnology were discussed at the 10-11 December 2018 meeting of the Working Party on Biotechnology, Nanotechnology and Converging Technology (BNCT) [DSTI/STP/BNCT(2018)3/REV1]. A further revised draft will be discussed at a drafting Workshop on 15 May 2019, with possible agreement to proceed with the development of an OECD instrument at the BNCT's 16-17 May meeting.</p>
SME Financing	<p>A report on Effective Approaches for Implementing the G20/OECD High-Level Principles on SME Financing was circulated for comments to the G20 Infrastructure Working group in June 2018. The report [CFE/SME(2018)9] was shared with the G20 Finance Ministers and Central Bank Governors at their meeting in Buenos Aires on 21-22 July 2018.</p>
Tourism Collaborative Economy	<p>At its 30-31 October 2018 meeting, the Tourism Committee decided to abrogate the two existing legal instruments under the responsibility of the Committee and replace them with a new consolidated instrument [CFE/TOU/M(2018)2]. Delegates were asked to provide comments on a checklist of proposed elements to retain/abrogate in the updated instrument [CFE/TOU(2018)3/REV1]. Among those countries that have responded, there was strong support for including new elements on the sharing/collaborative economy in the consolidated Recommendation. The consultation period has been extended to allow for consultation with other OECD policy communities and review of other international standards [CFE/TOU(2018)3/REV2].</p>
Transparency and procedural fairness	<p>A first draft Recommendation will be discussed by the Competition Committee's Working Party No. 3 on Co-Operation and Enforcement at its June 2019 meeting [DAF/COMP/WP3/A(2019)1].</p>
Verification of the country of origin of Fruit and Vegetables	<p>At its 5-6 December 2018 meeting, the Plenary Meeting of the Fruit and Vegetable Scheme approved [TAD/CA/FVS/M(2018)1] a revised version of the draft OECD Guidelines on the verification of the country of origin via conformity checks on marketing standards for fruit and vegetables [TAD/CA/FVS(2018)6]. The 2019 Plenary Meeting will discuss possible embodiment of the Guidelines in an OECD Recommendation.</p>