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**THE SECRETARY-GENERAL'S REPORT TO MINISTERS ON OECD
GLOBAL RELATIONS**

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THE SECRETARY-GENERAL'S REPORT TO MINISTERS ON OECD GLOBAL RELATIONS

EXECUTIVE SUMMARY

As interdependencies between nations are becoming increasingly apparent, the importance of the OECD's relations with partner countries is correspondingly growing. Multilateralism is being put to the test by ever rising global challenges such as climate change, technological progress and digital transformation, global value chains, migration, public health, as well as threats to food and energy security, international peace and stability.

In times of instability and complexity, it is crucial that decisions by leaders and policymakers from around the world be grounded in and informed by reliable data, global standards, and good policy practices. This calls for a globally oriented, strategic and influential OECD, where like-minded countries can come together and engage with partners, to level the international playing field, address common challenges and create a future that benefits all. In the past year, the OECD has delivered on its global relations:

- **The OECD responded immediately, with resolve and like-minded unity, to Russia's war of aggression against Ukraine**, and launched an initial accession dialogue with Ukraine. The OECD supported Ukraine as well as the international community in addressing the economic and social consequences of the war and set up the OECD-Ukraine Liaison Office in Kyiv.
- **The current accession processes of Brazil, Bulgaria, Croatia, Peru, and Romania are transformative** in their nature and promote the adoption of the Organisation's standards and best practices, further consolidating the OECD's regional and global influence. There is an ongoing dialogue with Argentina following the Council decision on 25 January 2022.
- **The Indo-Pacific region has been confirmed as a strategic priority**. The development of an OECD Strategic Framework for the Indo-Pacific could help further advance the OECD's impact in the region. The Thailand Country Programme has progressed to its second phase. Further, the OECD Southeast Asia Regional Programme (SEARP) held two Ministerial Conferences in the region, focusing on important themes of collaboration such as fostering a human-centric, green and inclusive future, and establishing resilient and sustainable supply chains through regional partnerships.
- **The OECD's ongoing dialogue with Key Partners such as China, India, Indonesia and South Africa** is progressing and complementing the bilateral efforts of Member countries to encourage their alignment with OECD standards and good practices in areas such as climate change, tax, corporate governance, education, development co-operation, food security, health, responsible business conduct, and trade in services.
- **Work on the new OECD-Africa Partnership has started** as a platform for mutual learning. The Partnership will help realise Africa's considerable potential and responding to calls from African leaders for enhanced participation in the multilateral co-operation system.
- **Regional Programmes covering Eurasia, Latin America, the Middle East and North Africa, and Southeast Europe have adapted effectively to respond to key**

regional challenges, including the continued effects of the COVID-19 pandemic and the economic impacts of Russia's war against Ukraine. Regional Programmes have placed a stronger focus on climate and green growth and held Regional Ministerial level Meetings in 2022, demonstrating the OECD's relevance and visibility around the world.

- **Strategic engagement with global fora** such as the G7, the G20, APEC, and international organisations including the UN, has allowed the OECD to keep disseminating its standards globally – in a challenging context – and promote a level playing field, mitigating the risk of competing standards. Emerging economies have also been better integrated into the thematic and horizontal work of the OECD, including on climate, connectivity and digitalisation.

As the global community navigates a pivotal decade for the rules-based international order, the OECD's openness and inclusiveness – therefore its relationship with partner countries – will be essential for the Organisation's future relevance and impact. The OECD's global relations should be guided by mutual benefits and a sense of shared responsibility, in line with high standards of economic and public governance that benefit both its Members and partners.

THE IMPLEMENTATION OF GLOBAL RELATIONS PRIORITIES

1. GLOBAL RELATIONS IN A CHANGING GLOBAL ENVIRONMENT

1. Since the beginning of this decade, the global environment has undergone significant changes that have highlighted the unprecedented interdependence of nations. Russia's unprovoked and illegal war of aggression against Ukraine has added an additional layer of uncertainty to an already challenging global context. Despite the surprising resilience of the global economy, growth prospects for 2023 remain modest, and many OECD Members and Partners are grappling with high inflation, and historically high levels of debt and fiscal deficit. Notwithstanding potential differences among countries, multilateralism is needed in the face of lower budgetary capabilities and tightened monetary policy, compounded by growing climate, health, migration, trade, digital, food and energy challenges.
2. The outlook for the global economy over the next two years is imbalanced and fragile, with projected growth slowing to 2.6% in 2023¹ and recovering moderately to a still sub-par 2.9% pace in 2024. Growth in 2023 will be heavily dependent on the major Asian emerging market economies, which will account for close to three-quarters of global GDP growth. In parallel, many developing countries will be confronted with significant debt default risks. The co-operation and action of advanced, emerging and developing economies is thus crucial. The OECD, as an increasingly important dialogue platform between countries at all stages of development, has significant responsibility and potential to shape solutions to global issues in a way that serves both Members and partners. Global relations and global partnerships with relevant partner countries and organisations around the world have become a condition of the OECD's relevance and impact.

¹ OECD (2023), OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery, OECD Publishing, Paris, <https://doi.org/10.1787/d14d49eb-en>

3. It is critical to restore public confidence in the value of global economic relationships and multilateral approaches to addressing shared challenges. The OECD continues to expand its relations with partner countries as well as its engagement with the G7, G20, APEC, and other international fora, to promote the global dissemination of OECD standards and to ensure a fair playing field. It is equally important to collaborate closely with other international and regional organisations, including the United Nations system, to support collective policy action and synergies on new and emerging issues, while mitigating the risks of duplication and competing standards. While the OECD does not seek to become a universal organisation, co-operation between Members and Partners is essential to address the profound effects of current crises on economies and societies. It is precisely in times of instability and complexity that the decisions of leaders and policymakers from around the world must be grounded in and informed by reliable data, global standards, and best policy practices.
4. To gather ever more countries in peer dialogue underpinned by evidence-based analysis and deliver on its mission to foster global economic growth and well-being, the OECD is launching a new Partnership with Africa and considering a new Indo-Pacific Strategic Framework. As many countries are also facing the consequences of COVID-19 and the war in Ukraine, the OECD is also stepping up engagement with Eurasia, Latin America and the Caribbean, the Middle East and North Africa, and South East Europe. Global prosperity and the livelihoods of millions of people around the world will depend on the ability of the international community to work in unison on a range of policy goals. With its horizontal approach to development, spanning a range of bodies including its Development Cluster and many other committees, the OECD can address critical policies for more trade and investment, as well as domestic resource mobilisation, thereby significantly contributing to this effort.

2. KEY ACHIEVEMENTS OF THE OECD GLOBAL RELATIONS IN 2022-2023

5. The Organisation made significant progress in its global relations efforts, leading to:
 - i) Enhanced reach and impact of OECD standards through effective engagement with the G7, G20, APEC and the United Nations system;
 - ii) Effective engagement with Key Partners based on shared interests and mutual benefits;
 - iii) Growing policy relevance in regions and countries around the world.
6. Through engagement beyond its Membership, the OECD has enriched policy-making and standard-setting across the world and delivered more than 500 major reports, country surveys, and peer reviews annually. The adherence of partner countries to OECD legal instruments² has more than doubled over the past decade, from 405 in 2012 to 1026 today.

I. *Enhanced reach and impact of OECD standards through effective engagement with the G7, G20, APEC and the United Nations system*

7. The OECD continued to leverage the synergies between its global relations work and the support for global fora. The Organisation's contribution to the **G20** in 2022, under the Indonesian Presidency, provided substantive inputs into the G20 Working Groups. This

² Note that most Adherents are countries that are closely engaging with the OECD, namely the Organisation's accession candidate countries, Key Partners, other G20 non-OECD Members, former, current or prospective country programme partners; and partners actively engaging in other country-specific or regional approaches.

supported many significant outcomes of the Indonesian Presidency and the Bali Summit, including the re-affirmation of Leaders' commitment to implement the two-pillar solution to the tax challenges arising from the digitalisation of the economy, including the minimum taxation of multinational enterprises and the taxation of their profits according to the jurisdictions in which they operate. There was also the recognition at Leaders' level – and through the Finance Ministers' agenda – of a range of OECD initiatives and projects, including the Inclusive Forum on Carbon Mitigation Approaches (IFCMA) in the list of multilateral initiatives on “G20 Action for Strong and Inclusive Recovery” annexed to the Leaders' Declaration. Leaders also looked forward to enlarging participation in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions [[OECD/LEGAL/0293](#)] (“OECD Anti-Bribery Convention”) and acknowledged the creation of the Global Blended Finance Alliance, a policy area the OECD has actively contributed to this year, leveraging the OECD DAC Blended Finance Principles. The OECD also made significant contributions to the G20 agenda in other key areas, including financing for the clean energy transition, monitoring progress towards gender equality, updating the G20 Skills Strategy and promoting the interoperability of health systems.

8. The Organisation's engagement with the **G7** under the Presidency of Germany also bore substantial fruit. At G7 Ministerial meetings and the Elmau Leaders' Summit, OECD contributions were delivered and acknowledged in areas such as gender (the Gender Gaps Dashboard), employment, and sustainability and resilience of global value chains. A fruitful co-operation has also continued in the context of Japan's 2023 G7 Presidency, including with regard to climate change, supply chain resilience, gender and emerging technologies.
9. The Secretary-General's participation in the meeting of **APEC** Foreign Affairs and Trade Ministers, as well as the APEC Finance Ministers Meeting, enabled the recognition of OECD-led initiatives in the Ministerial statement. OECD contributions were also made possible in areas such as: Structural Reform and a Green Recovery from Economic Shocks; Agile Governance and Innovation; Sustainable Corporate Governance Practices; Responsible Business Conduct and sustainable investment; and Regulatory Environment of Services Trade in the APEC Region (with the expansion of the pilot APEC Index).
10. The OECD Office in New York facilitated the negotiation and adoption by consensus of a UN General Assembly Resolution on Co-operation between the United Nations and the OECD. This Resolution profiles the contribution of the OECD to major global agendas, encourages further global uptake of OECD work, and acknowledges the role of OECD regional initiatives. By ensuring consistent co-ordination with OECD Member representatives at the UN Headquarters, the New York Office contributed to enhancing coherence in OECD Members' positions at the UN on issues including international taxation³ and development in the wake of Russia's war of aggression against Ukraine. It also provided successful advocacy on the ground, which resulted in prominent OECD roles in UN forums throughout 2022 as well as prominent references to OECD standards in resolutions of the UN General Assembly.

³ E.g. General Assembly Resolution on "Promotion of Inclusive and Effective Tax Cooperation at the United Nations" (A/RES/77/244)

II. Effective engagement with Key Partners based on shared interests and mutual benefits

11. The OECD further consolidated engagement with its Key Partners – Brazil, China, India, Indonesia and South Africa. Co-operation progressed in a flexible manner based on Members’ shared interests and mutual benefits, encouraging each Key Partner to participate actively in the relevant work of OECD bodies, align with OECD standards, and discuss mechanisms for identifying mutually beneficial work priorities.
12. The OECD has continued to engage with **China** to address issues of shared international concern, such as climate change and the net-zero transition, biodiversity loss, the achievement of the Sustainable Development Goals (SDGs), as well as reform of the international tax system. Despite a challenging international context, the OECD has kept carrying out an active dialogue with China, underpinned by its cross-cutting policy expertise and its world-leading standards. Continued engagement with China, including the Secretary-General’s meeting with Chinese Premier Li Keqiang in December 2022, helped ensure China’s participation in the inaugural meeting of IFCMA in February 2023. Dialogue with China has continued to complement OECD Members’ bilateral efforts to encourage China’s convergence with OECD standards and good policy practices in priority areas, including agriculture, chemicals, climate change, corporate governance, development co-operation, education, international tax policy, responsible business conduct, and trade in services.
13. The OECD continued to work on strengthening **India**’s participation in OECD bodies and its alignment with OECD standards, helping build the country’s capacity to address G20 priorities and prepare for India’s G20 Presidency in 2023. The OECD’s G20 engagement has been a key driver of the Organisation’s relations with India through regular contact between the OECD Sherpa and Indian counterparts in the Ministries of External Affairs and Finance. In 2022, the OECD’s overall engagement with India has progressed on issues including the Clean Energy Finance and Investment Mobilisation Programme, a possible India Economic Survey, responsible business conduct in the minerals and textiles sectors, tax, corporate governance, development co-operation, education, and science, technology and innovation. Further nurturing the engagement with India in 2022, the Secretary-General participated in the Raisina Dialogue and the inaugural Kautilya Economic Conclave.
14. In July 2022, the Secretary-General and Indonesian Finance Minister Sri Mulyani Indrawati launched in Bali the fourth Joint Work Programme, guiding co-operation between **Indonesia** and the OECD in 2022-2025. The Programme continues the mutually beneficial partnership with Indonesia by bolstering domestic reform efforts in priority areas of shared interest. It aims to capitalise on Indonesia’s G20 and ASEAN leadership – in 2022 and 2023 respectively – to advance national and regional reform agendas and bring Indonesia closer to OECD bodies and standards. The four Joint Work Programmes⁴ with Indonesia have considerably strengthened the OECD’s relationship with this Key Partner. This has built a well-structured partnership with a coherent whole-of-government approach on the Indonesian side. The OECD Office in Jakarta has supported engagement with Indonesia as well as with ASEAN and other regional partners.
15. The Organisation’s co-operation with **South Africa** remains multi-faceted and solid. In 2022, the OECD engaged closely with South Africa as to finalise the launch of the South Africa - OECD Joint Work Programme, endorsed by President Ramaphosa in early 2023.

⁴ In 2015-2016; 2017-2018; 2019-2021; and 2022-2025.

The OECD also engages with South Africa at the G20 level, including through the Secretary-General's participation in G20 Summits. In 2022, the OECD supported national efforts to promote business integrity, increase institutional capabilities and tackle corruption, while also raising South Africa's awareness of international standards and best practices. A first collective action Roundtable in Johannesburg in May 2022 addressed how collective action and public-private alliances can support national efforts to promote business integrity and combat corruption.

16. Finally, building on decades of close engagement, **Brazil** became the first Key Partner to start the OECD accession process. Brazil has played an active role in supporting the expansion of the OECD's engagement with the broader Latin America and the Caribbean (LAC) region. In June 2022, OECD-Brazil Week in Brasilia, which included a comprehensive OECD-Brazil Forum and the LAC Productivity Ministerial, raised considerable high-level awareness for the Organisation and its impact on Brazil. OECD-Brazil Week 2022 offered a platform for the Secretary-General to kick off the accession process, and for the discussion of key recommendations from 16 recent policy reviews in the framework of a high-level political dialogue in which nine substantive Directorates participated.

III. Growing policy relevance in regions and countries around the world

Transformative reform agendas and regional influence through the accession process

17. While the OECD does not seek to become an Organisation with universal membership, **OECD accession** remains a highly effective way to promote and disseminate the Organisation's standards and best practices, thus consolidating the Organisation's global influence. 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. At the June 2022 MCM, the Accession Roadmaps setting out the terms, conditions and process for accession for Brazil, Bulgaria, Croatia, Peru, and Romania were adopted. The dialogue with Argentina is ongoing. The Secretariat has been providing regular reports on the status of the accession process to Council.
18. For each candidate country the OECD accession process provides an in-depth 360° assessment by more than 24 OECD substantive committees of their legislation, policies and practices against OECD legal instruments and best policies and practices. Covering almost every area of government policy, the OECD accession has proven to be a transformative process and a catalyst for reform, providing powerful leverage for the adoption of major legislative and policy changes across a broad policy spectrum⁵. The accession process for each candidate country is independent, with each candidate evaluated on its own merits and Council only taking a decision on the accession of a candidate country once all substantive committees have concluded their rigorous reviews.
19. Beyond the positive impact of the OECD accession process on the domestic reform agendas of the individual candidate countries, OECD accession also matters at the global and regional levels. The growing engagement of Brazil, Bulgaria, Croatia, Peru, and

⁵ Covering policy areas such as: investment, anti-bribery, corporate governance, financial markets, insurance and private pensions, competition, taxation, environment, chemicals management, public governance, regulatory policy, regional development, statistics, economic and development review, education, employment, labour and social affairs, health, trade, agriculture, science and technology, digital economy, and consumer policy.

Romania in the Organisation's regional programmes will help anchor OECD values, standards, and market-oriented reforms at regional level at a challenging time.

Strategic focus on the Indo-Pacific

20. The **Indo-Pacific** is the most economically dynamic region in the world and is at the forefront of many of the global challenges the Organisation faces, including boosting supply chain resilience, encouraging sustainable and equitable growth, and building and financing quality infrastructure. One of the OECD's strengths is its convening power. The OECD's Southeast Asia Regional Programme (SEARP) provides a platform for mutual learning and the exchange of good practices between policy makers in Southeast Asia and OECD Members through its 13 work streams. These cover tax, investment, regulatory practices, education, skills, SMEs, sustainable infrastructure, trade, innovation, gender, competition, green recovery, and tourism. Importantly, this platform has promoted the convergence of Southeast Asian countries with OECD standards. Since the start of the Programme, adherence of Southeast Asian countries to OECD legal instruments has more than doubled from 28 to 61.
21. The SEARP delivered two Ministerial-level conferences, in February and October 2022. The first, held in Korea, focused on how OECD and Southeast Asian countries could leverage the digital and green transformations to build a smarter and greener **ASEAN**, and accomplish a sustainable and inclusive economic recovery from the COVID-19 pandemic. The Ministerial Conference saw the signing of the OECD-ASEAN Memorandum of Understanding (MoU) and the adoption of a Joint Communiqué which committed OECD and ASEAN countries to further intensify their relationship to bring greater prosperity to the region. The second Ministerial Forum, held in Viet Nam, delivered a strong message that resilience is best promoted through open, transparent, and resilient supply chains. The Forum saw the launch of the OECD-ASEAN MoU Implementation Plan, detailing 35 areas of future co-operation with links to the ASEAN Comprehensive Recovery Framework. The Forum also saw the re-launch of the OECD Southeast Asia Business Network, which contributed a statement to the Forum outlining ten actionable recommendations to strengthen supply chain resilience and enhance collaboration for sustainable economies.
22. The OECD helped co-organise the 5th ASEAN Inclusive Business Summit in October 2022. In partnership with the Economic Research Institute for ASEAN and East Asia (ERIA), the ASEAN Secretariat, all ten ASEAN Member States and the OECD kicked-off the process of the preparation of the ASEAN SME Policy Index 2024. This flagship publication will benchmark the advancement of SME policies across ASEAN.
23. Bilateral relations with countries from the Indo-Pacific have also advanced to strengthen co-operation on issues of mutual interest. In June 2022, the first MoU covering trade policy, environment and sustainability issues was signed as a first step in strengthening the OECD's strategic engagement with **Singapore**. In November 2022, OECD Members agreed to a second phase of the **Thailand** Country Programme. The Programme will build on four pillars: good governance; business climate and competitiveness; social inclusion and human capital development; and green recovery. It will be fully funded by Thailand and have an emphasis on participation in OECD bodies, as well as alignment with and possible adherence to OECD legal instruments.

Support for Ukraine and its immediate neighbourhood in Eurasia

24. The OECD responded swiftly, with resolve and unity, to Russia's war of aggression against Ukraine. The OECD Council immediately condemned the aggression as a clear violation of international law and a serious threat to the rules-based international order, and the OECD proceeded to suspend the participation of **Russia** and **Belarus** in OECD bodies.
25. The OECD took steps to help mitigate the economic and social challenges and risks caused by the war. It started supporting the democratically elected government in **Ukraine** with a view to support reconstruction and recovery efforts and preparing the ground for integrating Ukraine more strongly and deeply into the community of market-based democracies around the world.
26. The OECD provided inputs to the Ukrainian government's National Recovery Plan and prepared substantive materials on Ukraine creating an OECD Ukraine Digital Hub. The Secretary-General and other senior officials participated in numerous international events in support of Ukraine, including the Lugano Conference and many OECD, G7, EU and IMF-World Bank events. The Organisation facilitated strong in-person and online Ukrainian participation in meetings of OECD bodies, including the address of President Volodymyr Zelenskyy to the Meeting of Council at Ministerial Level in June 2022 and Prime Minister Denys Shmyhal's addresses to Council in September and December 2022. The OECD also established its OECD-Ukraine Liaison Office and, following Ukraine's formal request to begin an OECD accession process, started an initial accession dialogue in the form of a dedicated Ukraine Country Programme.
27. As Russia's war unfolded, the **Eurasia** Regional Programme adapted its work programme and outputs to address the challenges facing the wider region. The Organisation delivered more than 30 webinars as well as 16 in-person events around the Eurasia region as well as numerous analytical outputs and publications. A number of these events and publications were devoted specifically to the impact of the war on individual countries and the region. At the same time, the Organisation continued to engage with individual countries in the Eurasia region on the existing programme of work, with analytical work and capacity-building activities focused on delivering reforms in the business climate, digitalisation, and green growth. Planning of the next OECD Eurasia week has advanced.

A new Partnership with Africa and growing impact in the Middle East

28. Members have included co-operation with Africa as one of their main forward-looking priorities of external engagement. The Organisation has advanced considerably towards its growing partnership with **Africa** and the African Union to promote better mutual understanding and stronger co-operation on an equal footing. The importance of this Partnership has been at the core of the 2022 OECD MCM agenda, which was attended by President Macky Sall as former Chair of the African Union. Since then, consultations with a broad range of African stakeholders helped define mutually agreed priorities for co-operation. The partnership will be formalised through a MoU to be signed with the African Union in 2023 and engage Regional Economic Communities (RECs) and national governments. It will respond to calls from African leaders for enhanced participation in the multilateral co-operation system.
29. In 2022, the **MENA-OECD** Initiative on Governance and Competitiveness for Development continued to support the region in designing and implementing relevant

reforms to develop a more efficient and resilient economic and governance model in the context of the recovery from COVID-19 and the war in Ukraine. The Initiative focused on supporting reforms towards more effective governments, a stronger private sector, higher economic diversification, greater digitalisation, and greener economies to promote quality public service delivery and job creation.

30. The activities of the OECD **Egypt** Country Programme started in September 2022 with the aim to bring Egypt closer to OECD bodies and standards while supporting its domestic reform agenda. The Organisation also strengthened its longstanding partnership with **Morocco** with a Phase 2 OECD-Morocco Country Programme, in the context of which Morocco will undergo its first OECD Economic Survey.
31. As part of the EU-OECD Programme on Investment in the Mediterranean, the OECD further advanced the investment agenda of the MENA region. This included organising several public private dialogues on investment at Ministerial level. The MENA-OECD Women's Economic Empowerment Forum continued to be an influential regional platform to meaningfully promote gender equality in the region. The OECD also kept working with Middle East and African economies on enhancing business integrity and anti-corruption standards and good practices to foster a cleaner and fairer business environment.⁶ The 2022 MENA-OECD Business Advisory Board and the MENA-OECD Working Group on Investment and Trade were convened as key platforms to further enhance international and regional collaboration to build more resilient economies in times of uncertainty through improved investment, trade integration and private sector engagement. A platform for co-operation between ILO-OECD-UNDP was established for policy action and discussion on employment formalisation in the MENA region.
32. The **OECD Istanbul Centre** became operational in 2022 and began to play an important role in the implementation of the OECD Global Relations Strategy. Going forward, it will aim to further increase the visibility and impact of the Organisation's work by serving as a global hub for policy support, peer-to-peer learning, and high-level policy dialogue on core issues of global engagement – including climate, trade and investment, connectivity and gender. As a platform for cross-regional work, the Istanbul centre should contribute to enhancing synergies between Regional Programmes. By bringing together policymakers, experts, and practitioners from various regional networks, it should help enhance the dissemination and impact of OECD standards and best practices.

Policy impact in South East Europe

33. The **South East Europe** (SEE) Regional Programme has had substantial impact by assisting the region's economies in identifying priorities for structural reforms and by bringing them closer to both OECD and EU standards. Drawing on its 22-year experience, the Programme gained increased prominence in a rapidly evolving geopolitical environment in the region and promoted a renewed focus on regional co-operation. The OECD's analytical work and policy recommendations have been extensively used for the Economic Reform Programmes and other key national and sectoral strategies of SEE economies. Moreover, the key findings of OECD work have continuously informed the EU's Enlargement Package reports, assessing the Western Balkans' reform progress.

⁶ In particular, the OECD supported multi-stakeholder dialogue and the initiation of collective action communities against corruption with the private sector in Algeria and South Africa and engaged with local universities to promote business integrity into the academic curricula and built capacities of Iraqi officials to fight corruption in the electricity sector and trained MENA law enforcement officers on corruption detection and prevention.

34. The OECD hosted its High-Level Conference on South East Europe under the theme Human Capital Flight – Shaping the Future Together in Paris in May 2022. Amidst a deteriorating economic outlook and evolving political landscape in the region in light of Russia’s war of aggression against Ukraine, the event was a timely opportunity to demonstrate the OECD’s commitment to a deepened partnership with SEE. At the Conference, the OECD launched its report *Labour Migration in the Western Balkans* to inform the discussions and share analytical insights on making the region’s labour markets fit for the future. In July 2022, the Programme’s flagship report, *SME Policy Index: Western Balkans and Türkiye 2022* was released, offering targeted policy analysis and advice on how to best cushion businesses from the effects of external shocks and help them recover post-pandemic. At the Berlin Process Summit in 2022, Western Balkan leaders have endorsed a declaration on clean energy and green transition, in which the OECD’s policy analysis and advice were recognised.

Growing engagement with Latin America and the Caribbean

35. Under the co-chairmanship of Colombia and Paraguay, the OECD **Latin America and the Caribbean (LAC)** Regional Programme started a new cycle and incorporated a new priority on Environmental Sustainability. The transition took place in the context of the 4th Ministerial Summit on Productivity in Brasilia in June 2022. The first Ministerial Summit on Environmental Sustainability will take place in Costa Rica in June 2023. The latest Latin American Economic Outlook (LEO 2022) also focuses on environmental sustainability in LAC, addressing the key challenges and opportunities of the green transition for the region. Six years after its creation, the Programme continues promoting higher policy standards in LAC. By the end of 2022, the total number of adherences to OECD legal instruments by LAC partners was 280, of which 197 (70%) have occurred since the Programme was established.
36. Three OECD reports were launched in January 2023 as part of the EU-OECD joint support to LAC countries in the response and recovery from COVID-19. They provide advice to LAC countries on how to consolidate the resilience of their primary health care systems, on trade policy scenarios and opportunities for greater participation of LAC countries in global value chains in the post-COVID context, and on alternatives for financing the expansion of social protection systems. The *second edition of the SME Policy Index for Latin America and the Caribbean* - now involving countries in the Pacific Alliance, Mercosur, the Andean Community and potentially Central America - was launched in June 2022 in Uruguay together with CAF-Development Bank of Latin America and the Latin American Economic System (SELA). Efforts have been deployed to establish and maintain a technical and political dialogue with Argentina, despite the absence of a full answer to the invitation from the OECD Council to start the accession process.

3. CHALLENGES AND THE WAY FORWARD

37. As the global environment evolves and new challenges arise, OECD Members and partners must work together to ensure a level playing field and uphold the rules based international order.
38. To assert its relevance, the OECD is prepared to further enhance its presence and impact in the Indo-Pacific region, to continue its support for Ukraine, to leverage the potential of the Africa-OECD Partnership, and to further build on its important engagement with

all partner regions and countries from around the world. The Organisation can also play a critical role in ensuring a level playing field in the challenging policy areas of taxation, climate, trade, and investment, while also maximising synergies and aligning partners to avoid competing standards. By bringing together nations beyond its membership the OECD can also play an important role in addressing challenges related to the resilience of regional and global value chains.

39. In light of Russia's war of aggression against Ukraine and the growing strategic importance of the Eurasia region, there is value in bringing Eurasia closer to OECD standards and bodies and Eurasian economies seem interested in engaging with the OECD to that end. The pandemic and Russian war of aggression against Ukraine have prompted many countries in the region, including Moldova in its particularly challenging situation, to seek new ways to address economic and social challenges, making it even more important for the OECD to focus on the Eurasia region by providing relevant policy support.
40. The OECD's contribution to development has been considerable and is becoming particularly crucial at the current juncture, with countries facing challenges pertaining to the effects of the pandemic, high debt, and deficit levels, as well as macroeconomic instability fuelled by the Russian war of aggression against Ukraine. With the tightening of monetary policy to face inflation, the policy space for expansionist policies has been further reduced. The Organisation has considerable potential to help developing countries implement reforms that go beyond Official Development Assistance (ODA) and help enhance domestic resource mobilisation, investment, and climate finance to finance public goods like human and physical capital. Going forward, a horizontal approach to addressing development challenges will be crucial.
41. To further build its global reach, it will be essential for the OECD to continue informing the discussions and outcomes of key international fora, including the G20, G7, and APEC, to ensure coherence with OECD work. It is key also for the OECD to leverage its extensive evidence base, analysis, data, standards, and policy recommendations, including during the 2024 Presidencies of these fora held by the OECD accession candidates Brazil (G20) and Peru (APEC).
42. The accession processes of Brazil, Bulgaria, Croatia, Romania and Peru are expected to continue in line with their respective Accession Roadmaps, leading to transformative reforms in an array of policy areas. The accession processes are also expected to contribute to the dissemination of OECD standards and best practices at regional levels, thus helping anchor OECD values, standards, and market-oriented reforms at regional level at a challenging time.
43. Incorporating perspectives from the Indo-Pacific region into the work of the Organisation will be crucial to the OECD's continued global relevance. To this end, it is key to step up engagement with regional processes and institutions, particularly those led by ASEAN, and demonstrate the value of alignment with OECD standards. A comprehensive strategic framework for the broader Indo-Pacific region could play an important role in driving this engagement.

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44. Russia's unprovoked and illegal war of aggression against Ukraine will continue to fuel uncertainty to an already challenging global context.
45. The growing divergence between China and the fundamental values and principles of the OECD presents challenges that the Organisation will need to duly address. China's concurrent role as a potential partner in addressing issues of shared international concern and an increasingly challenging multi-domain competitor has required the adoption of a multifaceted approach to engagement depending on the areas involved. This approach takes into account the specific challenges arising from China's policy practices and international conduct across policy fields.⁷ Nevertheless, China's post-COVID reopening may present opportunities to advance engagement on specific priority issues, including in areas where China has been less forthcoming over the past years, such as competition, corporate governance of state-owned enterprises (SOEs), or excess capacities in steel and shipbuilding. The OECD could therefore benefit from developing a positive agenda focused on selected priorities and concrete deliverables in areas where the Organisation can realistically promote China's convergence with its standards and good policy practices. A broader and more complex challenge arises from China's ambition to reshape the global governance system. The country's increased sophistication in its efforts to shape international rules and institutions presents a significant challenge. With some efforts overlapping with OECD's work, the Organisation's global relations are set to continue increasing in relevance going forward to ensure the enduring global reach of its standards. In this context, the OECD's engagement with China will remain guided and conducted on the basis of Members' shared values and common interests, reflected in the Strategic Framework for OECD Co-operation with China [C(2021)66]. As such, it will continue to be results-oriented, in line with the principles of transparency and reciprocity, and responsive to emerging challenges and other relevant developments.
46. The context of the war in Ukraine presents a challenge for the OECD. The country is now recognised as a prospective member and is engaged in an initial accession dialogue underpinned by a dedicated Country Programme. Despite wartime conditions Ukraine remains strongly committed to co-operating with the Organisation on policy priorities outlined in the OECD Ukraine Country Programme.
47. The context of Russia's war against Ukraine also shapes the OECD's engagement with the Eurasia and SEE regions. As countries in the region seek to define their own development trajectories, many of them are increasingly turning to the OECD and its Members as important sources of ideas, standards and best practices, offering models of policy and institutional development that differ from those of less like-minded countries. Yet, both regions remain dependent on large neighbouring countries to some extent. Engagement must therefore be strategic and selective, focused on areas where the OECD can indeed promote convergence with its standards and a more level playing field when it comes to investment and trade.
48. Instability in countries across the Middle East and Africa, Latin America, and the Western Balkans may slow down the implementation of measures to mitigate the economic impact of the war and broader structural reforms. To address these challenges, the OECD will continue to implement its regional programmes, addressing regional needs and development priorities while taking into account intra-regional diversity and providing targeted approaches to help individual countries advance towards a

⁷ See OECD-China Engagement – Proposed Ways Forward [C(2022)140]

sustainable, inclusive and digital future. The Organisation will also keep addressing areas in which the rights of women and marginalised groups are not consistently implemented.

49. Addressing challenges regarding the global implementation of OECD projects such as Base erosion and profit shifting (BEPS) and the Inclusive Forum for Carbon Mitigation Approaches (IFCMA) will be crucial. The OECD will need to demonstrate the value of these initiatives to its partners with a view to avoiding competing approaches and standards. As climate change is increasingly recognised as a critical foreign policy and stability challenge of the current century, further analysis of the geopolitical issues raised by climate change and climate collaboration could be considered. This could involve a more thorough assessment of how climate risks can undermine development gains and further exacerbate global inequality between OECD and non-OECD countries, thereby paving the way for more trust and collaboration.
50. The OECD is committed to driving global prosperity and delivering value to its Members through promoting alignment with its values, standards and best practices by its partner countries. As outlined in the OECD Global Relations Strategy, an effective and strategic central co-ordination of the Organisation's global relations and co-operation efforts is critical – and the External Relations Committee, supported by the Global Relations and Co-operation Directorate (GRC) will continue to play an important role in this regard. Members may thus wish to consider ways to tackle a key challenge in implementing the OECD's Global Relations Strategy, which pertains to the funding of the co-ordination role of the Global Relations and Co-operation Directorate. The gap between stable funding and voluntary contributions affects the ability of the Global Relations and Co-operation Directorate to carry out its core activities to the desired extent. Addressing this challenge will strengthen the OECD's global relations efforts and position the Organisation for greater global influence and impact.

Annex A: Delivering on OECD Global Relations Tools in 2022-2023

Future membership and accession to the OECD

Ongoing accession discussions
<p style="text-align: center;">Main Deliverables</p> <ul style="list-style-type: none"> On 25 January 2022, the Council decided to open accession discussions with six candidate countries to OECD membership – Argentina, Brazil, Bulgaria, Croatia, Peru and Romania. Roadmaps for the Accession processes of Brazil, Bulgaria, Croatia, Peru and Romania have been adopted. Missions to the capitals to kick-off the respective accession processes were held in 2022. This was followed by Brazil, Bulgaria, Croatia and Romania submitting their Initial Memoranda in 2022, marking the start of the technical review processes by OECD committees. Discussions with Argentina are ongoing. Argentina, Brazil and Peru remain strongly engaged in the activities of the OECD LAC regional programme, while Bulgaria, Croatia and Romania have been actively engaging with the OECD South East Europe (SEE) and Eurasia Regional Programmes. Moreover, in alignment with its foreign policy priorities with OECD global relations efforts, Romania provided financial voluntary contributions to support the OECD’s regional work in SEE and Eurasia, with a focus on Moldova and Ukraine, and supported OECD work with Africa.
<p style="text-align: center;">Outcomes and impact</p> <ul style="list-style-type: none"> The accession process will be a transformative process for the candidate countries and will continue to contribute to the dissemination of OECD standards and best practices at regional levels, thus helping anchor OECD values, standards, and market-oriented reforms at regional level at a challenging time.

Prospective member

Ukraine
<p style="text-align: center;">Main Deliverables</p> <ul style="list-style-type: none"> High-level mission of the OECD Secretary-General to Kyiv, Ukraine on 28 February 2023 to meet with President Zelensky and Prime Minister Denys Shmyhal as well as other members of the government to deliver the OECD’s message of support to Ukraine and to open the OECD-Ukraine Liaison Office to Kyiv. Participation of Secretary-General and targeted OECD policy briefs to support thematic discussions at the Ukraine Recovery Conference in Lugano in July 2022. Participation of the OECD in the Multi-Agency Donor Coordination Platform for Ukraine steering committee co-chaired by the US, EU and Ukraine. The OECD was the only non-financial institution invited. Preparation of a 90-page OECD report on draft National Recovery and Development Plan of Ukraine per Prime Minister request. Thematic OECD reports on Ukraine, such as Rebuilding Ukraine by Reinforcing Regional and Municipal Governance (2022) and Market Study of the Electricity Sector in Ukraine (<i>forthcoming</i>, 2023). Participation of Secretary-General and substantive input to the Ukraine Coordination Platform proposal presented by the Government of Ukraine at the Conference on the Recovery, Reconstruction and Modernisation of Ukraine in Berlin in October 2022. Facilitation of Prime Minister Denys Shmyhal’s online address to Council in September 2022 and his in-person visit to the OECD and address OECD Members in Council in December 2022. Preparation of the OECD Country Programme for Ukraine in close consultation with the Government of Ukraine and all OECD Directorates.
<p style="text-align: center;">Outcomes and impact</p> <ul style="list-style-type: none"> Strong and consistent expression of political and technical support of the OECD to Ukraine and clear role for the OECD in Ukraine’s recovery and reconstruction. Improved substance of Ukraine’s National Recovery and Development Plan through targeted OECD input on priority policy areas and aligning planned reforms with international standards such as the creation of a tax system for attracting private capital to rebuild the country. Increased engagement of Ukraine in meetings of OECD bodies and events both in person and online, including at Ministerial level. Support for Ukrainian refugees and displaced persons, with particular focus on education and employment continuity. Recognition of Ukraine as Prospective member following Ukraine’s official request for accession. Launch of an initial accession dialogue with Ukraine in the form of a dedicated Country Programme.

Key Partners

Brazil
Main Deliverables (outside the accession process)
<p>Main publications:</p> <ul style="list-style-type: none"> • Active with Brazil (2022) • Centre of Government Review of Brazil: Toward an Integrated and Structured Centre of Government, Regulatory Reform in Brazil, Open Government Review of Brazil: Towards an Integrated Open Government Agenda (2022) • Sustainability Policies and Practices for Corporate Governance in Brazil (2022) and Digital Trade Review of Brazil (2022) • Supporting an inclusive and sustainable recovery in Brazil (forthcoming, 2023)
<p>High-level events:</p> <ul style="list-style-type: none"> • OECD-Brazil Week (2022)
<p>Other contributions:</p> <ul style="list-style-type: none"> • OECD-Brazil Transfer Pricing Dialogue supported by the UK • Ongoing Economic Survey, forthcoming second semester 2023 • Webinar on Sustainable Integration to the Global Economy of Agricultural and Industrial Services • Webinar on Levelling the Playing Field for Sustainable Integration to the Global Economy of Agriculture and Industry • Seminar on Sustainable Economy in the context of Brazil's 200th Independence Anniversary
Outcomes and impact
<ul style="list-style-type: none"> • The OECD tangibly impacted Brazilian policy making through close cooperation leading to the adoption of a decree aligning the country's transfer pricing policies with OECD Transfer Pricing Guidelines and supported work towards adherence of Brazil to the OECD Codes of Liberalisation [OECD/LEGAL/0001 and OECD/LEGAL/0002], thus helping modernise Brazil's foreign investment framework.
China
Main Deliverables
<p>Main publications:</p> <ul style="list-style-type: none"> • Economic Survey of China 2022 (2022)
<p>High-level events:</p> <ul style="list-style-type: none"> • In-person participation of the Secretary-General at the "1+6" Roundtable with Premier Li Keqiang in December 2022. Bilateral meetings with the Premier, Minister of Finance and Vice-Minister of Commerce
<p>Other contributions:</p> <ul style="list-style-type: none"> • Continued co-operation on international tax policy through China's memberships of the Inclusive Framework on BEPS and the Global Forum on Transparency and Exchange of Information for Tax Purposes. China ratified the Multilateral BEPS Convention in early 2022, entering into force for China and Hong Kong,(China) on 1 September 2022. • Continued dialogue on China's potential adherence to the two OECD legal instrument supporting the OECD Mutual Acceptance of Data in the Assessment of Chemicals (MAD) system [OECD/LEGAL/0194 and OECD/LEGAL/0252], and the Decision Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade [OECD/LEGAL/0308] ("OECD Seeds Schemes").
Outcomes and impact
<ul style="list-style-type: none"> • Promoted stronger engagement with China in priorities areas such as climate change, as highlighted by the attendance of a large delegation from China at the inaugural meeting of the Inclusive Forum for Carbon Mitigation Approaches (IFCMA) in February 2023. • Ensured continued stronger data gathering and policy analysis of China through better integration of the country in OECD flagship publications and indicators.

India
Main Deliverables
Main publications: <ul style="list-style-type: none"> • Responsible Business Conduct in the State-Owned Enterprise Sector in Asia (2022) • Clean Energy Finance and Investment Roadmap of India (2022)
High-level events: <ul style="list-style-type: none"> • SG Keynote speeches at the Kautilya Economic Conclave in New Delhi (July 2022) and at the Raisina Dialogue in New Delhi (March 2022) • 1st Sherpa Meeting of India's G20 Presidency (December 2022)
Other contributions: <ul style="list-style-type: none"> • Contributions to India's G20 Presidency in 2023
Outcomes and impact
<ul style="list-style-type: none"> • Deepened India's participation in OECD bodies and alignment with OECD standards, as well as inclusion of India in OECD flagship publications has been bringing India closer to the OECD. • Supported India's clean energy transition through the OECD Clean Energy Finance and Investment Mobilisation (CEFIM) programme. • Contributed to a more inclusive, rules-based, open and strengthened global economy through support to India's G20 Presidency.

Indonesia
Main Deliverables
Main publications: <ul style="list-style-type: none"> • A Review of Indonesian Emigrants (2022) • Report on assessing the progress of Indonesia's financial institutions towards the clean energy transition (2022)
High-level events: <ul style="list-style-type: none"> • Signing Ceremony of the OECD-Indonesia Joint Work Programme 2022-2025 (July 2022) • SG participation in G20 Leaders' Summit in Bali, Indonesia (November 2022) • Asia-Pacific Network on Corporate Governance of State-owned Enterprises in Jakarta (December 2022)
Other contributions: <ul style="list-style-type: none"> • Contributions to Indonesia's G20 Presidency in 2022 and to Indonesia's ASEAN Chair in 2023
Outcomes and impact
<ul style="list-style-type: none"> • Fourth Joint Work Programme (2022-25) with Indonesia launched in July 2022 to ensure structured and strategic co-operation. • Inclusion of OECD best practices and contribution in the G20 Bali Leaders' Declaration in November 2022. • The implementation framework for industry's net zero in Indonesia built on the OECD Sustainable Infrastructure in Asia Project (SIPA) and OECD Clean Energy Finance and Investment Mobilisation (CEFIM) programme

South Africa
Main Deliverables
Main publications: <ul style="list-style-type: none"> • OECD Economic Survey: South Africa 2022 (2022)
High-level events: <ul style="list-style-type: none"> • Signature and launch ceremony of the South Africa – OECD Joint Work Programme (2023) • Presentation of the OECD Economic Survey: South Africa 2022 (2022)
Other contributions: <ul style="list-style-type: none"> • Informal Reflection Group on South Africa to raise awareness of OECD Delegates and officials on trends in South Africa. • Enhanced involvement of South Africa in strategic OECD work, including the MCM, IFCMA; South Africa's possible adherence to the OECD Codes of Liberalisation [OECD/LEGAL/0001 and OECD/LEGAL/0002]; and, participation in OECD bodies. • Co-ordination with South Africa to support of the OECD-Africa Partnership and engagement with the African Union, SADC and the AfCFTA Secretariat. • Promoted business integrity in South Africa through Project "Fair Market Conditions for Competitiveness"
Outcomes and impact
<ul style="list-style-type: none"> • Better understanding by the OECD of conditions in South Africa and engagement with the country and Africa more broadly; as well as co-ordinated targeted work streams through the South Africa - OECD Joint Work Programme.

Regional and country-specific approaches

Eurasia
Main Deliverables
<p>Main publications:</p> <ul style="list-style-type: none"> • Assessing the Impact of Russia’s War against Ukraine on Eastern Partner Countries (2023) • Weathering Economic Storms in Central Asia (2022) • Enhancing Investment Promotion in Tajikistan (2022) • An Introduction to Competition Laws and Policies in Uzbekistan (2022) • Greening Debt Capital Markets in the EECCA Region Country Assessment: Uzbekistan (<i>forthcoming</i>) • Promoting Digital Business Skills in Moldova (<i>forthcoming</i>)
<p>High-level events:</p> <ul style="list-style-type: none"> • Regional kick-off of the progress assessment work on the legal environment for business in Central Asia (December 2022) • OECD Eurasia Competitiveness Roundtable “March on Digitalisation”: Peer Reviews of Kazakhstan, Moldova, and Uzbekistan (March 2023) • Second OECD Central Asia Economic Forum in Almaty, Kazakhstan (18-19 May 2023) • Bilateral meeting between the Secretary-General and the President of Kazakhstan, during which the OECD-Kazakhstan MoU was renewed and an Action Plan for its implementation was adopted (30 November 2022) • In-person launch event of the Connectivity 2 project in Astana, Kazakhstan, focusing on trade facilitation and export promotion
<p>Other contributions:</p> <ul style="list-style-type: none"> • Beginning of the 4th round of SBA Assessment / SME Policy Index, in co-operation with EU, EBRD, ETF, UNECE • Support to Eastern Partner countries’ governments to strengthen national institutions for SME digitalisation (Armenia), enhance digital skills (Moldova), digital business transformation (Azerbaijan, Georgia) • Implementation-support webinars on investment attraction, capital market, business climate improvement, the effects of the war, with six Central Asian countries • Friends of Eurasia Enlarged Session on the Impact of Russia’s war against Ukraine (December 2022) • Thematic meetings in the region, including: Summer School on infrastructure sustainability (Kyrgyzstan, September 2022), Training on standards for carbon management (Kazakhstan, November 2022), Roundtable on Green hydrogen development (Mongolia, March 2023)
Outcomes and impact
<ul style="list-style-type: none"> • Positioned the OECD at the fore of the economic and policy analysis of the effects of Russia’s war against Ukraine on Eastern Partner and Central Asian economies. • OECD advice on SME digitalisation garnered attention from governments in all Eastern Partner countries and in Central Asia. Georgia has launched a new programme to support SME digitalisation, drawing on recommendations presented in the 2021 OECD report Beyond Covid-19: Advancing Digital Business Transformation in the EaP Countries and Armenia has developed a draft Action Plan for SME digitalisation, largely on the basis of OECD analysis presented in this report. • Stronger OECD contribution to connectivity-related issues in Central Asia and deepening the engagement with Uzbekistan and Tajikistan. • Provided guidance and strengthened ties with Kazakhstan by informing the development of the low carbon strategy, the establishment of a carbon management certification assessment body and achieving the MoU and Action Plan.

Latin American and the Caribbean (LAC)	
Main Deliverables	
Main publications:	<ul style="list-style-type: none"> • Latin American Economic Outlook 2022, Towards a Green and Just Transition (2022) • Primary Health Care for Resilient Health Systems in Latin America (2022) • Post-COVID-19 Trade Scenarios and Priorities for Latin America (2023) • Towards more universal social protection in LAC: Challenges and policy considerations (<i>forthcoming</i> 2023) • SME Policy Index for Latin America and the Caribbean (<i>forthcoming</i> 2023)
High-level events:	<ul style="list-style-type: none"> • 4th LAC Ministerial Summit on Productivity (June 2022) • 1st LAC Ministerial Summit on Environmental Sustainability (Second semester 2023)
Other contributions:	<ul style="list-style-type: none"> • 2022-2025 LAC Regional Programme Programmatic Document • Expert Workshop on Priorities on Climate Neutrality and Resilience in LAC (31 August 2022) • Regional Policy Dialogue on Climate Finance and Promoting Technological Transfers (18-20 October 2022) • Regional Policy Dialogue on Climate Change and Adaptation (9-10 March 2023) • OECD March on Gender Event: Girls in STEM as a policy objective in LAC (March 2022) • Gender Equality Reviews: Towards a Better Sharing of Paid and Unpaid Work, Peru (June 2022) • Colombia, forthcoming May 2023, Costa Rica and Regional Highlights (<i>forthcoming</i> 2023)
Outcomes and impact	
	<ul style="list-style-type: none"> • Enhanced positioning of the OECD on the environmental sustainability agenda in the region further to productivity, social inclusion and governance throughout the 3rd cycle of the LAC Regional Programme, co-chaired by Colombia and Paraguay. • The LAC Regional Programme further fostered its comprehensive and inclusive nature by welcoming two additional international partners into its Steering Group: the Latin American Social Sciences Faculty (FLACSO), and the Organization of Ibero-American States (OEI). The LAC-DAC Dialogue was also integrated into the Programme. • Enhanced participation and visibility of the OECD in key regional summits - the Summit of the Americas Process, June 2022; in the Ibero-American Summit, March 2023; and the EU-LAC Environmental Ministerial (May 2023) and Summit July 2023.

Middle East and North Africa
Main Deliverables
<p>Main publications:</p> <ul style="list-style-type: none"> • Navigating beyond Covid-19: Recovery in the MENA region (2022) • Youth at the Centre of Government Action: A Review of the Middle East and North Africa (2022) • Delivering and Enabling Impactful Cross-Border Solutions (2022) • Addressing Informality in the MENA region in Times of Shocks (<i>forthcoming</i>, 2023) • Women’s Economic Empowerment and Digitalisation of MENA economies (<i>forthcoming</i>, 2023) • Visions for Recovery in the MENA Region (<i>forthcoming</i>, 2023)
<p>High-level events:</p> <ul style="list-style-type: none"> • MENA-OECD Women’s Economic Empowerment Forum (WEEF) regional dialogue on Making digital a catalyst for women’s employment in the MENA region (March 2022) • MENA-OECD Working Group on Open and Innovative Government (February 2022 and October 2022) • MENA-OECD Working Group on Regulatory Reform and the Rule of Law (March 2022) • MENA-OECD Youth Empowerment Network with the OECD Training Centre on Public Governance in Caserta, Italy (June 2022) • MENA-OECD Platform on Gender Mainstreaming, Governance and Leadership, at the OECD Training Centre on Public Governance in Caserta, Italy (September 2022) • MENA-OECD Business Advisory Board (BAB) (June 2022) • MENA-OECD Working Group on Investment and Trade (November 2022) • High-Level Conference of the project “Support to Enhanced Administrative and Public Economic Governance” in Egypt (February 2023) • Meeting of the MENA-OECD Public Governance Community within the MENA-OECD Governance Forum (May 2023) • Meeting of the MENA-OECD Civil Society Partners within the MENA-OECD Governance Forum (May 2023) • MENA-OECD Steering Committee (May 2023) • MENA-OECD Business Integrity Network (MOBIN) at the OECD Istanbul Centre (Q2/Q3 2023) • Working Group on SME and Entrepreneurship Policy (Q3/Q4 2023) and MENA-OECD Women’s Economic Empowerment Forum (Q4 2023)
<p>Other contributions:</p> <ul style="list-style-type: none"> • OECD-Egypt Country Programme • OECD-Morocco Country Programme • EU-OECD Programme on Investment in the Mediterranean • Project on Fair Market Conditions for Competitiveness and Business Integrity in Algeria and Saudi Arabia • EU-OECD Project on Promoting Public-Private Dialogue in Libya and the EU-OECD Project on Promoting Economic Resilience in Yemen • GIZ-OECD project on Fighting Corruption and Promoting Business Integrity in the Electricity Sector in Iraq • Regional dialogue and bilateral co-operation on five public governance focus areas: open, clean and innovative government (notably with Jordan, Lebanon, Morocco, Palestinian Authority, Tunisia and UAE); machinery of government and public administration reform (notably with Algeria, Egypt, Palestinian Authority, Saudi Arabia and UAE); rule of law and people-centred justice (notably with Egypt and Palestinian Authority); local governance arrangements (notably with Morocco); youth empowerment and gender equality (notably with Tunisia)
Outcomes and impact
<ul style="list-style-type: none"> • Remained at the fore of innovative partnerships with the MENA region, bringing discussions about challenges and policy priorities based on OECD standards and best practices, providing a platform for policy dialogue and peer learning with a view to meet global challenges and to level the global playing field. • Unanimous support from OECD Members for the renewal of the MENA-OECD Initiative for another 5 year mandate.

Southeast Asia Regional Programme	
Main Deliverables	
Main publications:	<ul style="list-style-type: none"> • Supporting Regulatory Reforms in Southeast Asia (2022) • Revenue Statistics in Asia and the Pacific 2022: Strengthening Tax Revenues in Developing Asia (2022) • Enabling sustainable investment in ASEAN(2023) • Economic Outlook for Southeast Asia, China, and India (2023)
High-level events:	<ul style="list-style-type: none"> • OECD SEARP Ministerial Conference (February 2022) • OECD-Southeast Asia Ministerial Forum 2022 (October 2022) • 5th ASEAN Inclusive Business Summit (October 2022)
Other contributions:	<ul style="list-style-type: none"> • MoU with ASEAN (February 2022) • MoU with Singapore Ministry of Trade and Industry (June 2022) • OECD-Viet Nam Action Plan (October 2022) • Second Thailand Country Programme expected to launch in March 2023
Outcomes and impact	
	<ul style="list-style-type: none"> • Enhanced engagement with the region, through high-level regional visibility, strengthened bilateral relationships with SEA countries and regional organisations through MoUs and co-operation agreements. • Joint Communiqué committed the OECD and ASEAN to deepen collaboration on issues such as digital transformation, inclusive and sustainable recovery, and green growth. • Implementation plan of the OECD-ASEAN MoU supports the ASEAN Comprehensive Recovery Framework (ACRF). • Enhanced engagement with the private sector in the region and support for SME policies through the OECD-SEA Business Network, the co-organisation of the ASEAN Inclusive Business Summit and the initiation of the ASEAN SME Policy Index 2024.

South-East Europe (SEE)	
Main Deliverables	
Main publications:	<ul style="list-style-type: none"> • SME Policy Index: Western Balkans and Turkey 2022 (2022) • Labour Migration in the Western Balkans (2022) • Fair Market Conditions for Competitiveness in the Adriatic Region: Country Profiles 2022 for Bosnia and Herzegovina, Croatia, Serbia (2022)
High-level events:	<ul style="list-style-type: none"> • High-Level Conference on South East Europe: Human Capital Flight – Shaping the Future Together (May 2022) • “Resilient Firms: Thriving in Uncertainty” side-event at the Dubrovnik Forum (July 2022) • Seven high-level policy roundtables in the six Western Balkan economies and Türkiye (September 2022) • Collective Action high-level meetings in Bosnia and Herzegovina, Croatia and Serbia, (November 2022) • Participation in the Western Balkan Summit 2022 of the Berlin Process (November 2022)
Other contributions:	<ul style="list-style-type: none"> • Continued high-level policy dialogue activities (e.g., on tax policy reforms) • The Programme’s work informed the Economic Reform Programmes and national/sectoral strategies of the Western Balkans and Türkiye, as well as EU Enlargement Package reports, which assess the EU candidate economies’ reform progress
Outcomes and impact	
	<ul style="list-style-type: none"> • Fostered knowledge exchange and good practices, and equipped policy makers to cushion businesses against external shocks and maximise benefits of labour migration. • Effective OECD support to SEE economies to identify priorities for structural reforms and support aligning with OECD and EU standards. • The leaders’ declaration of the Berlin Process Summit 2022 acknowledged the OECD’s vital support to the region’s green transition.

Co-operation with other international organisations and fora

Engagement with the G20, G7, APEC and the United Nations
Main Deliverables
<p>Main publications:</p> <ul style="list-style-type: none"> • Tax-Co-operation for the 21st Century (2022) • Security of Supply for Critical Raw Materials (2022) • Delivering Climate Mitigation Under Diverse National Policy Approaches (jointly with the IMF) (2022) • Cross-Border Data Flows: Taking Stock of Key Policies and Initiatives (2022)
<p>High-level events:</p> <ul style="list-style-type: none"> • In 2022, the OECD Secretary-General attended the G7 Leaders' Summit in Elmau, the G20 Leaders' Summit in Bali, over ten virtual and in-person G7 and G20 Finance Ministers and Central Bank Governors' Meetings, and the APEC Finance Ministers' Meetings in Bangkok. He also delivered video remarks at the APEC Foreign Affairs and Trade Ministerial Meeting • Deputy Secretary-General Knudsen attended the G7 Trade Ministerial, as well as the G20 Ministerial meetings on Women's Empowerment (virtual); Digital Economy; Education; Agriculture; and Trade, Investment and Industry • Deputy Secretary-General Jones attended the G20 Energy Transitions Ministerial • Deputy Secretary-General Takeuchi attended the G20 Tourism Ministerial (virtual) • Seminar on "Developing the Ecosystem for Sustainable Finance in the Capital Market and Digitalization for Inclusive Finance"
<p>Other contributions:</p> <p><i>Germany's 2022 G7 Presidency (Completed)</i></p> <ul style="list-style-type: none"> • Informed the discussions by Finance Ministers on the economic impact of Russia's large-scale war of aggression against Ukraine. • Provided updates on implementation of the Two-Pillar Solution and prepared the G7 Dashboard on Gender Gaps. <p><i>Japan's 2023 G7 Presidency (Ongoing)</i></p> <ul style="list-style-type: none"> • Contributing to G7 Climate Change Mitigation Working Group discussions and supporting the OECD Inclusive Forum on Carbon Mitigation Approaches. • Providing analysis on critical mineral supply, resilience of clean energy supply chains, and FDI in critical infrastructure. • Preparing next G7 Dashboard on Gender Gaps and informing G7 discussions on range of policy areas. <p><i>Indonesia's 2022 G20 Presidency (Completed)</i></p> <ul style="list-style-type: none"> • Informed discussions on the economic impacts of Russia's large-scale war of aggression against Ukraine. • Updated G20 Members on implementation of the Two-Pillar Solution and OECD initiatives on tax transparency. <p><i>India's 2023 G20 Presidency (Ongoing)</i></p> <ul style="list-style-type: none"> • Informing discussions on the proposed G20 Green Development Pact and the High-Level Principles on Lifestyle for Environment. • Supporting the implementation of G20 Sustainable Finance Roadmap and the G20 Action Plan on the 2030 Agenda. Preparing revised OECD-G20 Principles of Corporate Governance and supporting G20-OECD Infrastructure Investors Dialogue. • Continuing joint OECD-ILO annual monitoring of the Brisbane and Antalya Targets. <p><i>United States' 2023 APEC Host Year (Ongoing)</i></p> <ul style="list-style-type: none"> • Supporting the Senior Officials' Meeting Track through the Economic and Trade & Investment Committees, the Investment Experts' Group, and the APEC Group on Services. • Supporting the Finance Ministers' Process on sustainable finance, digital assets, supply-side economics, and disaster risk financing. <p><i>United Nations</i></p> <ul style="list-style-type: none"> • Representation and support to OECD substantive bodies in their engagement with UN processes, including on sustainable development; Financing for Development; international taxation; gender equality; anti-corruption; local development; and oceans. • OECD engagement work in UN fora in response to relevant global developments.
Outcomes and impact
<ul style="list-style-type: none"> • Helped strengthen the global rules-based economy by disseminating OECD standards and values beyond OECD membership to promote wider understanding of OECD work through UN resolutions giving explicit recognition to OECD standards, best practices and initiatives/projects. • Increased the OECD's visibility in South-East Asia through engagement with Indonesia's G20 Presidency and Thailand's APEC Host Year. • The 2022 G7 Leaders' communiqué: welcomed the OECD Inclusive Forum on Carbon Mitigation Approaches and asked the OECD to help support the Climate Club process; reiterated their strong political commitment to the timely and effective implementation of the Two-Pillar Solution; and welcomed OECD work on the security of supply for critical raw materials. • G20 Leaders' Declaration confirmed their commitment to the swift implementation of the Two-Pillar Solution and welcomed the Crypto-Asset Reporting Framework and amendments to the Common Reporting Standards.

Annex B: Adherence to OECD legal instruments and Participation in OECD bodies

The main objective of the OECD's Global Relations Strategy is to integrate non-Members into the Organisation's work with a view to meet global challenges and to level the global playing field. Adherence to OECD legal instruments and 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' participation in meetings also helps 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.

The number of partnerships and adherences by non-Member countries is growing despite the uncertain global context. Adherence by partner countries to the 268 OECD legal instruments currently in force amounts to a total of 1026 at present. Accession candidate countries, Key Partners and 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) constitute 636 adherences, accounting for 62% of non-Member adherence.

Table 1. Partnerships and Adherences of Selected Partner Countries

Non-Members included in this table were included based on their status as Key Partners, G20 Countries¹, accession candidate countries and selected partners

Country	Partnerships ²			Adherences
	Associate/member	Participant	Total	
Argentina ^{b, d}	13	17	30	57
Brazil ^{a, b, d}	16	22	38	118
Bulgaria ^d	12	9	21	59
China ^{a, b}	7	5	12	10
Croatia ^d	8	5	13	43
Egypt ^c	6	7	13	25
India ^{a, b}	10	11	21	14
Indonesia ^{a, b}	5	5	10	15
Kazakhstan ^c	8	16	24	42
Morocco ^c	10	3	13	34
Peru ^{c, d}	6	12	18	51
Romania ^d	15	6	21	70
Saudi Arabia ^b	4	5	9	7
South Africa ^{a, b}	9	19	28	24
Thailand ^c	5	5	10	10
Tunisia ^e	8	2	10	24
Ukraine ^c	7	5	12	27
Viet Nam ^c	3	1	4	6

Notes: a: Key Partner; b: G20 country; c: Former, current or prospective Country Programme partner; d: Accession candidate country; 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 to review the situation as appropriate [C/M(2022)4, Item 73].

2. These figures include Associate/member status granted in line with the Resolution of the Council on Partnerships in OECD Bodies [C(2012)100/REV2/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.

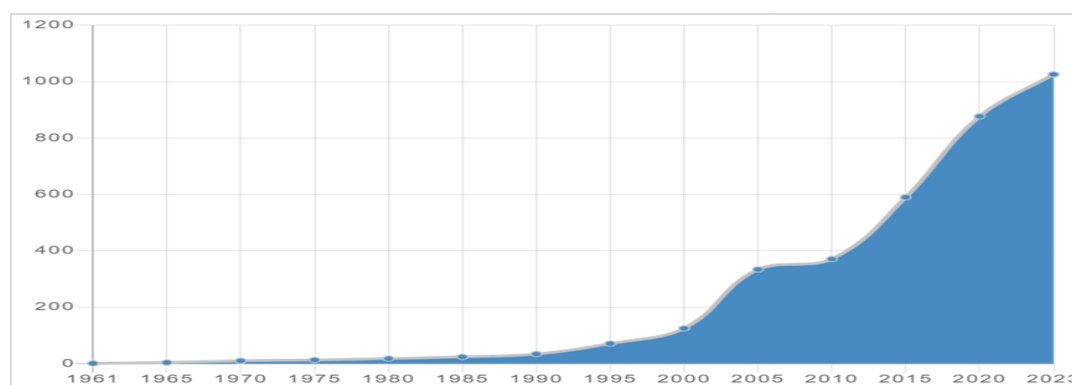
Adherences

Figure 1 illustrates the overall increase in the total number of non-Member adherences across all OECD legal instruments during the past decade. Notably, Key Partners adhered to 14 additional OECD legal instruments over the past year and Accession candidate countries adhered to 65 additional legal instruments.

The following OECD legal instruments are those with the largest number of adherence by non-Members:

- Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [[OECD/LEGAL/0382](#)] (85 non-Members are 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](#)] (43 non-Members are 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

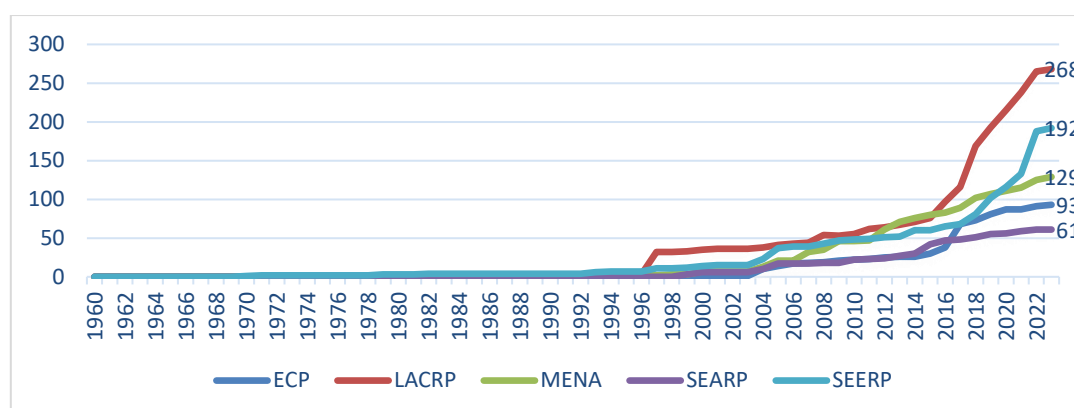


Source: Compendium of OECD Legal Instruments

The dissemination of OECD standards and best practices has increased globally over the past decade, as evidenced by increased adherence to OECD legal instruments across all OECD regional programmes. Figure 2 illustrates the growth of non-Member adherences across the Regional Programmes.⁸ This is further shown by the findings of the second phase of the project *Considering Partners' Convergence with OECD Standards to Level the Global Playing Field* [[ERC\(2022\)5/REV1](#)], which assessed the convergence between partner countries⁹ and OECD standards.

⁸ 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.

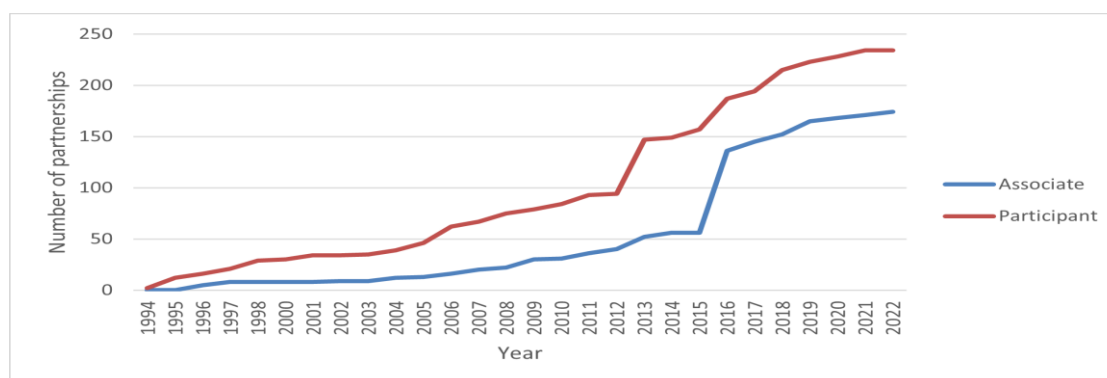
⁹ The countries included are: Argentina, Brazil, Bulgaria, People's Republic of China, Croatia, Egypt, India, Indonesia, Kazakhstan, Malaysia, Morocco, Peru, Philippines, Romania, Singapore, South Africa, Thailand, and Viet Nam.

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

Source: Compendium of OECD Legal instruments

Partnerships

Encouraging partner country engagement and participation in OECD bodies facilitates global policy dialogue, which in turn helps to promote the uptake of OECD standards beyond OECD Members. This provides partner countries with opportunities to benefit from policy insights and participate in discussions with OECD Members in OECD bodies. As such, the participation in OECD bodies forms the backbone of OECD engagement with partner countries. Figure 3 illustrates the growth in the number of partner countries that have been invited to participate in OECD bodies as Participants or Associates.¹⁰

Figure 3. Invitations as Participant or Associate issued since 1994

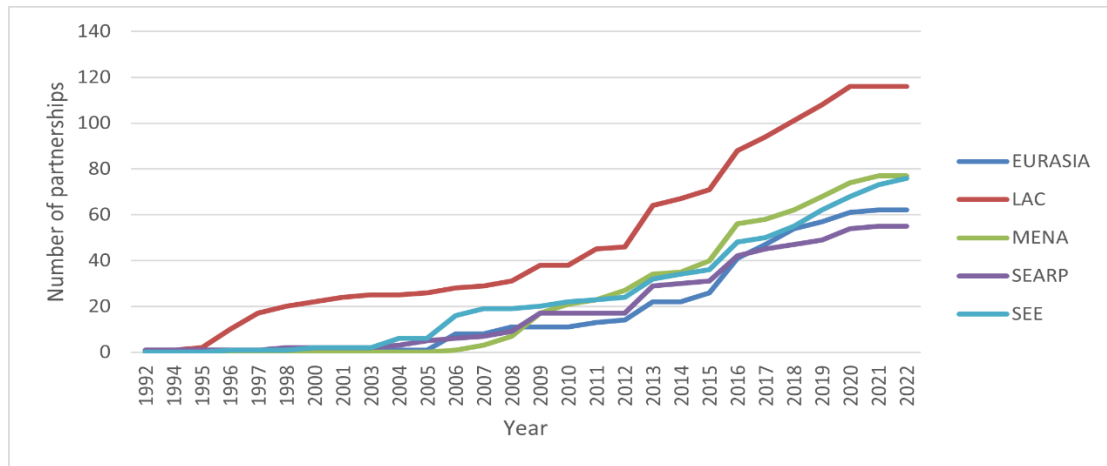
Source: Database of partnerships in OECD bodies

As with adherences, partner country engagement in OECD bodies is geographically dispersed due to the diversity of partner countries invited to participate in OECD bodies. Figure 4 highlights the growing engagement of partner countries that are participating in OECD Regional Programme in OECD bodies as members/Associates and Participants.

¹⁰ Partner countries can be invited to OECD bodies according to three possible forms of Partnership: Associates, Participants and *Invitees* according to the rights and obligations set out in the Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV2/FINAL](#)].

Figure 4. Partnership trends by region

Associates/members and participants



Source: Database of partnerships in OECD bodies