



ACCESSION TO THE OECD:

AN OVERVIEW

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Background

- ❑ Article 16 of the OECD Convention provides that:
Council may decide to invite any Government prepared to assume the obligations of membership to accede to the Convention and thus become a member of the Organisation.

- ❑ Since the OECD's creation in 1961, 15 countries have been invited to become members:
Japan (1964); Finland (1969); Australia (1971); New Zealand (1973); Mexico (1994); Czech Republic (1995); Hungary (1996), Poland (1996), Korea (1996); Slovak Republic (2000); Chile, Estonia, Israel and Slovenia (2010); Latvia (2016).

- ❑ Accession discussions were opened with the Russian Federation on 16 May 2007; on 12 March 2014, the Council decided to postpone all activities related to the accession process of the Russian Federation for the time being.

- ❑ On 29 May 2013, the OECD Council opened accession discussions with Colombia; on 9 April 2015, it opened accession discussions with Costa Rica and Lithuania.



The Accession Roadmap

- ❑ After a decision by Council to open accession discussions, the starting point is the adoption of an “Accession Roadmap” which sets out the terms, condition and process for accession.
- ❑ The Accession Roadmap is a public document and the most recent 2015 Roadmaps are available on the OECD website.
- ❑ The Roadmap sets out the list of OECD Committees mandated to carry out technical reviews of the candidate country and to provide a “formal opinion” to the OECD Council.



Technical Reviews by OECD Committees

- ❑ The OECD accession process can be seen as a 360° in-depth review of the candidate country's legislation, policies and practices.

- ❑ The candidate country is reviewed by around 20 OECD Committees, composed of technical experts from each OECD Member.

- ❑ Some of the key technical committees undertaking accession reviews include:
 - ✓ Investment Committee
 - ✓ Working Group on Bribery in International Business Transactions
 - ✓ Corporate Governance Committee
 - ✓ Committee on Financial Markets
 - ✓ Competition Committee
 - ✓ Environment Policy Committee
 - ✓ Committee on Fiscal Affairs



Technical Reviews by OECD Committees

- ✓ Committee for Scientific and Technological Policy
- ✓ Committee for Information, Computer and Communications Policy
- ✓ Economic and Development Review Committee
- ✓ Committee on Statistics
- ✓ Employment, Labour and Social Affairs Committee
- ✓ Trade Committee and the Working Party on Export Credits
- ✓ Public Governance Committee



Scope of Committee Reviews

- ❑ The technical reviews focus on evaluating two principal elements:
 1. willingness and ability to implement relevant OECD legal instruments
 2. alignment of policies with those of OECD Members

- ❑ Committees may recommend changes to bring the country's legislation, policies or practices into line with OECD instruments or to enhance policy alignment.

- ❑ Committees may also recommend follow-up action after accession and reporting on progress made.

- ❑ In this way, the process can serve as a catalyst for reform and can support the domestic policy agenda.



OECD Legal Instruments

- ❑ The Roadmap requires the candidate country to position itself vis-à-vis all the OECD legal instruments (approximately 250 instruments) at:
 - ✓ the beginning of the process in an “Initial Memorandum” and
 - ✓ at the end of the process in a “Final Statement”.

- ❑ There are different types of legal instruments: legally-binding Decisions e.g. Codes of Liberalisation; Recommendations e.g. Principles of Corporate Governance; Declarations e.g. Investment and Multinational Enterprises; and international agreements negotiated within the OECD e.g. the Anti-Bribery Convention.

- ❑ The country can take different positions: acceptance; acceptance with a reservation or observation; acceptance with a specified timeframe for implementation and, in theory, rejection.



Procedure for Accession Reviews

- ❑ The reviews are based on information provided by the candidate country (position on legal instruments and responses to questionnaires), fact-finding missions and independent research. A detailed report is prepared by the Secretariat to assist the Committee.
- ❑ Accession reviews examine legislation, policy and practice, i.e. both the rules themselves and their implementation and enforcement.
- ❑ An accession review meeting is held including an in-depth discussion with the relevant candidate country. There are usually several rounds of meetings.
- ❑ The Committees may formulate recommendations for changes in legislation, policy and practices in order to move towards OECD standards and best practices.
- ❑ At the end of the process, each Committee adopts a formal opinion for transmission to the OECD Council.



Other Elements of the Accession Process

- ❑ The OECD Convention and all subsidiary instruments relating to the management and functioning of the Organisation must be accepted by the candidate country including those on governance, procedural issues, financial and budgetary matters and staff matters.
- ❑ The candidate country can state its intention to participate in certain optional bodies or programmes e.g. the IEA, NEA, the DAC. If so, the relevant body or programme undertakes its own membership procedure.
- ❑ An appropriate privileges and immunities agreement must be concluded between the candidate country and the OECD.



Final Steps

- ❑ At the end of the process, the candidate country submits a “Final Statement” setting out its acceptance of the obligations of membership and its final position on all OECD legal instruments.
- ❑ On the basis of the Final Statement, the formal opinions of Committees and any other relevant information, the Council decides by unanimity whether to invite the candidate country to become a Member.
- ❑ If positive, an Accession Agreement is signed between the country and the OECD, comprised of the Final Statement and the Council Decision.
- ❑ The candidate country then needs to take domestic steps in order to obtain approval for accession to the OECD Convention.
- ❑ From the date of deposit of the country’s instrument of accession to the OECD Convention, the country becomes an OECD Member.



ANY QUESTIONS?

