



2023 Annual Update on OECD Standard-Setting



Welcomed by Ministers at the OECD Council at Ministerial Level on 8 June 2023 [C/MIN(2023)5/FINAL].

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1. The role of the OECD as a standard-setter was recognised in the 60th Anniversary Vision Statement, where Ministers underlined that “[t]he OECD strengthens, within its mandate, the rules-based international order by developing standards promoting well-being for all” [C/MIN(2021)16/FINAL]. With almost 270 legal instruments currently in force,¹ the OECD has since its creation set landmark and innovative international standards² in a vast array of areas supporting the values highlighted by Ministers in the 2022 Ministerial Council Meeting (MCM) Statement: “democracy and the rule of law, the promotion of human rights, equality, diversity and inclusion, gender equality, the market-based economic principles, an open, free and fair, and rules-based multilateral trading system, transparency and accountability of governments, and the promotion of environmental sustainability” [C/MIN(2022)16/FINAL].

2. This document, prepared by the OECD Directorate for Legal Affairs, presents an annual update on OECD standard-setting activity since the last MCM on 9-10 June 2022.³

1. Standard-Setting Activity from June 2022 to June 2023

1.1. Adoption of New and Updated Legal Instruments

3. The last year represents a high point for OECD standard-setting with a record 30 new or updated legal instruments adopted by the Council including 12 at this MCM (see Table 1). In adopting these instruments, the OECD has demonstrated that it has the ability to quickly broker consensus on standards proposing innovative approaches to current and emerging challenges facing governments. Following the COVID pandemic, the last year also saw a concentration of in-person or hybrid ministerial meetings of committees. These resulted in 6 ministerial declarations setting a high-level shared political vision on topics of strategic importance such as building trust and reinforcing democracy or sustainable agriculture and food systems.

Table 1. New and Updated Legal Instruments for Adoption at the 2023 MCM

New Legal Instruments		Updated Legal Instruments	
<ul style="list-style-type: none"> • Recommendation on the Governance of Digital Identity • Recommendation on Environmental Compliance Assurance • Recommendation on Regional Development Policy • Recommendation on SME Financing • Recommendation on Improving the Gender Balance in the Nuclear Sector 		<ul style="list-style-type: none"> • OECD Guidelines for Multinational Enterprises • Decision on the OECD Guidelines for Multinational Enterprises • Recommendation on Fighting Bid Rigging in Public Procurement • Recommendation on Intellectual Property Rights and Competition • Decision-Recommendation concerning Chemical Accident Prevention, Preparedness and Response • Recommendation on Principles of Corporate Governance • Recommendation on the International Standards for Automatic Exchange of Information in Tax Matters 	
Abrogations	<ul style="list-style-type: none"> • 2 Recommendations in the area of intellectual property rights and competition • 3 Acts in the area of chemical accident prevention, preparedness and response 		

¹ All OECD legal instruments are available on the [online Compendium of OECD Legal Instruments](#).

² OECD standards are all OECD legal instruments as well as other kinds of policy principles and guidelines developed within the OECD framework.

³ The annual updates to the MCM are an outcome of the 2016-2021 OECD Standard-Setting Review: see *Standard-Setting Review: Five-Year Report (2016-2021)* [C/MIN(2021)9].

4. Reflecting priorities set by Members, the 30 new or updated OECD legal instruments adopted over the last year aim to improve outcomes for Members and their citizens with regard to eight key policy challenges that were highlighted in the 60th Anniversary Vision Statement and the 2022 MCM Statement:

<p><i>1. Seizing the opportunities of the digital transformation, while responding to the challenges of the digitalisation, including the need to guard against threats to democracy, digital security and privacy</i></p>	<ul style="list-style-type: none"> • Digital Security Recommendations (4) (new) • Declaration on a Trusted, Sustainable and Inclusive Digital Future (new) • Declaration on Government Access to Personal Data held by Private Sector Entities (new)
<p><i>2. Realising sustainable and inclusive economic growth as well as addressing disparities and inequalities at all levels, in particular in employment, entrepreneurship and education, including at regional level</i></p>	<ul style="list-style-type: none"> • Declaration on Building Equitable Societies through Education (new) • Policy Statement on Moving Beyond the COVID-19 Crisis to a Better Labour Market that Works for All (new) • Recommendation on SME Financing (new) • Recommendation on Regional Development Policy (new) • Recommendation on Improving the Gender Balance in the Nuclear Sector (new)
<p><i>3. Strengthening the resilience of the democratic systems by reinforcing trust in government and democratic participation in public life and addressing rising mis- and dis-information</i></p>	<ul style="list-style-type: none"> • Recommendation on Public Policy Evaluation (new) • Declaration on Building Trust and Reinforcing Democracy (new) • Recommendation on the Governance of Digital Identity (new)
<p><i>4. Ensuring food security, sustainability and affordability</i></p>	<ul style="list-style-type: none"> • Declaration on Transformative Solutions for Sustainable Agriculture and Food Systems (new) • OECD Agricultural Codes and Schemes (4) (update)
<p><i>5. Reinforcing corporate governance and responsible business conduct (RBC) to achieve a global level playing field and contribute to the sustainability and resilience of the economy</i></p>	<ul style="list-style-type: none"> • Recommendation on Principles of Corporate Governance (update) • OECD Guidelines for Multinational Enterprises and Decision on the OECD Guidelines for Multinational Enterprises (updates) • Recommendation on the Role of Government in Promoting Responsible Business Conduct (new) • Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy (new)
<p><i>6. Fostering international co-operation in ensuring tax compliance, as well as exchanging of information, to establish a fairer international tax system</i></p>	<ul style="list-style-type: none"> • Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy (new) • Recommendation on the International Standards for Automatic Exchange of Information in Tax Matters (update)
<p><i>7. Preventing environmental threats through co-ordinated efforts in the development, implementation and enforcement of environmental and chemical policies</i></p>	<ul style="list-style-type: none"> • Decision-Recommendation on Chemical Accident Prevention, Preparedness and Response (new) • Recommendation on Environmental Compliance Assurance (new)
<p><i>8. Improving the competitiveness of markets, while promoting consumer welfare</i></p>	<ul style="list-style-type: none"> • Recommendation on Fighting Bid Rigging in Public Procurement (update) • Recommendation on Intellectual Property Rights and Competition (new) • Recommendation on High-Level Principles on Financial Consumer Protection (update)

5. In developing or updating these standards, the OECD has continued to improve its standard-setting working methods in line with the findings of the *Standard-Setting Review: Five-Year Report (2016-2021)* [[C/MIN\(2021\)9](#), section 3.2] by:

- contributing to the global debate, in particular through the G20, thereby extending the reach and impact of OECD standards and levelling the global playing field;
- enhancing co-ordination across policy communities to ensure a whole-of-government view in OECD standards;
- strengthening stakeholder consultation through interactive discussions and tools to increase relevance and bolster legitimacy of OECD standards; and
- conducting holistic reviews of standards in a specific policy area to ensure that they are comprehensive and up-to-date.

1.2. Supporting Dissemination and Implementation of OECD Standards

6. A key strength of OECD standard-setting are the in-built mechanisms for reviewing the implementation, dissemination and continued relevance of OECD standards. Over the past year, committees and Council have discussed the *Reports on the Implementation of the Recommendations on Core Principles of Private Pension Regulation* [[C\(2022\)156](#)], *on Disaster Risk Financing Strategies* [[C\(2022\)166/REV1](#)], *for Development Co-operation Actors on Managing the Risk of Corruption* [[C\(2022\)175](#)] and *on Establishing and Implementing Pollutant Release and Transfer Registers (PRTRs)* [[C\(2023\)57](#)].

7. Based on the information provided by Members, the common findings of these four implementation reports included the following:

- Adherents and the Secretariat have made efforts to increase the dissemination of OECD standards.
- The implementation of OECD standards leads to concrete impacts on domestic policies.
- Regular reporting on implementation to committees and Council is important to increase the relevance and impact of OECD standards over time.

8. Responding to these challenges, committees have continued to develop innovative tools, practices and working methods to support the implementation and dissemination of OECD standards:

- working on implementation and dissemination strategies and tools quickly after adoption of a new standard;
- supporting the implementation and dissemination through horizontal approaches across OECD policy communities; and
- developing interim stock-taking report at committee level before reporting to Council.

1.3 Continued Relevance of OECD Standards

9. In addition to the regular reporting to committees and Council on the implementation, dissemination and continued relevance of specific OECD legal instruments, the 2016-21 Standard-Setting Review resulted in mechanisms for more regular reviews of the stock of instruments⁴. These mechanisms, as well as new practices, are applied across the OECD:

⁴ See, in particular, *Progress Report on Standard-Setting Review* [[C/MIN\(2018\)11](#)] and *Standard-Setting Review: Five-Year Report (2016-2021)* [[C/MIN\(2021\)9](#), Section 3.2].

- review of the stock of legal instruments as part of the process for the renewal of the mandate of a committee every five years;
- integration of the review of standard-setting activity in In-depth Evaluation (IDE) of committees;
- ad hoc reviews of the continued relevance and impact of OECD standards.

10. More information on the OECD standard-setting activity during the period covered is available in Annex A.

2. Upcoming Work on Standards from June 2023 to June 2024

11. Looking ahead to the year to come, committees are working on the development or update of standards across several key policy areas including:

- The update of OECD standards on environment called for in the *2022 Declaration on a Resilient and Healthy Environment for All* [[OECD/LEGAL/0468](#)] and welcomed in the 2022 MCM Statement. With 45 legal instruments in the environment area – most dating back to the 1970s/80s –, this is an important task considering the pressing need to address the climate crisis.
- The implementation of the *Two-Pillar Solution to Address Tax Challenges Arising from the Digitalisation of the Economy*: finalisation of the negotiations of the Multilateral Convention (MLC) under Pillar One and of the Multilateral Instrument to implement the Subject to Tax Rule (STTR) under Pillar Two.
- The current update of the *Declaration on International Investment and Multinational Enterprises* [[OECD/LEGAL/0144](#)] aiming to provide a complete and up-to-date narrative on investment policy [[DAF/INV/ICD\(2023\)1](#)].
- The update of the *Recommendation on Guidelines on Corporate Governance of State-Owned Enterprises* [[OECD/LEGAL/0414](#)], applying standards to state owned enterprises in line with the recently updated G20/OECD Principles of Corporate Governance [*Recommendation on Principles of Corporate Governance* [OECD/LEGAL/0413](#)].
- The discussion by the Fisheries Committee (COFI) of a draft Recommendation on eliminating government support to illegal, unreported and unregulated (IUU) fishing to identify and encourage best policies and practices.

3. Conclusions

12. The OECD's work on standards remains firmly at the centre of how the Organisation helps countries address the policy challenges they are facing. The unique evidence-based and consensus-building approach to developing standards at the OECD, coupled with the trademark OECD peer review and other implementation mechanisms, are key drivers in the successful take-up and impact of OECD standards. OECD standards are one of the most visible ways in which Members and, in many cases, partner countries, present a common view on pressing policy issues and ensure co-ordinated action to tackle global challenges in our interconnected and digitalised world.

Annex A. OECD Standard-Setting Activity between June 2022 and June 2023

1. New and Updated OECD Legal Instruments

1.1. Addressing Key Policy Challenges through OECD Standard-Setting

1. 30 new or updated legal instruments have been adopted in the period covered.

New and Updated Legal Instruments adopted during the period covered
Decision revising the OECD Scheme for the Application of International Standards for Fruit and Vegetables [OECD/LEGAL/0346]
Decision Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade [OECD/LEGAL/0308]
Decision revising the OECD Standard Codes for the Official Testing of Agricultural and Forestry Tractors [OECD/LEGAL/0334]
Decision-Recommendation concerning Chemical Accident Prevention, Preparedness and Response [OECD/LEGAL/0490]
OECD Guidelines for Multinational Enterprises [OECD/LEGAL/0144]
Decision on the OECD Guidelines for Multinational Enterprises [OECD/LEGAL/0307]
Recommendation on Digital Security Risk Management [OECD/LEGAL/0479]
Recommendation on Environmental Compliance Assurance [OECD/LEGAL/0494]
Recommendation on Fighting Bid Rigging in Public Procurement [OECD/LEGAL/0396]
Recommendation on High-Level Principles on Financial Consumer Protection [OECD/LEGAL/0394]
Recommendation on Improving the Gender Balance in the Nuclear Sector [OECD/LEGAL/0496]
Recommendation on Intellectual Property Rights and Competition [OECD/LEGAL/0495]
Recommendation on National Digital Security Strategies [OECD/LEGAL/0480]
Recommendation on Principles of Corporate Governance [OECD/LEGAL/0413]
Recommendations on Public Policy Evaluation [OECD/LEGAL/0478]
Recommendation on Regional Development Policy [OECD/LEGAL/0492]
Recommendation on SME Financing [OECD/LEGAL/0493]
Recommendation on the Digital Security of Products and Services [OECD/LEGAL/0481]
Recommendation on the Governance of Digital Identity [OECD/LEGAL/0491]
Recommendation on the International Standards for Automatic Exchange of Information in Tax Matters [OECD/LEGAL/0407]
Recommendation on the Role of Government in Promoting Responsible Business Conduct [OECD/LEGAL/0486]
Recommendation on the Treatment of Digital Security Vulnerabilities [OECD/LEGAL/0482]
Declaration on a Trusted, Sustainable and Inclusive Digital Future [OECD/LEGAL/0488]
Declaration on Building Equitable Societies Through Education [OECD/LEGAL/0485]
Declaration on Building Trust and Reinforcing Democracy [OECD/LEGAL/0484]
Declaration on Government Access to Personal Data held by Private Sector Entities [OECD/LEGAL/0487]
Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy [OECD/LEGAL/0489]
Declaration on Transformative Solutions for Sustainable Agriculture and Food Systems [OECD/LEGAL/0483]
Policy Statement on Moving Beyond the COVID-19 Crisis to a Better Labour Market that Works for All [OECD/LEGAL/0477]

2. Reflecting priorities set by Members, the new and updated OECD standards adopted over the last year aim to improve outcomes for Members and their citizens on eight key policy challenges that were highlighted in the 60th Anniversary Vision Statement and the 2022 MCM Statement.

1

Seizing the opportunities of the digital transformation, while responding to the challenges of the digitalisation, including the need to guard against threats to democracy, digital security and privacy

3. The OECD has been a pioneer in the area of digital security over the last 30 years. The new set of *Digital Security Recommendations*⁵ aim to guide policymakers in devising or updating digital security strategies and policies that foster trust and resilience as well as support digital transformation, without inhibiting economic and social prosperity. The Recommendations provide a broad-based and coherent policy framework to strengthen digital security in a way that promotes incentives for innovation and competition and respects human rights and freedoms, in the context of rising malicious cyber activity.

4. The OECD's work on digital economy policy aims to stimulate the growth of an innovative, open, inclusive and trusted and sustainable digital transformation for prosperity. The *Declaration on a Trusted, Sustainable and Inclusive Digital Future* [[OECD/LEGAL/0488](#)] (adopted during the 2022 Committee on Digital Economy Policy (CDEP) Ministerial meeting) embodies a vision for digital transformation that promotes a safe, secure, inclusive and sustainable digital environment, underpinned by the respect for the rule of law, human rights and democratic values.

5. The *Declaration on Government Access to Personal Data held by Private Sector Entities* [[OECD/LEGAL/0487](#)] (also adopted during the 2022 CDEP Ministerial meeting) upholds a set of principles to safeguard privacy and other human rights when governments access personal data held by private sector entities for national security and law enforcement purposes. As the first international standard in this area, it seeks to promote trust in cross-border data flows, a critical enabler of the global economy.

2

Realising sustainable and inclusive economic growth as well as addressing disparities and inequalities at all levels, in particular in employment, entrepreneurship and education, including at regional level

6. In the aftermath of the COVID-19 pandemic, the *Declaration on Building Equitable Societies Through Education* [[OECD/LEGAL/0485](#)] (adopted during the 2022 Education Policy Committee (EDPC) Ministerial meeting) and the *Policy Statement on Moving Beyond the COVID-19 Crisis to a Better Labour Market that Works for All* [[OECD/LEGAL/0477](#)] (adopted during the 2022 Employment Labour and Social Affairs Committee (ELSAC) Ministerial meeting) reflect Ministers' focus on building more equitable and inclusive societies through education and skills and a resilient labour market that offers more sustainable, rewarding and good quality job opportunities to all.

7. Across most OECD Members, SMEs account for nearly all firms, provide over half of all business sector employment and generate over half of all business sector GDP. Despite their important role in the economy, lack of external finance is a longstanding barrier to SME development and, building on the [2022 update of the G20/OECD High-Level Principles on SME Financing](#), the *Recommendation on SME Financing* [[OECD/LEGAL/0493](#)] supports the development of coherent national financing strategies that enhance access to a diverse range of financing instruments by SMEs.

8. Governments around the world have long recognised the important contribution of regions, and the cities and rural areas within them, to national economic performance, well-being, environmental sustainability, and resilience. Recognising that regions within OECD Members vary widely in their economic structure, performance and well-being, while also acknowledging that much of the knowledge

⁵ The Recommendations on Digital Security Risk Management [[OECD/LEGAL/0479](#)], on National Digital Security Strategies [[OECD/LEGAL/0480](#)], on the Digital Security of Products and Services [[OECD/LEGAL/0481](#)] and on the Treatment of Digital Security Vulnerabilities [[OECD/LEGAL/0482](#)].

needed to design and implement a policy for a place is embedded in the place itself, the *Recommendation on Regional Development Policy* [[OECD/LEGAL/0492](#)] provides a comprehensive policy framework to support the design and implementation of effective regional development policies with a view to improve the contribution of all regions to national performance and reduce inequalities between places and between people.

9. Gender equality is a keystone of a prosperous, modern economy that provides sustainable inclusive growth. The OECD has long championed this cause which culminated with the adoption of the two OECD Gender Recommendations in 2013 [[OECD/LEGAL/0398](#)] and 2015 [[OECD/LEGAL/0418](#)]. Building on these Recommendations, the *Recommendation on Improving the Gender Balance in the Nuclear Sector* [[OECD/LEGAL/0496](#)], provides specific guidance for the nuclear sector, which has a deep gender imbalance with persistent cultural bias presenting unique challenges for women.

3

Strengthening the resilience of the democratic systems by reinforcing trust in government and democratic participation in public life and addressing rising mis- and dis-information

10. Governments are increasingly confronted with complex policy challenges that require them to be agile, responsive and resilient in a context of high uncertainty and resource constraints. At the same time, countries are confronted with declining levels of trust in government and institutions, with wide ranging impacts on the effectiveness of public policies. Governments are under increased pressure to show that their use of public resources and the decisions they make translate into desired outcomes, and to implement policies that improve the well-being of people. In this context, the *Recommendation on Public Policy Evaluation* [[OECD/LEGAL/0478](#)] aims to support policymakers in establishing robust institutions and practices that promote the quality and impact of evaluations.

11. The above-mentioned Recommendation is part of a broader effort to “reinforce, promote and strengthen the foundations of democracies” as highlighted in the *Declaration on Building Trust and Reinforcing Democracy* [[OECD/LEGAL/0484](#)] (adopted during the 2022 Public Governance Committee (PGC) Ministerial meeting). The Declaration establishes the OECD’s agenda on reinforcing democracy and strengthening trust in public institutions and strengthening the resilience of democratic systems to address declining trust in public institutions, political disengagement and polarisation, as well as rising mis and dis-information and other sources of destabilisation.

12. Effective, usable, secure and trusted digital identity systems are crucial to build trust between individuals, businesses and governments in their interactions and can facilitate and simplify access to a wide range of services and thereby contribute to social and economic value. Recognising that the governance, design and implementation of digital identity systems should be rooted in democratic values and respect for human rights, the *Recommendation on the Governance of Digital Identity* [[OECD/LEGAL/0491](#)] provides a framework to strengthen the governance of digital identity systems to equip natural and legal persons with the ability to prove who they are and who they claim to be in a variety of scenarios, including across borders.

4

Ensuring food security, sustainability and affordability

13. The OECD plays an important role at the international level in supporting evidence-based policymaking for productive, resilient and sustainable agriculture and food systems. The *Declaration on Transformative Solutions for Sustainable Agriculture and Food Systems* [[OECD/LEGAL/0483](#)] (adopted during the 2022 Committee for Agriculture (COAG) Ministerial meeting) articulates a shared vision for governments on the actions needed to transform agriculture and food systems to i) ensure food security and nutrition, ii) strengthen sustainability and iii) ensure inclusive livelihoods.

14. The *OECD Agricultural Codes and Schemes*, which were updated in 2022, facilitate international trade through the simplification and harmonisation of documentary, standards, certification, inspection and testing procedures for seeds, forest reproductive materials, tractors as well as fruit and vegetables.⁶ Created in the early 1960s, the overarching objectives of the Codes and Schemes are to simplify existing international trade procedures; increase transparency, reduce technical barriers to trade; contribute to international harmonisation of standards, environmental protection; and, to increase market confidence through enforcement of quality control and inspection procedures, as well as the traceability of the traded products.

5

Reinforcing corporate governance and responsible business conduct (RBC) to achieve a global level playing field and contribute to the sustainability and resilience of the economy

15. The *Recommendation on Principles of Corporate Governance* [[OECD/LEGAL/0307](#)] (Principles) is recognised as the leading global standard to guide policy makers and regulators in devising effective legal, regulatory and institutional frameworks for the corporate governance of listed companies. Corporate governance policies have an important role to play in contributing to the achievement of broader economic objectives with respect to financial stability, investor confidence, capital formation and capital allocation. One of the major objectives of the 2023 revision of the Principles has been to promote corporate governance policies that support the sustainability and resilience of corporations and thus of the broader economy.

16. Recent years have seen increased demands on business to meet international standards on responsible business conduct (RBC) in order to contribute to sustainable development and prevent and avoid harm to people, planet, and society. The *OECD Guidelines for Multinational Enterprises* [[OECD/LEGAL/0144](#)] (MNE Guidelines) is the leading global standard on responsible business conduct for both policy makers and enterprises.

- Last updated at the 2011 MCM, the *MNE Guidelines* set out recommendations from governments to businesses for ensuring RBC in all areas where business interacts with society, including human rights, labour rights, environment, bribery, consumer interests, as well as disclosure, science and technology, competition, and taxation. The 2023 update provides updated recommendations for responsible business conduct across key areas, such as climate change, biodiversity, technology, business integrity and supply chain due diligence, as well as updated implementation procedures for the National Contact Points for Responsible Business Conduct.
- In recent years, there has been a growing recognition that governments play a key role in supporting the effective implementation of RBC standards by business by providing an enabling policy environment, creating incentives, and exemplifying RBC in their own activities. In recognition of this, the *Recommendation on the Role of Government in Promoting Responsible Business Conduct* [[OECD/LEGAL/0486](#)] lays out a single comprehensive set of principles and policy recommendations to assist policymakers and relevant stakeholders in their efforts to design and implement policies that enable and promote RBC. The Recommendation brings together and builds on guidance on government policies and policy coherence for RBC from existing OECD standards on RBC or RBC-related areas.
- The *Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy* [[OECD/LEGAL/0489](#)] (adopted during the 2023 RBC Ministerial meeting) underscores shared values and important role of RBC as cornerstone of an inclusive, sustainable and resilient global economy and rules-based trading and investment system, as well as a baseline expectation for business. Adherents reiterated in particular the importance of coherence and alignment,

⁶ See [OECD/LEGAL/0308](#); [OECD/LEGAL/0355](#); [OECD/LEGAL/0334](#) and [OECD/LEGAL/0346](#).

resilience and sustainability of global supply chains, environment and climate change, sustainable finance, digitalisation and technology, and role of National Contact Points.

6

Fostering international co-operation in ensuring tax compliance, as well as exchanging of information, to establish a fairer international tax system

17. With the OECD at the forefront of promoting transparency and co-operation in international tax matters over the last 50 years, the [Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy](#) (the “Two-Pillar Solution”) was a historical moment in ensuring a fairer international tax system that is fit for purpose in a digitalised and globalised world economy. The OECD/G20 Inclusive Framework on BEPS is now working relentlessly to complete the negotiations of both the Multilateral Convention (MLC) to implement Pillar 1 and the Multilateral Instrument to facilitate the implementation of the Pillar Two Subject to Tax Rule (STTR).

18. Meanwhile, work has continued on the global standards for automatic exchange of information with the update of the [Common Reporting Standard](#) (CRS) and the development of the [Crypto-Asset Reporting Framework](#) (CARF) to respond to the evolution and digitalisation of financial markets reflected in the rise of crypto-assets as a new form of payment and investment. International co-operation is critical in the fight against tax fraud and tax evasion and in ensuring tax compliance. A key aspect of such co-operation is effective exchange of information on an automatic basis subject to appropriate safeguards, including for the protection of confidentiality and personal data. The newly updated *Recommendation on the International Standards for Automatic Exchange of Information in Tax Matters* [[OECD/LEGAL/0407](#)] calls on Adherents to transpose the updated CRS and the CARF into domestic law. The implementation will continue to be thoroughly monitored by the [Global Forum on Transparency and Exchange of Information](#) (GFTEI), the leading international body with 167 members working on the implementation of global transparency and exchange of information standards around the world.

7

Preventing environmental threats through co-ordinated efforts in the development, implementation and enforcement of environmental and chemical policies

19. Chemical accidents with serious consequences continue to happen in OECD Members and worldwide, causing deaths, injuries, significant environmental pollution and massive economic losses. While high-profile accidents are given significant visibility with the public, stakeholders and regulators, there are hundreds of other accidents occurring each year that do not make international headlines. The OECD started working on a set of standards and tools to address the challenges raised by chemical accidents as early as 1987. Recognising that the prevention of environmental threats requires the implementation of good practices in a co-ordinated manner both across jurisdictions as well as government and non-government actors, the *Decision-Recommendation concerning Chemical Accident Prevention, Preparedness and Response* [[OECD/LEGAL/0490](#)] consolidates and updates previously agreed OECD standards and includes all key elements to establish, maintain or strengthen programmes for the prevention, preparedness and response to chemical accidents.

20. Despite increasingly ambitious environmental policies, there remains an “implementation gap” including due to insufficient compliance with environmental requirements. The lack of enforcement is one of the greatest challenges in mitigating climate change, reducing pollution and preventing widespread species and habitat loss. Environmental compliance assurance is a crucial element of the iterative, cyclical process of environmental regulation as it links legislative requirements with the assessment of policy implementation and feedback allowing adjustment of the legal and policy framework. The *Recommendation on Environmental Compliance Assurance* [[OECD/LEGAL/0494](#)] aims to provide concrete support to governments in designing an effective and efficient package of tools for promoting, monitoring and enforcing environmental compliance.

21. Through its Competition Committee, the OECD has a long history of setting competition standards to promote consumer welfare and economic growth while making markets more flexible and innovative. The *Recommendations on Fighting Bid Rigging in Public Procurement* [OECD/LEGAL/0396] and *on Intellectual Property Rights and Competition* [OECD/LEGAL/0495] recognise that fostering competition in public procurement and enforcing competition law against anti-competitive intellectual property (IP) – related business practices promotes efficiency in the management of public resources, as well as innovation, economic growth, productivity and consumer welfare.

22. The *Recommendation on High-Level Principles on Financial Consumer Protection* [OECD/LEGAL/0394] sets the foundations of an effective and comprehensive framework for financial consumer protection. The 2022 revision aims at increasing the relevance and impact of the Recommendation by including elements relating to digitalisation, financial well-being and sustainable finance, and reflecting lessons from the COVID-19 pandemic to provide enhanced protection for vulnerable consumers and a greater focus on tackling financial scams.

1.2. Improvements to OECD Standard-Setting Working Methods

23. In developing or updating these legal instruments, the OECD has continued to **improve its standard-setting working methods** in line with the findings of the *Standard-Setting Review: Five-Year Report (2016-2021)* [C/MIN(2021)9, section 3.2] by:

Contributing to the global debate, in particular through the G20, thereby extending the reach and impact of OECD standards and levelling the global playing field

24. Several of the legal instruments adopted or revised in the past year have a direct link with G20 workstreams and were referred to in the [2022 Bali Leaders' Declaration](#). The *Recommendations on SME Financing* [OECD/LEGAL/0493], *on High-Level Principles on Financial Consumer Protection* [OECD/LEGAL/0394] and *on Principles of Corporate Governance* [OECD/LEGAL/0413] are all embodied in joint G20/OECD standards. At G20 level, the process culminated with the endorsement or welcoming of these standards by G20 Leaders.⁷ All three standards are also included in the [Compendium of Standards](#) of the Financial Stability Board (FSB). G20 Leaders also committed to the swift implementation of the Two-Pillar Solution and welcomed the progress made on both Pillars at the OECD. They also welcomed the CARF and updates to the CRS, both of which are considered to be integral parts to the global standard for automatic exchange of information.

Enhancing co-ordination across policy communities to ensure a whole-of-government view in OECD standards

25. While the consultation of policy communities across the OECD is already a regular feature of OECD standard-setting, the substantive committees and the Secretariat are exploring different forms of co-operation. For example, as part of the on-going work on the revision of the *Recommendation concerning Safety Considerations for Applications of Recombinant DNA Organisms in Industry, Agriculture and the Environment* [OECD/LEGAL/0225], the Secretariat facilitated domestic co-ordination between delegates from different policy communities consulted on the draft text. Despite challenging deadlines, different

⁷ See the [G20 Bali Leaders' Declaration](#), para. 28 for the welcoming of the OECD/G20 High-Level Principles on SME Financing and the endorsement of the G20/OECD High Level Principles on Financial Consumer Protection. The Endorsement by G20 Leaders is equivalent to adherence for the Recommendations on High-Level Principles on Financial Consumer Protection [OECD/LEGAL/0394] and on Principles of Corporate Governance [OECD/LEGAL/0413].

OECD policy communities were also consulted during the preparation of the recent Ministerial meetings to ensure coherence between the different outcome documents.

Strengthening stakeholder consultation through interactive discussions and tools to increase relevance and bolster legitimacy of OECD standards

26. Over the past year, the practice of organising live discussions with stakeholders through dedicated webinars and structured events has continued.⁸ During the webinars organised as part of work on the development of *Recommendations on Intellectual Property Rights and Competition* [[OECD/LEGAL/0495](#)] and *on Regional Development Policy* [[OECD/LEGAL/0492](#)], relevant international organisations, and other stakeholders (in particular private sector associates, academics and international networks of subnational governments) provided inputs on the key principles of the Recommendations and their future dissemination and implementation. For the update of the *Recommendation on Principles of Corporate Governance* [[OECD/LEGAL/0413](#)], in addition to organising an online public consultation with written inputs received from over 100 stakeholders (including private sector associations and academics, with the full list available publicly on the OECD [website](#)), an in-person stakeholder discussion on the draft was held and fed into the Committee's discussions.

27. An online interactive tool developed by the Observatory of Public Sector Innovation (OPSI) was used to facilitate stakeholder input on the *Recommendation on the Governance of Digital Identity* [[OECD/LEGAL/0491](#)]. The draft Recommendation was uploaded on a dedicated [webpage](#) providing interested stakeholders an opportunity to provide in-text comments and allowing them to review in real time the comments posted by others. The tool produced a consolidated text compiling all comments received facilitating the review process and ensuring maximum transparency.

Conducting holistic reviews of legal instruments in a specific policy area to provide a comprehensive suite of up-to-date standards

28. Recent practice at the OECD has been to develop implementation guidance and tools in parallel with a new/updated legal instruments [[C/MIN\(2022\)5](#), Box 1]. In this review period, CDEP went even further with the full package of *Digital Security Recommendations*: two updated Recommendations, two new Recommendations accompanied by a [Policy Framework on Digital Security: Cybersecurity for Prosperity](#). Targeted at policy makers in a user-friendly format, the Policy Framework also helps identify linkages with other OECD standards. One Recommendation also comes with Good Practice Guidance on the Co-ordination of Digital Security Vulnerabilities [[DSTI/CDEP/SDE\(2021\)9/FINAL](#)] to help technical security experts communicate with policy makers and non-technical experts in their organisations. The parallel development of the four Recommendations and the implementation guidance facilitated the alignment of concepts and policy principles and allowed flexibility to address all relevant stakeholders, from the policy makers to the technical experts.

2. Supporting Dissemination and Implementation of OECD Legal Instruments

2.1. Reports on Implementation of OECD Standards

29. Over the past year, the following reports on the implementation, dissemination and continued relevance of four Recommendations were approved by committees and presented to Council:

⁸ See 2022 Annual Update on OECD Standard-Setting [[C/MIN\(2022\)5](#), Box 1].

Reports on the Implementation of:	Committee(s)	Reference
Recommendation on Core Principles of Private Pension Regulation	IPPC	C(2022)156
Recommendation on Disaster Risk Financing Strategies	IPPC	C(2022)166/REV1
Recommendation for Development Co-operation Actors on Managing the Risk of Corruption	WGB/DAC	C(2022)175
Recommendation on Establishing and Implementing Pollutant Release and Transfer Registers (PRTRs)	CBC	C(2023)57

30. The key findings of these four reports are as follows.

Adherents and the Secretariat have made efforts to increase the dissemination of OECD legal instruments

31. While efforts from the Secretariat and Adherents to disseminate the Recommendations are recognised, all four reports include proposals to improve and strengthen those efforts.

32. The *Report on the Implementation of the Recommendation on Core Principles of Private Pension Regulation* notes that Adherents have been less active in disseminating (than in implementing) the standard at all levels of government and to relevant stakeholders, with a moderate to low level of awareness among the authorities concerned with funded private pensions. A similar finding is made in the *Report on the Implementation of the Recommendation on Disaster Risk Financing Strategies* which also notes less active dissemination across relevant ministries and stakeholders than by the Chair of the committee and the Secretariat who capitalised on opportunities to present the Recommendation.

33. In terms of good practice to support dissemination, the *Report on the implementation of the Recommendation on Establishing and Implementing PRTRs* acknowledges the series of OECD Guidance Documents on PRTRs⁹, as well as online tools and capacity-building activities¹⁰ that support dissemination and implementation of the Recommendation.

34. The *Report on the Implementation of the Recommendation for Development Co-operation Actors on Managing the Risk of Corruption* reaffirms that country peer reviews are a central tool for effective dissemination, contributing to raising awareness of the Recommendation with different stakeholders, including national, sub-national, private sector and civil society organisations.

35. The reports also identified possible avenues to increase dissemination, including the preparation by Adherents of unofficial translations to provide greater accessibility across ministries and all levels of government, or co-ordination with other international organisations in dissemination activities.

The implementation of OECD legal instruments leads to concrete impacts on domestic policies.

36. All four implementation reports confirmed that Adherents have made significant efforts to implement the related Recommendations and provided concrete examples of domestic changes to align with their provisions. The *Report on the Implementation of the Recommendation on Establishing and Implementing PRTRs* highlights that, while most Adherents had already established PRTRs prior to the

⁹ See, for example, the Guidance Documents on Elements of a PRTR: Part I [[ENV/JM/MONO\(2014\)33](#)] and Part II [[ENV/JM/MONO\(2015\)45](#)] which encourage the harmonization of the list of pollutants and reporting sectors and thresholds.

¹⁰ These include the: [Resource Centre for Release Estimation Techniques](#); [Centre for PRTR data](#); [PRTR.net – Global portal to PRTR information](#); [IOMC Toolbox – National management scheme for PRTRs](#).

adoption of the Recommendation, two Adherents reported having developed or being in the process of developing a PRTR in line with the Recommendation. Similarly, the *Report on the Implementation of the Recommendation on Disaster Risk Financing Strategies* points out that the Recommendation had a concrete impact on Adherents' (i) assessment of national policies, legislation and/or regulation; (ii) development of new policy initiatives or legislative measures; and (iii) efforts to encourage greater policy attention to disaster risk financing.

37. While highlighting an overall positive implementation of the Recommendations, the four reports point to areas where progress is uneven and where further improvements by Adherents are warranted. To support increased implementation, the reports also provide examples of good practices and innovations that could be replicated or scaled up and leveraged by other Adherents. For example, the *Report on the Implementation of the Recommendation for Development Co-operation Actors on Managing the Risk of Corruption* highlights the creation of mentoring hubs and other informal channels of communication to complement the training on anti-corruption recommended by the Recommendation.

Regular reporting on implementation to committees and Council is important to increase the relevance and impact of OECD legal instruments over time

38. Both reports on the implementation of the *Recommendations on Disaster Risk Financing Strategies* and *on Core Principles of Private Pension Regulation* led to the proposal to undertake a revision to increase their relevance and impact.

39. In the case of *Disaster Risk Financing*, the report highlighted that some emerging (or re-emerging) catastrophic perils (including climate change, pandemics and cyber-attacks) could be better incorporated into the Recommendation. Furthermore, the Insurance and Private Pension Committee (IPPC) is reflecting on possibly incorporating elements taken from the *Recommendation on the Establishment of a Check-List to define Terrorism for the Purpose of Compensation* [[OECD/LEGAL/0331](#)], which seems out-dated, into the *Recommendation on Disaster Risk Financing*, to streamline the set of legal instruments.

40. In the case of *Private Pension Regulation*, the implementation report proposed to reflect recent trends in the policy field in the text of the Recommendation, including digitalisation, demands on assets earmarked for retirement to support the post-COVID-19 recovery and the need to incorporate Environmental, Social and Governance (ESG) risks and factors in the investment and risk management of pension funds.

2.2. Supporting the Implementation and Dissemination through Innovative Tools

41. Over the past year, committees have continued to develop innovative tools, practices and working methods to support the implementation and dissemination of OECD legal instruments.

Working on implementation and dissemination strategies and tools quickly after adoption of a new legal instrument

42. To build on momentum from the development of new standards, several committees have started dissemination and implementation efforts quickly after adoption to boost the impact of their instruments. For example, the [16 November 2022 launch event](#) of the *Recommendation on the Social and Solidarity Economy and Social Innovation* [[OECD/LEGAL/0472](#)] provided the opportunity for policymakers and other stakeholders to share views on its relevance, discuss priorities and opportunities towards effective implementation and to explore ways to use it as a lever to foster international recognition and global understanding of the social economy. The [second high-level conference of the OECD global Action on Promoting Social and Solidarity Ecosystems](#), which took place on 20-21 March 2023, provided the opportunity to further mobilise relevant actors and called for collective actions involving authorities and social economy actors.

43. The Task Force on Financial Consumer Protection discussed at its March 2023 meeting a detailed action plan [[DAF/CMF/FCP\(2023\)1](#)] to enhance the reach and impact of *the Recommendation on High-Level Principles on Financial Consumer Protection* [[OECD/LEGAL/0394](#)]. It includes short-term communication activities (creation of a webpage, flyer, social media post) as well as longer-term dissemination efforts through outreach events, the promotion of non-Member adherence and translation in additional language versions. It also includes activities to support implementation, including the development of policy guidance and the proposal for the Secretariat to undertake a Country Review of Members' financial consumer protection policies/framework against the revised Recommendation to identify gaps and areas for improvement.

Supporting the implementation and dissemination through horizontal approaches across OECD policy communities

44. Launched in 2023, the Horizontal Project “A Better Future for Young People in Ageing Societies” will support the implementation of the *Recommendation on Creating Better Opportunities for Young People* [[OECD/LEGAL/0474](#)] with hands-on practical guidance for Adherents to improve the design and implementation of their youth policies, notably through the elaboration of a Youth Policy Toolkit [[C\(2023\)47](#)]. It is the first time a Horizontal Project explicitly aims to support the implementation and dissemination of an OECD legal instrument. Considering the horizontal nature of the OECD work on youth policies, the co-ordination tools available for Horizontal Projects should support increased synergies of work across the Organisation.

45. As follow-up work to support the implementation of the *Recommendation on Policy Coherence for Sustainable Development (PCSD)* [[OECD/LEGAL/0381](#)], the Development Assistance Committee (DAC) agreed to hold an annual discussion on PCSD, focusing on a thematic area of relevance. The first discussion focused on RBC, including potential ways forward for enhanced policy coherence between RBC and development co-operation, highlighting the links with the *Recommendation on the Role of Government in Promoting RBC* [[OECD/LEGAL/0486](#)].

Developing interim stock-taking report at committee level before reporting to Council

46. Several committees have started to develop interim implementation reports before the first report to Council in order to identify gaps and challenges earlier and stimulate discussions on further work needed.

47. For example, an update on the *DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance* [[OECD/LEGAL/5021](#)] was provided to the DAC at its March 2023 meeting, close to two years after its adoption, to inform delegates about progress made and outline areas needing further reinforcement with the overall objective of strengthening its dissemination and implementation [[DCD/DAC\(2023\)15](#)].

48. A preliminary report on the implementation of the *Decision-Recommendation on the Co-operative Investigation and Risk Reduction of Chemicals* [[OECD/LEGAL/0441](#)] was presented to the Chemicals and Biotechnology Committee (CBC) [[ENV/CBC\(2022\)14](#)] a year before the due date of the final report to Council. The objective of this early reporting was to gather further information from Adherents and stimulate discussion and sharing of experiences on dissemination and implementation, in advance of the full-fledged report to Council.

3. Continued Relevance of OECD Legal Instruments

49. In order to ensure the continued relevance and impact of OECD legal instruments, the 2016-21 Standard-Setting Review resulted in more regular reviews of the stock of instruments¹¹.

Review of the stock of legal instruments as part of the process for the renewal of the mandate of a committee every five years

50. In line with the findings of the SSR, a stocktaking on all standards under the responsibility of a committee is undertaken as part of the process for renewing the committee's mandate every five years. This ensures that committees have regular discussions on their legal instruments and proactively identify any follow-up actions that may be needed. In the last year, several committees have reviewed or are in process of reviewing their stock of legal instruments as part of their mandate renewal process (DAC, EDPC, CDEP, Environment Policy Committee (EPOC)). This review provides an opportunity to plan and sequence future actions on standard-setting and ensure that the workload is manageable.

Integration of review of standard-setting activity in In-depth Evaluation (IDE) of committees

51. Demonstrating once more the core nature of the OECD standard-setting function, several recent In-depth Evaluations (IDEs) have included specific recommendations related to the committees' standard-setting activity. While previous IDEs had recognised the importance of OECD standards in increasing the relevance and effectiveness of an OECD committee or identified best practices in this regard, it is the first time that IDEs include specific recommendations on standard-setting.

52. For example, the 2022 IDE of the Regulatory Policy Committee (RPC) includes a recommendation inviting the Committee to “*consider its strategic approach to standard-setting and in particular how its standard-setting activity can best leverage and raise the profile and impact of its overall work*” [C(2022)62]. The 2023 IDE of the Fisheries Committee (COFI) includes a similar recommendation and invites the Committee to “*reflect on the possibility to develop legal instruments in areas where it has longstanding expertise as an additional avenue to further trigger policy impact*” [C(2023)1/REV1, forthcoming]. Six years after abrogating its only two Recommendations, COFI is now considering developing new standards in targeted areas where this would usefully support policymaking.

Ad hoc reviews of the continued relevance and impact of OECD standards

53. Outside the mandatory stock-taking as part of their mandate renewal, several committees have reviewed their standards on an ad hoc basis, including as follow up to a call from ministers (EPOC) or as part of their discussions on the Programme of Work and Budget (PWB) to identify and ensure the funding of follow-up actions (CDEP).

54. The *Declaration on a Resilient and Healthy Environment for All* [OECD/LEGAL/0468], adopted during the 2022 meeting of EPOC at Ministerial level, invited the OECD to update “*OECD standards on the environment and considering the possible development of new standards, mindful of avoiding duplication, including, inter alia, on climate change, biodiversity, deforestation, land degradation, plastics, chemicals, sustainable supply chains, transport and environmental compliance assurance*”. In the 2022 MCM Statement, Ministers welcomed this update of the OECD standards on environment [C/MIN(2022)16/FINAL, para.11]. EPOC started planning its work on standards as part of the discussions for the 2023-24 PWB. An action plan for a comprehensive update is currently being developed and should reach Council before the end of 2023 as part of the process for EPOC's mandate renewal.

¹¹ See, in particular, *Progress Report on Standard-Setting Review* [C/MIN(2018)11] and *Standard-Setting Review: Five-Year Report (2016-2021)* [C/MIN(2021)9, Section 3.2].

55. The IPPC undertook, in December 2022, a review of relevance of selected legal instruments under its responsibility [[DAF/AS/WD\(2022\)19](#)] in order to update the actions initially set out in its Standard-Setting Action Plan [[DAF/AS/WD\(2016\)14](#)]. On this occasion, it discussed a series of criteria to assess the instruments' relevance and identify follow-up actions. The assessment criteria include: 1. materiality of the substance of the Recommendation/topics covered; 2. OECD leadership in setting international standards; 3. relevance beyond OECD Members and for development; 4. implementation challenges; 5. scope for streamlining and consolidation with other legal instruments.