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Organisation de Coopération et de Développement Economiques
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English/French

COUNCIL

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COUNCIL RESOLUTION ON ENLARGEMENT AND ENHANCED ENGAGEMENT

(adopted by Council at Ministerial Level on 16 May 2007)

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English/French

Having Regard to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960, and in particular its articles 1, 2, 5, 12 and 16;

Having Regard to the Report “A strategy for outreach and enlargement” [C(2004)60] (Noboru Report);

Having regard to the “Resolution to establish a mechanism to identify countries for potential accession and countries for enhanced engagement with the OECD” [C(2006)73/FINAL; C/M(2006)9];

Having regard to the mechanism to identify countries for potential accession and countries for enhanced engagement [C(2006)105/REV1];

Having regard to “Enhanced Engagement: Report by the External Relations Committee”[C(2007)42 & CORR1 & 2];

Having regard to A General Procedure for future accessions C(2007)31/REV3;

Recognising the need to further expand the OECD’s global reach, policy impact and relevance,

I. ON ENLARGEMENT AND ENHANCED ENGAGEMENT

THE COUNCIL

- i) Invites the Secretary-General to strengthen OECD co-operation with Brazil, China, India, Indonesia and South Africa through enhanced engagement programs with a view to possible membership. The Council will determine whether to open discussions on membership in light of the willingness, preparedness and ability of these countries to adopt OECD practices, policies and standards.
- ii) Decides to open discussions with Chile, Estonia, Israel, the Russian Federation and Slovenia and invites the Secretary-General to set out the terms, conditions and process for the accession of each of these countries to the OECD for subsequent consideration and adoption by Council. Separately, Council may raise issues of a political nature which the Secretary-General will convey to the countries concerned in the context of the discussions on accession.
- iii) Invites the Secretary-General to inform other countries that have applied for membership that their applications for accession shall be further considered individually by Council as enlargement proceeds; future applications shall be similarly considered.
- iv) Invites the Secretary-General to explore and develop recommendations to Council on how to expand the OECD’s relations, including through enhanced engagement, with selected countries and regions of strategic interest to the OECD, identified by Council. In light of its growing importance in the world economy, priority will be given to South East Asia with a view to identifying countries for possible membership.

- v) Invites the Secretary-General to report regularly to the Council on the progress of his discussions and consultations with the countries above and outline options for the OECD's further relationship with these countries. In outlining such options, due consideration will be given to the capacity of the Organisation to process potential candidates without affecting the regular programme of work.

II. ON FINANCING

THE COUNCIL AGREES TO THE FOLLOWING:

- i) As a result of enlargement, the financing of the OECD needs to be reformed. In the transition, an interim approach will be required.
- ii) During this interim period, upon joining the OECD, new Members would pay an annual amount to cover their costs, including transition costs, arising from their participation in the activities covered by the Part I budget of the Organisation. This amount would range from 2.4 to 5.7 Million Euros, which would be paid annually until a reform of financing of the Organisation for all Members has been fully implemented. This range only applies to new Members and is without prejudice to any future decisions on financing. The precise amounts to be paid by each new Member will be agreed before the adoption of the first "roadmap" for accession and will be adjusted in line with the level of adjustment of the Part I budget and in the light of the reform of financing to be agreed.
- iii) Members commit to undertake a reform that will ensure that the OECD will have a strong and sustainable financial foundation. The reform will address burden sharing, while recognising the diversity of the membership, and would be implemented progressively over a period of up to 10 years with adequate mitigation measures. The objective of the reform would be that each Member will cover most, if not all, of the costs of its participation in the Part I budget of the Organisation. The amount of these costs remains to be determined, while recognising that country specific costs could be different. Members' total contributions would then reflect both recurrent costs of their membership and capacity to pay.
- iv) Council shall reach agreement on this reform before the 2008 MCM.