



CANADA'S VOICE
IN GLOBAL GOVERNANCE:

A CIVIL SOCIETY HANDBOOK

ORGANISATION FOR
ECONOMIC CO-OPERATION
AND DEVELOPMENT
-OECD-

COORDINATED BY
FRIENDS OF THE EARTH CANADA

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Friends of
the Earth



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Overview and Acknowledgments

Welcome to *Canada's Voice in Global Governance: A Civil Society Handbook*. The handbook is a resource for civil society organizations (CSOs) interested in understanding and influencing Canada's role in some of the world's most important global institutions. Each section of the handbook answers key questions and provides important contact information on a particular international institution, including: the Group of Eight (G8); World Bank Group; the World Trade Organization (WTO); the Organization for Economic Cooperation and Development (OECD); the Organization of American States (OAS); the International Labour Organization (ILO); the United Nations Environment Programme (UNEP); and the United Nations Commission on Human Rights (UNCHR). There is also a section that provides an overview of the key pillars of the Canadian Government's foreign policy-making process. See the www.foecanada.org/intl/handbook.htm for a complete list of the documents that make up the handbook.

Please note that this version of the handbook is a "Working Draft". We hope that it can be of immediate use to CSOs across Canada and beyond, but we are also seeking comments and suggestions in order to improve it and ensure that it is useful to the widest possible range of organizations (please send comments to gsaul@foecanada.org).

Also note that the HTML version of this document includes hyperlinks to additional information. These links are indicated in the PDF version by underlined text, but they can only be opened through the html version. The handbook will be updated regularly, so to benefit from the hyperlinks and ensure that you have the most up-to-date version, please check the website: www.foecanada.org/intl/handbook.htm.

The many sections of the handbook represent the collective effort and input of a wide range of human rights, labour, environment and development organizations from across Canada and beyond. The process of bringing this information together was coordinated by Friends of the Earth Canada and advised by a steering committee that included representatives from the Halifax Initiative Coalition, the Canadian Council for International Co-operation (CCIC), and Kairos: Canadian Ecumenical Justice Initiatives. We would like to thank the Walter and Duncan Gordon Foundation and the Charles Stewart Mott Foundation for their generous support. While Friends of the Earth deeply appreciates the support of all of the organizations and individuals involved in the development of this project, we take sole responsibility for any inaccuracies or mischaracterizations that may have survived the editing process.

We are still in the process of compiling individual acknowledgements and will include them in the re-edited First Edition that will follow soon.

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Canada's Voice in Global Governance: A Civil Society Handbook:

The Organisation for Economic Co-operation and Development (OECD)

Introduction

One of the most influential international institutions is the little-known [Organisation for Economic Co-operation and Development](#) (OECD). OECD member countries account for more than 80 percent of world [gross domestic product \(GDP\)](#), two-thirds of world trade, and 80 percent of global [foreign direct investment \(FDI\)](#). But unlike other international institutions, OECD membership does not extend to developing countries. Like an exclusive club, a large amount of power is held by a select few.

Attempts have been made over the past decade, notably by the OECD's outgoing Secretary General, Canadian Donald Johnston, to present the OECD's mission as a balance between economic growth, social progress, and political stability in the context of the growing pressures of globalization. The OECD has emphasized the objective of helping non-member countries to develop, and frequently describes itself as an instrument for economic *and* social progress. However, the OECD has always and will continue to serve the interests of its member countries, particularly those that contribute the highest percentages to its [operating budget](#) - the United States being the top contributor.

Considering that the [OECD's purview](#) extends to virtually all major sectors of the global economy, civil society's engagement with the OECD has been minimal compared to other international institutions, such as the World Bank. This has changed over the past decade, however. Civil society groups, recognizing the OECD's importance, have recently done extensive work on the

Box 1: The OECD in its own words

"In terms of maximising economic growth and wealth creation, the OECD has performed remarkably well, and perhaps better than our founders could have expected. But of course that is only one dimension of the paradigm, and so only one measure of success. What do the social indicators tell us?"

Frankly, on this front, we have not been as successful. True, OECD citizens are now healthier and have a longer life expectancy than ever before. They have more access to education on the whole as well. But when it comes to spreading the benefits of wealth creation, we have done far less well. So far, the rising tide has not lifted all boats.... This is true both within our countries and worldwide. OECD wealth has grown manifold in 40 years. But while this testifies to the vitality of markets, we have yet to make them work for everyone. After all, what is the value of wealth creation if so much of humanity continues to exist in appalling poverty and squalor?"

Donald J. Johnston, Secretary-General
January 2003

OECD committees that deal with export credit agencies, corruption and bribery, trade and investment, and corporate accountability.

This handbook begins by describing what the OECD is, what it does, how it is structured, how it works and how it is financed. This is followed by an explanation of who speaks for Canada at the OECD and who the key governmental players are in determining what Canada says at the institution. The handbook concludes with tips for civil society activists who are interested in better understanding and influencing the OECD. The information that follows will be periodically updated, and we welcome your comments and suggestions.

What is the OECD?

Headquartered in Paris, the OECD is a forum made up of [30 "like-minded" member countries](#), and was created over 40 years ago to discuss and promote free market policies and trade. OECD member governments negotiate common approaches on a vast array of policy issues, and they accept political, and sometimes legal, obligations to implement these agreements. Its precursor was the Organisation for European Economic Co-operation (OEEC), which was created after World War II to manage Canadian and American aid for Europe's reconstruction.

Membership in the OECD is based on a country's commitment to a market economy and a pluralistic democracy. Most of its members are among the world's 30 largest economies and among the richest in per capita terms.¹ Except for Russia, all G8 countries are members. The OECD also has relationships with some [70 non-member countries](#) that have developing and transition economies.

What Does the OECD Do?

Simply put, the OECD acts on behalf of and in collaboration with its members to promote economic globalization. It covers virtually every area of government except culture, defence, and sport. According to Article 1 of the [OECD Convention](#), it aims to:

- a) achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- b) contribute to sound economic expansion in member as well non-member countries in the process of economic development; and

- c) contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.²

To understand what the OECD does, it helps to think of it partly as a government-sponsored think tank and partly as a negotiating forum.³ The OECD is best known for its research activities. As a think tank it conducts issue research, country studies, and comparative and statistical analyses for its members. It generates a steady stream of statistical and analytical reports ranging from [macroeconomics](#) to [trade](#), [education](#), [development](#), and [science and innovation](#). These publications are intended to assist member governments in their policy formation, with the focus on economic development.

**Box 2: OECD Legal Instruments:
Hard or Soft?**

The relative binding or non-binding nature of OECD legal instruments depends on which of the following designations is conferred on the agreement (in other words, the type of agreement). They are listed below, from hard to soft:

- Decision of the Council
- Convention
- Agreement
- Decision-Recommendation of the Council
- Recommendation of the Council
- Development Assistance Committee Recommendation
- Declaration
- Arrangement
- Understanding
- Guidelines

As a negotiating forum, the OECD facilitates the development of common standards and policies between its member countries. The OECD describes itself as a place where its members “meet to exchange information and harmonize policy...”⁴

Members’ negotiations at the OECD can result in non-binding agreements (or “[soft law](#)”) or binding agreements (or “hard law”). Many of these agreements are aimed at facilitating commerce by establishing guidelines and standards. For example, OECD members have negotiated strict guidelines that they are supposed to follow when collecting data

Box 3: The OECD and Export Credit Agencies

One prominent example of the OECD trying to “harmonize” its members’ policies is its role in setting standards for the operation of Export Credit Agencies (ECAs). ECAs are publicly owned institutions that governments use to subsidize their national companies’ exports and investments in developing countries and emerging markets through favourable loans and insurance against the risk of non-payment. They are the largest source of public funding for private sector projects in the developing world. The OECD is involved in regulating the activities of the ECAs through its Working party on Export Credits and Credit Guarantees (the “Export Credit Group”), but for many years did not attempt to address the poor track record of the ECAs in terms of the negative environmental and social impacts of the projects they support. Finally, in response to pressure from civil society and certain members of the G8, the Export Credit Group negotiated a set of Common Approaches on Environment and Officially Supported Export Credits, which were adopted as a Recommendation of the OECD in 2003. While these voluntary recommendations are deeply flawed, they are also the closest thing to social and environmental standards governing the behaviour of the ECAs that currently exist. Essentially, they commit the OECD countries to follow the standards of the MDBs or the host country, whichever is more stringent, when supporting projects through the ECAs. Civil society groups continue to engage the OECD around the Common Approaches, which are up for review in 2006.

on the potential environmental risks of certain chemicals. By following those guidelines, the data will be regarded as valid by the other members, saving them the time and expense of collecting their own data and allowing trade to

flow more freely.⁵ In OECD parlance, the wide variety of agreements that have been negotiated at the OECD are referred to as “[legal instruments](#).”

The most well-known example of a binding legal instrument is the [Convention on Combating Bribery](#). This Convention “makes it a crime to offer, promise or give a bribe to a foreign public official in order to obtain or retain international business deals.”

Another instrument that is important to civil society groups is the [Agreement on Export Credits](#). This Agreement is not legally binding; rather, it is a “gentlemen’s agreement” that lays out “an orderly framework for the use of export credits.” An additional agreement related to Export Credit Agencies (ECAs) is the [Common Approaches on Environment and Officially Supported Export Credits](#). As its name suggests, this agreement sets out common approaches for ECA environmental policies.

Civil society groups have also focused on the [Guidelines for Multinational Enterprises](#). These guidelines are recommendations for responsible corporate conduct addressed to multinational companies operating in or from OECD member countries. While they are not binding for multinational corporations, OECD member governments have implementation obligations.

More detailed explanations on the types of OECD agreements are available from the [Legal Affairs](#) section of the OECD website. As of June 2005, there were over 160 instruments in force, categorized under [23 subject headings](#). These instruments are available from the [OECD’s database of instruments](#). OECD instruments can also be viewed by the [type of agreement](#).

NGOs have also done work on the OECD’s [Development Assistance Committee \(DAC\)](#). This Committee has an annual “High Level Meeting” (HLM), where aid ministers and heads of aid agencies from OECD governments meet, along with senior officials from the World Bank, the International Monetary Fund (IMF), and the United Nations Development Programme (UNDP).

The OECD also doubles as a workhorse for the G8, an even smaller club of the world’s rich and powerful democracies. The G8, which does not have its own Secretariat, will sometimes ask the OECD to find consensus on difficult issues, such as untying development aid or providing guidelines for export credit

Box 4: The G8 and the OECD – Leaders in Global Governance?

Some have suggested that, based on their common values (democracy, market economics and human rights), and their common sense of “*noblesse oblige*” (the notion that privilege entails responsibility), the G8 and OECD are ideally suited to lead all of the other institutions of global governance, with the G8 supplying high-level political leadership, and the OECD providing high quality analytical work.

A senior OECD official suggested a system of global governance where the G8 leads as a “principle network which loosely bundles all other networks... like flying geese, with the G8 in the lead.”¹ What these assessments fail to acknowledge is that, values or no values, the G8 and the OECD are exclusive clubs whose primary objective is to advance their members’ interests.

agencies. The G8 has also called on the OECD to study emerging issues, as it did in 1999 with respect to bio-safety and biotechnology. The G8 will often endorse OECD legal instruments in high-level declarations and call upon other countries to apply them.

How is the OECD Structured?

With over 2,300 employees located in the OECD Secretariat and some 40,000 governmental representatives meeting in over 200 committees and subgroups each year, the OECD has a vast and elaborate structure. However, there are only four basic components: the OECD Council, the Executive Committee, the Secretariat, and the committees.

The top decision-making body is the OECD Council. To understand how it functions, it is useful to picture two levels to the Council. The first, the Ministerial Level, is made up of one representative from each member country plus a representative of the European Commission. [Ministerial meetings](#) happen once a year to discuss important issues and set priorities for OECD work.⁶ Most members send their most senior trade or finance ministers. The second level of the OECD Council meets regularly at the headquarters in Paris. Each member country is represented by a Permanent Representative (also called an “Ambassador”) to the OECD. The Permanent Representatives meet approximately every two weeks and make decisions about the OECD’s work plan and other issues. They promote their government’s interests and act as liaisons between their government and other governments.⁷

Box 5: Key Directorates from a Civil Society Perspective

Directorate for Development Co-operation: This Directorate supports the work of the Development Assistance Committee, the principal body through which the OECD deals with issues related to co-operation with developing countries.

Directorate for Financial and Enterprise Affairs (DAF): The prime objective of the DAF is to identify policies and best practices designed to keep markets open, competitive and sustainable while combating market abuses and economic crime through international co-operation. (The Investment Committee is housed in the DAF.)

Directorate for Environment (ENV): The ENV provides governments with the analytical basis to develop policies that are effective and economically efficient, including through country performance reviews, data collection, policy analysis, projections and modelling, and the development of common approaches.

Directorate for Trade (ECH): The key objective of OECD work on trade is to support a strong, rules-based multilateral trading system that will maintain the momentum for further trade liberalisation, while contributing to rising standards of living and sustainable development. (The Export Credit Working Group is housed in the ECH.)

The second component of the OECD is the Executive Committee, which functions as a management committee under the Council. The Executive Committee meets about twice a month.⁸ Over the years, the Executive Committee has taken over many of the responsibilities of the Council. In general, the Executive Committee only sends issues to the Council for consideration when it has already reached a consensus, or “in respect of which

there are clearly identified outstanding problems that the Council alone can resolve.”⁹

The third component, the OECD Secretariat, is organized into [15 directorates](#). Secretariat staff carry out analytical work on behalf of the member countries and support the work of government representatives in the committees and subgroups. The Secretariat is headed by a Secretary General, who chairs the OECD Council as well.

Finally, there are over 200 inter-governmental committees and subgroups. This is the fourth component of the OECD. Most of the important research and negotiation within the OECD occurs within these specialized committees. The structure of the Secretariat mirrors the committee structure in order to allow the Secretariat to service the work of the committees. Detailed information on these committees and subgroups can be found in the OECD [Directory of Bodies](#).

How Does the OECD Work?

At the OECD, research and negotiation work together to further policy harmonization and economic globalization. These goals are achieved by the production of new agreements.

Members come to recognize the need to review or reform policies in a variety of ways. The momentum may come from high-level political discussions, such as an agreement among the G8 governments. It may arise from the research of the committees and Secretariat staff. Perhaps a spark is lit through comparative analyses of members' national policies.

Box 6: Other Guides to the OECD:

- Official OECD Guide: www.oecd.org (Click on “About OECD”, scroll down to “More”)

Export Credit Agencies

- David Hunter's “Background Strategy Paper on the OECD and Export Credit Agency Reform.” To receive a copy, email gsaul@foecanada.org.

Guidelines for Multinational Enterprises

- “Using the OECD Guidelines for Multinational Enterprises: A critical starter kit for NGOs,” by Friends of the Earth Netherlands: www.foenl.org/tk_english.htm
- “A Guide to the Guidelines,” by Friends of the Earth US: www.foe.org/oecdguidelines
- “A Users' Guide for Trade Unionists to the OECD Guidelines to Multinational Enterprises,” by TUAC: www.tuac.org/publicat/guidelines-EN.pdf
- Global Reporting Initiative's Guide on Synergies with the Guidelines for MNEs: <http://www.globalreporting.org/about/inioecd2.asp>

Once the need for an instrument is identified, the process is usually “bottom-up,” starting with technical research and then political negotiation. For example, a number of countries, including Canada, have developed systems for publicly reporting on the release of toxic substances into the environment. Canada's framework is called the [National Pollutant Release Inventory](#). The

OECD has helped to internationalize and systematize these disclosure frameworks by developing guidance for countries that create a "[Pollutant Release and Transfer Registry](#)" of their own.

The bottom-up process looks like this. First, the relevant experts on the specialized committee research the issue in question and produce a draft agreement. Once a draft is ready, the relevant subgroups within the committee, made up of representatives of member countries, try to reach a consensus on the text of the agreement. This is usually where most of the important negotiations take place. From here, the draft agreement goes back to the committee, which discusses the technical aspects of the instrument and negotiates a final consensus. Committee members can introduce amendments or send the draft instrument back to the experts for further work. Once consensus is reached at the specialized committee level, the draft agreement is passed up to the Executive Committee before making its way to the OECD Council for adoption. By this time, significant changes are relatively rare, as most of the difficult intergovernmental negotiations have already occurred at the subgroup level. Once the instrument is adopted, it is applicable to all OECD members except for those countries that abstained when it was adopted by the Council.¹⁰

Traditionally, all decisions in the OECD Council have been made by consensus. The need for a more efficient decision-making process has been long debated at the OECD, and in April 2004, the Council agreed to introduce very limited provisions for majority voting in certain cases for a two-year trial period starting in July 2004.¹¹ All agreements on substantive issues continue to be made by consensus.

One of the more interesting aspects of how the OECD works is the [peer review process](#). This process is the primary mechanism that member governments use to offer each other advice and to try and pressure each other to conform to OECD legal instruments. The term "[peer pressure](#)" is often used to describe how this mechanism works. The OECD undertakes comprehensive reviews of its members' policies and practices on a broad range of topics, such as health, environment, agriculture, fisheries, and energy. For example, in 2004 the OECD published a [review of Canada's environmental progress](#). The bottom-line verdict: "good progress, much to be done."

Where Does the OECD Get its Money?

The OECD is funded by its member countries. Contributions are assessed according to the relative size of each member's economy. The size of the [OECD's budget](#) is determined every two years on a consensus basis. The budget for 2004 totalled €320 million (about CDN\$475 million). The 2005 budget is €327 million. The largest single contributor is the United States at almost 25

percent, while Japan is the next highest, contributing over 23 percent. Canada contributes about 3.2 percent. In 2005, Canada's contribution was approximately CDN\$15.4 million.

Who Speaks for Canada at the OECD?

At the highest level, Canada is represented by the minister who attends the OECD Council's annual Ministerial meeting, and by Canada's Permanent Representative (or Ambassador) to the Council. The minister attending the Council's Ministerial meeting on Canada's behalf varies. In 2004, it was Jim Peterson, the Minister of International Trade, while in 2005, it was George Anderson, the Deputy Minister of Natural Resources Canada.

Canada's Permanent Mission in Paris is headed up by the Ambassador to the OECD and a number of diplomats. Canada's current ambassador is [Jocelyne Bourgon](#). As described above, Ambassador Bourgon meets with the other Permanent Representatives to the OECD Council approximately every two weeks to make decisions on the OECD's work plan and budgetary issues. Canada's permanent delegation in Paris also monitors the work of the OECD's various committees and the activities of its other bodies, such as the International Energy Agency (IEA), the Nuclear Energy Agency (NEA), and the Sahel and West Africa Club, of which Canada is a member.

In general, Canada's representatives in Paris seek to ensure that there is a good fit between the OECD's work and Canada's priorities. They do this in the following four ways: by acting as liaisons between the OECD Secretariat and Canadian authorities; by representing Canada's positions in multilateral negotiations; by indicating areas in which Canada seeks OECD expertise; and by helping to disseminate OECD recommendations in Canada.¹² In addition, officials housed in various departments of the Canadian government, including in some cases the ministers of departments, will travel to Paris to participate in committee meetings which touch on their respective responsibilities. These committee meetings are often the place where the most significant decisions are made.

Who Decides What Canada Says at the OECD?

Virtually every ministry in the federal and provincial governments has an interest in what happens at the OECD. Decision-making is thus highly dependent upon communication between the relevant officials in Canada and its Permanent Mission in Paris. The Canadian Ambassador to the OECD is in close and frequent contact with senior Canadian officials to ensure that they are aware of the work undertaken by the OECD, and that the delegation in

Paris is well informed about Canada's priorities. The Ambassador frequently contacts a wide range of federal and provincial government officials, Canadian private sector representatives, and sometimes representatives of civil society for input on the issue at hand.¹³ Apart from the Permanent Mission in Paris, who decides what Canada says at the OECD depends on the particular topic being negotiated. The International Economic Relations and Summits Division within [Foreign Affairs Canada](#) plays a special coordinating role with respect to policy development and response to the work of the OECD.

Box 7: Contacting the Government:

To contact a person or office in the **Government of Canada**, check the Government Electronic Directory Services (GEDS), a searchable online database of government contact information. See: <http://direct.srv.gc.ca/cgi-bin/direct500/BE>

The **Parliament of Canada** website maintains contact information for Members of Parliament and records of parliamentary proceedings. See: <http://www.parl.gc.ca/>

In sum, the Canadian input at the OECD's crucial specialized committee level is frequently made by mid-level government officials with the requisite expertise. However, these officials have little political power. When an issue becomes politically charged, the decision-making power shifts upward to Canada's senior officials.

Tips for Civil Society

Civil society groups that are considering work at the OECD level should first understand the extent of the OECD's influence on their issues and decide if trying to influence the negotiations will result in positive change. For example, while the OECD does an extensive amount of work on trade, global civil society has focused the bulk of its international campaigning on the WTO.

Nevertheless, some NGOs have found it worthwhile to pay attention to the OECD. Members of [ECA Watch](#), an NGO which concentrates on ECAs, focus a great deal on national political work, but they also monitor and try to influence the work of the

Box 8: Organizations Working on OECD Issues

Agriculture

- Canadian Federation of Agriculture: www.cfa-fca.ca

Export Credit Agencies

- ECA Watch: www.eca-watch.org
- Halifax Initiative Coalition: www.halifaxinitiative.org

Investment and Corporate Accountability

- OECD Watch: www.oecdwatch.org
- L'Entraide Missionnaire: <http://www.web.net/~emi/>

Labour

- Trade Union Advisory Committee: www.tuac.org
- International Council on Social Welfare: www.icsw.org/index.htm

Poverty and Development

- Canadian Council for International Co-operation: <http://www.ccic.ca/>

Trade

- Oxfam Canada: www.oxfam.ca
- International Institute for Sustainable Development: www.iisd.org/

OECD's [Export Credit Working Group \(ECG\)](#). Why? The ECG is the primary body that sets the "rules of the game" for all OECD member countries' ECAs. Generally speaking, NGOs such as Canada's [Halifax Initiative](#) have been instrumental in lobbying for, and providing detailed feedback on, the [Export Credit Arrangement](#) and the [Common Approaches on Environment and Officially Supported Export Credits](#). They will no doubt do so again when the *Common Approaches* instrument is reviewed in 2006.

Similarly, the [OECD Watch](#) coalition, an international network of civil society organizations promoting corporate accountability, monitors and tries to influence the work of the OECD [Investment Committee](#), particularly the committee's work on corporate accountability issues.¹⁴ When the [Guidelines for Multinational Enterprises](#) were updated in 2000, civil society groups for the first time were able to submit formal complaints about alleged breaches to the *Guidelines* to the relevant OECD government. Complaints involving Canadian companies are submitted to Canada's [National Contact Point](#), which is housed in [Foreign Affairs Canada](#). OECD Watch also helps civil society groups to develop and submit complaints against companies alleged to be in violation of the *Guidelines*. OECD Watch's Canadian focal point is [L'Entraide Missionnaire](#). [Friends of the Earth Canada](#) and [MiningWatch Canada](#) also have practical experience filing complaints with Canada's National Contact Point.

The OECD's engagement with civil society has historically been quite limited, with the exception of the [Trade Union Advisory Committee \(TUAC\)](#). TUAC's primary purpose is to track and provide input into processes at the OECD on behalf of the global trade union movement. Like OECD Watch, TUAC also helps groups file complaints against companies alleged to be in breach of the *Guidelines for Multinational Enterprises*.

TUAC has two Canadian affiliates: the [Canadian Labour Congress](#) and the [Confédération des Syndicats Nationaux](#). The business counterpart to TUAC is the [Business & Industry Advisory Committee \(BIAC\)](#). BIAC's Canadian affiliate is the [Canadian Chamber of Commerce](#). When the OECD was created, TUAC and BIAC were provided special advisory status by the OECD Council along with several agricultural organizations. BIAC and TUAC participate extensively in the work of the OECD, and through their relationships with Secretariat staff and governments they have varying levels of influence.

Box 9: The OECD and the MAI

In the late 1990s, after the World Trade Organization failed to finalize negotiations on the *Multilateral Agreement on Investment (MAI)*, the OECD attempted to negotiate a binding legal instrument. The MAI would have been the first legally-binding agreement giving OECD-based corporations significant power to challenge public interest laws.

Social and environmental groups successfully quashed the MAI negotiations and seized the political opening created to press OECD governments to adopt corporate accountability requirements. In response, in June 2000, the Investment Committee adopted a revision of the *Guidelines for Multinational Enterprises*.

No one civil society organization or coalition has official advisory status to the OECD, but the [Export Credit Working Group \(ECG\)](#) and the [Investment](#)

[Committee](#) have come to consider [ECA Watch](#) and [OECD Watch](#), respectively, as the civil society counterparts to BIAC and TUAC. Other OECD departments, like the Environment and Agriculture directorates, have longstanding relationships with civil society going back to the 1970s.

Many OECD committees have begun to hold consultations with civil society. The OECD has set up a webpage to report on its [consultations with civil society groups](#).¹⁵ One example of improved OECD-civil society interaction is the [OECD Forum](#), a two-day conference preceding the OECD Council's Ministerial meeting, which brings together business, government, labour, and other civil society organizations. While it is important that civil society voices be heard at the Forum, the impact of such participation is questionable, given that it is not directly connected with any OECD decision-making process.

As with any other international institution, civil society groups need to be well-informed on the finer details of how the OECD works: the politics and priorities of member countries, past and current trends, awareness of the key players, outside influences, etc. The following tips cover a few key aspects about the OECD that civil society should know:

- OECD member governments tend to approach social and environmental issues in terms of reducing competitive market distortions, as opposed to promoting economic growth that is truly socially and environmentally sustainable.
- Engaging in OECD negotiations can be a painstakingly slow process, so NGOs need to consider whether time spent on the OECD is the most effective way to use their limited resources. Experience shows that positive changes can be achieved (or bad initiatives stopped, as was the case with the MAI), but achieving results will often take a long time.
- The OECD's dynamic processes whereby policies are reviewed, reformed, and implemented mean that civil society groups working on the same issue in several different countries can also monitor the differences in OECD members' national policies and press for upward harmonization of those policies. The ECA Watch coalition has been highly effective with this approach. For example, if the Canadian export credit agency, [Export Development Canada](#), changed its environmental policy so that it no longer supported mining projects in primary tropical rainforests, other ECA campaigners might then pressure their national governments to do the same, both in their capitals and within the OECD committee process. If Canada's new forest policy is stronger than its counterparts at the OECD, the Canadian government could also decide it is in Canada's interest to pressure other governments to improve their policies. This "leapfrogging" approach to improving standards over time in different countries is what led

to the adoption of the [*Common Approaches on Environment and Officially Supported Export Credits*](#).

Despite the good work that has been done by civil society on export credit agencies, corruption and bribery, trade and investment, and corporate accountability issues, the OECD has largely escaped the level of scrutiny that other international institutions have encountered. Given that the OECD's purview extends to virtually all major sectors and aspects of the global economy, a considerable amount of policy change is occurring without any civil society input. There are many reasons why groups choose not to use their limited resources to seek policy reforms at the OECD. One obvious reason is that, despite the rhetoric, the institution exists solely to serve the interests of its member countries. Civil society groups must decide whether pursuing reformist strategies in an inherently flawed institution is worthwhile.

Conclusion

Friends of the Earth Canada hopes that this handbook will serve as a useful point of reference for organizations interested in better understanding and influencing the OECD. This is a work-in-progress that will be periodically updated in order to better serve the needs of civil society organizations in Canada and abroad. We want to encourage readers to provide feedback and advice on how to improve this working draft. Please send any questions and comments to gsaul@foecanada.org.

¹ The exceptions are the Czech Republic (39th), Hungary (41st), Iceland, Ireland (31st), New Zealand (45th), Portugal (32nd) and the Slovak Republic (59th). Conversely, some large economies are not in the OECD, including China, India, Brazil, Russia, Saudi Arabia, Indonesia, South Africa and Hong Kong. See World Bank, 2003, www.worldbank.org/data/databytopic/GDP.pdf.

² Convention on the Organisation for Economic Co-operation and Development, Paris, 14th December 1960, www.oecd.org/document/7/0,2340,en_2649_201185_1915847_1_1_1_1,00.html.

³ David Hunter, "Background Strategy Paper on the OECD and Export Credit Agency Reform," 4.

⁴ OECD Washington Centre, www.oecdwash.org/ABOUT/aboutmain.htm.

⁵ Decision of the Council concerning the Mutual Acceptance of Data in the Assessment of Chemicals, 12 May 1981 - C(81)30/Final, amended on 26 November 1997 - C(97)186/FINAL. Available at <http://webdomino1.oecd.org/horizontal/oecdacts.nsf>.

⁶ While other ministerial-level meetings take place at the OECD, such as the annual DAC meeting, these are distinct from the OECD Council's annual Ministerial meeting.

⁷ David Hunter, "Background Strategy Paper on the OECD and Export Credit Agency Reform," 6.

⁸ Nicola Bonucci, Deputy Director, OECD Directorate for Legal Affairs, "The legal status of an OECD act and the procedure for its adoption," www.oecd.org/dataoecd/26/29/31691605.pdf.

⁹ Resolution of the Council on the role of the Executive Committee C/M(99)21, Item 306 II, CE(99)6/REV2, §19, approved by Council on 28 October 1999.

¹⁰ The above description is taken from Nicola Bonucci, Deputy Director, OECD Directorate for Legal Affairs, "The legal status of an OECD act and the procedure for its adoption," www.oecd.org/dataoecd/26/29/31691605.pdf.

¹¹ See OECD, "A Strategy for Enlargement and Outreach," May 2004, p. 23.

¹² OECD country website, Canada,

www.oecd.org/about/0,2337,en_33873108_33873277_1_1_1_1_1,00.html.

¹³ Email correspondence from Permanent Delegation of Canada to the OECD, February 03, 2005.

¹⁴ The Investment Committee also has oversight for the *Convention on Combating Bribery*. An excellent account of civil society's role in pressing the OECD to adopt this convention is available in David Hunter's, "Background Strategy Paper on the OECD and Export Credit Agency Reform."

¹⁵ Consultations with CSOs,

http://www.oecd.org/document/22/0,2340,en_2649_34495_2435158_1_1_1_1,00.html.