

Organisation for Economic Cooperation and Development (OECD)

Organisational Information

The OECD is an international forum established in 1961 where experts and governments from 30 member states come together to research, formulate and coordinate domestic and international policies in areas such as macroeconomics, trade, development, education and science. The outcomes are a mixture of legally binding decisions and non-binding recommendations for member governments labelled the 'OECD Acts'.

Membership to the OECD is by invitation only and each member must be willing and able to adopt most of the 160 OECD Acts and be committed to a market economy and a pluralistic democracy. Its current membership produces 60 percent of the world's goods and services. Non-members are invited to subscribe to OECD agreements and treaties, and the organisation shares expertise and exchanges views on topics of mutual concern with more than 70 countries worldwide.

Located in Paris, France, the secretariat employs approximately 2,000 employees and its budget is around €336 million a year.¹ National contributions to the annual budget are based on a formula related to the size of each member's economy. The largest contributor is the United States, which provides approximately 25 percent of the budget, followed by Japan.²

OECD actively engaged in the data collection process for the 2006 Global Accountability Report. They completed a questionnaire, provided access to internal documentation and representatives of the organisation were interviewed as part of the research.

Organisational Structure

The OECD secretariat carries out research and analysis at the request of the OECD's 30 member countries. It is divided up into 15 Directorates that provides support to over 200 specialised committees, working groups and expert groups that serve as a forum for representatives of member states to advance ideas and review progress in specific policy areas, such as economics, trade, science, employment, education or financial markets.

The OECD Council is the governing body. It is made up of one representative of each member country, plus a representative of the European Commission. The Council meets at ministerial level once a year to discuss key issues and set priorities for OECD work. The Council also meets on a more regularly basis at the level of Ambassadors to the OECD. This series of meetings constitutes the executive body. In both bodies all decisions are taken by consensus. A Secretary General who is assisted by four Deputy Secretary-Generals heads the secretariat.

Transparency Dimension

OECD rank fourth among the ten assessed IGOs for their transparency capabilities with a score of 56 percent.

They have two internal documents that guide the disclosure of information in the form of the Council Resolution on the Classification and Declassification of Information and a Statement on Information Disclosure. Neither however, meets any of the good practice principles. For example, although the Statement on Information Disclosure commits the organisation to the presumption of disclosure, the conditions for non-disclosure detailed in the Council Resolution are not narrowly drawn. They include: "on-going international negotiations carried out under the aegis of the OECD; discussions of the organisation's or member countries' relations with non-member countries; market sensitive material; and commercial sensitive material" (Council Resolution on the Classification and Declassification of Information.) These conditions cover much of what the OECD does in relation to international negotiations and thus undermine the OECD's overall transparency capabilities.

¹ http://www.oecd.org/document/18/0,2340,en_2649_201185_2068050_1_1_1_1,00.html

² *ibid*

The systems that are in place to support transparent practices within the OECD are well developed. At the level of member states, the OECD Council with support from its Committee on Public Affairs and Communication (CPAC) manages the organisation's policies on openness and transparency. Within the Secretariat, the Head of the Public Affairs and Communication Directorate has ultimate responsibility for ensuring compliance with the transparency policies, while the Civil Society Liaison Manager also oversees part of the policies implementation. In terms of training, each OECD committee has a secretary responsible for document production, classification and dissemination processes that receives training on the organisation's transparency policies. The documents that guide the OECD's approach to transparency are both disseminated widely, although currently they are only available in English and French.

Participation Dimension

Among the ten assessed IGOs the OECD rank highest for their participation capabilities, with a score of 80 percent.

External Stakeholder Engagement

The OECD has the most developed external stakeholder engagement capabilities from among the assessed IGOs. Although they do not have a single policy that guides engagement with all stakeholder groups they do have a specific policy on engagement with business and trade unions in the form of the Terms of Reference of the Liaison Committee with International Non-Governmental Organisations. The OECD also has a set of Guidelines for Conducting Online Public Consultations and a Ministerial Statement committing the organisation to greater engagement with civil society organisations. Key good practice principles exist within each of these documents. The only commitment the OECD fails to make is that it will change policy or practice as a result of engagement with its stakeholders else an explanation will be provided.

High-level oversight of stakeholder engagement exists throughout the OECD. At the level of member states the Committee for Public Affairs and Communications, and the OECD Council is responsible for overseeing engagements with external stakeholders, while within the Secretariat, the Public Affairs Division is the focal point for OECD's relations with business, labour, parliamentarians, civil society and the general public. There are also named senior managers within each Directorate that have responsibility for overseeing engagement with different stakeholder groups. In addition, the OECD has a Civil Society Liaison Manager that, among other responsibilities, oversees the use of the Guidelines for Conducting Online Public Consultation and coordinates an internal network of people responsible for external stakeholder engagement. The accessibility of the documents relating to external stakeholder engagements is mixed; while all the documents are available in English and French, the Guidelines for Conducting Online Public Consultation were until recently an internal document and not disclosed publicly (since participating in the 2006 Global Accountability Report OECD now makes the Guidelines publicly available through their website.)

The OECD stands out from among many of the assessed IGOs in the way that it has institutionalised consultative arrangements with several external stakeholder groups. Both stakeholders from business and labour have formal representation at the OECD through the Business and Industry Advisory Committee (BIAC) and Trade Union Advisory Committee (TUAC.) Both bodies have annual 'liaison committee' meetings with the OECD Council (at the level of ambassadors) to communicate their views on the activities and functioning of the OECD. They also have consultations with the chair and vice chairs of the annual OECD Ministerial Council Meeting. Engagement with Parliamentarians is also institutionalised. The Parliamentary Assembly of the Council of Europe prepares an Annual Report on the activities of the OECD. In response to this the OECD Secretary General addresses the Parliamentary Assembly and responds to their questions. At the end of this debate, the Assembly passes a resolution on the activities of the OECD, to which the organisation makes a formal response the following year. There are also regular meetings with the Parliamentary Assembly of NATO.

Member Control

The OECD has strong member control. Because of its relatively small size (30 member states) all members are represented at the OECD Council both at ministerial level (governing body) and the ambassadorial level (executive.) Decisions in both bodies are, as much as possible, made through consensus, however when this is not viable decisions are made by a qualified majority with each member having one vote. All members are able to add items to the agenda of Council meetings and

a minority of members are not able to block changes to the Convention. The only area where the OECD falls down is that there is no mention in the Convention of if member states are able to initiate a process of dismissal of individuals on the executive.

Evaluation Dimension

With a score of 76 percent, OECD rank fifth among the assessed IGOs for their evaluation capabilities.

They have two key documents that guide the evaluation of different elements of their work: regular Programme Implementation Reporting (PIR) which involves surveys by member states on the quality and impact of the research outputs produced by the OECD; and the In-depth Evaluation of Committees which assess whether committees are conducting processes, delivering outputs and achieving impacts that are in line with members' policy expectations and priorities. Both documents are of a high quality committing the OECD to engaging relevant external stakeholders in the evaluation process and to using the results to inform future decision-making. Neither however, makes a commitment to disclosing evaluation results publicly or to evaluating organisation-wide administrative policies

The systems that the OECD has in place for fostering compliance with these policies are also well developed. The PIR was established by a Heads of Delegation group and is managed on a day-to-day basis by a team of experts in results-based budgeting and performance reporting that report directly to the Secretary General. Oversight of the In-depth Evaluation of Committees is undertaken by a small group of member states called the Evaluation Sub-Group that are nominated by the OECD Council, while an Evaluation Coordinator conducts the evaluations themselves. No training is provided to staff on the In-depth Evaluations of Committees as they are conducted by a professional evaluator. But all relevant members of staff and delegations are provided with guidance on how to manage the PIR process. The OECD also has an innovative mechanism for disseminating lessons within the organisation specifically as they relate to engaging with civil society. The Internal Civil Society Coordinators Network is an internal network of people who are responsible for external stakeholder engagement that facilitates internal sharing of best practice.

Where the OECD's evaluation system is lacking, is in relation to the accessibility of their evaluation policies to external stakeholder. Although they are available both in English and French, neither document is currently made publicly available.

Complaint and Response Dimension

The OECD rank fifth among the assessed IGOs for their complaints and response capabilities with a score of 37 percent.

The handling of complaints is addressed in the Staff Regulations, Rules and Instructions which identifies procedures for if a member of staff wants to report fraud or corruption. A similar document does not exist for external stakeholders. The OECD claims however, that external stakeholder can make complaints through the auditor and that during OECD Committees' consultations with civil society NGOs can express dissatisfaction with OECD work and also produce papers proposing alternatives which are tabled at the consultations. Although these channels may exist, to ensure consistency in approach the OECD needs to develop a policy on handling complaints from external stakeholders and establish a formalised mechanism through which these complaints can be made.

There are a number of areas where the OECD needs to strengthen their policy on handling internal complaints. They do not currently commit to ensuring that those assessing, investigating and responding to a complaint are independent of the complainant; there is no commitment that all negative consequences suffered by victims of proven retaliation are reversed; nor is there a commitment that there will be mandatory discipline for anyone found to have retaliated against a the complainant.

The Head of Human Resources Management is responsible for overseeing compliance with the Staff Regulations, Rules and Instructions. The auditor is a certified fraud examiner so has received the

necessary training on handling complaints; however no training is provided more widely to staff on how to handle complaints. The Staff Regulation, Rules and Instructions are posted on the intranet and disseminated through a CD ROM given to all members of staff.

Conclusion

Across the four dimensions, the OECD's participation capabilities are most developed, with strong policies and systems in place to guide and support engagement with both internal and external stakeholders. Complaints and response is the least developed dimension of the OECD's accountability. They currently lack a formal document that guides the handling of complaints from external stakeholders, and their policy for internal stakeholders leaves significant room for improvement.

In light of this, the OECD should consider a number of reforms. They should revise their information disclosure policy identifying more narrowly defined conditions of non-disclosure. Their internal complaints policy should be improved to include more of the principles of good practice, notably making a more explicit commitment to ensuring that the person investigating a complaint is independent of the subject of the complainant. The OECD should also develop a policy on handling complaints from external stakeholders and institute a formalised channel through which these can be made. In addition, while the OECD already scores high for their evaluation capabilities, their evaluation systems could be improved by publicly disclosing the documents that guide Programme Implementation Reporting (PIR) and the In-depth Evaluation of Committees.

The 2006 Global Accountability Report assessed the accountability of 30 global organisations from the intergovernmental, non-governmental and corporate sectors according to four key dimensions of accountability – transparency, participation, evaluation, and complaint and response mechanisms. The study investigated the extent to which these organisations have in place the capabilities – policies and systems – at headquarters or the global office that foster accountability to communities they affect and to the wider public. At the global level, organisations need to have in place enforceable policies on key dimensions of accountability in order to promote consistency in approach both at different levels throughout the organisation and in relation to their diverse stakeholder groups. The presence of a policy at the global office indicates a public commitment to the dimensions of accountability and enables stakeholders to demand compliance with these policies; yet how these commitments translate into practice is equally important. The project team at the One World Trust is actively seeking innovative ways to assess accountability in practice both at the global office and field levels. Such assessments will help build a more comprehensive understanding of an organisation's accountability.

For a full list of indicators against which each of the 30 organisations were assessed click [here](#) or for further information on the 2006 Global Accountability click [here](#).