



Gobierno del Perú



Peru and the OECD

Building a better country



What is the Organization for Economic Cooperation and Development - OECD?

The OECD is an intergovernmental organization that provides a forum for debating public policy designs and promote coordinated initiatives among its members through shared standards that assure its members' long term development. It was founded in 1961 and presently has 35 member states.

Its mission is to promote policies that improve the economic and social wellbeing of people around the world.

OECD works together with member states to support their reform processes in four major areas.

Why work with the OECD?

- **Peru wants to adopt the best governance practices and standards of OECD nations to build stronger institutions** and so guarantee its long term development, narrow the inequality gaps and **strengthen its development**.
- This is an opportunity to **share government management and public policy experiences and good practices**, and on their implementation.
- **OECD cooperates and discusses issues with stakeholders in each nation and makes independent recommendations**.
- It provides a **seal of recognition to improved public policy design** thus contributing to creating a **better business climate** and confidence for new investments.
- It helps to consolidate **sector reforms to foster long term growth**, and helps in identifying potential barriers to accomplishing such goals.
- It allows to constantly assess the country's performance, and thereby **build credibility in its long term development outcomes**.

How is Peru's relationship with the OECD structured?

First approach: participation in key bodies and adherence to instruments

Peru's participation in the OECD dates back to 1998 with a focus on investments.

Before submitting its formal request to join the Organization and implement a Country Program, Peru approached certain OECD subsidiary bodies from which it had received ad hoc invitations to participate, and gradually became increasingly active in them.

They are the following:

- Investments Committee (since 2008),
- Development Center (since 2009),
- Competition Committee (since 2011),
- Consumer Policy Committee (since 2012),
- Working Group on Bribery in International Business Transactions (since 2014).
- In October 2014 during negotiations of its Country Program, Peru joined the Global Forum on Transparency and Exchange of Information for Fiscal Purposes (GFTEI).

Country Program 2015-2016

The Country Program is a structured mechanism of joint cooperation created by the OECD to support emerging and dynamic economies like Peru's in designing their reforms and strengthen their public policies.

Peru's participation in the Country Program is the result of its interest in designing good practices like those of other member countries, and the OECD's interest in expanding its relations with a country that has made significant strides in the last 20 years, in particular regarding economic issues.

It operates as a tool to contribute to the country's development agenda by fostering measures to increase national productivity, since it:

- catalyzes the changes needed in national policies to enhance the country's productivity;
- allows to improve the quality of public policies and citizen services provided by government;
- supports institution building and provides continuity to proposed reforms;
- creates a space for dialogue and dissemination of the country's progress and other priority policy issues;
- provides a tool for learning from other OECD member countries' experience;
- leverages relations among governments.

Action Plan: Country Program Activities for 2015-2016

Peru's participation in the Country Program translates into the following:

19 deliverable products
(policy reviews and studies)

Participation in 19 OECD committees and working groups

Adherence to 12 international standards
(OECD legal instruments)

The above activities are grouped in the following fields of work:

1. Identifying barriers to growth and development

Policy reviews and studies:

- Multi-Dimensional Country Review
- Territory Development Review

Participation in committees and working groups:

- Territory Development Policy Committee

2. Better government institutional setting and governance

Policy reviews and studies:

- Public Governance Review
- Regulatory Policy Review
- Support to implementing best international practice in Regulatory Impact Analysis
- Public Procurement Review
- Assessment of Statistics and Statistical System
- Capacity Building Program on international tax system with emphasis on transfer pricing in the context of the OECD's tax and development program

Participation in committees and working groups:

- Public Governance Committee
- Fiscal Affairs Committee
- Regulatory Policy Committee
- Committee on Financial Markets
- Insurance and Private Pensions Committee
- Statistics and Statistical Policy Committee

Adherence to legal instruments:

- Council's Recommendation to Improve Ethical Conduct in Public Services including Principles to Address Ethical Issues in Public Service
- Council's Recommendation on OECD Guidelines for Managing Conflict of Interest in the Public Service
- Council's Recommendation on Public Governance Principles in Public-Private Partnerships

3. Enhancing productivity and human capital

Policy reviews and studies:

- Skills Beyond School Vocational Education and Training (VET) Review
- Skills Strategy Project
- Investing in Youth Report
- Review of Health System with a focus on the attainment of Universal Health Coverage

- Review of health sector data and statistics
- Inclusion of Peru in the TiVA database
- Statistical Co-operation to develop the statistical infrastructure in relation to OECD's work on TiVA and related indicators in the longer term
- Adherence review under the OECD Codes of Liberalization

Participation in committees and working groups:

- Board of Participating Countries for the Program for the International Assessment of Adults Competencies (PIAAC)
- Health Committee
- Education Policy Committee
- Trade Committee
- Agriculture Committee
- Investment Committee

Adherence to legal instruments:

- OECD Action Plan for Youth
- Codes of Liberalization of Capital Movements and of Current Invisible Operations

4. State transparency and fight against corruption

Policy reviews and studies:

- Public Sector Integrity Review
- Regional Consultations on Base Erosion and Profit Shifting (BEPS)

Participation in committees and working groups:

- Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI)
- Working Group on Bribery in International Business Transactions

Adherence to legal instruments:

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance
- Recommendation of the Council on Principles for Transparency and Integrity in Lobbying
- Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol
- Declaration on Automatic Exchange of Information in Tax Matters
- Recommendation of the Council on the new Standard on automatic exchange of financial account information

5. Improved environmental standards

Policy reviews and studies:

- Environmental Performance Review

Participation in committees and working groups:

- Environmental Policy Committee
- Joint Meeting of the Chemicals Committee and the Working Party on Chemicals, Pesticides and Biotechnology
- Development Center – Policy Dialogue on Natural Resource Based Development
- Climate Change Expert Group and Research Collaborative on Tracking Private Climate Finance

Adherence to legal instruments:

- Declaration on Green Growth

OECD's Regional Program for Latin America:

- The OECD Regional Program for Latin America was launched on 1 June, 2016, at the OECD Ministers' Council Meeting in Paris, France. The program's objective is to support the region in advancing its reform agenda.
- A natural step in the evolving strengthening relations with OECD was to obtain the **co-chair of the Program**, together with Chile. This will allow Peru to contribute to the region as a whole its experience of recent years in economic growth and social development, as well as its experience from its work together with OECD within its Country Program.
- The areas that will provide the foundation to start such experience sharing among regional experts and OECD within this Program are increased productivity, enhanced social inclusion, and institutional strengthening. Work in this priority areas will allow to identify the best public policy strategies and instruments to create efficient and diversified economies that will be better integrated to global value chains.

Aspiration to join the Organization:

- Peru aspires to become a full member of the Organization before 2021.

What does it mean for Peru to join OECD?

- Joining OECD presupposes turning the reform process into an ongoing process through permanent review and idea sharing mechanisms focusing on public policy and government practices.
- It will allow Peru to play a more active participatory role in preparing new solutions to global problems. OECD is not just a "think tank" but a "do tank" where new international standards and instruments are created, and Peru can contribute to it.
- It will allow to shorten the learning curve to development, train its public officials on a permanent basis, and prevent policy erosion resulting from policies that had contradictory or no effect in other countries. There are no recipes. Only experiences. Technical work may help in leveraging reforms in Peru.
- It will strengthen the framework of values we share with OECD member countries, including democracy, respect for human rights and the rule of law, and the market economy. OECD has as its objective to consolidate economic growth and stability, which is the foundation for the social reforms needed to accomplish greater social wellbeing. In addition, it interacts with large international business and labor networks.
- Participation in various OECD instances and adopting the Organization's standards will allow to gain gradual certification for different areas of government administration.

Institutional framework of Peru's relation with the OECD

- Actions to establish Peru's relations with OECD, including the Country Program and the Regional Program for Latin America and the Caribbean, are coordinated by the Peru OECD Commission created by Supreme Decree 086 2015 PCM. The Commission is presided by the Cabinet Chief Office, the Minister of Foreign Affairs and the Minister of Economy and Finance. The Ministry of Foreign Affairs is in charge of the Technical Secretariat.
- The above mentioned Supreme Decree declares the actions, activities and initiatives undertaken within the process to establish the relationship between Peru and OECD are a matter of national interest.
- Action leaders have been appointed in various ministries to closely coordinate efforts with the Peru OECD Commission so as to honor all the commitments made by Peru as part of the Country Program.

PERU OECD FORUM 2016

