



MINISTRY: FINANCE
REPUBLIC OF SOUTH AFRICA

ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



JOINT STATEMENT BY THE SOUTH AFRICAN MINISTER OF FINANCE, TREVOR A MANUEL, MP AND THE SECRETARY-GENERAL OF THE OECD, ANGEL GURRIA, REGARDING ENHANCED ENGAGEMENT BETWEEN SOUTH AFRICA AND THE OECD

15 July 2008

The world is rapidly transforming and a number of dynamic emerging economies, including South Africa, have become major players and trading partners with the members of the Organisation for Economic Co-operation and Development (OECD).

In this context, the OECD Members have recognised the need for the Organisation to become more open and relevant in order to realise its strategic goal of becoming an important hub for dialogue on globally significant policy issues.

South Africa's relationship with the OECD has deepened since the early 1990s. The OECD's role as a centre for policy development built around analysis, dialogue, peer review and advice based on internationally comparable data has become increasingly valuable to South African policy makers.

The ongoing partnership between South Africa and the OECD has proven to be deep, strong, enduring and mutually beneficial. At the most senior levels of government, South Africa together with other emerging economies participated in the 2008 OECD's Ministerial Council Meeting. South Africa is a member of the OECD Development Centre and is a Party to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions since 2007.

South African policy makers have benefited from participation in OECD forums, expert meetings and capacity building workshops. Officials from South Africa participate in the activities of more than ten OECD committees and a number of working groups as observers, and for some of them, as a participant on an equal footing with OECD Members.

The Economic Assessment Report which has just been released and the forthcoming report on the Education Policy Review are two salient examples which highlight the value that the OECD is able to add to policy development processes in South Africa. South Africa has also benefited from OECD policy inputs on competition policies and practices, technology and innovation, tax policy and administration and agriculture. There has been strong collaboration in building capacity of senior officials on the African continent, especially in financial and taxation matters.

In May 2007, the OECD's Ministerial Council Meeting took a resolution to strengthen (its) co-operation with Brazil, the People's Republic of China, India, Indonesia and South Africa through enhanced engagement programmes. Whilst all five countries have ongoing relationships with the OECD to varying degrees, enhanced engagement offers each partner country the opportunity to work more closely with the OECD in a manner that is more focused, comprehensive, coherent and mutually beneficial. This closer working relationship would enable them to make an even greater contribution to the debates taking place within the OECD.

The South African Government welcomes the enhanced engagement process and we believe that this is an opportunity to build our partnership with the OECD through a strengthened relationship and a more structured interaction, based on mutual interests.

South Africa and the OECD are already pursuing this relationship through a number of ongoing initiatives summarised in the annex to this Statement. OECD Members believe that enhanced engagement should incorporate certain core elements while being incremental in nature and in line with the interests and priorities of partner countries.

As the relationship proceeds, South Africa and the OECD will work to achieve a better understanding of the functioning of the various policy instruments. In the long term, a programme of greater convergence is envisaged between South Africa's social, economic and political structures and the generally accepted standards established by the OECD. South Africa realises that, in making this commitment, a national dialogue involving South African society more broadly will be required and therefore intends to engage fully with stakeholders on the way forward with respect to the partnership between the OECD and South Africa.

Enhanced engagement goes beyond the normal policy dialogue between OECD Members and major emerging economies, like South Africa. Its success will depend on our willingness to establish mutually beneficial areas of work and monitor progress. In this respect, South Africa and the OECD will convene a high-level meeting at least annually in order to assess our progress in building this partnership, and plan future steps.

ANNEX

ONGOING ELEMENTS OF OECD-SOUTH AFRICA ENHANCED ENGAGEMENT

1. The launch of the Economic Assessment Report is a crucial first step towards enhanced participation by South Africa in the OECD's programmes of economic surveillance. This work will be strengthened by increased participation of South Africa in the OECD's core multilateral and sector specific reviews.
2. In the coming months the OECD, in collaboration with the South African National Department of Education, will launch its report on the review of South Africa's education policies and systems.
3. Under the leadership of the South Africa Department of Provincial and Local Government (DPLG) and Presidency, co-operation will be undertaken with the OECD's Public Governance and Territorial Development Directorate, to facilitate experience sharing and analysis of the spatial development and rural development strategies.
4. The National Treasury and the OECD will work together to build channels of communication and information exchange between the OECD and the South African policy community, within and beyond government. Key steps in this regard include the establishment of public access depository of OECD information within the National Library of South Africa in Pretoria. Steps will also be taken to encourage greater utilisation of the OECD's web-based facilities which enable government officials to access reports, data and other information.
5. Working with the South Africa Department of Science and Technology, the OECD will facilitate the registration of South African Science and Technology experts onto relevant OECD databases, thus giving them the opportunity to participate in country studies. Such participation would enable South Africa to share their experiences and also learn further in specialist areas and policy reform.

6. The South African Government will maintain its observer status and/or membership in relevant OECD structures including the Development Centre, the Committee on Fiscal Affairs and the Competition Committee, Working Group on Bribery in International Business Transactions; the Chemicals Committee, Committee on Scientific and Technological policy, Steel Committee, Committee on Agriculture, and the working groups and working parties of the Committee of Statistics. In addition, the South Africa Government intends to seek observer status in the Territorial Development Policy Committee and the Working Party on Private Pensions.

7. South Africa will participate and collaborate with the OECD Competition Committee in the implementation of outreach activities, including engagement in capacity building exchange programmes and conducting a feasibility study on the establishment of a regional competition centre in South Africa

8. As part of the country assessment, required in line with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, South Africa will engage in a Phase 2 assessment which will evaluate the extent to which existing domestic legal instruments are enforced to prevent and address the bribery of foreign officials in business transactions.

[end]