

# OECD CONTRIBUTIONS TO THE G20



# G20



# Status Report

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# Table of Contents

Preface	3
Recent G20 Developments and OECD Contributions: A Snapshot	4
Framework for Strong, Sustainable and Balanced Growth	8
SMEs and Corporate Governance	9
Financial Education and Financial Consumer Protection	10
Taxation	11
International Financial Architecture & Long-term Investment	12
Investment and Trade	13
Disaster Risk Management	14
Energy Architecture, Energy Efficiency and Fossil Fuels	15
Green Growth	16
Green Finance	17
Climate Finance	18
Food Security and Agriculture	19
Employment and Social Policies	20
Development	21
Anti-corruption	22
Co-operation among International Organisations	23

# Preface

The G20 relies on international organisations for information, policy advice and technical analysis. At the request of G20 countries, international organisations prepare and submit data, reports and policy options.

This relationship is not unidirectional. International organisations also benefit from the G20 process, which helps them coordinate their work, provides leverage to it, and when necessary, injects the political momentum needed to break deadlocks.

The OECD contributes to all stages of preparation of G20 Summits. The Global Governance and Sherpa Unit, under the supervision of the OECD Chief of Staff and Sherpa to the G20, Gabriela Ramos, coordinate all the contributions to the G20. At the highest political level, the OECD Secretary General Angel Gurría participates in the Leaders' Summit while Gabriela Ramos is involved in the preparatory Sherpa negotiations and Chief Economist, Catherine L. Mann represents the OECD at the Deputies meetings.

The OECD also contributes to most G20 strands of work according to each presidency's agenda. This contribution takes various forms depending on the deliverables and tasks assigned by the G20 members. The OECD participates as a member of almost all G20 WGs and provides data, analytical reports or proposals on specific topics, often jointly with other relevant international organisations. For example, the OECD has been working closely with the IMF on the national growth strategies and the structural part of the Framework for strong, sustainable and balanced growth, with the ILO on youth employment, with the World Bank, UNDP and other international organisations on development, with the IEA on fossil fuels, and with the WTO and UNCTAD on monitoring protectionism in the areas of investment and trade.

Since 2008, the Summits of the G20 Leaders have operated under their current form and are held once or twice a year, depending on the economic context, as well as the priorities of the presiding country.

*For further details:* please see [www.oecd.org/g20/about.htm](http://www.oecd.org/g20/about.htm)

For an overview of OECD/G20 collaboration. Please see the Council Extranet site, under the G20 section and “G20\_Antalya Summit 15-16 November 2015” and “Pre-G20 Briefing\_ Ambassadors\_ 10\_November\_2015” tag for access to further OECD Deliverables to the G20 Turkish Presidency.

([https://community.oecd.org/community/council/tags#/?tags=g20+g20\\_antalya\\_summit\\_15-16\\_november\\_2015](https://community.oecd.org/community/council/tags#/?tags=g20+g20_antalya_summit_15-16_november_2015) & [https://community.oecd.org/community/council/tags#/?tags=g20+pre-g20\\_briefing\\_ambassadors\\_10\\_november\\_2015](https://community.oecd.org/community/council/tags#/?tags=g20+pre-g20_briefing_ambassadors_10_november_2015) ).

# Recent G20 Developments and OECD Contributions: A Snapshot

## G20 Agriculture Deputies' Meeting and Ministers' Meeting

1 – 2, 3 June 2016, Xi'an, China

Agriculture Ministers and Deputy Ministers of G20 Members convened in Xi'an to share their views on promoting food security, nutrition, sustainable agricultural growth, and rural development worldwide and discuss how building an innovative, invigorated, interconnected, and inclusive world economy can achieve the 2030 Agenda for Sustainable Development, including eradicating hunger and extreme poverty. Deputy Secretary-General Tamaki made a statement reinforcing the necessity of significant shifts in the policy mix to achieve a productive, sustainable and global food system, as declared in the April OECD Agriculture Ministerial. The Ministerial Communiqué was endorsed by G20 agricultural ministers, which reiterated G20 Members' commitment to the Sustainable Development Goals and reaffirmed that agriculture and rural development are crucial to global food security and poverty alleviation and can contribute significantly towards inclusive economic growth, social stability, and the sustainable use of natural resources. The OECD was tasked twice in this communiqué; first, on the continued development of the analytical framework for improving agricultural productivity in an innovative and sustainable manner, and second, on their assessment of existing agricultural ICT applications in order to make proposals on mechanisms to improve its exchange and cooperation. During the Meeting, Germany shed some light on likely agricultural topics under its G20 Presidency, which include Water & Agriculture and ICT in Agriculture.

## 2<sup>nd</sup> G20 Energy Ministerial Meeting

29 – 30 June 2016, Beijing, China

Energy Ministers of G20 Member countries convened on 29 – 30 June 2016 in Beijing to take part in the 2<sup>nd</sup> G20 Energy Ministerial and Conference on Energy Access. Ministers shared the progress of their activities as they related to energy. Deputy Secretary-General Kiviniemi intervened on two occasions. On "Prospects for International Energy Development – Opportunities and Challenges", she flagged the outcomes of the *Climate Change Mitigation and Aligning Policies for the Transition to a Low-Carbon Economy* reports, mentioned our G20 work streams on Green Investment Banks and Green Bonds, and OECD input to the G20 fossil fuel subsidy peer review process. On "Financing and Business Models for Improving Energy Access", her remarks focused on the Green Investment Banks report and our input to the Green Finance Study Group. In our bilateral meeting with the German Federal Ministry for Economic Affairs and Energy, we were informed of the three priorities for the 2017 G20 energy agenda – (i) setting the framework for low/zero carbon energy technology investment; (ii) the economic benefits of early, forward-looking action; and (iii) avoiding stranded assets in the energy sector.

## **G20 Trade Minister's Meeting** **9 – 10 July 2016, Shanghai, China**

The 2016 G20 Trade Ministers Meeting took place in Shanghai on 9-10 July. Ministers reached consensus on a Ministerial Statement, the Terms of Reference of the G20 Trade and Investment Working Group (TIWG), a G20 Strategy for Global Trade Growth (SGTG) and G20 Guiding Principles for Global Investment Policymaking. These outcomes provide good visibility and political endorsement of current and future OECD work, demonstrating the close alignment of the OECD trade agenda with the priorities of G20 Members. In particular, the Ministers Statement explicitly references the OECD Steel Committee and the feasibility of forming a Global Forum to address excess capacity in steel and other industries which require collective responses. G20 steelmaking economies committed to participate in the 8-9 September meeting of the Steel Committee. The G20 welcomed further work by the OECD and other international organizations to measure trade costs and improve economic modelling of the interlinkages between trade, structural measures, investment and GDP. G20 Members recommitted to a two year renewal of their existing pledge for both standstill and rollback of protectionist measures, and renewed the mandates of the WTO, OECD and UNCTAD to continue regular reporting on measures affecting trade in goods and services, and investment. G20 Members recognized the value of discussions on investment promotion and facilitation, and encouraged UNCTAD, the World Bank, the OECD and the WTO to advance work for future consideration by the G20, including the identification of ways and means to enhance coherences between trade and investment regimes. G20 Members welcomed further work from the OECD and other international organizations on Global Value Chains (GVCs), including with regard to SMEs, standards, technical regulations, conformity assessment procedures, and information technologies. The OECD, UNCTAD and other International Organizations contributed to the delineation of nine non-binding G20 Guiding Principles for Global Investment Policymaking, with the objective of (i) fostering an open, transparent and conducive global policy environment for investment, (ii) promoting coherence in national and international investment policymaking, and (iii) promoting inclusive economic growth and sustainable development.

## **3<sup>rd</sup> G20 Finance Deputies' Meeting, 1<sup>st</sup> Joint G20 Finance Deputies' and Sherpa Meeting, 3<sup>rd</sup> G20 Sherpa Meeting** **22 – 23, 23, 23 – 25 June 2016, Xiamen & Fujian, China**

The G20 Sherpas convened on 23 – 25 June 2016 in Xiamen to finalise and endorse their deliverables and consider the key messages that Leaders will deliver at the Hangzhou Summit. The Sherpa Meeting was preceded by a joint Sherpa-Finance Deputies' Meeting, whereby the OECD Sherpa made a call for a more integrated approach between the finance and Sherpa tracks of the G20 on issues of common interest. During the Sherpa Meeting, major discussions were held on innovative growth, trade and investment, anticorruption, energy, development and health. On innovative growth, the OECD Sherpa presented the Organisation's analysis on the importance and relevance of the Blueprint on Innovative Growth, which will be a flagship deliverable to the Presidency based on extensive OECD contributions to the work streams of the New Sources of Growth agenda – Innovation, the Digital Economy, and the New Industrial Revolution. On anticorruption, the Sherpa highlighted the OECD's contributions on MLA and public sector integrity among others, and encouraged more integrated implementation between the various anticorruption issues with reference to the OECD Anticorruption Hub discussed at the London Summit. On trade and investment, our analysis on the current state of global trade restrictions provided the backdrop to the discussion calling for stronger structural reform measures on trade and investment and for an ambitious commitment to rollback protectionist measures. On energy, the Sherpa highlighted our pivotal role in the peer reviews of inefficient fossil fuel subsidies of US and China and declared our readiness to support future peer reviews. On health, the OECD Sherpa presented the findings of the OECD non-paper on antimicrobial resistance and shared our views on possible policy options for addressing this issue in G20 countries. At the margins, productive discussions were had during bilateral talks with: (i) Argentina, regarding its confirmed presidency of the G20 in 2018, as well as updating its new Sherpa, Carlos Foradori, on pre-accession discussions and future steps; (ii) Italy, regarding its upcoming G7 Presidency; and (iii) the United States, regarding their approach on the Steel agenda and the OECD Global Forum on Steel.

### **3<sup>rd</sup> Meeting of the G20 Investment and Infrastructure Working Group**

**2 June 2016, Bali, Indonesia**

The G20 Investment and Infrastructure Working Group met on 2 June 2016 in Bali to advance progress on delivering the outcomes for each of the three infrastructure investment pillars identified by the Finance Ministers and Central Bank Governors with the view to ensure their timely submission to the Deputies' Meeting in Xiamen. For Pillar 1, enhanced drafts of the *MDBs' Joint Declaration of Aspirations on Actions to Support Infrastructure Investment* and the *MDBs' Response to the G20 MDB Balance Sheet Optimization Action Plan* were agreed upon. For Pillar 2, discussions took place surrounding the draft of the *Vision Statement for the Global Infrastructure Connectivity Alliance Initiative*. Inputs, comments, and contributions made by the OECD were well-recognized within the work programmes of each of these pillars. For Pillar 3, the OECD presented the progress on the *G20/OECD Guidance Note on Diversification on Financial Instruments for Infrastructure and SMEs*, as well as Supporting Notes on infrastructure and SMEs to supplement the Guidance Note. The OECD also informed the meeting that the progress reports on the implementation of the *G20/OECD Principles of Corporate Governance* and *G20/OECD High Level Principles on SME Financing* would be submitted to FMCBG's meeting in July. The assessment methodology of the *G20/OECD Principles of Corporate Governance* is being developed by OECD and expected to be completed by the end of 2016.

### **2<sup>nd</sup> Meeting of the G20 Anti-Corruption Working Group and 2<sup>nd</sup> Meeting of the G20 Denial of Entry Experts' Network**

**8, 9 – 10 June 2016, London, United Kingdom**

The G20 Anti-Corruption Working Group met on 9 – 10 June 2016 in London and finalised the key deliverables of the Chinese Presidency on anti-corruption – the Principles on Cooperation on Persons Sought for Corruption and Asset Recovery (formerly the Principles on Fugitive Repatriations) and the Research Centre on Anti-Corruption to be established in China – and to draft the 2017-18 Anticorruption Action Plan, as well as other items on the agenda, including beneficial ownership (by UK initiative) and public sector integrity. The OECD presented its work on Mutual Legal Assistance (MLA) and foreign bribery, customs, fiscal transparency, open data, and beneficial ownership. As an outcome of the meeting, the OECD was tasked with drafting a paper, with IMF and WBG, on fiscal transparency approaches to anticorruption. At the margins, the OECD met with the Chinese delegation to discuss a workshop on corruption and economic development. The workshop will be held in October and will assemble economists and experts to discuss the corrosive effect of corruption on economic stability and performance, building the economic case for the fight against corruption.

### **4<sup>th</sup> Meeting of the G20 International Financial Architecture Working Group**

**20 June 2016, Seoul, Korea**

The G20 International Financial Architecture Working Group met on 20 June 2016 in Seoul to finalise the IFA WG Report which will be submitted to the Finance Ministers and Central Bank Governors for consideration. The OECD intervened on several occasions in support of the ongoing review of the *OECD Code of Liberalisation of Capital Movements*. Some Members suggested that the G20 should support the review of the Code and encourage those Members which have not yet done so to consider participating in the latter. In addition, the OECD was urged, along with other international organisations, to continue its work on developing actions and policy recommendations in support of the development of local currency bond markets, taking into account country circumstances.

### **3<sup>rd</sup> Meeting of the G20 Development Working Group**

**20 – 21 June 2016, Xiamen, China**

The G20 Development Working Group met for the third and last time on 20 – 21 June in Xiamen to advance towards finalisation of its four deliverables. The OECD was recognized for its many inputs to the DWG's deliverables. The G20 Action Plan in support of the 2030 Agenda, drafted with the help of UNDP and OECD, was finalised for submission to the Chinese Presidency, to be transmitted to Sherpas and incorporated into the Leaders' Communiqué. The DWG agreed to organise a joint OECD-UNDP workshop at the OECD on operationalising this Action Plan, with a tentative date of 12 October 2016. China distributed a set of voluntary actions that G20 Members could undertake in support of industrialisation in Africa and LDCs, which present a wide variety of opportunities for the OECD to showcase relevant work in this regard. The OECD was also praised for its Comprehensive Accountability Report, which was jointly developed with Canada. Lastly, we were informed of topics of interest for Germany's upcoming G20 Presidency; they include industrialisation of Africa, global health, food security and nutrition, climate change and green finance and energy efficiency, and BEPS/AEOI, tax systems and transparency.

### **3<sup>rd</sup> Meeting of the G20 Framework Working Group**

**24 – 25 June 2016, Xiamen, China**

The 3<sup>rd</sup> Meeting of the G20 Framework Working Group was held on 24 – 25 June 2016 in Xiamen following the 3<sup>rd</sup> G20 Finance Deputies' Meeting. It was focused primarily on preparations for the Hangzhou Summit. The OECD's narrative of a "low growth trap" and concerns about over-reliance on monetary policy drew support, notably from emerging market economies. The G20 Structural Reform Priorities, Principles and Indicators were all agreed as proposed to Deputies. As a result, the OECD will be responsible to lead an IO note every two years on progress towards this structural reform agenda, which will entail a qualitative assessment of overall reform progress in the G20 as well as accompanying country notes to further illustrate the main message. There were also some forward-looking discussions about how to increase the relevance of the FWG, to which Germany has committed to continuing.

### **4<sup>th</sup> Meeting of the G20 Green Finance Study Group**

**21 June 2016, Xiamen, China**

The fourth and final G20 Green Finance Study Group of the Chinese Presidency was held on 21 June 2016 in Xiamen to finalise the Green Finance Synthesis Report's summary document, which was transmitted to Finance Ministers and Central Bank Governors at the adjournment of the meeting. The OECD intervened on a number of occasions and our inputs to the group were mentioned in the three page summary. The OECD is an official "knowledge partner" in two of the five work streams of the GFSG – "greening institutional investors" and "greening the bond markets" – and already has delivered on four deliverables to the GFSG, all of which draw from work already underway at the OECD: (i) a draft "Progress Report on Approaches to Mobilise Institutional Investment for Green Finance", (ii) a "Progress Report on Investment Governance and the Integration of ESG Factors", (iii) a revised draft of "A Quantitative Framework for Analysing Potential Bond Contributions in a Low-Carbon Transition", and (vi) a joint background report, drafted with ICMA, CBA, China Green Finance Committee, on "Green Bonds: Country Experiences, Barriers, and Options".

#### **ANNEX**

- G20 Agriculture Ministers' Meeting Communiqué
- G20 Energy Ministerial Meeting Communiqué
- G20 Trade Ministers' Meeting Communiqué

## Framework for Strong, Sustainable and Balanced Growth

The OECD is a member of the G20 Framework Working Group (FWG) and has been actively involved in the implementation of the G20 Mutual Assessment Process (MAP) in the structural policy area since 2009, particularly by providing policy-oriented technical analysis on the effects of structural reforms on economic performance. Through its analytical framework to link policy settings to outcomes, the OECD identifies policy priorities for individual countries to remove impediments to stronger performance and to unlock opportunities for growth. The OECD also contributes to the policy debate in G20 countries by sharing expertise and experience in several structural reform areas, as well as by monitoring progress in the implementation of structural policies. In so doing, the OECD has played a key role in the elaboration of successive G20 Growth and Jobs Action Plans aimed at achieving strong, sustainable and balanced growth as well as in the design of National Growth Strategies to achieve 2% additional growth by 2018.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para 27 and para 5]**

*“We remain resolute to continue our collective action to lift actual and potential growth of our economies, support job creation, strengthen resilience, promote development and enhance inclusiveness of our policies.”*

*“Analysis by the IMF, OECD and World Bank Group indicates that our implementation so far represents more than one third of our collective growth ambition. Yet we also acknowledge that more needs to be done. We will strive more and take prompt action to expedite implementation of our remaining commitments. Going forward, we will continue to closely monitor the implementation of our commitments through the robust framework we developed this year.”*

### OECD Contribution & State of Play

The OECD is continuing to monitor the implementation of the G20 National Growth Strategies aimed at lifting the global GDP by 2% above the baseline by 2018 under the Chinese Presidency. Under this exercise, the OECD was asked to provide analysis of the gap between commitments and implementation vis-à-vis the 2% target, which will provide further clarification of the 2016 priorities on structural reform. Building on this, the Chinese Presidency has defined a two-pillar approach to the G20 structural reform agenda: the first pillar will be the definition of priorities and principles and the second a quantitative assessment framework for structural reforms. The OECD has put forward proposed principles and priorities at the latest FWG, and will continue to develop our dashboard of indicators, based on our work on “Going for Growth.”

### Next steps & Expected Deliverables

The OECD will continue to provide technical expertise in the definition of the G20 priorities and principles of Structural Reform. Under the second pillar, the organization will also continue to provide support and advice as the Presidency and co-chairs define the list of 10 core indicators, following the FWG’s discussions for the next meeting of the working group.

### Useful Links

**Antalya Action Plan, November 2015:** <https://g20.org/wp-content/uploads/2015/11/Antalya-Action-Plan.pdf>

**Enhancing Policy Coherence between the G20 Growth Strategies and Employment Plans:** <https://community.oecd.org/docs/DOC-93550>

## SMEs and Corporate Governance

As part of the investment and inclusiveness agenda, the OECD supported the Turkish Presidency's emphasis on promoting small and medium-sized enterprise (SME) development throughout the G20's various streams. Under this focus, the OECD has provided expertise to the G20 Presidency in the areas of SME access to finance, participation in GVCs, corporate governance and SME taxation rules. The Organisation drafted the G20/OECD High Level Principles on SME financing and G20/OECD Principles of Corporate Governance, both of which were respectively welcomed and endorsed by the Leaders.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para. 10]**

*"[...] To help ensure a strong corporate governance framework that will support private investment, we endorse the G20/OECD Principles of Corporate Governance. We have placed a special focus on promoting long-term financing for SMEs, and we welcome the Joint Action Plan on SME Financing, the G20/OECD High-Level Principles on SME Financing as guidance, and the establishment of the private sector-led World SME Forum [...]"*

### OECD Contribution & State of Play

The OECD has contributed actively to this priority of the Turkish Presidency, including through the crafting of the G20/OECD High-Level Principles on SME Financing, which was first presented at the meeting of G20 Finance Ministers and Central Bank Governors in September 2015 and later endorsed by Leaders in Antalya. The Organisation has also updated its OECD Corporate Governance Principles, which became G20/OECD Principles after their endorsement by G20 Finance Ministers earlier this year. Per the G20 Finance Ministers' request, the Principles focus specifically on how they should be implemented within SMEs. Throughout the year, the OECD has contributed to the G20 work on SMEs by building on its existing body of SME work and by co-organising with the Turkish Presidency the G20/OECD Corporate Governance Forum in Istanbul. At the margins of the G20 Finance Ministers and Central Bank Governors meeting in Washington D.C. on 16 April 2015, the Secretary-General launched, jointly with DPM Babacan, the 2015 edition of *Financing SMEs and Entrepreneurs: An OECD Scoreboard*. The OECD Scoreboard provides information to governments on SMEs' access to finance and the obstacles facing SMEs to succeed. The OECD also provided inputs on Inclusive GVCs to examine measures to strengthen the participation of SMEs in GVCs (see section on Trade).

### Next steps & Expected Deliverables

Under the Chinese Presidency of the G20, the OECD will continue to actively support G20 efforts to foster SME contributions in building inclusive and sustainable economies, including through the lens of their participation in GVCs. It will also contribute to the G20 agenda by providing updates on the implementation of the G20/OECD Principles of Corporate Governance, as well as SME Financing. The OECD will also act as an Institutional Partner of the newly-established World SME Forum, led by the private sector, to continue this aim.

### Useful Links

**Financing SMEs and Entrepreneurs 2015: An OECD Scoreboard:** <http://www.oecd.org/cfe/smes/financing-smes-and-entrepreneurs-23065265.htm>

**G20/OECD Principles of Corporate Governance:** <https://g20.org/wp-content/uploads/2015/09/G20-OECD-Principles-of-Corporate-Governance.pdf>

**G20/OECD High-Level Principles on SME Financing:** <https://g20.org/wp-content/uploads/2015/09/G20-OECD-High-Level-Principles-on-SME-Financing.pdf>

**Report on "Inclusive Global Value Chains-Policy Options in Trade and Complementary Areas for GVC Integration by SMEs and LIDCs":** <https://community.oecd.org/docs/DOC-93159>

## Financial Education and Financial Consumer Protection

The OECD has been supporting the G20's efforts to promote financial inclusion by strengthening financial consumer protection and financial education. Under the Turkish Presidency, the Organisation developed a framework on financial literacy for youth and completed the policy options and effective approaches for the Implementation of National Strategies for Financial Education. Previously, in Cannes, we delivered, jointly with the Financial Stability Board (FSB), High-Level Principles aimed at strengthening Financial Consumer Protection (FCP), endorsed by the Leaders. The Organisation subsequently developed effective approaches to the implementation of a first set of these principles, delivered to Leaders in St. Petersburg. The OECD and the International Network on Financial Education (INFE) also developed High-level Principles on National Strategies for Financial Education that were endorsed by Leaders in Los Cabos.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para. 21]**

*"We are promoting financial inclusion by helping to open up access to payments, savings, credit and other services."*

**[Communiqué, G20 Leaders, St Petersburg, September 2013, para. 80]**

*"[...]We also look forward to the development of international core competencies frameworks for adults and youth on financial literacy by the **OECD/INFE**. [...] We welcome the G20 Russia's Presidency and the **OECD** publication on national strategies for financial education and look forward to the development by the **OECD/INFE** of a Policy Handbook on the Implementation of National Strategies for Financial Education (...)."*

### OECD Contribution & State of Play

Following up on the work launched under the Australian Presidency, the OECD/INFE developed this year the OECD/INFE Core Competencies Framework on Financial Literacy for Youth and a Policy Handbook on the Implementation of National Strategies for Financial Education. The G20/OECD Task Force on FCP also reported on effective approaches to support the implementation of other G20 High-Level Principles on FCP. Additional work has been carried out by the OECD/INFE to feed into the G20 agenda and Global Partnership for Financial Inclusion work including: 1) Policy Guidance to financially empower vulnerable groups ; 2) Work on financial education and migrants and their families, with dedicated recommendations and practical tools.

### Next steps & Expected Deliverables

In 2016, the OECD will report on the implementation of the high-level principles on financial consumer protection. In addition, the OECD/INFE is expected to follow up on its work on core competency, by designing a framework on financial literacy for adults. The OECD will also contribute to the G20 agenda on SMEs through its dedicated activities, as well as to the discussion on digitalization through its work on the implication of digital finance for financial education and consumer protection. Lastly, the OECD will release a cross-country survey on adult's financial literacy and inclusion.

### Useful Links

**OECD/INFE Core Competencies Framework on Financial Literacy for Youth:** <https://community.oecd.org/docs/DOC-93564>

**OECD/ INFE Policy Handbook on the Implementation of National Strategies for Financial Education:** <https://community.oecd.org/docs/DOC-93587>

**Financial Education for Migrants and Their Families:** <https://community.oecd.org/docs/DOC-93566>

**OECD/INFE Progress Report on Financial Education for MSMEs and Potential Entrepreneurs:** <https://community.oecd.org/docs/DOC-93580>

# Taxation

The OECD contribution to the G20 on tax has truly participated in reshaping international taxation by modernizing its mechanisms. In Brisbane, the G20 endorsed the Common Reporting Standard for automatic exchange of tax information (AEOI) which 93 jurisdictions have committed to implement by 2018. Following on the BEPS work launched under Russian G20 leadership, the OECD has delivered, under the Turkish Presidency, the 15 Action BEPS project. In January 2016, the Inclusive Framework for the implementation of BEPS was presented

## Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para. 15]**

*“To reach a globally fair and modern international tax system, we endorse the package of measures developed under the ambitious G20/OECD Base Erosion and Profit Shifting (BEPS) project.[...]To monitor the implementation of the BEPS project globally, we call on the OECD to develop an inclusive framework by early 2016 with the involvement of interested non-G20 countries and jurisdictions which commit to implement the BEPS project, including developing countries, on an equal footing. We welcome the efforts of the IMF, OECD, UN and WBG to provide appropriate technical assistance to interested developing economies in tackling domestic resource mobilization challenges they face, including from BEPS.”*

## OECD Contribution & State of Play

In October 2015, the OECD presented the final package of measures for a comprehensive, coherent and co-ordinated reform of the international tax rules in Lima, Peru. Following the G20 Leaders’ endorsement of the 15 Actions of the OECD/G20 BEPS project, the OECD was called on to prepare an inclusive monitoring and implementation framework by early-2016. In January 2016, the inclusive framework for BEPS was established (as requested by Leaders in Antalya), therefore all interested countries and jurisdictions can join the OECD and G20 countries on an equal footing, with a status of “BEPS Associate” in the Committee on Fiscal Affairs. The OECD is also actively supporting the AEOI implementation process through dedicated training seminars, and guidance for governments as well as for the affected financial institutions. To date, more than 25 countries have already identified an additional 48 billion USD in tax revenues through voluntary disclosure and similar initiatives.

## Next steps & Expected Deliverables

The OECD is now supporting the Chinese Presidency’s tax policy initiative that supports key aspects of the broader G20 agenda, including structural reforms, inclusive growth and bolstering investment. These ideas will form the basis of the high-level G20 Tax Symposium to be held in July 2016. Additionally, we continue to build a closer relationship with the other international organisations [IMF, WB, UN] to better support countries address their priority issues relating to both tax policy and tax administration. To that end, we have been asked, together with other IOs, to provide technical support to developing countries from the joint platform to implement the BEPS project.

## Useful Links

OECD Secretary-General Report to G20 Finance Ministers, Lima, Peru: <http://www.oecd.org/g20/topics/taxation/oecd-secretary-general-tax-report-g20-finance-ministers-october-2015.pdf>

OECD Secretary-General Report to G20 Finance Ministers, Antalya, Turkey: <https://g20.org/wp-content/uploads/2015/09/OECD-Secretary-General-Report-to-G20-Finance-Ministers-with-its-annexes-including-BEPS-and-SME-taxation.pdf>

Scoping Paper for a Toolkit to Assist Developing countries to Address Difficulties in Comparables Data: <https://community.oecd.org/docs/DOC-93594>

## International Financial Architecture & Long-term Investment

Under the Turkish Presidency, the OECD assisted countries in the design of the G20 Country Investment Strategies and analysed their aggregate impact in fostering investment. The OECD is an active participant in the G20 Infrastructure and Investment Working Group (IIWG) and is making key contribution on long-term investment financing by institutional investors. Previously, the OECD had been a participant in the International Monetary System (IMS) Working Group and the sub-group on Capital Flows Management and has contributed to the development of the G20 Action Plan to support the development of local currency bond markets in emerging market economies.

### Latest G20 Commitments

**[Communiqué, G20 Leaders Summit, Antalya, November 2015, para 9]**

*“To provide a strong impetus to boost investment, particularly through private sector participation, we have developed ambitious country-specific investment strategies [...]. Analysis by the **OECD** indicates that these strategies would contribute to lifting the aggregate G20 investment to GDP ratio, by an estimated 1 percentage point by 2018.”*

**[Communiqué, G20 Leaders Summit, Antalya, November 2015, Issues for Further Action]**

*“We look forward to further work on investment, including with a follow-up by the **OECD** and other relevant international organizations on our investment strategies under our broad framework.*

### OECD Contribution & State of Play

In the area of investment under the Turkish Presidency, the OECD supported the finance track by assisting in the design of the G20 Country Investment Strategies (CIS) using its expertise in this arena, as well as by quantifying their impact on lifting the aggregate G20 investment to GDP ratio by 2018. Recent support in the newly re-established International Financial Architecture working group and the Infrastructure and Investment WG under the Chinese Presidency include contributing to the discussion on capital flow management through the use of the OECD *Codes of liberalisation of capital movements* as a tool and framework. In the context of the Infrastructure and Investment working group (IIWG), the OECD will also use our work to inform the discussion on financing of long-term investment with an emphasis on equity finance.

### Next steps & Expected Deliverables

The OECD will continue to work on the assessment and implementation of the investment strategies, as well as to participate in the IFA WG and the IIWG under the Chinese Presidency. Furthermore within these working groups, the OECD has been called on to deliver a progress report on long-term investment financing, capital flows management and the implementation of the G20/OECD Instruments of Corporate Governance and SME financing. The Organisation will also help organise a seminar on global infrastructure connectivity in April 2016, jointly with the WBG.

### Useful Links

**G20 /OECD Report on G20 Investment Strategies (Volume 1 &2):** <https://community.oecd.org/docs/DOC-93573> & <https://community.oecd.org/docs/DOC-93574>

**G20/OECD Report on G20 Investment Strategies (Highlights):** <https://community.oecd.org/docs/DOC-93151>

**G20/OECD Report on Effective Approaches to Support Implementation of the G20/OECD High-Level Principles on LTI Financing by Institutional Investors:** [https://www.g20.org/sites/default/files/g20\\_resources/library/report\\_effective\\_approaches\\_g20\\_OECD.pdf](https://www.g20.org/sites/default/files/g20_resources/library/report_effective_approaches_g20_OECD.pdf)

## Investment and Trade

The OECD has monitored trade and investment policy developments and related-protectionist measures in co-operation with WTO and UNCTAD and publicly reported on its findings since 2009. Building on their innovative work in this domain, the OECD, jointly with the WTO and UNCTAD, were first asked by G20 Leaders in Los Cabos to analyse the implications of the emergence of regional and global value chains in international trade. Their report was welcomed by Leaders in Saint Petersburg and the OECD was asked to further its research on GVCs in cooperation with other international organizations. The reports were presented at the G20 Trade Ministers' meeting in July 2014 and at the Leaders' Summit in Brisbane as well as in 2015 to the Trade Ministers' Meeting in October in Istanbul. The OECD is also a participant to the newly-established Trade and Investment Working Group under the Chinese Presidency.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para 11]**

*“Global trade and investment continue to be important engines of economic growth and development, generating employment and contributing to welfare and inclusive growth. We note that global trade growth remains below pre-crisis levels. [...] We therefore reaffirm our strong commitment to better coordinate our efforts to reinforce trade and investment,[...] . We further reaffirm our longstanding commitment to standstill and rollback on protectionist measures and will remain vigilant by monitoring our progress. For this, we ask the WTO, OECD and UNCTAD to continue their reporting on trade and investment restrictive measures.”*

### OECD Contribution & State of Play

The OECD has worked closely with the G20 on the analysis of countries' trade commitments under the NGS; mainstreaming of the STRI within the G20 in relation to countries' commitments on services; and following-up with Turkey on its priorities for the G20 trade agenda (including SMEs' participation in GVCs, and regional trade agreements and the multilateral trading system) and investment issues. Moreover, the OECD has worked with the Group to deepen the work on GVCs to assess the impact on jobs, growth and the benefits for developing countries, as well as document the investment flows and dynamics linked to GVCs and analyse the impact of the trade and investment protectionism measures. Trade and investment are a priority of the Chinese Presidency, as reflected by the establishment of a full-fledged Trade and Investment Working Group. At its first meeting, end of January, the OECD led the discussions on promoting global trade growth, promoting global investment policy cooperation and coordination, and capacity building in GVCs.

### Next steps & Expected Deliverables

Under the Chinese presidency, the OECD is contributing to the TIWG's agenda under investment, global value chains, and trade. Specifically, the OECD has been asked to use its established work on GVCs to propose policy actions that would promote inclusive value chains to input into the development of a draft Action Plan. Additionally, the OECD, together with the WTO and UNCTAD, was tasked to monitor protectionist measures to support an open and effective multilateral trading system. Lastly, the OECD is conducting work on e-commerce, pointing to the need for a G20 platform for policy dialogue on e-commerce and for a global initiative to support e-commerce uptake in developing countries.

### Useful Links

**G20 /OECD Report on G20 Investment Strategies (Volume 1 &2):** <https://community.oecd.org/docs/DOC-93573> & <https://community.oecd.org/docs/DOC-93574>

**G20/OECD Report on G20 Investment Strategies (Highlights):** <https://community.oecd.org/docs/DOC-93151>

**Report on “Inclusive Global Value Chains-Policy Options in Trade and Complementary Areas for GVC Integration by SMEs and LIDCs”:** <https://community.oecd.org/docs/DOC-93159>

# Disaster Risk Management

In November 2012 and at the request of the G20, the OECD launched a methodological framework on disaster risk assessment and financing to strengthen national Disaster Risk Management (DRM) plans. The framework is intended to be a voluntary, flexible and non-prescriptive tool that countries may use as a means of self-assessment of their progress towards targeted and focused approach to best practices in managing disasters.

## Latest G20 Commitments

[Communiqué, G20 Finance Ministers, Mexico City, November 2012, para 31]

*“(...) We appreciate and welcome the combined efforts made by the World Bank and the OECD, with the support of the United Nations, to broaden the participation in the discussion on DRM by highlighting the central role that financial policymakers play to support other areas of Government and civil society in dealing with disasters. We welcome the G20/OECD voluntary framework for disaster risk assessment and risk financing which provides a detailed guideline that aims to facilitate the implementation of more effective DRM strategies. (...)”*

## OECD Contribution & State of Play

Under the Finance track, the Mexican Presidency prioritised raising awareness of G20 Members regarding the strong impact that Disasters can have on the world economy. The joint deliverable in this area encompasses a publication and a methodological framework. The OECD submitted a contribution related to risk assessment and financing in a joint publication by the Mexican G20 Presidency and the World Bank on **“Improving the Assessment of Disaster Risks to Strengthen Financial Resilience”** at the Los Cabos Summit. The OECD delivered a **methodological framework on risk financing and disaster risk management** on 4 November 2012 at a joint press conference OECD Secretary-General Gurría, Mexico’s Finance Minister Meade and the President of the World Bank, Dr. Jim Yong Kim.

## Next steps & Expected Deliverables

The OECD is leveraging the previous work it conducted on DRM in the context of the G20 to contribute - together with the World Bank and the Asian Development Bank - to the APEC initiative on best practices in financial authority responses to disasters.

## Useful Links

G20/OECD Methodological Framework on Disaster Risk Assessment and Risk Financing: <http://www.oecd.org/mexico/g20oecdframeworkfordisasterriskmanagement.htm>

# Energy Architecture, Energy Efficiency and Fossil Fuels

In 2015, the first ever G20 Energy Ministers' Meeting took place at which the G20 Energy Access Action Plan was endorsed. The OECD contributed to the focus on energy efficiency, through the energy efficiency investment task force and on renewable energy via the adopted G20 Toolkit of Voluntary Options for Renewable Energy Deployment. The OECD has also been an active player in the G20 initiative on rationalizing and phasing out inefficient fossil-fuel subsidies (FFS), and is currently leading the peer reviewing teams for the FFS removal exercise of both China and US .

## Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya 2015, para 22+23]**

*"We remain focused on the G20 Principles on Energy Collaboration and welcome our Energy Ministers' first meeting ever." ... "We will continue to promote transparent, competitive and well-functioning energy markets, including gas markets. We stress the importance of diversification of energy sources and continued investments for increased energy security. We reaffirm our commitment to rationalise and phase-out inefficient fossil fuel subsidies that encourage wasteful consumption, over the medium term, recognising the need to support the poor. We will endeavour to make enhanced progress in moving forward this commitment. We ask our Energy Ministers to report back on energy collaboration again in 2016 on the continued implementation of the G20 Principles on Energy Collaboration."*

## OECD Contribution & State of Play

The OECD in 2015 has contributed to the work of the Energy Efficiency Finance Task Group, chaired by Mexico and France and has provided inputs for the design of the G20 Toolkit of Voluntary Options for Renewable Energy Deployment. The OECD has also been, together with the IEA, the main contributor to the **Summary of Progress Reports on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies**. In this domain, the OECD jointly with other IOs, submitted reports to the G20 in Toronto, Seoul and Cannes documenting the size, scope and impact of fossil-fuel subsidies. In 2013 the OECD contributed to develop a flexible, country-led methodology to undertake voluntary peer reviews which provided a basis for the development of the draft G20 methodology and, under the Australian Presidency, contributed to the IOs report on transitional policies for the phasing-out of fossil fuel subsidies. In December 2013, China joined the United States in the commitment to undergo peer reviews under the G-20 process. The OECD is leading the peer reviewing teams for both the US and China. Furthermore, the updated OECD's Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels , firstly released in 2011, covers all OECD countries and major emerging economies: China, Brazil, India, Indonesia, Russia, and South Africa and was released on September 21.

## Next steps & Expected Deliverables

The OECD has been asked to lead also the team for the FFS removal exercise of Germany next year and supports the G20 efforts to move forwards the subsidies reform agenda. It will also continue to support the G20 Presidency in its priorities for the energy G20 agenda, including contributing on the debate on clean energy investment, on energy efficiency finance and on green investment. The second meeting at G20 Energy Ministers' Level is planned for June 2016.

## Useful Links

**Report on the G20 Energy Efficiency Action Plan: Voluntary Contribution on Energy Efficiency 2015 Outcomes of Work-streams:** <https://community.oecd.org/docs/DOC-93592>

**Update on Recent Progress in Reform of Inefficient Fossil Fuel Subsidies that Encourage Wasteful Consumption:** <https://community.oecd.org/docs/DOC-93581>

# Green Growth

Under the Mexican G20 Presidency, Green Growth was treated as a priority theme and was addressed through a cross-cutting approach. The OECD worked closely with the Mexican Presidency to develop an agenda and concrete deliverables on Green Growth within specific strands of the G20.

## Latest G20 Commitments

### **[Declaration, G20 Leaders, Los Cabos, June 2012, para 73]**

*“We welcome the report prepared by the **OECD**, the World Bank and the UN on incorporating green growth and sustainable development policies into structural reform agendas, tailored to specific country conditions and level of development. We also acknowledge the G20 efforts to self-report voluntarily on current actions taken to integrate green growth and sustainable development into structural reform agendas. We will self-report again in 2013, on a voluntary basis, and ask appropriate officials to report back on countries’ efforts and progress on incorporating green growth policies in structural reform agendas and in relevant national plans to promote sustainable development.”*

## OECD Contribution & State of Play

Under the **Energy and Growth Sub-group of the Energy and Commodity Markets (ECM)** Working Group of the Finance Track, the OECD, World Bank and the United Nations delivered a joint report to Leaders in 2012 entitled “Incorporating Green Growth and Sustainable Development Policies into Structural Reform Agendas”. Under the **Development Working Group (DWG)** of the Sherpa Track, the African Development Bank, OECD, World Bank, United Nations delivered a joint report to Leaders in Los Cabos entitled “A Toolkit of Policy Options to Support Inclusive Green Growth”. This toolkit aims at providing support to Least Developed Countries in the development of their own approach to the implementation of green growth policies. Under the **B20 Task Force on Financing Green Infrastructure**, the final recommendations from the Task Force were delivered to President Calderon in Los Cabos. The OECD will work with its partners in the newly formed Green Growth Action Alliance (G2A2). In January 2012, the OECD together with the Global Green Growth Institute (GGGI), UNEP and the World Bank established the **Green Growth Knowledge Platform (GGKP)**, which was also recognised in the Los Cabos Communiqué. Under the Labour Track, the OECD made a presentation on Green Jobs and Quality Employment at the G20 Labour Deputies’ Meeting on 27-28 March 2012, and delivered a paper on “Sustainable Development, Green Growth and Quality Employment to the Labour and Employment” Ministers at their meeting in Guadalajara, Mexico, 17-18 May 2012.

## Next steps & Expected Deliverables

In the Energy Sustainability Working Group (ESWG), further work has been undertaken on how to develop case studies based on voluntary input from G20 members to showcase successful sustainable green growth and energy efficiency policies and share best practices.

## Useful Links

**A Toolkit of Policy Options to Support Inclusive Green Growth, Submission to the G20 Development Working Group by the AfDB, the OECD, the UN and the World Bank:**

<http://www.oecd.org/dataoecd/44/52/50645114.pdf>

## Green Finance

The G20 Chinese Presidency has established a new Green Finance Study Group (GFSG) under the Finance Track for the G20 to identify institutional and market barriers to green finance. The OECD is already involved as a lead contributor to the GFSG's green bonds and investment work-streams and will continue to act as a knowledge partner to provide key inputs and recommendations to move progress forward.

### Latest G20 Commitments

**[G20 Leaders Communiqué, Antalya, November 2015, para. 24]**

*"Climate change is one of the greatest challenges of our time. We recognize that 2015 is a critical year that requires effective, strong and collective action on climate change and its effects...Our actions will support growth and sustainable development."*

### OECD Contribution & State of Play

The core objective of the study group is to identify institutional and market barriers to green finance and, based on country experiences and best practices, analyse options on how to enhance the ability of the financial system to mobilize private green investment, thereby facilitating the green transformation of the global economy. The Group will focus on: Greening the banking system; Greening the bond market; and Greening institutional investment; Risk Analysis (incorporating environmental considerations into risk management by financial institutions) and Measuring Progress (mapping of definitions and indicators for measuring progress on green finance activities). The OECD is an active "knowledge partner" of the GFSG work, building on its expertise on existing and upcoming work on investment channels, green bond markets and institutional investment governance.

In a parallel stream, the OECD will keep supporting France, the acting COP Presidency, in exploring issues related to investment governance related to Environmental Social and Governance risks.

### Next steps & Expected Deliverables

The OECD will continue to participate and actively contribute to the Study Group, in all work-streams. Specifically, the OECD will continue informing the discussions on mobilising institutional investment for green finance and on "greening" the bond market, notably with an analysis of potential bond contributions in a low-carbon transition. This work will support directly the final output of the study group, which will be to identify institutional and market barriers to green finance and to analyse options to facilitate green investment within the financial system. The output will be presented at the July G20 Finance Ministers and Central Bank Governors meeting. Moreover, the OECD will host the 2016 Green Investment Financing Forum; the outputs will be presented to the GFSG, as they may prove useful to the Study Group.

### Useful Links

2<sup>nd</sup> OECD Green Investment Financing Forum: <http://www.oecd.org/investment/2015-green-investment-financing-forum.htm>

# Climate Finance

The OECD, jointly with other IOs, has actively contributed to shape the G20 agenda on climate change finance through a report entitled “Mobilizing Climate Finance” delivered to Leaders at the Cannes Summit. In 2015, the OECD has delivered to the Climate finance Study Group under the Finance track a climate funds inventory study and an analysis on adaptation finance requirements and access for Least Developed Countries (LDC). The OECD will continue supporting this group in 2016, notably on the issues of efficiency and transparency of climate financial flows.

## Latest G20 Commitments

**[G20 Leaders Communiqué, Antalya, November 2015, para. 24]**

*“Climate change is one of the greatest challenges of our time. We recognize that 2015 is a critical year that requires effective, strong and collective action on climate change and its effects.”*

## OECD Contribution & State of Play

Under the Turkish Presidency, the OECD delivered two OECD reports to Finance Ministers in early September 2015, the *Climate Fund Inventory* and the *Toolkit to Enhance Access to Adaptation Finance*. The latter report was aimed specifically at developing countries that are vulnerable to adverse effects of climate change, including LIDCs, SIDS and African states. Also at the request of the current and incoming UNFCCC COP Presidencies, Peru and France, the OECD report *Climate Finance in 2013-14 and the USD 100 billion goal*, done in collaboration with CPI, informed the Leaders’ discussion on Climate at the Antalya summit.

## Next steps & Expected Deliverables

The OECD stands ready to further support this group, notably with analysis on how to ensure an efficient and transparent provision, access to and mobilization of climate finance, to enhance ambition of mitigation and adaptation actions.

## Useful Links

**Toolkit to Enhance Access to Adaptation Finance for Developing Countries that are Vulnerable to the Adverse Effects of Climate Change Including LIDCs, Small Island Developing States and African States:** <https://community.oecd.org/docs/DOC-93590>

**Climate Funds Inventory:** <https://community.oecd.org/docs/DOC-93549>

**OECD-CPI Report:** <http://www.oecd.org/environment/cc/OECD-CPI-Climate-Finance-Report.pdf>

## Food Security and Agriculture

The OECD, jointly with the UN Food and Agriculture Organisation (FAO), elaborated along with 10 international organisations to a report that served as a basis for the G20 Action Plan on Food Price Volatility and Agriculture adopted by G20 Ministers of Agriculture in June 2011 and helped set up the *Agricultural Market Information System (AMIS)*, of which it is an active member. In 2014 the OECD co-led with the FAO a “*review of opportunities for economic growth and job creation in relation to food security and nutrition*”, which served as a basis for the development of the G20 Food Security and Nutrition Framework. To operationalise and implement the framework, the OECD contributed in 2015 to the elaboration of the *Action Plan on Food Security and Sustainable Food System*, endorsed by Leaders in Antalya. The OECD has also been asked to pursue work on sustainable agricultural productivity growth and water efficiency in agriculture. G20 Agriculture Ministers, who assembled in Istanbul on May 6-8, reiterated OECD’s key role in promoting efficient and sustainable food systems.

### Latest G20 Commitments

#### **[Communiqué, G20 Agriculture Ministers, May 2015, para. 6 and 10]**

*“A comprehensive food systems approach [...] is needed. We encourage the use of policy guidance, such as the voluntary Principles for Responsible Investment in Agriculture and Food Systems endorsed by the Committee on World Food Security (CFS) in 2014 and the OECD policy framework for Investment in Agriculture as appropriate”*

*“Taking into account the role played by agricultural policy in promoting sustainable food systems and food security, we call for greater cooperation and exchange of information among G20 members [...]. We invite the OECD and other relevant international organizations to continue to support the development of the G20 initiated framework for improving agricultural productivity sustainably. “*

#### **[G20 Action plan on Food Security and Sustainable Food Systems, para 5. Agreed document in the Leaders Communiqué, Antalya, November 2015]**

*“[...]The G20 supported the development of the Principles for Responsible Investment in Agriculture and Food Systems and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, both endorsed by the Committee on World Food Security. We request FAO, IFAD, UNCTAD, the World Bank Group, ILO and OECD to provide guidance to the G20 and other interested countries on the operationalization of these principles.”*

### OECD Contribution & State of Play

At the request of G20 Agriculture Ministers, the OECD has contributed its work on agriculture to the elaboration of the *Action Plan on Food Security and Sustainable Food System*, endorsed by Leaders in Antalya. The Action plan operationalises and facilitates the implementation of the “G20 Food Security and Nutrition Framework”, which was established in 2014 referring to the OECD productivity framework. Under the Turkish Presidency, the OECD participated in the G20 Agricultural Ministers Meeting. The outcomes of the meeting highlighted the role of the OECD in promoting sustainable food systems: it recognised the importance of the *OECD Policy Framework for Investment in Agriculture* as a useful policy guidance for promoting private sector investment, as well as the important contribution made by its Framework on Agricultural Productivity.

### Next steps & Expected Deliverables

G20 Leaders and Agriculture Ministers asked the OECD to continue developing and refining the G20 Framework for improving agriculture productivity sustainably and to provide guidance for the operationalization of principles on responsible investment in agriculture as well as of guidelines on responsible governance of tenure of land, fisheries and forests. Leaders further agreed to set up a platform on food losses and waste, to which the OECD will contribute.

### Useful Links

**G20 Food Security and Nutrition Framework:** [https://www.g20.org/sites/default/files/g20\\_resources/library/g20\\_food\\_security\\_nutrition\\_framework.pdf](https://www.g20.org/sites/default/files/g20_resources/library/g20_food_security_nutrition_framework.pdf)

## Employment and Social Policies

Since the 2009 G20 Summit in Pittsburgh, the OECD has made significant contributions to G20 work on employment and social policies, in co-operation with the ILO. The OECD has provided extensive support to the G20 Task Force on Employment, especially on the subjects of youth unemployment, labour activation policies, and reducing the employment gender gap. In 2014, OECD analysis was instrumental to define the gender target to reduce the gender gap participation in the labour market by 25% by 2025. The Turkish presidency has followed in suit to define a target to reduce youth at risk of being left behind in the labour market by 15% by 2025, with the OECD and ILO in charge of monitoring progress towards this goal. The Chinese Presidency is continuing these themes and has announced a focus on youth entrepreneurship, with the OECD providing support.

### Latest G20 Commitments

[Communiqué, G20 Leaders, Antalya, November 2015, para. 7]

*“We are focused on promoting more and better quality jobs in line with our G20 Framework on Promoting Quality jobs and on improving and investing in skills through our G20 Skills Strategy.[...] we agree to the G20 goal of reducing the share of young people who are most at risk of being permanently left behind in the labour market by 15% by 2025 in G20 countries. We ask the OECD and the ILO to assist us in monitoring progress in achieving this goal.”*

### OECD Contribution & State of Play

Under the Turkish Presidency’s emphasis on inclusiveness, the OECD helped developing a **Skills Strategy** and a **Quality Job Framework** for the G20, in conjunction with the ILO, as well as substantiated the Presidency’s objective for a quantitative target on youth employment to reduce the number of youth who are low-skilled, neither in employment, education, training (NEET) or working in the informal sector by 15% by 2025 (“15 x 25”). Under the Chinese Presidency, the OECD, jointly with the ILO, will contribute to the debate with analysis on enhancing employability, on promoting job opportunities and decent work and on youth entrepreneurship.

### Next steps & Expected Deliverables

Upon the request of the G20, the OECD, jointly with the ILO, will continue supporting members of the Group in measuring progress towards the 15x25 youth target, as well as the 25x25 gender target. The OECD will inform the debate at the next EWG meeting with evidence on recent developments in labour market outcomes for women in order to better guide G20 countries’ implementation of the gender goal. In addition, the OECD will support the Chinese Presidency’s focus on entrepreneurship, skills needs, employability, and adaptability, as well as youth entrepreneurship.

### Useful Links

**G20 Skills Strategy:** <https://g20.org/wp-content/uploads/2015/09/2-Annex-II-G20-Skills-Strategy.pdf>

**Income Inequality and Labour Income Share in G20 countries, Trends, Impacts, and Causes:** <https://community.oecd.org/docs/DOC-93572>

**Achieving Better Youth Employment Outcomes: Monitoring Policies and Progress in G20 Economies:** <https://community.oecd.org/docs/DOC-93568>

**Monitoring Progress in Reducing the Gender Gap in Labour Force Participation:** <https://community.oecd.org/docs/DOC-93571>

**Labour Share in G20 Economies:** <https://community.oecd.org/docs/DOC-93576>

## Development

The OECD has acted as an active member of the G20 Development Working Group (DWG) since its inception in summer 2010. Alongside other IOs, the OECD provided analytical support to G20 member countries in order to design the G20 Multi-Year Action Plan (MYAP) on Development adopted at the Seoul Summit. The OECD contributed extensively to the definition of the G20 development concepts, based on growth and resilience, as well as knowledge sharing and policy dialogues to benefit low-income countries. The Organisation coordinated several of the nine pillars of the MYAP, including human resource development; private investment and job creation; food security; domestic resource mobilization and knowledge sharing. Under the Turkish Presidency, the OECD supported the various strands of G20 work on development, notably contributing to the Multi-Year Framework for Policy Coherence and Coordination on Human Resource Development, the G20 work on private investment in infrastructure in developing countries, the G20 Inclusive Business Framework, the G20 Action Plan on Food Security and Sustainable Food Systems and the work on tax and development.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para. 19]**

*“2015 is a crucial year for sustainable development and we remain committed to ensuring our actions contribute to inclusive and sustainable growth, including in low income developing countries...We adopt the G20 and Low Income Developing Countries Framework to strengthen our dialogue and engagement on development. We will develop an action plan in 2016 to further align our work with the 2030 Agenda.”*

### OECD Contribution & State of Play

Under the Turkish Presidency, the OECD helped to incorporate and mainstream a Low Income and Developing Countries (LIDCs) perspective in the broader G20 work. Continuing the development agenda under the Chinese presidency, the DWG is focusing on five themes: designing the G20 Action Plan on the 2030 Agenda for Sustainable Development; mainstreaming development across the G20; producing the second DWG Comprehensive accountability report; supporting industrialization in Africa and LDCs; and promoting inclusive business. The OECD has already provided expertise on mainstreaming development across the G20 and was asked to drive the preparation of the G20 Action Plan to define how work across G20 tracks is supportive of the 2030 Agenda, jointly with Australia and the UNDP. Additionally in support of the accountability pillar, the Organisation was called to participate in the accountability steering group (led by Canada).

### Next steps & Expected Deliverables

Through its participation in the DWG, the OECD will continue to contribute under the five themes, as defined above. The Organisation will work with the other members of the Steering Committee to assist in the design of the G20 Action Plan to advance the 2030 Agenda and will drive the process to develop a draft Action Plan by the second DWG meeting. Additionally, the OECD will provide inputs to the Comprehensive Accountability Report, which will be discussed at the April DWG meeting. Finally, the OECD has offered to act as a cross-functional facilitator in other WGs on the subjects of DRM, HRD, and Infrastructure, to ensure that the developmental aspect is taken into account of discussions.

### Useful Links

**Multi-Year Framework for Policy Coherence and Coordination on Human Resource Development (HRD) between the G20 DWG and the EWG**

**Report on Stock-taking of Selected Policy Indicators on the Enabling Environment for Infrastructure Investment:** <https://community.oecd.org/docs/DOC-93583>

**Report on Risk and Return Characteristics of Infrastructure Investment in Low Income Countries:** <https://community.oecd.org/docs/DOC-93591>

**Report on Options for Low Income Countries' Effective and Efficient Use of Tax Incentives for Investment:** <https://community.oecd.org/docs/DOC-93589>

**Concept Note on the Report on Issues Arising from the Indirect transfer of Assets to identify policy options to tackle abusive cases:** <https://community.oecd.org/docs/DOC-93565>

## Anti-corruption

The G20 Anti-corruption Working Group (AWG) was created in 2010 to implement the G20 Anticorruption agenda, embodied in the two-year action plan. G20 leaders at this year's summit have reaffirmed their commitment to implement the Anti-Corruption Action Plan, adopted in Brisbane in 2014. From its onset, the OECD has actively participated in G20 AWG meetings and activities, and supported the elaboration and implementation of the Action Plan, with a particular focus on foreign bribery, whistle-blower protection, public sector integrity and enhanced partnership with the private sector.

### Latest G20 Commitments

**[Communiqué, G20 Leaders, Antalya, November 2015, para. 16]**

*"In support of our growth and resilience agenda, we remain committed to building a global culture of intolerance towards corruption through effectively implementing the 2015-2016 G20 Anti-Corruption Action Plan... We will further work to strengthen international cooperation, including where appropriate and consistent with domestic legal systems, on civil and administrative procedures, as an important tool to effectively combat bribery and to support asset recovery and the denial of safe haven to corrupt officials and those who corrupt them."*

### OECD Contribution & State of Play

Under the Turkish Presidency, the OECD supported Italy and Brazil in the drafting of G20 Principles for Promoting Integrity in Public Procurement, and provided inputs to define the G20 High-Level Principles on Private Sector Integrity and Transparency. The G20 Leaders reaffirmed their commitment to implement the remaining issues in the 2015-2016 Anti-Corruption Action Plan, and endorsed the G20 Anti-Corruption Open Data Principles, with contributions from the OECD. The Chinese Priorities defined its priorities for 2016 as such: adopting the next AC Action Plan; developing principles on asset recovery and repatriation and the launch of a G20 Research Centre on Anti-corruption. The OECD led the discussion on foreign bribery, fiscal transparency, open data and mutual legal assistance in the first meeting of the ACWG, building on its existing work in this area.

### Next steps & Expected Deliverables

The G20 AWG has already adopted the G20 Principles on Integrity in Public Procurement and will submit them to the Leaders' Summit in November in Antalya. G20 Principles on Open Data and on private Sector Integrity are currently under review. Moving forward, the OECD will support the development of the new Anti-Corruption Action Plan under Chinese Presidency, and continue its efforts on foreign bribery, public procurement, open data and customs integrity. The OECD will work on developing a compendium of good practices on fiscal transparency and one on open data, in support of the implementation of the Principles adopted in 2015. It will also lead a survey exercise of countries' practices on custom transparency and integrity, working closely with China. Additionally, China has expressed their interest in co-organising a Workshop on International Cooperation in Beijing, jointly with the OECD and the UK. G20 members have also expressed interest in hearing more from the Global Forum and the work on Corporate Governance regarding the beneficial ownership transparency commitments and implementation; the OECD stands ready to help them build the synergies between the different streams of work.

### Useful Links

**G20 2015-2016 Anticorruption Action Plan:** [https://g20.org/wp-content/uploads/2014/12/2015-16%20\\_g20\\_anti-corruption\\_action\\_plan\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/2015-16%20_g20_anti-corruption_action_plan_0.pdf)

# Co-operation among International Organisations

In early 2011, the French Presidency disclosed its priorities for the Cannes Summit and for the first time, put global governance on the agenda of the G20.

## Latest G20 Commitments

**[Communiqué, G20 Leaders, Cannes, November 2011, para. 31]**

*“We reaffirm that the G20's founding spirit of bringing together the major economies on an equal footing to catalyse action is fundamental and therefore agree to put our collective political will behind our economic and financial agenda, and the reform and more effective working of relevant international institutions. We support reforms to be implemented within the FAO and the FSB. We have committed to strengthen our multilateral trade framework. We call on international organisations, especially the UN, WTO, the ILO, the WB, the IMF and the **OECD**, to enhance their dialogue and cooperation, including on the social impact of economic policies, and to intensify their coordination.”*

## OECD Contribution & State of Play

The French presidency asked the United Kingdom to prepare a report laying out the elements for a discussion in Cannes on the G20's future role and direction. This Report, submitted at the Cannes Summit, includes a discussion on the role of international organisations (IOs) in the G20 through the issue of governance gaps and coherence and refers to the OECD, citing as an example the Global Forum on Tax to provide global standards in particular areas.

## Useful Links

**Governance for growth, Building consensus for the future - A report by David Cameron - Prime Minister of the United Kingdom:**

<http://www.number10.gov.uk/wp-content/uploads/2011/11/Governance-for-growth.pdf>

## ANNEX

### G20 Agriculture Ministers Meeting Communiqué Xi'an, China, June 3, 2016

1. We, the G20 Agriculture Ministers, met today in Xi'an to discuss how G20 members can promote food security, nutrition, sustainable agricultural growth, and rural development worldwide and contribute towards building an innovative, invigorated, interconnected and inclusive world economy to fully achieve the 2030 Agenda for Sustainable Development, including eradicating hunger and extreme poverty.
2. We remain deeply concerned that, despite tremendous efforts, 795 million people in the world still suffer from chronic hunger and 2 billion people from malnutrition. Through our participation in the United Nations System, we, as members of the G20, are therefore determined to fulfill our commitments taken under the Sustainable Development Goals (SDGs). We reaffirm that agriculture and rural development are crucial to global food security and poverty alleviation and can contribute significantly towards inclusive economic growth, social stability and the sustainable use of natural resources. Further, through the G20 Food Security and Nutrition Framework and the G20 Action Plan on Food Security and Sustainable Food Systems, we have committed to promote innovation in institutions, policies, science and technology, in order to increase agricultural productivity in a sustainable manner.
3. We also acknowledge that food security is affected by the increasingly complex and variable factors and requires comprehensive and coordinated governance measures and a multi-tiered and multi-faceted system. We encourage coordination in this regard and support the Committee on World Food Security (CFS) and international and regional organizations in their efforts to foster even closer and more effective partnerships, and promote actions by all stakeholders at global, regional and national levels, taking into account national conditions, needs and expectations. We maintain that G20 members should coordinate and continue to play a leading role in identifying issues of global concern, coordinate efforts, and in collaboration with organizations such as the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and World Food Programme (WFP), work in an innovative and prioritized manner, to further contribute to the improvement of local, national, regional, and global food security and nutrition. To strengthen global food security efforts and policy coordination, we encourage the development and optimization of national agriculture and food security strategies and plans aimed at improving effectiveness and efficiency in the agrifood sector, including through the reduction of food loss and waste.
4. Taking into consideration the central role of agriculture towards food security and even global stability, and the heavy effects of extreme food price volatility on food security, we commit to continue to tackle the issue of price volatility. In particular, we commit to pursue the implementation of the concrete initiatives of the 2011 G20 Action Plan on Food Price Volatility and Agriculture in dedicated forums: Agricultural Market Information System (AMIS) and the Rapid Response Forum, GEO Global Agricultural Monitoring Initiative (GEOGLAM) for market and production international monitoring, and risk management tools, such as the Platform for Agricultural Risk Management (PARM), and the Wheat Initiative. We acknowledge the contributions of other initiatives including the Global Agriculture and Food Security Programme (GAFSP).
5. We commit to continue to cooperate with international organizations and support their activities, such as those related to the International Year of Pulses 2016, which was declared by the UN and launched by FAO in November 2015, for the purpose of raising awareness about diet diversification and soil protection. We are committed to promoting the reduction of food loss and waste and supporting the G20 Technical Platform of Measurement and Reduction of Food Loss and Waste established in 2015.

6. We stress that ensuring food security and nutrition requires global efforts with a special focus on developing countries, and it is in these countries where the multi-tiered and multi-faceted governance systems for food security should be built. We stress the importance of the Addis Ababa Action Agenda adopted in 2015, North-South cooperation, South-South cooperation and triangular cooperation in identifying sustainable agriculture as a top priority and increasing appropriate and predictable resources and relevant technologies for developing countries, in particular the least developed ones. We appreciate the South-South cooperation in the field of agriculture conducted by relevant countries and international organizations, which has provided beneficial and complementary cooperation.
7. We recognize the importance of being farsighted and the necessity of advancing agricultural development globally in a sustainable manner. We note that promoting sustainable agriculture is an important part of the 2030 Agenda for Sustainable Development. Agriculture's links with inclusive rural development, poverty reduction and environmental protection underline its importance in achieving SDGs that reflect economic, social and environmental targets. We commit to support the implementation of plans and programs regarding the agriculture-related SDGs in the 2030 Agenda for Sustainable Development, while paying due attention to the links with other SDGs. We also encourage non-members to join us in doing this, and invite the Rome-based UN food and agriculture agencies and other international organizations to provide policy and technical support as required.
8. We support efforts made by the international community to exchange experiences, share knowledge and adopt technology for sustainable agricultural development, and replicate best farming practices conducive to the protection and appropriate utilization of land, forests and water resources. We welcome efforts to extend models as appropriate for the conservation and sustainable use of biodiversity, including inheriting and developing good farming practices, such as the FAO's Globally Important Agricultural Heritage Systems (GIAHS) initiative. We will support the implementation of the WHO's global action plan on antimicrobial resistance.
9. We share the idea that climate change is an important challenge in relation to agriculture. Furthermore, we reaffirm our strong support to Paris Agreement adopted at COP 21, including implementation of Intended Nationally Determined Contributions.
10. We stress that innovation can be a powerful driving force behind global economic growth and sustainable increases in productivity. To boost agricultural productivity growth sustainably and meet the demand for sufficient, safe and nutritious food in the future, we need to proactively improve farming techniques and organizational modes. We will promote innovations in technology, social organizations, institutions and agricultural business models, through scientific, evidence-based policies and programmes and sustainable use of resources. We resolve to explore innovative options for adjusting our agricultural development paths, technology systems, policy environment and resource allocations, so as to generate new opportunities for sustainable and inclusive growth, stimulate the productivity of land, capital and labor, and enhance the quality efficiency and inclusiveness of food value chain. We invite the OECD and other international organizations to continue the development of the G20 initiated analytical framework for improving agricultural productivity including that of small-scale producers in an innovative and sustainable manner.
11. Science, technology and social innovation play an important and leading role in sustainable agricultural growth. We value the fundamental significance of agricultural research and development (R&D) for the benefit of all. We commit to develop an enabling environment, so as to leverage the role of multiple stakeholders, including governments, the private sector, civil society, research institutes and producers, to advance R&D and the extension and adoption of agricultural innovation. We will expedite dissemination of R&D deliverables by building better connections between researchers and farmers. We encourage integration of agricultural scientific and technological projects and programs between countries for the purpose of coordinated innovation and joint research, and the promotion of exchanges and sharing of agricultural know-how. We welcome the decision by the Meeting of G20 Agricultural Chief Scientists (MACS) to reaffirm active support to the development of Global Research Collaboration Platforms (GRCPs) and to set up a working group led by Troika, to develop a proposal

on GRCPs principles and a proposal to set up a specific MACS website as well as a working group on Agricultural Technology Sharing (ATS) led by China to map and analyze strengths and weaknesses of existing knowledge and information sharing mechanisms. We support the efforts made to carry out R&D innovation by international organizations and initiatives including the Consultative Group for International Agricultural Research (CGIAR). We encourage G20 members to participate in and recognize the importance of open data and statistics networks. We support increasing exchanges in agricultural innovations, and sharing relevant policy experience and successful practices by capitalizing on relevant mechanisms of Global Forum of Leaders for Agricultural Science and Technology (GLAST), the Global Conferences on Agricultural Research for Development (GCARD) and the Tropical Agriculture Platform (TAP).

12. We will promote institutional innovation in improving agricultural production systems, giving full play to the active role of all types of food producers, enhancing the degree of sustainable agricultural intensification and organization, and better enabling family farmers and smallholders, in particular, women and young people, to integrate into the food value chain. We need to improve both public and private service system, including vocational training and foster efficient agricultural service organizations and enterprises, thus building a comprehensive service network covering all stages before, during and after production, including sustainable value chains. We need to improve access to inclusive financial services, loans or credits, in particular for family farmers, smallholders and women, to boost sustainable agricultural production, including offering innovative financial products, promoting agricultural insurance scheme and risk management tools, and develop inclusive financial system for farmers. In this regard, we recognize the work done under the Global Partnership on Financial Inclusion (GPFI), particularly in relation to SME financing and remittance-based rural financial inclusion.
13. We note the impact on rural areas from the fast pace of urbanization in terms of both challenges and opportunities and thus determine to revitalize the rural economy, harmonize urban and rural development, catalyze agricultural growth with industrialization and urbanization, improve and maintain rural infrastructure, and enhance both equal exchange and balanced allocation of production factors in urban and rural areas. We also give due attention to food security for cities as recommended by 2016 Berlin Agriculture Minister's Summit (GFFA). We welcome the ongoing trend of the integrated development of primary, secondary and tertiary industries in the rural community, and encourage experience sharing in the development of innovative models, for contributing to job creation and improvement of rural income such as agricultural tourism, e-commerce and customized agriculture as well as urban farming solutions, such as high-tech, vertical and indoor farming.
14. We recognize the importance of Information and Communications Technology (ICT) and support its application in agriculture in the context of the wider digital economy agenda. Information and communications are essential to human, social and economic development. ICT has the potential to reach farmers, including smallholders and family farmers, with timely and accessible content on markets, sustainable and efficient farming practices and new technologies. Internet plus modern agriculture, which covers Internet and mobile applications, communication tools, increased connectivity with infrastructure and transport networks, and digital information banks can promote value-addition, and the distribution and sales of agricultural products globally. This will result in better integration and significant efficiency gains across the food system. We encourage sharing information and experiences in innovative ICT projects and policy approaches. We invite FAO, IFPRI and OECD to build on their assessment of existing ICT applications and platforms and make specific proposals for consideration and action by G20 Agriculture Deputies ahead of our next meeting on the best possible mechanism to improve agricultural ICT exchange and cooperation.
15. We acknowledge that family and smallholder farms manage the majority of the world's agricultural land and produce most of the world's food, underpinning global food security and social stability. We stress that, smallholder farmers face crucial challenges in addressing globalization, increasingly complex food value chains, pressures on natural resources, and the adverse effect of climate change. We support efforts which aim to sustainably increase smallholder farmers' productivity, enhance the enabling environment for collective action and organization and integration to markets, promote their access to innovations, appropriate inputs, finance, technology and services on gender-equal basis, and strengthen their resilience towards external shocks. Smallholder farmers'

competitiveness, higher productivity and incomes can contribute significantly towards food security and nutrition, but also towards poverty eradication and growth in rural areas, where the majority of the poor live. Technical skill upgrading, especially for smallholder farmers and rural workers, is crucial for sustainable agricultural development. We stress that training programmes should focus on innovative farming practices and technologies that promote sustainable production, business skills, as well as basic education and best practices to cope with downstream market concentration. We support skills development and training programmes that prepare farmers for present and future challenges, such as globalized food value chains and the adverse effects of climate change, and especially target women and young people including to assist in retaining youth in the sector.

16. We maintain that, sound agricultural policies, investment and trade are important engines for sustainable agricultural development, establishment and maintenance of food value chains, job creation, increased incomes, food security and hunger and poverty eradication. We stress the need of greater agricultural investment by the governments, consistent with the World Trade Organization (WTO) rules, and also by the private sector in developed and developing countries, so as to meet the demand of the growing world population and address the sluggish agricultural growth and uneven regional development. We support the improvement of the global environment for agricultural investment including through the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests in the Context of National Food Security and Principles for Responsible Investment in Agriculture and Food Systems endorsed by the CFS (CFS-RAI). This will catalyze and expand agricultural investment in developing countries and regions, and generate win-win outcomes for investors and host countries. We welcome the opening of the first G20 Agricultural Entrepreneurs Forum (AE20). We appreciate and encourage consistent efforts by the private sector and other stakeholders to engage in investment dialogue and exchanges, broaden channels for agricultural investment and financing, and promote agricultural investment facilitation. We attach great importance to investment in agricultural infrastructure and agricultural research and extension, to improve water management, land governance and strengthening farmer skills and knowledge, and commit to play an active role in this respect. We support the vital role of the multilateral trading system in global food security and the decisions on agriculture taken by the Tenth WTO Ministerial Conference. We also agree on the vital importance of international standard setting bodies in agriculture.
17. We believe that G20 members should convene regular meetings of Ministers of Agriculture, maintain policy coordination, and develop and implement relevant action plans, in an effort to address major challenges in agricultural and rural development. We applaud the work of the Development Working Group in food security and nutrition, and request the Agriculture Deputies Meeting to work in synergy with the Development Working Group and Trade and Investment Working Group.

## **G20 ENERGY MINISTERIAL MEETING BEIJING COMMUNIQUÉ**

### **29-30, Beijing**

We, the G20 Energy Ministers, met in Beijing, People's Republic of China on 29-30 June 2016 to follow through on outcomes agreed at the Antalya G20 Summit in 2015. Reflecting previous G20 discussions on energy, particularly the G20 Principles on Energy Collaboration agreed in 2014, the outcomes of the first G20 Energy Ministerial Meeting in 2015, recognizing the importance of "Transforming our world: the 2030 Agenda for Sustainable Development" by United Nations General Assembly and the Paris Agreement under the UNFCCC (United Nations Framework Convention on Climate Change) adopted by the 21st session of the Conference of the Parties in 2015, we reaffirm the importance of energy collaboration within and beyond G20 countries for tackling common energy challenges and shaping a sustainable low GHG emission energy future, while utilizing energy sources and technologies. We make this commitment respecting specific needs and unique circumstance of each member. We welcome progress made under the Chinese presidency to address issues including energy access, cleaner energy future, energy efficiency, global energy architecture, inefficient fossil fuel subsidies that encourage wasteful consumption, energy security, as well as market transparency, and commit to take action in these areas. We welcome the three action plans, including Enhancing Energy Access in Asia and the Pacific: Key Challenges and G20 Voluntary Collaboration Action Plan, G20 Voluntary Action Plan on Renewable Energy, and G20 Energy Efficiency Leading Programme (EELP).

#### **Energy Access**

We recognize energy access as a crucial factor to achieving a better quality of life, overcoming poverty and improving global economic growth. We reiterate our commitment to take joint action, in line with the UN 2030 Agenda for Sustainable Development, and in particular Sustainable Development Goals (SDG)-Goal 7, to ensure universal access to affordable, reliable, and sustainable and modern energy for all. We want to build on G20 leaders endorsement of the G20 Energy Access Action Plan: Voluntary Collaboration on Energy Access in 2015 by expanding our focus beyond sub-Saharan Africa to include the Asia-Pacific region, where about 500 million people still do not have access to electricity. As a roadmap for achieving these objectives, we adopt the Enhancing Energy Access in Asia and the Pacific: Key Challenges and G20 Voluntary Collaboration Action Plan, which acknowledges investment, financing, innovation, building institutional capacity, and ensuring market viability of the new projects as key challenges to achieve universal energy access in the Asia-Pacific, and that technological options will need to be tailored to utilizing all indigenous available sources. We also encourage G20 and other countries to concentrate their efforts in disadvantaged communities and regions where large proportions of the population are without electricity, and in areas with the most acute problems of access to modern energy for all, where the impact will be most significant. G20 members noted there is a range of options to improve energy access, including, but not limited to, voluntary financial support, building enabling environments, public sector support, community participation, decentralized energy system, grid expansion programs, capacity development, regional interconnection, coordinated country support and innovative business models as appropriate to the existing specific planning and specific needs of each country. We acknowledge the need for action in the cooking energy sector across Sub-Saharan Africa and the Asia-Pacific region, by promotion of clean cooking technologies. We will work together with SE4All and its Asia-Pacific and African hubs, and with other relevant international, regional and national institutions in the Asia-Pacific region and the African region; and commit to working jointly on a voluntary basis towards implementation of both G20 Action Plans by strengthening ongoing initiatives, and cooperating and collaborating on capacity development for policy formulation to increase investment and financing for energy access in both regions, taking into consideration national needs and context.

#### **Cleaner Energy Future**

We encourage members to explore clean energy production and consumption models appropriate to their own circumstances and, in light of the changes in the regional and global energy landscape and the needs of sustainable energy development, while at the same time fostering economic growth. We recognize various forms of energy used by G20 members, including renewable energy, natural gas and nuclear power for those countries which opt to use it, and advanced and cleaner fossil fuel technologies as meaningful options for countries with diverse energy realities.

### ***Renewable Energy***

We emphasize the significant role of renewable energy in context of the UN 2030 SDG goals and Paris Agreement from COP21. We adopt the G20 Voluntary Action Plan on Renewable Energy and will continue to implement the G20 Toolkit of Voluntary Options on Renewable Energy Deployment agreed by G20 Energy Ministers in Istanbul. We encourage members to develop energy strategies, including renewable energy development, taking account of their respective situations, and to propose action plans to fulfill their energy strategies. We encourage members to facilitate investment in renewable energy production and use through reducing barriers and risks, taking full consideration of the available indigenous renewable energy sources, increasing substantially the share of renewable energy in the global energy mix, in line with SDG-Goal 7. We acknowledge that continued cost reduction of renewable technologies and power system integration of variable renewables are key challenges. We G20 members will endeavor to reduce the deployment costs of renewable energy through in-depth cooperation on knowledge sharing, capacity building, technology transfer, financial innovation and pilot projects. We note the important role of government in supporting power sector evolution and energy system integration, and we promote technical development and deployment of energy storage, electric vehicles and modern bioenergy, including second generation and other advanced biofuels, and renewable heating. Smart grids can facilitate reducing emissions and enhance resilience of electricity systems, and therefore we encourage cooperation on standards to accelerate smart grid deployment and interoperability.

### ***Nuclear Power***

For countries which opt to use nuclear energy, it contributes to the reduction of GHG emissions. We call upon all countries that opt to use nuclear power to ensure the highest standards of nuclear safety, security and nonproliferation including an independent and effective regulator, and to exchange their expertise and experiences. In addition it is important to engage the public in science-based dialogue and transparency to inform policymaking.

### ***Natural Gas***

We note the results of the G20 Natural Gas Day. We recognize that natural gas can be a less emission intensive fossil fuel, and can play an important and effective role in moving towards a low GHG emission energy future. We note that natural gas has become an integral part of global energy supply and we will endeavor to improve the functioning, transparency and competitiveness of gas markets, with a strategic view of the gas supply chain including LNG at the global level. Many countries intend to expand the utilization of natural gas in transportation, distributed energy, or power generation, as well as to enhance gas trading. We will enhance collaboration on solutions that promote natural gas extraction, transportation, and processing in a manner that minimizes environmental impacts.

### ***Advanced and Cleaner Fossil Fuel Technologies***

We affirm the importance of using the best available technologies and practices in order to address the environmental impacts, including GHG emissions, of the production, transport and consumption of fossil fuels. And we encourage countries to enhance cooperation in developing and applying best available technologies.

### **Energy Efficiency**

We recognize that energy efficiency, including energy conservation, is a long-term priority for G20. Improving energy efficiency brings social, economic, environmental and other benefits, and plays a key role in shaping a sustainable future. We adopt the G20 Energy Efficiency Leading Programme (EELP), and agree to take the lead in promoting energy efficiency. We agree to take action by adhering to the Voluntary Pillars for Energy Efficiency Cooperation, which are "mutually beneficial, innovative, inclusive, and sharing". We commit to significantly improve energy efficiency in the G20, through greater energy efficiency cooperation and by encouraging G20 members to develop active energy efficiency programs, policies and measures based on the specific needs and national circumstances of each member. In order to strengthen the global voice for energy efficiency, G20 members support IPEEC working with the IEA and other international organizations, including IEF, OPEC, OECD, APEC, BRICS, SE4ALL and C2E2, and with stakeholders, and we will explore the feasibility of innovative collaborative arrangements for international cooperation on energy efficiency. We welcome the significant progress in voluntary international collaboration coordinated by IPEEC in the six key areas of Vehicles, particularly heavy-duty vehicles, Networked Devices, Finance, Buildings, Industrial processes (Industrial energy management), and Electricity Generation. We recognize the particular opportunity provided by voluntary collaboration on heavy-duty vehicles, as well as upscaling of energy efficiency investment and other workstreams. We encourage interested countries to strengthen this collaboration and to participate actively in the additional key areas outlined in the EELP, which are Best Available Technologies and Practices

(‘TOP TENS’), Super-efficient Equipment and Appliances Deployment initiative (‘SEAD’), District Energy Systems (‘DES’), Energy Efficiency Knowledge Sharing Framework, and Energy End-Use-Data and Energy Efficiency Metrics. We welcome the active participation of non-G20 countries in all key areas of energy efficiency collaboration.

### **Global Energy Architecture**

We share a common understanding that the global energy architecture needs to continue to evolve to reflect better the changing realities of the world energy landscape. We recognize the contribution of G20 countries to sustaining discussions on critical global energy issues, their roles in fostering collaboration to address global energy challenges and their effectiveness in facilitating collaboration among a variety of international organizations. We welcome G20 energy meetings’ collaboration with international organizations and their efforts to expand engagement with non-members.

### **Energy Security**

We emphasize the need for sustainable energy security and our commitment to the improvement and enhancement of energy security through cooperation and dialogue on issues such as emergency response measures. We stress the importance of diversification of energy sources and of efficient, flexible and competitive markets. We stress that continued investment in energy projects remains critically important for ensuring future energy security and preventing economically destabilizing price spikes. We resolve to ensure those investments contribute to our sustainable energy security.

## **Inefficient Fossil Fuel Subsidies that Encourage Wasteful Consumption**

In the light of the commitment in 2009 and beyond to rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, while providing targeted

## **G20 Trade Ministers Meeting Statement** **9-10 July 2016, Shanghai**

1. We, the trade ministers of the G20, met on 9-10 July 2016 in Shanghai, China under the chairmanship of H.E. Mr. Gao Hucheng, Minister of Commerce of the People's Republic of China.

2. The global recovery continues, but it remains uneven and falls short of our ambition for strong, sustainable and balanced growth. Downside risks and vulnerabilities persist. We agree that we need to do more to achieve our common objectives for global growth, stability, and shared prosperity. Trade and investment should continue to be important engines of global economic growth and development, generating employment, encouraging innovation and contributing to welfare and inclusive growth.

3. G20 members agree to provide political leadership by acting with determination to promote inclusive, robust and sustainable trade and investment growth, which is integral to achieving our ambition of 2 per cent additional growth by 2018 set by G20 Leaders in Brisbane in 2014.

4. More broadly, we resolve to step up our efforts to better communicate the benefits of trade and investment openness and cooperation to a wider public, recognizing their important contribution to global prosperity and development. We welcome the continuing inputs from relevant international organizations, which have provided strong analytical support to members, and from the B20 and T20.

### **Strengthening G20 trade and investment mechanism**

5. In Antalya, G20 Leaders reaffirmed their strong commitment to better coordinate efforts to reinforce trade and investment, asked Trade Ministers to meet on a regular basis, and agreed on a supporting working group. We welcome the establishment of the G20 Trade and Investment Working Group (TIWG), and endorse its Terms of Reference (Annex I). We encourage officials to make good use of the TIWG to better support Trade Ministers Meetings and to further strengthen G20 trade and investment cooperation.

### **Promoting global trade growth**

6. According to the WTO statistics, global trade growth has slowed significantly since 2008, from an average of over 7 per cent per annum between 1990 and 2008, to less than 3 per cent between 2009 and 2015. 2015 marked the fourth consecutive year with global trade growth below 3 per cent.

7. To help address the global trade slowdown, we agree to improve global trade governance and remain committed to an open global economy, and will further work towards trade liberalization and facilitation. We endorse the G20 Strategy for Global Trade Growth (Annex II). Under the strategy, we will lead by example to lower trade costs, harness trade and investment policy coherence, boost trade in services, enhance trade finance, promote e-commerce development, and address trade and development. We recognize that these activities, by promoting trade opening and integration and supporting measures for economic diversification and industrial upgrading will contribute to global prosperity and sustainable development.

8. We welcome the World Trade Outlook Indicator released by the WTO for the first time at the G20 Trade Ministers Meeting. This can serve as an important leading indicator to help guide the recovery and growth of global trade.

9. The G20 welcomes further joint work by the WTO, World Bank and OECD, in collaboration with other relevant international organisations, within their existing mandates and resources, to measure trade costs and assess the determinants and impacts of those costs, to help improve economic trade modelling and strengthen the evidence base on the link between structural measures, trade, investment and GDP.

10. We recognize that the structural problems, including excess capacity in some industries, exacerbated by a weak global economic recovery and depressed market demand, have caused a negative impact on trade and workers. We recognize that excess capacity in steel and other industries is a global issue which requires collective responses. We also recognize that subsidies and other types of support from governments or government-sponsored institutions can cause market distortions and contribute to global excess capacity and therefore require attention. We commit to enhance communication and cooperation, and take effective steps to address the challenges so as to enhance market function and encourage adjustment. The G20 steelmaking economies will participate in the global community's actions to address global excess capacity, including by participating in the OECD Steel Committee meeting scheduled for September 8-9, 2016 and discussing the feasibility of forming a Global Forum as a cooperative platform for dialogue and information sharing on global capacity developments and on policies and support measures taken by governments.

### **Supporting the multilateral trading system**

11. We reaffirm the central role of the WTO in today's global economy. The WTO provides the multilateral framework of rules governing international trade relations, an essential mechanism for preventing and resolving trade disputes, and a forum for addressing trade related issues that impact all WTO members. We remain committed to a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system and are determined to work together to further strengthen the WTO.

12. We note with concern that despite the G20's repeated pledges, the stock of restrictive measures affecting trade in goods and services has continued to rise, with about three quarters of the measures recorded since 2008 still in place, and the number of new trade-restrictive measures imposed by G20 economies affecting both goods and services has reached the highest monthly average registered since the WTO began its monitoring exercise in 2009. In response, we recommit to our existing pledge for both standstill and rollback of protectionist measures, and to extend it until the end of 2018. We also commit to improve the track record of notifications related to standstill and rollback efforts, including making better use of existing WTO bodies. We ask the WTO, OECD and UNCTAD to continue, within their respective mandates, their regular reporting on restrictive measures affecting trade in goods and services, and investment.

13. We note the important role that bilateral and regional trade agreements (RTAs) can play in liberalizing trade and in the development of trade rules, while recognizing the need to ensure that they are consistent with the WTO rules and provisions and contribute to a stronger multilateral trading system. We encourage future RTAs by G20 members to be open to accession and include provisions for review and expansion. We appreciate the factual overview of RTAs developments given by the WTO Director-General. We will work with other WTO members towards the transformation of the provisional Transparency Mechanism on RTAs into a permanent one and commit to lead by example in fully fulfilling related notification obligations.

14. In Antalya, Leaders emphasized the importance of the prompt ratification and implementation of the TFA. In the current climate of continuing moderate economic and trade growth, G20 leadership in implementing the TFA could make a significant contribution to lowering trade costs and freeing up world trade. We therefore commit to ratify the TFA by the end of this year and call on other WTO members to do the same. We reaffirm our commitments to providing resources to Trade Facilitation assistance mechanisms designed to help least-developed countries and developing countries most in need in implementing the TFA.

15. Building on the WTO's successful Bali and Nairobi Ministerial Conferences, we commit to implement rapidly the Bali and Nairobi outcomes. To guide and shape the WTO's post-Nairobi work, with development at its center, and acknowledging that provisions for special and differential treatment will remain integral, we reaffirm our strong commitment to advance negotiations on the remaining DDA issues as a matter of priority, including all three pillars of agriculture (i.e., market access, domestic support and export competition), nonagricultural market access, services, development, TRIPS and rules. We agree to work with all WTO members to set the direction together towards achieving positive outcomes at MC11 and beyond in a balanced, inclusive and transparent way with a sense of urgency and solidarity. We also note that a range of issues, such as those addressed in various RTAs and by the B20, may be of common interest and importance to today's global economy, and thus may be legitimate issues for discussions in the WTO, without prejudice to respective positions relating to possible negotiations in the future. Any decision to launch negotiations multilaterally on such issues would need to be agreed by all Members.

16. G20 members recognize that WTO consistent plurilateral trade agreements with broad participation can play an important role in complementing global liberalization initiatives. In this regard, we note the Information Technology Agreement and its Expansion Agreement, and negotiations on the Trade in Services Agreement and the Environmental Goods Agreement (EGA). WTO members who share the objectives of participants in such plurilateral agreements and negotiations should be encouraged to join. In particular, we note the confirmation by all G20 participants in the expanded Information Technology Agreement of their commitment to implement it without further delay. G20 EGA participants recognize the substantial progress made to date in the negotiations on an Environmental Goods Agreement, and aim to conclude, using best efforts, an ambitious, future-oriented EGA that seeks to eliminate tariffs on a broad range of environmental goods by an EGA Ministerial meeting to be held by the end of 2016, having achieved a landing zone by the G-20 Summit in September in Hangzhou, after finding effective ways to address the core concerns of participants.

#### **Promoting global investment policy cooperation and coordination**

17. Global investment is an engine of economic growth and sustainable development. It should contribute to building productive capacity, facilitate wider dissemination of technology, creation of employment and, including through Global Value Chains (GVCs), help to connect economies to world trade. Today, however, global investment flows remain well below pre-crisis peak levels. Policy attention and cooperation is required to put investment growth back on track. We welcome efforts to promote and facilitate international investment to boost economic growth and sustainable development, and agree to take actions in this regard, including promoting investment in Low Income Countries (LICs). This in turn should support a recovery of trade growth. We commit to maintaining a supportive business environment for investors, and agree to collectively play a proactive and catalytic role in this regard.

18. We value discussions on investment promotion and facilitation, and encourage UNCTAD, the World Bank, the OECD and the WTO to advance this work within their respective mandates and work programmes, which could be useful for future consideration by the G20.

19. With the objective of fostering an open, transparent and conducive global policy environment for investment, we endorse the G20 Guiding Principles for Global Investment Policymaking (Annex III). These principles will help promote coherence in national and international policymaking and provide greater predictability and certainty for business to support their investment decisions.

20. We are committed to ensuring that trade, investment and other public policies, at both national and global levels, remain coherent, complementary and mutually reinforcing. We welcome further research and analytical work in UNCTAD, WTO, OECD and the World Bank, in consultation with the IMF, within their existing mandates and resources, to identify ways and means to enhance coherence and complementarity between trade and investment regimes. In this context, we take note of the B20's

recommendation for the WTO Working Group on the Relationship between Trade and Investment to resume its work. Promoting inclusive and coordinated global value chains

21. We recognize that GVCs, encompassing regional value chains (RVCs), have become an important feature of the global economy, and are important drivers of world trade. We support policies that allow firms of all sizes, including SMEs, in countries of all levels of economic development to participate in and take full advantage of GVCs. In particular, we support policies that encourage greater participation and value addition by business in developing countries, particularly in LICs, in GVCs. We will continue to promote responsible business conduct.

22. G20 members will continue their efforts to enhance capacity building to promote inclusive and coordinated global value chains, and will continue to seek to develop and implement initiatives to assist developing countries, particularly LICs, and SMEs in the areas that matter most to GVCs. Such initiatives could include appropriate infrastructure, technology support, access to credit, supply chain connectivity, agriculture, innovation and e-commerce, skills training and responsible business conduct. Additionally, G20 members with capacity to do so will continue to: assist developing countries' and SMEs' ability to adopt and comply with relevant national and international standards, technical regulations, and conformity assessment procedures; facilitate developing country and SME access to information on trade and investment opportunities, including via increased utilization of information technologies; and provide further information that would help them participate in GVCs and move up the value-chain. We welcome further work, within their mandates and resources, by the ITC, OECD, World Bank and other relevant international organizations in this regard.

### **Toward the Hangzhou Summit**

23. In a continuing environment of low global economic growth, the role of the G20 in strengthening trade and investment remains vital. We recommend that G20 Leaders consider these important issues further at the Hangzhou Summit and we look forward to our leaders' instructions on ways to further intensify G20 efforts on trade and investment. We believe firmly that pursuing robust international trade and investment growth can play a vital part in achieving strong, sustainable and balanced growth.