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Saint  
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Accountability  
Report  
on  
G20  
Development  
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**Saint Petersburg  
Accountability Report  
on G20 Development  
Commitments**

Saint Petersburg, Russia  
2013

# Contents

06	Executive Summary
08	Chapter 1 – G20 Development Agenda and the Role of the G20 Development Working Group
14	Chapter 2 – Implementation of G20 Commitments on Development
16	• Infrastructure
25	• Food Security
36	• Human Resource Development
42	• Financial Inclusion
50	• Trade
54	• Private Investment and Job Creation
58	• Growth with Resilience
62	• Domestic Resource Mobilization
67	• Knowledge Sharing
69	• Inclusive Green Growth
72	Chapter 3 – Outreach to Low Income Countries through G20 Development Working Group
80	Chapter 4 – Lessons Learned and Conclusions
84	Annexes:
	• Annex 1 – Snapshot of implementation of G20 development commitments

# Acronyms & Abbreviations

## Acronyms and Abbreviations

### A

**ACB** Asia Commercial Joint Stock Bank

**ADB** Asian Development Bank

**AFD** L'Agence Française de Développement (French Development Agency)

**AfDB** African Development Bank

**AfDF** African Development Fund

**AFI** Alliance for Financial Inclusion

**AfT** Aid for Trade

**AFSI** L'Aquila Food Security Initiative

**AGIR** Alliance Globale pour l'Initiative Résilience (Global Alliance for Resilience Initiative)

**AIF** ASEAN Infrastructure Fund

**AMIS** Agricultural Market Information System

**AsDB** Asian Development Bank

**ASEAN** Association of Southeast Asian Nations

**AU** African Union

### B

**BCBS** Basel Committee on Banking Supervision

**BMZ** Federal Ministry for Economic Cooperation and Development (Germany)

**BPO** Business Process Outsourcing

**B20** Business 20

### C

**CAADP** Comprehensive Africa Agriculture Development Program

**CEDEFOP** European Centre for the Development of Vocational Training

**CF** Countries Commonwealth and OIF developing countries

**CFS** Committee on World Food Security

**CGAP** Consultative Group to Assist the Poor

**CIAT** International Center for Tropical Agriculture

**CINTEFOR** the Inter-American Centre for Knowledge Development in Vocational Training

**CODE** Committee on Operations and Development Effectiveness

**CoST** Construction Sector Transparency Initiative

**CPSS** Committee on Payment and Settlement Systems

### D

**DFQF** Duty-Free and Quota Free

**DPIGI** Dialogue Platform on Inclusive Green Investment

**DSF** Debt Sustainability Framework

**DWG** Development Working Group

### E

**ECOWAS** Economic Community of Western African States

**EOI** Exchange of Information

**ETF** European Training Foundation

**EIB** European Investment Bank

### F

**FAO** Food and Agriculture Organization

**FARA** Forum for Agricultural Research in Africa

**FATF** Financial Action Taskforce

**FI** Financial Inclusion

**FIGE** Financial Inclusion Expert Group

**FISF** Financial Inclusion Support Framework

### G

**G20 Framework** G20 Framework for Strong, Sustainable and Balanced Growth

**GEOGLAM** Global Agricultural Monitoring Initiative

**GGGI** Global Green Growth Institute

**GGKP** Green Growth Knowledge Platform

**GPFI** Global Partnership for Financial Inclusion

**GDP** Gross domestic product

## H

**HLP** High Level Panel

**HRD** Human resource development

## I

**IADI** International Association of Deposit Insurers

**IAIS** International Association of Insurance Supervisors

**IAWG** Inter-Agency Working Group

**ICA** Infrastructure Consortium for Africa

**IDB** Inter-American Development Bank

**IDA** International Development Association

**IFAD** International Fund for Agricultural Development

**IFC** International Finance Corporation

**IGG** Inclusive green growth

**ILO** International Labor Organization

**IMF** International Monetary Fund

**INFE** Network on Financial Education

**IOs** International organizations

**IsDB** Islamic Development Bank

**ITD** International Tax Dialogue

**IT-BPO** IT Business process outsourcing

**ITC** International Tax Compact

**IWRM** Integrated Water Resources Management

## K

**KSP** Knowledge Sharing Platform

**KRA** Kenya Revenue Authority

## L

**LDCs** Least Developed Countries

**LICs** Low income countries

## M

**MACS** Meeting of Agricultural Chief Scientists

**MDBs** Multilateral development banks

**MDGs** Millennium Development

## Goals

**MENA** Middle East and North Africa

**MIAP** MDB Infrastructure Action Plan

**MICs** Middle Income Countries

**MNEs** Multinational enterprises

**MYAP** Multi-Year Action Plan

## N

**NEPAD** New Partnership for Africa's Development

**NSC** North-South Corridor

## O

**ODA** Official development assistance

**OECD** Organization for Economic Cooperation and Development

**OIF** Organization International de La Francophonie

## P

**PARM** Platform for Agricultural Risk Management

**PLP** Peer Learning Program

**PPP** Public-private partnerships

**PPFs** Project Preparation Facilities

**PRAI** Principles for Responsible Agricultural Investment

**PRS** Reduction Strategy papers

**PSM** Private Sector Mechanism

## R

**RAI** Responsible Agricultural Investment

**RDBs** Regional development banks

**RRF** Rapid Response Forum

## S

**SEARCA** Southeast Asian Regional Center for Graduate Study and Research in Agriculture

**SMEs** Small and medium enterprises

**SPIAC-B** Social Protection Inter-Agency Cooperation Board

**SSBs** Standard-Setting Bodies

## T

**TA** Technical assistance

**TAP** Tropical Agricultural Platform

**TAPI** Turkmenistan-Afghanistan-Pakistan and India

**TICAD-V** Tokyo International Conference on African Development

**TNT** Transparency in Trade

**TOR** Terms of References

**TT-SSC** Task Team on South-South Cooperation

**TVET** Technical and vocational training and education

## U

**UN** United Nations

**UNDP** United Nations Development Programme

**UNESCO** United Nations Educational, Scientific and Cultural Organization

**UNCTAD** United Nations Conference on Trade and Development

## W

**WAPP** West Africa Power Pool

**WAEMU** Western African Economic and Monetary Union

**WB** World Bank

**WBI** World Bank Institute

**WFP** World Food Programme

**WTO** World Trade Organization

**WBG** World Bank Group

# Executive Summary

## Executive Summary

In June 2010 at the Toronto Summit, the G20 leaders established the G20 Development Working Group (DWG) with the aim of implementing a development agenda. At the Seoul Summit in November 2010, leaders adopted the Seoul Development Consensus for Shared Growth to “add value to and complement existing development commitments”. They also adopted the Multi-Year Action Plan on Development (MYAP) to set the DWG work program.

The G20’s approach to development is characterized by its focus on international economic cooperation and is framed by the six G20 Development Principles set out in the Seoul Development Consensus. The nine “pillars” of the MYAP where G20 actions were identified as necessary to resolve the key bottlenecks to strong, inclusive and sustainable growth in developing countries were: infrastructure, human resource development, trade, private investment and job creation, food security, growth with resilience, financial inclusion, domestic resource mobilization and knowledge sharing.

During the 2011 French Presidency, steps were taken to address all the pillars of the MYAP. The DWG concentrated on infrastructure and food security, and convened the first G20 Ministerial Meeting on Development in September 2011 in Washington DC. Under the 2012 Mexican Presidency, the DWG prioritized work on infrastructure development, food security and introduced inclusive green growth as a cross-cutting issue, while continuing work on all MYAP pillars. Under the 2013 Russian Presidency, the DWG put special emphasis on food security, infrastructure, financial inclusion, human resource development and initiated the process for ensuring assessment and accountability for the G20 development commitments.

In 2013, the DWG conducted its first accountability exercise on the 67 commitments originating from the Seoul MYAP and 2011-2012 Leaders’ Declarations relevant to the DWG’s work. The DWG assessed progress in the nine pillars of the MYAP and in inclusive green growth. This process examined implementation, identified lessons learned, drew

conclusions and determined next steps for the G20 development agenda and informed the Saint Petersburg Development Outlook.

There have been significant successes in implementing the MYAP. Out of 67 commitments, 33 are assessed as complete, 33 ongoing and only 1 has stalled. The assessment of progress highlighted three key areas of success for the DWG – bringing forward catalytic policy action, particularly among G20 members, establishing credible outreach to non-member countries and fostering strong partnership with international organizations (IOs).

Engagement with developing countries, in particular low income countries (LICs), is essential for the effectiveness of the G20 development agenda. The DWG engaged non-G20 developing countries, representatives of regional and sub-regional organizations, countries involved in pilot projects under the MYAP, private sector and civil society to inform policy development. In addition, the DWG held consultations with the Commonwealth and La Francophonie, as well as seminars and workshops on human resource development, food security and inclusive green growth. The DWG also conducted special LICs outreach in 2013 to obtain their feedback for the accountability process. Each of these consultations helped the DWG refine its agenda.

The DWG has delivered a broad range of global initiatives through partnership with IOs, collaboration with relevant stakeholders and joint efforts with other G20 workstreams. These initiatives include the Agricultural Market Information System (AMIS), Social Protection Inter-Agency Cooperation Board (SPIAC-B), and establishment of the Global Partnership for Financial Inclusion (GPFI) and the High-Level Panel for Infrastructure Investment (HLP).

Acknowledging the lessons identified the DWG's contribution to global development efforts would be maximized by:

- focusing on a specific number of issues where the G20 can address systemic gaps and add

value;

- facilitating policy coordination across different G20 workstreams given their overall impact on developing countries;
- enhancing engagement with non-G20 members and LICs, and include the private sector and civil society in policy consultations and activities;
- more coherent and targeted cooperation with IOs; and
- leveraging different sources of funding on a voluntary basis to support and promote development initiatives.

The DWG has proved to be a useful tool and platform to promote development. Going forward, the DWG will foster growth on a sustainable basis by strengthening the relationship between economic growth, social inclusion and environmental protection. The G20 can further add value in delivering tangible development outcomes through high level political leadership and a more coherent, results-driven and long term approach.

# G20 Development Agenda and the Role of the G20 Development Working Group

# Chapter 1

«Narrowing the development gap and reducing poverty are integral to our broader objective of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient global economy for all».

Toronto Declaration, June 26-27, 2010

## 1.1 Origins of G20 Development Agenda

In the wake of the most severe economic shock in recent history, G20 leaders recognized that narrowing the development gap and reducing poverty were integral to the G20's core objective of achieving strong, sustainable and balanced growth.

The G20 development agenda was launched and firmly anchored in the 2009 G20 Framework for Strong, Sustainable and Balanced Growth (G20 Framework). Development issues were to be addressed jointly with global economic challenges, as they are interdependent with economic growth, job creation, investment climate and poverty reduction.

G20 leaders have recognized that a crucial part of achieving sustained prosperity through the G20 Framework involves enhancing the role of developing countries, in particular low income countries (LICs), in the global economy. Efforts to narrow the development gap and reduce poverty

will contribute to a stronger, more sustainable, inclusive and resilient global recovery. The G20 has a responsibility to assist the most vulnerable in the poorest countries that were deeply affected by recent crises. Furthermore, the G20's actions to strengthen global economic governance and financial regulation directly impact on developing countries, including LICs.

In 2010, the Toronto Summit established the G20 Development Working Group (DWG) with the aim of agreeing a development agenda. In November 2010, G20 leaders adopted the Seoul Development Consensus for Shared Growth to "add value to and complement existing development commitments". They also adopted the Multi-Year Action Plan on Development (MYAP) to set the new DWG work program.



## 1.2 Unique Approach – G20 Development Principles

The G20 provides a unique forum for tackling development challenges. If used effectively, it has significant potential to drive reforms to improve the enabling environment for development and to remove constraints to sustainable growth and poverty reduction. It has the convening power of the leaders of 19 of the world's systemically significant economies and the EU, and brings together emerging and established donors. G20 members account for 90 per cent of global GDP, 94 per cent of official development assistance (ODA) and almost 70 per cent of the world's population. These characteristics and the approach the G20 takes to development make its development agenda distinct.

The G20's approach to development is characterized by its overarching focus on international economic cooperation and is framed by the six G20 Development Principles (see Box 1) set out in the Seoul Development Consensus.

G20 development actions must have the capacity to significantly improve prospects for inclusive, sustainable and resilient **economic growth** (principle 1) consistent with the G20 Framework. A cornerstone of the development agenda is the G20's commitment to engage developing countries, particularly low income countries (LICs), as equal partners (principle 2). This principle of fostering a **global development partnership** is especially relevant to the DWG's accountability process, as it affirms the importance of encouraging accountable and transparent partnerships. The same holds true for principle 6, which explicitly requires the implementation of G20 development actions to be monitored through an accountability framework.

In prioritizing its energies to focus on **global or regional systemic development issues** where the G20 can help catalyze collective and coordinated action, its members highlighted the importance of harnessing South-South and triangular cooperation (principle 3). Further, as job creation and economic growth are the overriding objectives of the G20

and its development agenda, encouraging **private sector participation** in development outcomes should be a key focus (principle 4).

Another key criterion for G20 development actions is that they should be **complementary** to existing development efforts and avoid duplicating other forums such as the United Nations or World Bank (principle 5). Rather than creating one more

### G20 Development Principles

1. Focus on economic growth
2. Global development partnership
3. Global or regional systemic issues
4. Private sector participation
5. Complementarity
6. Outcome orientation

international body with a development agenda, the G20 intends to use its convening power in a targeted way and in line with its core growth and jobs objective, while supporting broader efforts to achieve the MDGs.

These principles seek to ensure that the G20 uses its convening power judiciously by focusing its energies and leader-level engagement on areas where its impact is tangible and significant (principle 6).

## 1.3 Organization and Focus of G20 Development Working Group

The DWG is co-chaired by the presidency "Troika" and a developing country representative. Its work program has been structured according to the nine "pillars" of the MYAP where G20 actions were identified as necessary to resolve the most significant bottlenecks to inclusive, sustainable and resilient growth in developing countries: infrastructure, human resource development, trade, private investment and job creation, food security, resilient growth, financial inclusion, domestic resource mobilization

and knowledge sharing.

Each of the pillars includes specific time-bound actions. Groups of G20 members co-facilitated the pillars, taking the lead in driving the implementation of relevant actions. In most cases, international organizations and multilateral development banks (MDBs) are also closely involved. To tackle development challenges MYAP implementation utilized different mechanisms such as pilot projects, knowledge sharing tools and workshops, and involved engagement with a wide range of partners.

The DWG has greatly benefitted from the valuable contributions of international organisations (IOs) to: assess relevant policy questions (e.g. on causes of food price volatility); take stock of existing initiatives and instruments (e.g. in the area of social protection); develop policy recommendations and toolkits (e.g. on inclusive green growth and remittances); developing new initiatives (e.g. Agricultural Market Information System, AMIS, and AgResults) and action plans (e.g. MDBs joint action plan on infrastructure).

This report focuses on work undertaken by the DWG, recognizing that other G20 work streams provided important inputs and developed relevant deliverables. In this regard, collaborative work being undertaken with other work streams include on financial inclusion with the finance track and the Global Partnership for Financial Inclusion\* (GPII), food security with the agriculture track, and infrastructure with the study group for the long-term financing for investment.

Engagement with external stakeholders is a fundamental part of the DWG's approach — as reflected in three of the six G20 Development Principles, namely on private sector participation, partnerships with LICs and complementarily with IOs.

## 1.4 The Role of Each G20 Presidency

Since the launch of the G20 development agenda, each successive G20 Presidency has chosen its own development priorities, while respecting the DWG's

consensus-based approach. This has allowed the DWG to focus its efforts and report each year on those priorities, while advancing work on all the G20 development commitments in the MYAP and leaders' declarations.

### 1.4.1 2011 French G20 Presidency

During the French Presidency, the DWG concentrated its efforts on three lines: setting the foundations for strong and balanced growth; building resilience and fostering sustainable and shared growth; and exploring new ways of cooperation, building on the Seoul Development Consensus shared vision for development among G20 members. Although the DWG continued work on all nine MYAP pillars in 2011, it concentrated on infrastructure and food security, and convened the first G20 Ministerial Meeting on Development in September 2011 in Washington DC.

On **infrastructure**, the goal of the G20 under the French Presidency was to address the infrastructure financing gap, especially in Sub-Saharan Africa, and identify bottlenecks impeding infrastructure investment. Two main actions were pursued:

- Under MYAP commitment one, MDBs prepared an Infrastructure Action Plan to, among other things, improve MDB loan policies for regional projects, harmonize procurement practices and reinforce the capacities of developing countries.
- To implement MYAP commitment 12, France invited seventeen distinguished private sector experts to form a High Level Panel on Infrastructure Investment (HLP). The HLP's mandate was to comment on the MDB Action Plan and formulate recommendations, especially on financing instruments to attract private investors. Its report supported the MDB Action Plan and determined six criteria for selecting exemplary infrastructure projects: regional integration, political support, transformational and environmental impact, maturity, institutional capacity and bankability to the private sector. Eleven such projects were highlighted.

\* <https://www.gpfi.org>

Under the French Presidency, the G20 advanced the **food security** agenda along three tracks (agriculture, development and finance), focusing efforts on reducing food price volatility and the impact of volatility on the most vulnerable. Agriculture ministers adopted an Action Plan on Food Price Volatility and Agriculture, which leaders endorsed in November 2011.

- The DWG focused on: support for agricultural research and innovation for development, including results-based mechanisms and capacity-building in tropical agriculture; better management and mitigation of risks associated with price volatility for the most vulnerable; stronger policy coherence and support for a global strategic framework for food security and nutrition in the Committee of World Food Security; nutrition interventions for the most vulnerable and access to humanitarian supplies; development of a pilot project for targeted regional emergency humanitarian food reserves; and responsible agricultural investment.
- The agriculture track launched the following initiatives: the AMIS and Global Agricultural Monitoring Initiative (GEOGLAM) to improve transparency in agricultural markets; the Rapid Response Forum (RRF) to promote international policy coherence and coordination; and the Wheat Initiative to coordinate and strengthen world wheat research.

In addition to prioritizing infrastructure and food security, the French Presidency put particular emphasis on financial inclusion, through the GPFI, social protection floors and remittances. It also addressed financing for development, including innovative financing.

#### 1.4.2 2012 Mexican G20 Presidency

Under the Mexican Presidency, the DWG focused on infrastructure development, food security and inclusive green growth as cross-cutting issues, while continuing work on all MYAP pillars.

On **infrastructure**, the lack of efficient infrastructure generates bottlenecks in economic growth and social development. Investments in infrastructure require substantial capital and take a long time to design and execute. To help developing countries, particularly LICs, manage these challenges, three infrastructure deliverables were presented to G20 leaders during the Mexican Presidency: the 2012 Follow-up Report on the MDB Infrastructure Action Plan; a report on Misperception of Risk and Return in Low Income Countries; and a report on Best Practices for Urban Mass Transport Infrastructure in Medium and Large Cities in Developing Countries. At the Los Cabos Summit, leaders recognized this work and supported the development of a toolkit based on a best practices report by the World Bank and the Asian Development Bank (ADB), which would help countries, regions, provinces and cities formulate policies and would serve as a useful guide to selecting from among multiple policy options. Leaders also agreed to disseminate the report on risk misperceptions.

On **food security**, leaders agreed to focus on two lines of action. The first was to monitor the implementation of the 2011 Action Plan on Food Price Volatility and Agriculture. In particular, the G20 advanced implementation of initiatives that had shown good progress such as the Tropical Agriculture Platform, AgResults, the Scaling-Up Nutrition Movement, the Global Agriculture and Food Security Program and efforts to establish a humanitarian emergency food reserves system. The second was to increase production and productivity in a sustainable manner. The Agriculture Vice-Minister/Deputies Meeting Report made recommendations addressing this priority, with a focus on smallholders. Mexico hosted a meeting of Agricultural Chief Scientists (MACS) of the G20 countries to encourage cooperation in research and innovation. Finally, at the Los Cabos Summit, G20 leaders welcomed considerable progress in implementing MYAP actions and committed to continue efforts to address food security challenges.

On **inclusive green growth (IGG)**, G20 leaders agreed to include IGG as part of the G20 agenda.



The main DWG deliverables included a non-prescriptive policy toolkit for IGG developed by the African Development Bank, the Organization for Economic Cooperation and Development, the World Bank and the United Nations, which contains policy options for IGG in developing countries, and particularly LICs. The other main deliverable was leaders' agreement to identify mechanisms for mobilizing public and private funds for green growth investments. This was to be pursued through a new public-private Dialogue Platform on Inclusive Green Investments to create enabling environments that catalyze and support green initiatives.

### 1.4.3 2013 Russian G20 Presidency

Under the Russian Presidency, the DWG has continued to place a high priority on the development agenda. After two years of implementing the MYAP, it had become apparent that the G20 needed to more actively monitor its development commitments. DWG members recognized it was time to assess implementation, identify lessons learned, draw conclusions and determine next steps in the run-up to the 2013 St. Petersburg Summit. At the same time, DWG members agreed the need to streamline and strengthen the development agenda. A key deliverable of the Russian Presidency in this respect is the first G20 accountability report on development and the St. Petersburg Development Outlook.

Under the Russian Presidency, the DWG has concentrated on the following development priorities: food security, infrastructure, financial inclusion and human resource development (HRD).

On **food security**, building on previous DWG achievements, Russia put special emphasis on deepening cooperation and further improving ways to address the global challenges of food security and nutrition over the long-term. In 2013, the DWG has focused on the in-depth discussions about a new set of actions primarily in the following food security areas: increasing agricultural production and productivity through a comprehensive approach to agriculture by making it more productive, sustainable, climate adapted and resilient to shocks

and stressors; addressing malnutrition, particularly for the most vulnerable by promoting integrated, nationally owned, nutrition-sensitive social protection and safety nets systems and developing an effective knowledge-sharing network on food security and nutrition; furthering more market transparency by improving communication and international policy coordination. To facilitate discussion and formulate concrete DWG deliverables on food security, the Russian Presidency organized the Second G20 MACS and a DWG seminar on Food Security through Social Safety Nets and Risk Management, which was conducted jointly with the World Bank.

On **infrastructure**, the DWG continued the work on implementing the recommendations outlined in MDB Action Plan and HLP Report. The toolkit on Urban Mass Transportation Infrastructure Projects in Medium and Large Cities prepared by the World Bank and the ADB was finalized and disseminated among G20 members. The DWG welcomed the Infrastructure Consortium for Africa (ICA) Assessment of Project Preparation Facilities (PPFs) for Infrastructure in Africa and the ICA held a workshop to launch a project preparation network. The ADB together with the World Bank and the IDB undertook work on developing a public-private partnerships (PPP) sourcebook to provide developing countries with knowledge related to PPP projects and policies.

On **financial inclusion**, the DWG focused on integrating interrelated G20 priorities, namely financial literacy, financial consumer protection and financial inclusion. This agenda advanced specific actions of the G20 Financial Inclusion Action Plan, peer-learning and exchange of good practices and actions to address challenges confronting vulnerable groups including women, youth and migrants. The GPFI principally implemented this work through its three sub-groups on principles and standard-setting bodies, SME finance, and data and measurement. In 2013, the GPFI also established a fourth sub-group on consumer protection and financial literacy.

In addition to this ongoing work, the Russian Presidency organized two events:

- In April 2013, in partnership with IFC and the

World Bank, the G20 Women and Finance Seminar focused on the financial inclusion of women, including gaps in financial literacy and barriers to access to financial services for female entrepreneurs.

- In June 2013, the G20 Conference on Financial Literacy and Financial Consumer Protection saw presentations and discussions on hands-on tools for supporting the design and implementation of national financial inclusion strategies, including baseline measurement and tools for evaluating financial training programs.

On **HRD**, the DWG achieved further progress implementing MYAP commitments by focusing on: generating effective skills development policies to foster skills anticipation activities, and developing a skills indicator framework and database; encouraging innovative approaches and resources for better quality of training; and stimulating knowledge-sharing activities through the Public-Private Global Knowledge-Sharing Platform and face-to-face knowledge-sharing workshops.

Russia also hosted a workshop on HRD, involving eight representatives from four HRD pilot countries to: seek their feedback on DWG efforts and identify their priorities; discuss a report on the database of skills indicators for employment and productivity in LICs and options for a future database; and explore potential steps to extend HRD activities to low and mid-income countries.

### **1.5 Strengthening G20 Accountability for Development Commitments**

At the 2012 Los Cabos Summit, G20 leaders requested the DWG to put in place an assessment and accountability process for G20 development actions before the 2013 St Petersburg Summit. This process is an important step towards enhancing transparency, identifying best practices and lessons learned, drawing conclusions and determining next steps.

In October 2012, the DWG agreed to complete its first Accountability Report on Development for the

2013 St. Petersburg Summit. The objectives of the Report are to:

- Demonstrate the G20's commitment to transparency and accountability through better communication of its actions.
- Clarify what development actions and policies the G20 has made commitments to and track their progress.
- Wherever possible, identify most effective actions and policies for meeting the objectives of the G20 development agenda and make sure that it addresses the needs of developing countries, particularly LICs.
- Contribute to future G20 development activities.

DWG members agreed that the first Accountability Report should assess the implementation of a specific scope of development commitments: all MYAP actions and commitments made by G20 leaders in their declarations, which emerged from DWG work on the nine MYAP pillars and IGG. The DWG also agreed that the Report should highlight the 2013 G20 development priorities of infrastructure, food security, financial inclusion and HRD.

# G20 Development Working Group

## Implementation of G20 Commitments on Development

# 2 Chapter

This chapter documents the state-of-play for all G20 development commitments, comprising the actions set out in the 2010 Seoul Multi-Year Action Plan (MYAP) on Development and commitments made by G20 leaders in their 2011 and 2012 declarations, which originated in the Development Working Group (DWG).

Commitments are grouped into ten policy areas:

- the nine pillars of the MYAP (infrastructure, food security, human resource development, financial inclusion, trade, private investment and job creation, resilient growth, domestic resource mobilization and knowledge sharing); and
- inclusive green growth added to the development agenda during the Mexican Presidency.

While all ten policy areas have been surveyed, this Report provides in-depth assessments of the four development priorities of Russia's G20 Presidency: infrastructure, food security, human resource development, and financial inclusion.

Each section begins with a short overview and concludes with a detailed table outlining the implementation of all commitments. The overview explains the rationale for the G20's focus on the relevant area, includes an in-depth assessment of select commitments and in some cases identifies an example of successful work done in that area.

In-depth assessments also examine the alignment of specific commitments with the G20 Development Principles, which capture the key characteristics of G20 actions under the MYAP. The graphic below shows whether the implemented commitments meet one or more of these six principles.

- 
- 1 Focus on economic growth
  - 2 Global development partnership
  - 3 Global or regional systemic issues
  - 4 Private sector participation
  - 5 Complementarity
  - 6 Outcome orientation
- 



To categorize implementation in the matrices, commitments are classified as:

✓ **Completed:** The commitment has been implemented. No further action is required.

■ **On-track:** The commitment is being implemented as planned, but further steps could be taken.

■ **Off-track:** Some progress has been achieved, but implementation has been delayed. Some work is still ongoing.

■ **Stalled:** Implementation is not advancing; the DWG should clarify next steps.

## INFRASTRUCTURE<sup>1</sup>

Gaps in infrastructure, including those in energy, transport, communications, water and regional infrastructure are significant bottlenecks to increasing and maintaining growth in many developing countries.

Recognizing this, the G20 made commitments in its 2010 MYAP to take action by addressing infrastructure gaps. The G20 undertook to overcome obstacles to infrastructure investment, develop project pipelines, improve capacity and facilitate increased finance for infrastructure investment in developing countries, in particular LICs.

MYAP Commitment 1 saw G20 members request that regional development banks and the World Bank Group should work jointly to prepare action plans that increase public, semi-public and private finance and improve implementation of national and regional infrastructure projects, including those in energy, transport communication and water in developing countries, LICs in particular. The multilateral development banks (MDBs) were asked to pursue actions in five areas: information and needs assessment; internal practices; improving domestic infrastructure investment climate; special measures for regional integration and transparency and sustainability.

The G20 has made solid progress on infrastructure and has completed many of the actions agreed under the MYAP, including establishing a High-Level Panel on Infrastructure (HLP), as well as implementing HLP recommendations.

However, other uncompleted commitments are progressing slowly, including bottlenecks in LICs that hamper investment, outcomes of regional initiatives on transparency in procurement, construction and finance and on integration of environment safeguards. Irrespective of a future design for a new Action Plan, continuation of efforts and follow-up on these commitments are strongly needed.

## Infrastructure Success Story

The DWG has prompted important progress in improving MDB policy frameworks for infrastructure investment. The share of MDB resources dedicated to public-private partnership (PPP) transactions, and mobilization of private investment were identified as a key bottleneck. Partly as a result of G20 efforts, the World Bank's Infrastructure Strategy approved in December 2011 and the Asian Development Bank's (ADB) PPP Operational Plan approved in April 2012 introduced incentives for staff to focus on leveraging rather than lending resources to be able to undertake complex catalytic and regional projects. Other MDBs are considering similar initiatives.

In March 2012, the working group of MDB Heads of Procurement provided guidance on how to apply harmonized procurement principles in PPP operations to public sector recipients. In the meantime, when collaborating on joint projects, most MDBs agreed to adopt a pragmatic approach by seeking explicit policy waivers to use the rules and procedures of the lead MDB. MDBs will continue their efforts to harmonize procurement practices and make them more responsive to scaling up financing and diversify sources of finance by facilitating collaboration with the private sector and other MDBs.

MDBs are also prioritizing regional initiatives based on existing good practices, including support for developing countries to prepare materials necessary for raising private capital. The ADB, together with the World Bank Institute (WBI) and the Inter-American Development Bank (IDB), is developing a PPP sourcebook to cover the essential areas of knowledge related to PPP project and policy development and implementation.

***In-Depth Assessment: Commitment 2 - "Identify infrastructure gaps, needs and funding requirements particularly for regional and rural infrastructure, as well as opportunities to promote public-private and semi-public partnerships".***

### *Alignment with Core G20 and DWG Mandate*

In order to remove a key inhibitor of private and semi-public infrastructure investment, improving project preparation facilities (PPFs) remains a key

<sup>1</sup> Since 2010, France, the Republic of Korea, the United States, Turkey and Mexico have co-facilitated this work under the DWG's Infrastructure Pillar. MDBs have been major contributors.



priority of the DWG and aligns with the core G20 priorities, particularly with respect to progress made in Financing for Investment as part of the Finance Track.

COMMITMENT 2: Identify infrastructure gaps, needs and funding requirements



### Implementation

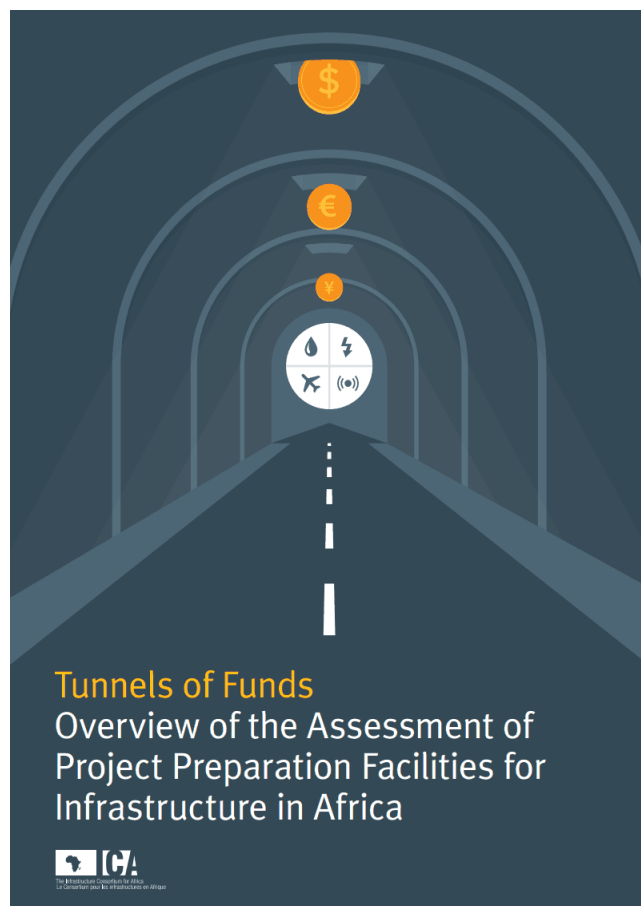
Over the past few years, efforts have been made to improve PPFs, both within and outside the G20 process. G20 activities have been informed by the work of the Colombia.

**In October 2011, the HLP delivered a report on Infrastructure** that identified project preparation capacity as a major challenge to and constraint on infrastructure projects development. The HLP report:

- recommended that the size and range of PPFs be reviewed, with the view to restructuring them on a more sustainable basis, including the provision of additional resources, if needed
- emphasized that G20 members and other MDB shareholders should agree on the need to prioritize project preparation financing within the MDBs and dedicate a greater share of MDB funds to preparation facilities on a grant or revolving basis.

The MDB infrastructure action plan subsequently included a pillar on improving PPFs' performance. The plan included an assessment of existing PPFs in Africa by the Infrastructure Consortium for Africa (ICA), which could provide a basis for restructuring a number of such PPFs.

The **ICA** completed its assessment of PPFs in Africa in November 2012. The report revealed wide gaps in project preparation for private sector projects, for transformative regional projects and for early stage PPPs. It stressed that PPFs could be more relevant



Assessment of Project Preparation Facilities for Infrastructure in Africa  
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and effective if coordinated through a "tunnel of funds" approach, involving greater sharing of information and more co-operative behavior based on demonstrated success factors and best practices. The ICA held a workshop in 2013 to launch a project preparation network. Consistent with recommendations of the HLP on Infrastructure and the ICA report, the African Development Bank (AfDB) is launching 'Africa 50' fund. The Africa 50 Fund aims to help close the continent's infrastructure gaps by delivering total infrastructure projects amounting to US\$100 billion, financed from both private and public sources - pension funds, sovereign wealth funds, government contributions and global capital markets. The Bank will be one of the stakeholders. The mobilized funds will be used for both preparation of bankable projects and their implementation.

## Lessons Learned

- Although the G20 DWG has generally been successful in drawing attention to existing project preparation gaps, particularly in Africa, bridging those gaps continues to be a challenge.
- A broader **global assessment of PPFs** is needed to understand what is effective (the ICA work is limited to Africa) and to work out which ones can be moved forward by MDBs.
- More effective and co-ordinated PPFs are needed to promote PPP. This could be progressed by the creation of a **global network of regional PPFs**, building off existing facilities to the greatest extent possible and with more sustainable funding mechanisms.

***In-Depth Assessment: Commitment 3 – “Deliver bankable, growth-supporting regional connectivity projects, building on the momentum created by existing initiatives and facilities”***

### *Alignment with Core G20 and DWG Mandate*

The G20 takes a strong interest in ensuring the efficacy of MDBs and in providing developing countries, particularly LICs, with access to financing. Regional infrastructure projects, such as those in Sub-Saharan Africa, can make a transformative impact on promoting inclusive, green and sustainable growth because of their economies of scale, for access to markets and essential services. Selecting a number of these catalytic regional projects and addressing the bottlenecks that they face have been identified by the DWG as key issues in order to unlock the development potential of regional integration.

COMMITMENT 3: Deliver bankable, growth-supporting regional connectivity projects



## Implementation

In October 2011, MDBs and the HLP on Infrastructure agreed on **6 criteria for identifying catalytic regional projects**: regional integration (the project connects two or more countries, or provides a regional public good), degree of political support (the project is officially endorsed), impact on the sub-region's growth (the project has a high development impact on a large number of people and promotes environmental and social sustainability), maturity (project preparation has already advanced enough), institutional capacity (country-level institutions and local project management have the capacity to implement the project), and bankability for the private sector (the project has potential for attracting private sector finance).

On the basis of these agreed criteria, the MDB Working Group on Infrastructure<sup>2</sup> selected **11 exemplary regional projects** in cooperation with LIC and MIC regional organizations:

- 5 projects in Sub-Saharan Africa: the West Africa Power Pool (WAPP), Ethiopia and Kenya Power Systems Interconnection, Inga Hydropower, North-South Corridor (NSC), Isaka-Kigali Railway;
- 2 projects in the Middle East and North Africa: a Jordan Railway project, Scaling Up Solar Energy in MENA for export to European Markets;
- 3 projects in Asia: the Turkmenistan-Afghanistan-Pakistan and India (TAPI) Natural Gas Pipeline, ASEAN Infrastructure Fund (AIF), Regional Program for Scaling-up Clean Biomass Energy in the Greater Mekong Sub-region;
- 1 project in Latin America: the Pacific Corridor.

### *Lesson Learned*

- DWG efforts should focus on building an international institutional capacity for these projects to be identified, planned and financed if determined feasible.

<sup>2</sup> It includes the AfDB, the ADB, the European Investment Bank (EIB), the IDB, the Islamic Development Bank (IsDB) and the World Bank Group.

## INFRASTRUCTURE

### Baseline Commitment

### Implementation Notes

### Status

#### Action 1. Develop Comprehensive Infrastructure Action Plans

**1.** "Request regional development banks (RDBs) and the World Bank Group (collectively, MDBs) to work jointly to prepare action plans that increase public, semi-public and private funding and improve implementation of national and regional infrastructure projects, including those for energy, transport, communications and water, in developing countries, LICs in particular. The MDBs will pursue actions in five areas (see below). The final outcomes should be reported to the Summit in France and be accompanied by an endorsement and commentary by the HLP" (2010 MYAP).

- **November 2011:** Leaders welcome the MDB Infrastructure Action Plan (MIAP), supporting specific recommendations.
- **June 2012:** Leaders' Declaration supports follow-up actions outlined in the DWG report delivered in May 2012.
- **October 2012:** The latest follow-up report on the implementation of MDB and HLP recommendations is circulated – the MDB Working Group on Infrastructure should continue with follow-up reports, while including outcomes of relevant new work wherever possible (e.g. 2012 reports or diagnostic work for the Finance Track).
- **2011 & 2012** Leaders' Declarations welcome the MIAP and HLP report and progress made in implementing recommendations.

✓ **Completed**

**Timeline (T):**

November 2011

**2.** "Information and needs assessment: identify infrastructure gaps, needs and funding requirements, particularly with respect to regional and rural infrastructure, as well as opportunities to promote public-private and semi-public partnerships" (see Commitment 13 on HLP report)(2010 MYAP).

- **October 2011:** MIAP delivers extensive information and needs assessment to identify gaps, needs, funding requirements and recommends supporting the ICA plan to assess existing PPFs to improve the performance of these funds.
- **April 2012:** The launch of a Project Development Facility (promoting the pooling of resources across funds and the flexibility of PPFs' objectives).
- **May 2012:** A DWG report urges the implementation of recommendations supported by the leaders in Cannes, including a review of PPFs and increased country representation in the ICA.
- **November 2012:** Final ICA assessment is made public.

**On-track**

**T:** June 2011

**3.** “Information and needs assessment: deliver bankable, growth-supporting regional connectivity projects, building on the momentum generated by existing initiatives and facilities” (2010 MYAP).

- **October 2011:** MDBs & the HLP agree on criteria for identifying catalytic regional projects and select eleven exemplary regional projects.
- **November 2011:** Leaders’ statements highlight 11 infrastructure projects and call on MDBs to pursue implementation with countries involved.
- **May 2012:** A DWG report welcomes progress on all eleven projects.

✓ **Completed**

T: November 2011

**4.** “Internal practices: identify possible improvements in MDB lending guidelines, internal policies and practices with a view to overcoming bottlenecks that constrain infrastructure lending, disbursements and the speed of project implementation” (2010 MYAP).

- **October 2011:** MIAP recommends: reserving a greater portion of infrastructure financing funds for project preparation; improving procurement practices to facilitate collaboration with the private sector and among MDBs (e.g. by harmonising their procurement practices and seeking explicit policy waivers to use the lead MDB’s rules and procedures); and increasing incentives for MDB staff to engage in PPP transactions and regional projects.
- **June 2012:** A DWG Progress Report acknowledges the completion of efforts to harmonise MDBs’ procurement principles for the public sector and ongoing work on private sector windows; and encourages MDBs to strengthen local financial intermediaries and make more efficient use of capital, e.g. by further developing credit-enhancement tools and guarantee instruments.

**On-track:**

Analysis has been carried forward and several actions undertaken, although more steps are needed to ensure actual shift in practices (including expanded use of appropriate instruments)

T: June 2011

**5.** “Internal practices: assess the sufficiency of internal resources for project preparation, institutional capacity development and risk mitigation” (2010 MYAP).

- **October 2011:** MIAP recommends that MDBs, the OECD expand and strengthen regional PPP practitioner networks (allocating technical assistance to platforms and adopting work-plan strategies) and reviewing the World Bank (WB)-IMF Debt Sustainability Framework (DSF).
- **May 2012:** A DWG report welcomes progress in relevant areas, including the completed review of the WB-IMF DSF.
- **October 2012:** An MDB Follow-up Report assesses ways to reserve greater portion of funds for project preparation: International Development Association (IDA)/African Development Fund (AfDF) replenishments discussions through prioritization of bilateral infrastructure funding and through resources and knowledge transfer from G20 members.

✓ **Completed**

T: June 2011

6. "Improve the domestic infrastructure investment climate: work with LICs, assess and diagnose bottlenecks in LICs that hamper investment, and assist LICs in developing action plans in the context of national development goals and strategies to:

- (a) remove bottlenecks in development, whole life costing and planning for investments in new infrastructure, operations and maintenance of existing ones and rehabilitation of aging ones;
- (b) improve their resource mobilisation and increase fiscal space; and
- (c) increase energy access, including by supporting more sustainable paths" (2010 MYAP).

- **November 2011:** Leaders' Declaration supports MDB and HLP recommendations for: supporting local capacity development through initiatives like the HLP's Fellowship Program and MDB efforts to strengthen regional PPP practitioner networks; improving the quality of information available to investors by establishing online regional platforms such as Sokoni and the extension of the Africa Infrastructure Country Diagnosis to become a global benchmarking infrastructure data initiative; and improving access to funding, notably through the strengthening of local intermediaries and financial markets.

- **May 2012:** A DWG report thanks the HLP for efforts to make Fellowship Program a reality.

- **October 2012:** An MDB Follow-up Report calls on G20 members to provide: US\$3 million to benchmark LICs in the global initiative, or US\$10 million for all developing countries. Leaders' Declaration in June 2012 recognises that G20 members will do this on a voluntary basis.

**Off-track**

Some more decisions are required to turn recommendations into concrete actions, and LICs should be further involved

T: November 2011

7. "Undertake special measures for regional integration: identify and make recommendations for specific institutional, regulatory and policy changes in national policies and regional architecture to respond to the physical and economic needs of regional projects" (2010 MYAP).

- (see 1.1.1 on ICA)
- **October 2011:** MIAP recommends: launching a global infrastructure benchmarking initiative; expanding technical assistance by strengthening regional PPP practitioners' networks.
- **2011:** A DWG report recommends endorsing principles for PPFs effectiveness (suggested in the Action Plan); and calls for a functional audit of existing PPFs.

**✓ Completed**

T: November 2011

8. "Special measures for regional integration: identify a limited number of regional initiatives with an action plan to reduce bottlenecks and deliver concrete outcomes" (2010 MYAP).

- **October 2011:** MIAP recommends piloting an Africa Infrastructure Marketplace and jointly with the HLP identifying 11 exemplary regional infrastructure projects using agreed criteria.
- **November 2011:** Leaders' Communique & Declaration highlight 11 infrastructure projects and call on MDBs to pursue implementation with countries involved.
- **October 2012:** An MDB Follow-up Report welcomes progress made in the 11 projects and calls on G20 members to provide financial support to enable the immediate operationalization of Sokoni (3 years, US\$10 million).

**Off-track**

Financial commitments are required to ensure operationalization of Sokoni, and actions may be needed for any of the 11 projects stalled

T: November 2011

**9.** “Special measures for regional integration: identify MDBs’ institutional bottlenecks that impede investment in cross-border and regional projects” (Link to Commitment 4 on MDB lending practices) (2010 MYAP).

- **October 2011:** An MBD Action Plan recommends increasing incentives for MDB staff to engage in PPP transactions and regional projects; and piloting an African Infrastructure Marketplace (Sokoni).
- **2011–12** Leaders’ statements welcome the recommendations and MDBs implementation progress.

✓ **Completed**  
  
T: November 2011

**10.** “Transparency and sustainability: work with existing pilots, develop an initiative to tangibly improve transparency in procurement, construction and infrastructure funding” (2010 MYAP).

- **October 2011:** The MBD Action Plan recommends scaling up the Construction Sector Transparency Initiative (CoST).
- **November 2011:** Leaders’ declaration supports more transparency in the construction sector.
- **May 2012:** A DWG report welcomes the scaling up of CoST, noting in 2012 that G20 members will have secured its implementation with MDBs on a voluntary basis by the 2012 Summit.
- **October 2012:** An MDB Follow-up Report indicates that CoST needs funding (US\$5.5 million per year).

**Off-track:**  
Financial commitments are needed to support the scaling-up of CoST  
  
T: November 2011

**11.** “Transparency and sustainability: assess how best to integrate environmental safeguards in an effective cost-efficient manner” (2010 MYAP).

- No specific recommendations appear to address this in the MIAP or the HLP report.

**Stalled**  
This has not been taken forward  
  
T: November 2011

## Action 2. Establish G20 High-Level Panel for Infrastructure Investment

**12.** “Establish a G20 HLP for infrastructure investment for one year until the Cannes Summit” (with TOR as per Commitments 13-16 below) (2010 MYAP).

- **2011:** the Panel is established for one year under France’s G20 presidency.
- **October 2011:** A DWG report stresses the importance of follow-up on the HLP report, which may involve HLP members on a voluntary basis.
- **October 2012:** The latest follow-up report on the implementation of MDB and HLP recommendations.

✓ **Completed**  
  
T: February 2011

**13.** “Review the MDB policy framework and make recommendations for measures to scale up funding and diversify sources of finance for infrastructure needs” (2010 MYAP).

- **October 2011:** An HLP report includes recommendations for improving MDB policy frameworks: developing PPP documentation standards based on good practice; enhancing the policies guiding non-concessional borrowing towards transformative projects; and making

✓ **Completed**  
  
T: November 2011

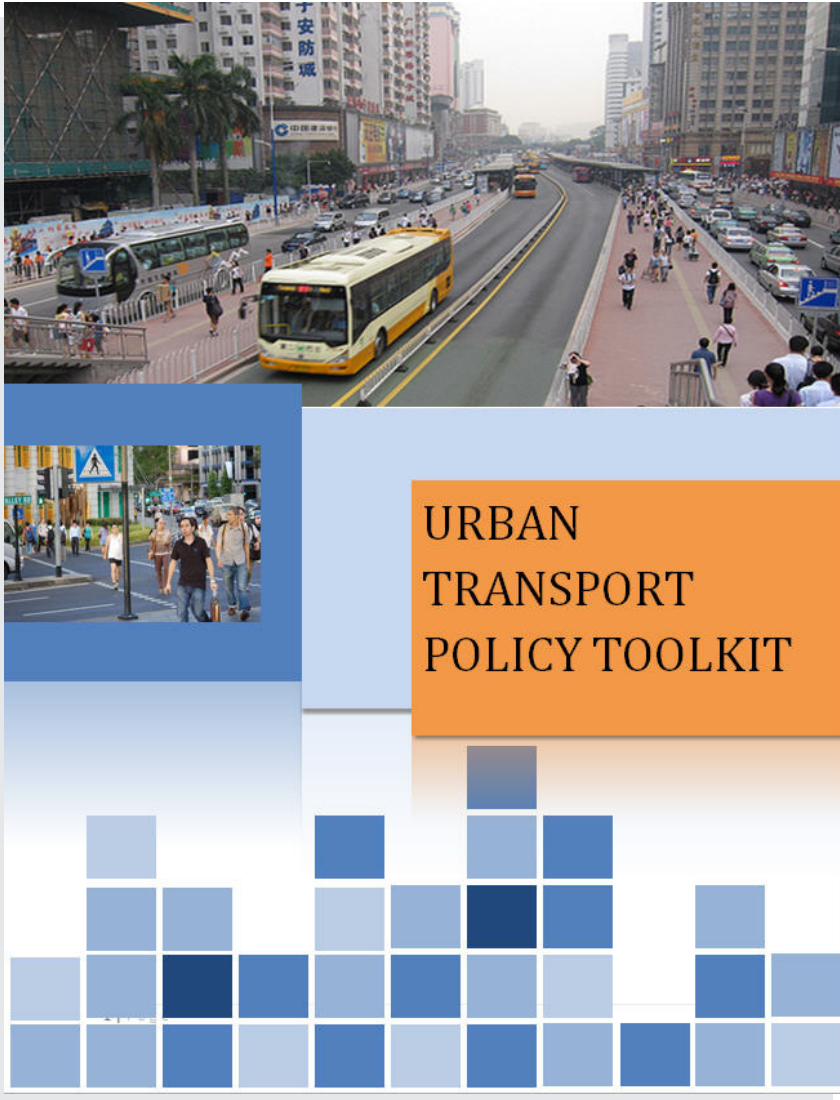
	<p>funding available under appropriate terms, including by moving from a lending culture to stimulating more private sector investment.</p> <ul style="list-style-type: none"> <li>• <b>May 2012:</b> A DWG report welcomes progress in a range of areas and calls for further implementation (modernizing and developing MDBs' credit-enhancement tools and a greater number of MDBs improving staff incentives for PPP transactions and regional projects).</li> </ul>	
<p><b>14.</b> "Take into account the limitations of risk-bearing capacity of private and semi-public finance, lessons learned from past and ongoing programs, best practice, the importance of durability and whole life costing, and innovative ways to mitigate and intermediate risks to attract finance" (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>October 2011:</b> An HLP report sets out recommendations for mitigating risks, including: encouraging MDBs to review existing risk mitigation products; emphasising the gap between actual and perceived risks to investing in LICs and MICs; encouraging pilots to test new approaches (e.g. creation of the Asia Infrastructure Fund); and highlighting the important role of improved capacity in domestic financial intermediaries and local capital markets.</li> </ul>	<p>✓ Completed</p> <p>T: November 2011</p>
<p><b>15.</b> "Review MIAP and provide comments to ensure workability, maximization of outcomes and a sharper focus on environmental sustainability and transparency" (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• The HLP report includes comments on the MIAP with mutually reinforced proposals, such as recommendations for improving the pipeline of bankable projects (project preparation); availability of funding under appropriate terms (internal MDB incentives, risk mitigation products); and through the elaboration of principles to select catalytic regional projects.</li> </ul>	<p>✓ Completed</p> <p>T: November 2011</p>
<p><b>16.</b> "The final outcomes of the HLP reported to 2011 Finance Ministers' meeting and to Leaders in Cannes" (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>November 2011:</b> Leaders' statements welcome the HLP report and emphasise support for specific HLP recommendations (see the Cannes Declaration).</li> </ul>	<p>✓ Completed</p> <p>T: November 2011</p>
<h2>Other Actions</h2>		
<p><b>17.</b> "Encouraging B20 to disseminate and give due consideration to report on "Misperception of risk and return in LICs" (2012 Leaders' Declaration).</p>	<ul style="list-style-type: none"> <li>• <b>May 2012:</b> The report is submitted and shared with the B20 to increase awareness.</li> <li>• <b>June 2012:</b> Leaders welcome the report.</li> <li>• <b>2012:</b> The final report is presented to the B20 for dissemination.</li> </ul>	<p>✓ Completed</p> <p>T: December 2012</p>

**18.** “The World Bank and Asian Development Bank to develop a toolkit on best practices for urban mass transport projects, taking into account available toolkits” (link to Commitment 6 on cooperation with LICs) (2012 Leaders’ Declaration).

- The proposal emerges from the 2012 WB & ADB report commissioned by the DWG on “Best practices for urban mass transport infrastructure projects in medium and large cities in developing countries”.
- **June 2012:** G20 leaders welcome the report and support the follow-up actions set out in the DWG report.
- **February 2013:** The toolkit is disseminated to DWG members.

✓ **Completed**

**T:** December 2012



Urban Transport Policy Toolkit  
 ©2013 The World Bank, Asian Development Bank



## FOOD SECURITY<sup>3</sup>

Food security remains a critical issue for the international community. In 2012, approximately 868 million people in the world still went undernourished. With world population estimated to reach 9.6 billion by 2050, global food production will have to grow by at least 50-70% to reinforce global food security and improve access to and availability of safe and nutritious food for the most vulnerable – particularly women and children in developing countries. To meet this challenge and in support of the Rome Principles on Food Security the G20 committed to actions to enhance global policy coherence and coordination as part of the 2010 MYAP on Development (Action 1) and to mitigate risks posed to sustainable agricultural productivity growth, access to food, nutrition and crisis prevention (Action 2).

To enhance policy coherence and coordination under Action 1, several important deliverables were launched including the “AgResults” Initiative - a result-based mechanism for agricultural innovation - and the Tropical Agriculture Platform. The existing G20 commitments were reviewed and reported during the French Presidency, and the Global Strategic Framework aiming for broader policy coherence for food security was elaborated and endorsed by the Committee on World Food Security (CFS) in 2012. To elaborate on the effort, a report on *“Sustainable agricultural productivity growth and bridging the gap for Small Family Farmers”* has been produced with a set of recommendations made to G20. Additional work could be envisaged to follow up on some of these commitments.

In order to mitigate risks under Action 2, the G20’s several important deliverables including the Principles for Responsible Agricultural Investment (PRAI) - a code of conduct for responsible food reserve management - and the Platform for Agricultural Risk Management (PARM) have been encouraged. G20 has supported the ECOWAS initiative to set up targeted regional emergency food reserve systems and also requested international organizations (IOs) to submit a report on price volatility with a set of

<sup>3</sup> Since 2010, France, Brazil, Canada and Japan have co-facilitated work under the Food Security Pillar, with the Food and Agriculture Organization (FAO), IFAD, IMF, OECD, UNCTAD, the WFP, WB and WTO being major contributors.

## Food Security Success Story

With input and advice from IOs, the G20 has promoted a range of actions and policies to mitigate the impacts of food price volatility on LICs.

The Action Plan on Food Price Volatility and Agriculture adopted by the G20 ministers of agriculture in June 2011 called for the development of a proposal for a cost-effective system of small strategically positioned emergency food reserves. With encouragement from the G20 Cannes Summit Communique in November 2011, the Economic Community of Western African States (ECOWAS) led the development of a targeted regional humanitarian food reserve system as a pilot project. Commissioners for Agriculture from ECOWAS and the Western African Economic and Monetary Union (WAEMU) reported on their progress in developing the emergency reserve system at DWG meetings in 2012 and 2013. The ECOWAS pilot project was incorporated into the Global Initiative for Resilience in Sahel and Western Africa (AGIR), launched in December 2012. AGIR is a joint effort made by Sahel and Western African and partner countries, and regional and international organizations, with financial support provided, in particular, by the European Union. Further steps towards operationalization of the emergency humanitarian food reserve system continued in 2013.

On the policy front, the G20 agreed to remove food export restrictions or extraordinary taxes on food purchased for non-commercial humanitarian purposes by the World Food Program and not to impose them in the future. This unprecedented policy commitment will help ensure the availability of humanitarian food supplies even in times of extraordinary market circumstances.

recommendations for developing a joint action plan on water, food and agriculture. The implementation of these recommendations led to such initiatives as the Agricultural Market Information System (AMIS) and Rapid Response Forum (RRF).

### ***In-Depth Assessment: AgResults***

In the light of Toronto Summit commitments, where leaders pledged to explore innovative results-based mechanisms to harness the private sector

for agricultural innovation, and the Seoul MYAP's Food Security Pillar, the AgResults initiative was launched at the Los Cabos Summit in June 2012. AgResults aims to enhance food security and food safety, increase smallholder incomes and promote better health and nutrition in developing countries by stimulating private sector agricultural innovation. This is being done through a pay-on-results approach, or "pull mechanism", which only pays out once results have been demonstrated in targeted areas.

### *Alignment with Core G20 and DWG Mandate*

Economic growth does not always lead to reduction in poverty. By stimulating private sector agricultural innovation and increasing smallholder incomes, AgResults can meet its goals and enhance G20 efforts to achieve strong, sustainable and balanced economic growth in LICs.

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COMMITMENT 19: IOs to examine and recommend potential innovative results-based mechanisms and advanced market commitments to enhanced agricultural productivity



### *Implementation:*

"Pull" mechanisms involve the ex post provision of economic incentives (such as a prize or an advance market commitment) for innovations where the aim is to solve a specific well-defined problem, without preferences for the market participants, strategies and technologies that might be involved in achieving them. The incentives serve to reduce market uncertainty and make it more attractive to private sector investment in order to achieve innovative outcomes. In the case of AgResults, the objective is to incentivize participants to pursue solutions to food security challenges by overcoming market failures that impede the establishment of sustainable markets for developmentally-beneficial agricultural innovations and technologies.

Since its Los Cabos launch, significant progress has been made in setting up AgResults' financial and administrative structure. The AgResults financial intermediary fund, through which donors make their contributions, was established by the World Bank in March 2013 along with the AgResults Fund Framework, which sets out the initiative's operating framework. Some contributors have already processed contributions through the financial intermediary fund. In addition, an external impact evaluator will follow the development of AgResults over the next 5 years.

The competitive process launched to hire a Secretariat for AgResults was completed in July 2013. The Secretariat will be directly accountable to the Steering Committee, which is comprised of the contributors listed above and the World Bank, and will be responsible for: (i) program management, oversight and administration; (ii) sourcing and development of new project proposals; (iii) coordinating the expert review of project proposals; (iv) oversight and monitoring of approved projects; and (v) external communications and outreach.

To date, US\$100 million of contributions have been pledged by Australia, Canada, the United Kingdom, the United States and the Gates Foundation.

Three pilot projects focused on maize cultivation in Africa are expected to be launched in 2013:

- incentivising the adoption of on-farm storage technology for smallholder farmers in Kenya;
- encouraging innovative distribution of a breakthrough technology to reduce aflatoxin contamination in Nigeria; and
- building a market for new vitamin A-enhanced varieties of maize in Zambia.

### *Lessons Learned:*

Since the launch of AgResults at the Los Cabos Summit in 2012, the focus has been on setting up the initiative's financial and administrative structure. Now that the structure is in place, the focus is shifting to the program-based implementation of AgResults. Working with the Secretariat, the Steering Committee

will assess and share lessons learned in due course.

### ***In-Depth Assessment: Support for building capacity in tropical agriculture technologies and productive systems – the Tropical Agricultural Platform (TAP)***

Following the commitments made by G20 Agriculture Ministers in 2011, the TAP was launched by the FAO at the first G20 Meeting of Agriculture Chief Scientists (Guadalajara, 26 September 2012).

The Platform aims to achieve greater coherence of capacity development and knowledge sharing in order to improve agricultural production and productivity in tropical countries, with a particular focus on smallholders. Those benefitting from the initiative are policymakers, institutions and actors from the private sector and civil society involved in agricultural innovation in the tropics. The partners of the platform comprise a coalition of national agricultural research, education and extension institutions, the private sector, civil society and farmers' organizations in G20 and developing countries, as well as key regional and international fora, networks and agencies (totaling 37 constituents in April 2013).

The rationale for the initiative stems from the importance of addressing bottlenecks to agricultural innovation in the tropical region, which encompasses almost all of the least developed countries (LDC)



«Men weighing food India.» Credit Photo:  
Ray Witlin/World Bank

in the world. These countries often lack resources and capacities to develop their innovation systems effectively (investments in agricultural innovation among low-income tropical countries amount to less than 10% of the total global investment in agricultural R&D)<sup>4</sup>. Yet, previous attempts to address this agricultural innovation gap in tropical areas had limited success due to insufficient alignment with country and regional policy needs and/or insufficient coordination and synergies among them.

#### *Alignment with Core G20 and DWG Mandate:*

By focusing support on capacity building and knowledge sharing within some of the poorest countries, the TAP can enhance G20 efforts to achieve strong, sustainable and balanced economic growth in LICs.

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COMMITMENT 21: Call for support to build capacity in tropical agriculture technologies and productive systems



#### *Implementation:*

Following the TAP launch, in October 2012, Punta Del Este, Uruguay, hosted the first meeting of partners to develop the Platform's constituency, the definition of its operational framework (encompassing the General Assembly and the Steering Committee) and a work program for its inception phase. A six-month inception phase was initiated in December 2012 (completed on 30th May 2013). This phase included regional assessments to define the priorities, capacities and needs of agricultural innovation systems in selected target countries in Africa (facilitated by the Forum for Agricultural Research in Africa - FARA), Asia (facilitated by the Southeast Asian Regional Center for Graduate Study and Research in Agriculture - SEARCA) and Latin America/Caribbean (facilitated by the International Center for Tropical Agriculture - CIAT).

<sup>4</sup> <http://www.tropagplatform.org/about>



Man scattering rice grains. Santa Cruz, Laguna, Philippines.» Credit Photo: Danilo Pinzon/World Bank

The results of those assessments will inform a strategic action plan that will design geographic and thematic services to be provided by the Platform, and develop a framework for coordinated action among partners and stakeholders.

The TAP will provide 3 different services:

- (i) A “Policy-Dialogue Space” among stakeholders to enhance the coherence and effectiveness of national policies for capacity development in tropical agricultural innovation systems (‘toolkits’ for fostering dialogue among stakeholders will be commissioned through the TAP);
- (ii) A “Marketplace” to promote and broker existing demands and offers in capacity development for agricultural innovation (based on demand; web-based and face-to-face training efforts will also be scaled up); and

- (iii) A global information system (‘TAPipedia’) in support of the capacity development of tropical innovation systems encompassing success stories, lessons learned, socioeconomic impacts and innovation outputs (the ‘TAPipedia’ will be based on virtual tools and media and may also help identify demands for new areas of agricultural research).

The China-hosted Conference on Tropical Agriculture (2-3 September 2013) is expected to provide an opportunity for both reaching a decision on the TAP’s strategic action plan and on securing the resources necessary for making the platform operational.

#### *Lessons Learned*

The G20 provided an important contribution to identifying and highlighting a technology transfer gap still observed in the domain of tropical

agriculture. In that regard, TAP implementation becomes an important initiative to address the specific challenges regarding the agricultural innovation gap in tropical areas.

Further progress in the initiative will benefit from stronger dissemination of its activities, enhanced participation by interested governments and broader financial support. This is especially important in the context of knowledge transfer within the framework of South-South cooperation.

***In-Depth Assessment: Encouraging all countries and companies to uphold the Principles for Responsible Agricultural Investment (PRAI), and requesting UNCTAD, the World Bank, IFAD, FAO and other appropriate IOs to develop options for promoting responsible investment in agriculture.***

In order to boost the agricultural sector in developing countries, private investment is essential. The PRAI are aimed at governments and the private sector alike and seek to bring about more responsible investment

practices in the agriculture sector. The PRAI cover all types of investment in agriculture and provide a framework for national regulations, international investment agreements, global corporate social responsibility initiatives, and individual investor contracts. The G20's political support for the PRAI contributes to the consultation process at the CFS.

*Alignment with Core G20 and DWG Mandate:*

Investment can contribute to agricultural growth and development only when it is socially responsible and economically and environmentally sustainable. The PRAI encourage better respect for rights, livelihoods and resources. The Principles should be widely practiced and promoted by the international community for the benefit of recipient countries, local communities (including small farmers) and investors. In this regard, the PRAI will contribute to the G20 goal of achieving strong, sustainable, inclusive and resilient growth in low-income countries.

«Rice grains in bowl. Nigeria.» Credit Photo:

Arne Howl/World Bank



COMMITMENT 26: Encourage all countries and companies to uphold the Principles for Responsible Agricultural Investment



*Implementation:*

(1) G20 support for the PRAI and consultation at the CFS - At their summits in 2011 and 2012, the G20 Leaders encouraged all countries to support the PRAI to ensure sustained investment in agriculture. As the result of growing attention to responsible agricultural investment, a broad and inclusive consultation on the PRAI was launched in October 2012 in the context of food security and nutrition within the CFS framework, building on the Voluntary Guidelines and taking into account the PRAI.

(2) Action taken by IOs -The Inter-Agency Working Group (IAWG, i.e. the FAO, IFAD, UNCTAD and the World Bank) on Responsible Agricultural Investment (RAI) produced a report entitled “Options for promoting responsible investment in agriculture” and submitted it to the DWG in June 2011. It also included an action plan to be implemented by the IAWG, as well as G20 members. The Plan includes a “**twin track**” approach as follows:

- **Track 1** consists of research on the impacts of agricultural investments and retrospective field-testing of the PRAI in selected developing countries in Africa and South East Asia to further refine and produce more operational guidance at the country level. They will also inform consultations under Track 2. The preliminary findings were presented at an official side event organized by the IAWG in Yokohama, Japan on 2<sup>nd</sup> June 2013 during TICAD-V and at a seminar in Medan, Indonesia conducted during the APEC meeting in July 2013.
- **Track 2** supports consultations at the CFS on the RAI, which take into account the PRAI. The consultations include various stakeholders

such as developing countries, civil society organizations, and the private sector (through the Private Sector Mechanism - PSM). The IAWG is actively involved in the CFS consultations and has committed to sharing the results of its research.

*Lessons Learned:*

- The G20’s support for the PRAI has generated political momentum on this important issue and laid an important basis for an inclusive consultation process at the CFS. Further scope remains for enhanced coordination and collaboration between the DWG and the private sector, including through the PSM and B20.
- The G20 needs to welcome and carefully examine the findings of IAWG work in order to identify what types of practices have led to particularly good or bad outcomes, and are thus to be emulated or avoided. These findings should then be incorporated into CFS discussions.

***In-Depth Assessment: Mitigate adverse effects of excessive price volatility for the most vulnerable through the development of appropriate risk management instruments***

Risks and uncertainty are inherent in agriculture and agricultural markets. Farmers, especially



«Women selling produce. Tajikistan.» Credit Photo: Gennadiy Ratushenko/ World Bank

smallholders, face price and yield risks that have become more manifest with climate change and volatile food prices, making their incomes more unpredictable. Similarly, consumers are exposed to risks concerning price and availability of food, with potentially serious consequences related to food security, particularly for poor people. Farmers, businesses, financial institutions, international agencies and governments are increasingly seeking effective and sustainable strategies to mitigate, transfer or cope with these risks.

To address these challenges, in the Seoul MYAP, the G20 requested that the FAO, IFAD, the IMF, OECD, UNCTAD, the WFP, World Bank and WTO work with key stakeholders to develop options for better mitigation and management of risks associated with price volatility of food and other agricultural commodities without distorting market behavior, ultimately to protect the most vulnerable.

*Alignment with Core G20 and DWG Mandate:*

Good risk management in the agriculture sector in poor countries is essential to improving support for livelihoods, particularly smallholders' livelihoods, and to fostering investment in agricultural production. DWG work on mitigation of food price volatility is in keeping with G20 efforts to achieve strong, sustainable, inclusive and resilient growth in LICs.

COMMITMENT 28: Mitigate the adverse effects of excessive price volatility on the most vulnerable through the development of appropriate risk-management instruments



**Implementation:**

Following up on the targeted report and joint recommendations of these IOs, G20 Ministers of Agriculture, in their Action Plan on Food Price Volatility and Agriculture of 2011, and G20 Leaders, in the Cannes Summit Declaration of 2011, supported the establishment of an international agriculture risk management advisory



«Buying food at the market. Solola, Guatemala.» Credit Photo: Curt Carnemark/World Bank

and intermediation service, the development of risk management instruments and the New Partnership for Africa's Development (NEPAD) initiative to integrate risk management into agricultural policies in Africa.

These G20 commitments led to PARM establishment, which was welcomed by G20 Leaders in the Los Cabos Summit Declaration of 2012. The G20 support was conducive to the roll-out of such instruments as the IFC Agriculture Price Risk Management Product. The G20 contributed to the integration of agriculture risk management in agricultural policies in the Comprehensive Africa Agriculture Development Program (CAADP), in particular through the association with NEPAD in PARM.

PARM is conceived as a facilitative entity, drawing from the collective expertise of its contributing entities, connecting demands in low-income countries and lower middle-income countries, notably from governments, farmers and consumer organizations, rural finance institutions and value-chain clients, to providers of agriculture risk management services. It promotes a holistic approach to agricultural risk management to address all risks, develop all solutions, and act at all stages.

Developing agricultural risk management for the most vulnerable can lead to improved resilience and reduced vulnerability. For this reason, PARM was included in the *Alliance Globale pour l'Initiative Résilience* (AGIR) in Sahel, West Africa, led by the European Union and launched in *Ouagadougou* in 2012, as well as in the New Alliance for Food Security and Nutrition launched at the G8 Camp David Summit in 2012.

*Lesson Learned:*

- To date, PARM has been funded on a voluntary basis by a few G20 donors and partner IOs, currently including the AFD, IFAD, BMZ and the European Commission. Regarding bottlenecks encountered and lessons learned, the continued mobilization of all G20 members and all relevant IOs and the full involvement of LICs in ongoing initiatives are of paramount importance to ensuring further success, in particular through the development of pilot programs.

FOOD SECURITY		
Baseline Commitment	Implementation Notes	Status
<b>Action 1. Enhance Policy Coherence and Coordination (2010 MYAP)</b>		
<p><b>19.</b> "IOs to examine and recommend potential innovative results-based mechanisms and advanced market commitments for enhanced agricultural productivity" (2010 MYAP).</p>	<ul style="list-style-type: none"> <li><b>2012:</b> Report on "<i>Sustainable agricultural productivity growth and bridging the gap for small family farms</i>". The DWG agrees to examine its recommendations, as well as the fertilizer initiative presented by NEPAD.</li> <li><b>2012:</b> The launch of the AgResults Initiative, with initial funding of US\$100 million.</li> <li><b>2011:</b> The DWG invites participation by other interested public and private partners in the Global Agriculture and Food Security Program.</li> </ul>	<p>✓ <b>Completed</b></p> <p><b>Timeline (T):</b> March 2011</p>
<p><b>20.</b> "Fulfil our existing commitments on food security and sustainable agricultural development. We will review and monitor progress on G20 commitments and request the FAO, World Bank and OECD, in cooperation with the L'Aquila Food Security Initiative (AFSI), to monitor progress and report back at the Summit in France" (2010 MYAP).</p>	<ul style="list-style-type: none"> <li><b>2012:</b> The DWG calls for continued collaboration and support of relevant IOs and initiatives, including the Global Agriculture and Food Security Program.</li> <li><b>2011:</b> Leaders' Declaration supports the implementation of the AGIR and other initiatives, including the Global Agriculture and Food Security Program.</li> <li><b>2011:</b> AFSI presidency reports to the DWG.</li> </ul>	<p>✓ <b>Completed</b></p> <p><b>T:</b> June 2011 (final report)</p>



<p><b>21.</b> “Call for support to build capacity in tropical agriculture technologies and productive systems” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>November 2012:</b> The launch of TAP to enhance capacity-building and knowledge sharing to improve agricultural production and productivity.</li> </ul>	<p>✓ <b>Completed</b></p> <p>T: medium-term</p>
<p><b>22.</b> “Request key international organisations, including the UN Committee on World Food Security (CFS), to identify bottlenecks and opportunities to increase policy coherence for food security consistent with the Rome Principles” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>2012:</b> Elaboration of the Global Strategic Framework for food security and nutrition, and engagement with the private sector to improve policy coherence for food security endorsed by the 39th CFS session on October 15-20.</li> </ul>	<p>✓ <b>Completed</b></p> <p>T: June 2011 (final report)</p>

## Action 2. Mitigate Risk of Price Volatility and Enhance Protection for the Most Vulnerable (2010 MYAP)

<p><b>23.</b> “Request the FAO, IFAD, the IMF, OECD, UNCTAD, the WFP, the World Bank and WTO to work with key stakeholders to develop options for G20 to consider how to better mitigate and manage risks associated with the price volatility of food and other agricultural commodities without distorting market behaviour, ultimately, to protect the most vulnerable” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>2011:</b> The report on “Price volatility in global food and agricultural markets: policy responses” is delivered and leaders support recommendations.</li> </ul>	<p>✓ <b>Completed</b></p> <p>T: June 2011 (final report)</p>
<p><b>24.</b> “Ask the World Bank to work with other relevant international agencies to develop measures to improve information on national and regional food stocks and food production projections, provide nutrition intervention for the most vulnerable, and ensure access to humanitarian supplies” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>2011:</b> A draft code of conduct for responsible emergency food reserves management is presented at the Interagency Report “Price volatility in food and agricultural markets: policy responses”. Further progress is still expected.</li> <li>• <b>2011:</b> An Agricultural Market Information System is launched to improve the quality, transparency and timeliness of agricultural market information including food stocks, as well as production outlook.</li> <li>• <b>2011:</b> Leaders’ Declaration: agree to remove food export restrictions or extraordinary taxes on food purchased by the WFP for non-commercial humanitarian purposes, without imposing them in the future.</li> <li>• <b>2012:</b> The start of an initiative by ECOWAS</li> </ul>	<p><b>On-track</b></p> <p>S: MYAP</p> <p>T: June 2011 (final report)</p>

	to set up a pilot project for a targeted regional emergency humanitarian food reserve system.	
<p><b>25.</b> Commitment to “promoting increased procurement from smallholder producers and to strengthening their access to markets in line with domestic and regional strategies” (2010 MYAP &amp; 2011 Leaders’ Declaration).</p>	<ul style="list-style-type: none"> <li>• <b>2011:</b> Leaders’ Declaration: commitment to foster smallholder sensitive investments in agriculture and explore opportunities for market inclusion and empowerment of small producers in value chains.</li> <li>• <b>2012:</b> The launch of the AgResults initiative.</li> </ul>	<p><b>Off-track</b></p> <p>T: medium-term</p>
<p><b>26.</b> “Encourage all countries and companies to uphold the Principles for Responsible Agricultural Investment. We request UNCTAD, the World Bank, IFAD, FAO and other appropriate IOs to develop options for promoting responsible investment in agriculture” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>2011 and 2012:</b> Leaders’ Declarations encourage all countries to support the RAI to ensure sustained investment in agriculture.</li> <li>• <b>2012:</b> Extensive consultations held on principles launched within the CFS framework.</li> <li>• <b>2012:</b> Leaders’ Declaration encourages the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forest in the Context of National Food Security.</li> </ul>	<p><b>On-track</b></p> <p>T: June 2011 (final report)</p>

**Other Actions**

<p><b>27.</b> “Urge MDBs to finalise their joint action plan on water, food and agriculture and provide an update on implementation by the next Summit” (2011 Leaders’ Declaration).</p>	<ul style="list-style-type: none"> <li>• <b>September 2011:</b> Presentation and endorsement of the action plan.</li> </ul>	<p>✓ Completed</p>
<p><b>28.</b> “Pledge to mitigate the adverse effects of excessive price volatility on the most vulnerable through the development of appropriate risk-management instruments” (2011 Leaders’ Declaration).</p>	<ul style="list-style-type: none"> <li>• <b>2011:</b> Work by MDBs on Risk Management Tools.</li> <li>• <b>2011:</b> Leaders’ Declaration supports risk-management instruments, such as commodity hedging instruments, weather index insurances and contingent financing tools, to protect the most vulnerable against excessive price volatility, including the expansion of PARM developed by the World Bank Group (IFC).</li> <li>• <b>2011:</b> Leaders’ Declaration asks IOs to work together to provide expertise and advice to LICs on risk management.</li> <li>• <b>2012:</b> PARM involves relevant IOs and multilateral, regional and national development banks and agencies.</li> </ul>	<p><b>On-track</b></p>

**29.** “Confirm our commitment to scaling-up nutrition through a combination of direct nutrition interventions and the incorporation of nutrition into all relevant policies” (2011 Leaders’ Declaration).

- **2012:** Leaders’ Declaration notes that chronic malnutrition is an enormous drain on a country’s human resources, supports the Scaling Up Nutrition (SUN) movement and encourages broader G20 member involvement.
- **April 2012:** First meeting of the SUN Lead Group. Its purpose is to provide leadership, ensure coherence of action, improve resource mobilization and establish collective accountability.

On-track

## HUMAN RESOURCE DEVELOPMENT<sup>5</sup>

Supporting human resource development (HRD) to promote an educated and competent workforce is an important determinant of economic growth: it facilitates the shift from traditional production models towards more sophisticated and high value-added products, commodities and services on global markets.

The HRD Pillar of the MYAP is built on the G20 Training Strategy\* endorsed by G20 Leaders at the Toronto Summit in 2010. In the HRD Pillar, IOs, including the ILO, OECD, UNESCO and the World Bank, work together in supporting LICs to develop “employment-related skills that are better matched to the employer and market needs in order to attract investment and decent jobs.”

The HRD Pillar in the MYAP developed an action plan and a road map for 2010-14, which comprise two principal actions to: create internationally comparable skill indicators (MYAP Commitment 30); and enhance national employable skills strategies (MYAP Commitment 31). Building on this, the DWG suggested including skills development as a component of other pillars and proposed a knowledge-sharing strategy to encompass work on HRD.

Subsequently, the OECD and WB together with other IOs developed a conceptual framework for internationally comparable data, including a list of indicators on skills for employment and productivity.

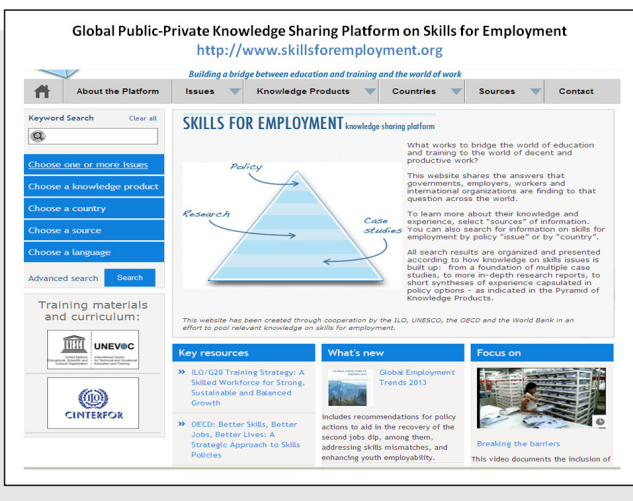
## Human Resource Development Success Story

Under completing MYAP Commitment 31, IOs provided coordinated and expert assistance to 4 pilot low-income countries — Bangladesh, Benin, Haiti and Malawi in preparing national action plans for employment skills. These plans benefitted from discussions across ministries and with representatives of employers and trade unions. Each plan sets out key objectives, national responsibilities and priorities for targeted support from IOs.

The action plans aim to strengthen public-private coordination in order to better link training provision to labour market needs. Measures to improve and expand apprenticeships feature prominently in these efforts. The plans also provide for an opportunity to coordinate country level work across DWG priorities, linking skills development to the transition to greener economies and to more sustainable food security.

The DWG continues to work with the 4 pilot countries to help implement the action plans. Support from IOs covers field testing indicators included in the database on skills indicators, thus improving evidence-based policy-making and monitoring.

In reporting on their progress at the DWG workshop on HRD in May 2013, representatives from the pilot countries noted that the G20 initiative succeeded in encouraging consistency in the support provided by IOs, as well as in improving coherence of training planning across ministries and between the public and the private sector. As part of a wider roll-out of the program, as called for in the Seoul MYAP, Russia has launched a new technical cooperation and knowledge-sharing program to support the G20 Training Strategy in select Asian countries and those of the Commonwealth of Independent States.



Significant work has been done on another of the HRD commitments emerging from the 2011 Cannes Summit. It was meant to create a knowledge-sharing platform (KSP) for employment skills. The KSP enables organizations and governments to easily access and share data about skills development to be used to improve employability and productivity. The KSP web site was tested by focus groups during 2012 and made available to the public in 2013. The public launch took place in June 2013. G20 representatives have been urged to contribute

<sup>5</sup> Since 2010, Argentina, the Republic of Korea and Russia have co-facilitated the work under the HRD Pillar. The G20 called for the ILO, OECD, UNESCO and the World Bank to contribute to ongoing work.

knowledge products to the site.

In 2012, HRD Pillar co-facilitators were also asked to contribute to the overall effort to promote inclusive green growth. A Working Group on Greening TVET (technical and vocational training and education) and Skills Development comprised of 7 IOs produced a set of policy recommendations on the skills required for transition to a greener economy. The recommendations were based on research and findings of the IOs' research and policy advice. This was completed in early 2013 and presented to the DWG meeting in February 2013.

### ***In-Depth Assessment***

Delivering and implementing a sustainable database on skills indicators is the first step towards improving evidence-based decision-making on HRD for developing countries. Under MYAP Commitment 30 (create internationally comparable skills indicators), a conceptual framework for internationally comparable data on skills indicators for employment and productivity was developed by the OECD and World Bank. The conceptual framework identifies which indicators are most useful for policy design and implementation. This informs where investments in improving labor market information systems would have the highest potential benefits. The conceptual framework was presented to the OECD-ILO Workshop on Skills Indicators and Policies in LICs held at the ILO in Turin in March 2012.

IOs report on indicators, including options for the hosting and maintenance of the database was presented at the HRD workshop in Moscow in May 2013. The report was prepared by the OECD and the World Bank in consultation with other relevant IOs and based on extensive exploration of available data. The report includes a preliminary set of cost proposals to establish the database and will be implemented at the end of 2014, as envisaged by the 2010 MYAP.

### *Alignment with Core G20 and DWG Mandate*

Strengthening HRD in developing countries is fundamental to driving strong, sustainable and inclusive economic growth and jobs creation. Jobs are necessary to drive development and achieve the G20's core mandate of economic growth, as well as improve living standards, productivity and social cohesion in LICs. The approach taken by the DWG under the MYAP has been to recognize that skills challenges differ by country to be able to build on the G20 Training Strategy to strengthen employable skills in LICs.

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COMMITMENT 30: Create internationally comparable skills indicators



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### *Implementation*

The implementation of the 2010 MYAP commitments on HRD is on track. Significant achievements include:

- Three knowledge-sharing workshops (supported by the DWG members of Germany, Italy, and Korea) have been organized by IOs since 2011, with a focus on public-private partnerships and developed indicators on employment skills in LICs. The workshops provided a forum for representatives from several LICs and MICs to share experience in skills assessments, identify areas for further capacity building, and propose indicators. These workshops complement the KSP and pilot programs.
- A report on the conceptual framework (based on consultations facilitated by the Inter-Agency Group on TVET) was presented at the HRD workshop in May 2013. The final report outlining options for the hosting and maintenance of the database is due in December 2014.

 [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms\\_151966.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_151966.pdf)

## Lessons Learned

- The DWG has driven strong inter-agency collaboration on HRD, which has potential for being translated into more streamlined policy advice and technical support for developing countries.
- The limited availability of good data across the range of critical indicators on skills development hampers the design of sound national skills development strategies and limits capacity to implement and monitor the impact of policies and programs. Once fully implemented, the conceptual framework for indicators on skills for employment and productivity should assist in this regard. Pilot country work provides further opportunities to validate the framework and improve data collection capabilities.
- In order to be sustainable and properly maintained, the database on internationally comparable skills indicators may require G20 members and IOs to explore additional financial partnerships.
- Indeed, it would be possible to become even more ambitious by developing new country-specific indicators subject to additional financing.
- Further efforts could be made to support the implementation of national action plans and subsequent evaluation of their impact. Further scaling up of the action to other LICs would require additional funding. Again, if other LICs were to take part in similar Action 2 pilots, additional funding would be necessary.

## HUMAN RESOURCE DEVELOPMENT

### Baseline Commitment

### Implementation Notes

### Status

## Action 1. Create Internationally Comparable Skill Indicators

**30.** "Create internationally comparable skills indicators – to assist LICs to better match training to employers' needs and future labor market opportunities in developing countries; identify gaps in the education system for basic level employable skills; identify the links between education, health problems, gender gaps and life-long skills development; and produce a comparable database across countries to serve as a monitoring tool for assessing employable skills development in LICs" (2010 MYAP).

- **May 2013:** IOs submit their report on a conceptual framework and selected indicators, including options for hosting and maintaining a database. The database will be developed by 2014.
- **May 2012:** Key elements of a draft interim report on skills for employment and productivity are presented by the OECD at the Third UNESCO International Congress on TVET in Shanghai.
- **March 2012:** A draft interim report on skills for employment and productivity is presented by the OECD at the joint OECD-ILO workshop on Skills Indicators and Policies in LICs at the ILO International Training Centre in Turin. This allows a range of both LICs and MICs to review the relevance of the conceptual framework and proposed indicators, share experience in skills

**On-track**

**Timeline (T):**

May 2013  
(final report on skills indicators framework)

December 2014  
(final report with the international database)

assessments and identify areas for further capacity building.

- **October 2011:** Preliminary Framework indicators' domain and criteria for the choice of indicators are presented to the DWG.

## Action 2. Enhance National Employable Skills Strategies

**31.** "Enhance national employable skills strategies — to support self-selected LICs to strengthen national and regional vocational education and training institutions and programs; build on the G20 Training Strategy; identify existing gaps that constrain investment in skills development and productivity, including the impact of gender gaps and health problems" (2010 MYAP).

- **November 2012:** New technical cooperation agreement between Russia and the ILO, which involves providing the Trust Fund with US\$8 million to extend G20 Training strategy implementation to middle income countries.
- **October 2012:** Final report on the completion of Commitment 31 is presented to a DWG meeting. The HRD working group notes that additional resource mobilization may be needed to support pilot countries in their practical implementation of developed action plans and the assessment of their impact.
- **September 2012:** A follow-up workshop to finalize the Action Plan and develop its implementation framework is held in Malawi.
- **August 2012:** A technical workshop to discuss the Action Plan on skills for employment is conducted in Haiti.
- **April 2012:** A planning workshop for the National Action Plan on Skills Development for Employment is held in Benin.
- **March 2012:** Workshops with relevant ministries are co-organized in Bangladesh by the ADB, ILO and World Bank to define a Program of Support to help IOs operationalize the National Action Plan for the Implementation of the National Skills Development Policy.
- **May 2011:** Workshop on Training Strategy - Knowledge Sharing on Skills for Employment brings together 64 policy-makers and practitioners from 32 countries (including 13 G20 countries and 6 LDCs), IOs (the ILO, OECD, UNESCO, the World Bank, Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), regional training institutions (CINTEFOR, CEDEFOP, ETF), workers' and employers' representatives share experience in practical matters that affect the implementation and effectiveness of skills development policies and

✓ **Completed**

**T:** October 2012  
(final report on completion)

institutions, especially in LDCs. Four self-selected countries are chosen for piloting according to accepted criteria: Benin, Bangladesh, Malawi, and Haiti.

- **March 2011:** The DWG accepts criteria for pilot self-selected countries.

## Other Actions

**32.** “A KSP on skills for employment: to collect case studies, research findings, strategy papers from policymakers, TVET institutions, the private sector, academic institutions, bilateral agencies, as well as IOs, that have experience in using skills development to improve employability and productivity, and who are interested in learning from the experience of others” (2011 *Leaders’ Communiqué*).

- **June 2013:** The platform in three languages is launched publicly.
- **December 2012:** A knowledge-sharing workshop on financing training is conducted in Turin, with a focus on public-private partnerships in line with the G20 Training Strategy.
- **May 2012:** An advisory group is formed with representatives from partner IOs, the International Organization of Employers, the International Trade Union Confederation to test the prototype and provide strategic advice on subsequent ‘scaling up’ efforts. A technical working group for the platform is also organized to involve IT and web development specialists from the ILO to provide technical inputs and advice on the re-design of the prototype, its proposed navigation and search functions.
- **March 2012:** A plan is agreed for broader KSP testing through focal groups with representatives of the governments and social partners and pilot countries. In March-April 2012 the ILO launches initial Focus Group Testing and designs an E-Survey to obtain feedback on the KSP prototype from potential users and website experts.
- **January 2012:** The DWG agrees options for the Global KSP and next steps for its development.
- **December 2011–January 2012:** The ILO creates a Global KSP Web Contribution Form to facilitate the process of content contributions through the expected launch date of the full Global KSP.
- **November 2011:** The KSP prototype in the form of an Internet site is developed, with content in 3 selected issues of the G20 Training Strategy (skills for youth employment, skills anticipation focusing on green jobs, and training accessibility focusing on disability inclusion) and tested in December

**T:** Dec 2014  
(final report on KSP)

**On-track:**  
Design and testing completed.  
Multi-language website made public in June 2013.



2011- January 2012 by an initial focus group of employers and IO partners.

- **September 2011:** G20 labour ministers acknowledge the establishment of a knowledge-sharing platform to promote skills development in line with the G20 Training Strategy.

## FINANCIAL INCLUSION<sup>6</sup>

More than two billion adults are excluded from financial services and hundreds of millions of small and medium-sized enterprises (SMEs) face serious constraints on accessing finance. Financial inclusion is fundamental to: improving the livelihoods of the poor; supporting SMEs; driving job creation and inclusive sustained growth; and increasing resilience. For this reason, G20 Leaders incorporated it as a pillar within the Seoul MYAP on Development.

Three overarching commitments were adopted in the Financial Inclusion Pillar. First, to establish a global partnership for financial inclusion “to provide a systematic structure for implementing the G20 Financial Inclusion Action Plan in close collaboration with the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC).” Second, the G20 would conduct an SME Finance Challenge and provide a finance framework in order to “mobilize grant and risk capital for winning proposals from the SME Finance Challenge and for scaling up successful SME financing models.” Finally, the G20 committed to implementing the Financial Inclusion Action Plan.

This work has been taken forward through the Global Partnership for Financial Inclusion (GPFI). It was launched in Seoul, Korea, on 10th December 2010 as “an inclusive platform for all G-20 countries, interested non-G20 countries and relevant stakeholders” to carry forward work on financial inclusion, including implementation of the Financial Inclusion Action Plan endorsed by the G20 Summit in South Korea.

The first GPFI meeting held in Seoul in December 2010 established three subgroups: Principles for Innovative Financial Inclusion and Standard-Setting Bodies (SSBs) Engagement; SME Finance; and Financial Inclusion Data and Measurement. The GPFI has the G20 troika as co-chairs and implementing partners: the AFI, CGAP, IFC and World Bank. Its Honorary Patron is H.M. Queen Máxima of the Netherlands.

## Financial Inclusion Success Story

Developing a national strategy on financial inclusion is an important step that can start the accountability process and create monitoring mechanisms. Implementation of these strategies may result in stronger financial stability and economic growth.

Since 2009, G20 Leaders have reiterated their commitment to financial inclusion and recognized the benefits of universal access to diverse financial services for individuals and enterprises. They endorsed an Action Plan, and created the GPFI to provide G20 and non-G20 countries with an inclusive platform for peer learning, knowledge sharing, policy advocacy and coordination on financial inclusion for relevant stakeholders.

The Mexican G20 Presidency launched an initiative building on this momentum to galvanize and support countries even more. Over 40 countries have set national goals and targets of financial inclusion in the last 2 years, including through the G20 Financial Inclusion Peer Learning Program and the Maya Declaration of the Alliance for Financial Inclusion. Each committed to creating cross-sector national coordination mechanisms and preparing national strategies to achieve financial inclusion according to their country context, to be backed by good data. They also committed to sharing their experience, as part of the G20 Financial Inclusion Peer Learning Program.

The countries’ commitments are already paying dividends. In October 2012, Nigeria launched its National Strategy for Financial Inclusion. The strategy sets the ambitious targets of 70% access to payments and 60% access to savings accounts. In doing so, Nigeria joins Brazil, which launched a National Action Plan for Strengthening the Institutional Environment in May 2011. Chile, Tanzania, Mexico, and Rwanda are among other countries preparing national strategies.

In 2013, a 4<sup>th</sup> sub-group on Financial Literacy and Financial Consumer Protection was established and the OECD became a new implementing partner. The GPFI implements and coordinates financial inclusion activities with other relevant stakeholders and the

<sup>6</sup> The work under the Financial Inclusion Pillar has been taken forward through the GPFI. The GPFI has the G20 troika as co-chairs and implementing partners, such as the AFI, CGAP, IFC, OECD and World Bank involved.

participating G20 and non-G20 countries.

### ***In-Depth Assessment: Encouraging standard-setting bodies to further incorporate financial inclusion objectives into their work***

G20 leaders agreed to harness the influence of the G20 to help ensure that the global regulatory environment supports national policymakers in countries of all income levels to promote innovative financial inclusion.

Work on this Action has been undertaken by the GPF Subgroup on Principles and SSBs, which is co-chaired by Indonesia, the Republic of Korea and the United Kingdom. The focus has been on the Basel Committee on Banking Supervision (BCBS), the Committee on Payment and Settlement Systems (CPSS), the Financial Action Task Force (FATF), the International Association of Deposit Insurers (IADI), and the International Association of Insurance Supervisors (IAIS). The key implementing partners have been the AFI, CGAP and World Bank. Her Majesty Queen Máxima of the Netherlands also played a vital role in her capacity of the GPF Honorary Patron, including by co-hosting the first high-level SSB meetings on financial inclusion, which helped to lay the groundwork for the outcomes delivered.

#### *Alignment with Core G20 and DWG Mandate*

The adoption of approaches to regulation and supervision that are proportionate to risks helps enable financial intermediaries to increase their outreach to unbanked and under-banked population, thereby contributing to inclusive growth, as committed to by the G20.

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COMMITMENT 33: Adopt the G20 Financial Inclusion Action Plan, including by encouraging the standard-setting bodies to further incorporate financial inclusion objectives into their work

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### *Implementation*

The GPF has delivered the following results, among others:

- a 2011 white paper entitled *Global Standard-Setting Bodies and Financial Inclusion for the Poor – Toward Proportionate Standards and Guidance*;
- a high level conference with the SSBs entitled *Promoting Financial Inclusion through Proportionate Standards and Guidance* in October 2012. The conference brought together representatives from the five global SSBs, along with G20 and non-G20 countries. It provided an opportunity for the SSBs to report on their progress and challenges of incorporating financial inclusion objectives into their work, and made it possible for developing countries to highlight the challenges they face in implementing global standards for pursuing a financial inclusion agenda.

By their engagement with the international SSBs, the GPF and its implementing partners have supported or helped to catalyze the following outcomes:

- **the BCBS** reinforced the concept of proportionality by issuing revised Basel Core Principles for Effective Banking Supervision in 2012. Subsequently, its Basel Consultative Group launched a work stream on financial inclusion
- **the CPSS** released a report on *“Innovations in retail payments”* in 2012, which noted that financial inclusion is *“an important driving force for innovations in many countries”*;
- **FATF** published a revised guidance on financial inclusion in 2013, which builds on the comprehensive risk-based approach embedded in its revised 2012 Recommendations, and financial exclusion is now formally recognized by FATF as a money laundering and terrorist financing risk;
- **the IADI** has prepared a paper on Financial Inclusion and Deposit Insurance; and
- **the IAIS** adopted revised Insurance Core Principles in 2011, which incorporate the proportionality principle.

## ***In-Depth Assessment: SME Finance Challenge***

The G20 has paid particularly close attention to the needs of SMEs, first through the Financial Inclusion Expert Group (FIEG) and more recently through the GPFI. G20 leaders committed to the SME Finance Challenge — a call for proposals for innovative, private sector-driven models of financing SMEs on a sustainable and scalable basis. Maximizing leverage of scarce resources was at the core of the Challenge. GPFI members collectively committed to mobilizing the funding needed to implement winning proposals from development banks and interested bilateral donors.

The G20 Seoul Summit in October 2010 announced 14 winners of the G20 SME Finance Challenge. The SME Finance Innovation Trust Fund was created, with a total funding of US\$28 million, contributed by Canada, Korea, the Netherlands, United Kingdom and United States. In October 2011, the winning proposals began to be implemented. Concurrently, the G20 SME Finance Framework channeled US\$119.7 million in additional funding from development financial institutions and bilateral donors directly to individual challenge winners.

### *Alignment with Core G20 and DWG Mandate*

Millions of SMEs face serious constraints on accessing finance. The G20 work on SME finance provides much-needed assistance for SMEs, which are often the engines of economic growth and job creation — objectives that lie at the heart of the G20 agenda.

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### COMMITMENT 34: SME Finance Challenge

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## *Implementation*

13 out of 14 winners of the G20 SME Finance Challenge have received performance-based grants (the latter declining a grant), with a total grant funding of US\$23 million. Two sets of performance targets - key performance indicators (Part 1) and additional reporting indicators (Part 2) - have been defined for each project in order to determine the disbursement of grants.

So far the Challenge program has made significant and steady progress, with all 13 winners receiving their first disbursements. Some US\$7.3 million had been disbursed by 31st January 2013. Most grant recipients are expected to meet their targets, either fully or partially, and receive their 2nd tranche within the second half of 2013.

By 31 December 2012, the grantees had assisted 1064 SMEs in receiving 4481 loans for just over US\$59 million. The SME Finance Challenge has proven effective in raising the profile of this area of financial inclusion and in mobilizing private sector interests and ideas. Regular progress reports on the grantees are made available through the SME Finance Forum, which holds regular meetings of winners to promote peer learning and support.

### ***In-Depth Assessment: Development and promotion of a basic set of financial inclusion indicators***

G20 leaders committed to implementing a number of actions under the Financial Inclusion Action Plan. One of these was to strengthen and extend the availability of data about measuring financial inclusion and methodologies to countries that wish to set financial inclusion targets. The GPFI has been developing a Basic Set of Financial Inclusion Indicators with a view to facilitating countries' domestic policy-making by advancing financial inclusion.

## Alignment with Core G20 and DWG Mandate

Whilst work around the data is technical, it may have important ramifications in terms of better equipping policy-makers in order to develop specific and targeted policy measures to advance financial inclusion. Work on data contributes to the G20's broader objectives of financial inclusion and in turn to economic growth and poverty reduction.

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COMMITMENT 36: Adopt the G20 Financial Inclusion Action Plan, including by strengthening and expanding data availability for measuring financial inclusion



### Implementation

The objective of this work is to develop a set of financial inclusion indicators based on data already available through robust ongoing data surveys or data which could be obtained relatively easily (e.g. from the AFI, IMF). Both individuals and enterprises are considered in the development of the set of indicators, but with particular emphasis on lower-income individuals and smaller SMEs. It is intended that the results can be widely used and tailored to different types of country-specific policy needs. To this end, the indicators had to be broken down further to focus on women, young adults and certain income categories.

The first phase in this work was to develop a Basic Set of Indicators to cover the core financial services of savings accounts and credits, and outreach through branches. The second phase, currently underway, is to expand the coverage of the Basic Set to include a complete set of G20 financial inclusion indicators covering all basic products, the appropriate use of these products, physical as well as electronic and mobile reach, with indicators also reflecting the state of financial literacy and consumer protection. In addition, policy documents - *Financial Inclusion*

*Data: Assessing the Landscape and Country-level Target Approaches and Financial Inclusion Target-Setting Assessment: Findings and Recommended Approach (Phase 1)* - have been produced, which contribute to wider work on financial inclusion around the world.

### Lessons Learned across Financial Inclusion Pillar

- On data, it is important that the endorsed indicators should be obtained from and rely on existing data sources that contain the following features: (1) statistical robustness and strong methodology supported by established institutions; (2) wide coverage of countries (i.e. not limited to a few studies, coverage has to reflect a significant share of the world); (3) continuity (the source cannot be a one-off data study, but a continuous, frequent survey that will allow for a historical trend analysis).
- On SSBs, the challenges of applying international standards and guidance to countries with limited institutional capacity are increasingly recognized. It is important to do more in such contexts to support appropriate, proportionate and effective country-level implementation. The principal global SSBs have by now appropriately aimed for flexibility to be applied across a wide range of country contexts. But their advisory guidance has yet to be consistently reflected in widely varying situations with country-level policy-makers, regulators and supervisors, and in specific challenges faced by countries with higher current levels of financial exclusion and lower levels of regulatory and supervisory capacity.

## FINANCIAL INCLUSION

### Baseline Commitment

### Implementation Notes

### Status

#### Action 1. Establish the Global Partnership for Financial Inclusion

**33.** “Launch the Global Partnership for Financial Inclusion (GPII) to provide a systematic structure for implementing the G20 Financial Inclusion Action Plan in close collaboration with the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC). The GPII will coordinate its work with the APEC initiative and other financial inclusion initiatives” (2010 MYAP).

- **November 2012:** progress report to G20 finance ministers.
- **November 2011 and June 2012:** progress reports to G20 leaders.
- **December 2010:** 1st GPII meeting; 3 GPII subgroups are established (Principles for Innovative Financial Inclusion and SSBs Engagement, SME Finance, Data and Measurement).
- **A GPII website** is launched, providing access to all GPII reports and resources on financial inclusion.
- **2011 in Mexico, 2012 in South Africa:** The Annual GPII Forum enables outreach to non G20 countries and other stakeholders. Significant funding mobilized.

✓ **Completed**

**Timeline (T):**  
November, 2010 (establish the GPII);  
November, 2011 (report)

#### Action 2: SME Finance Challenge and Finance Framework for Financial Inclusion

**34.** “Announce the 14 winning proposals of the SME Finance Challenge that offer innovative models for catalyzing private capital for SME finance” (2010 MYAP).

- **November 2010:** 14 winners of the SME Finance Challenge are announced from 356 entries.
- **Continues in 2013:** A progress report on the winning proposals of the Challenge and their impact at the country level.

✓ **Completed**

**T:** November, 2011

**35.** “Pledge to establish a finance framework that mobilizes grant and risk capital for winning proposals from the SME Finance Challenge and for scaling up successful SME financing models. The framework will use existing funding mechanisms and the SME Finance Innovation Fund” (2010 MYAP).

- **April 2012:** the SME Finance Initiative is launched as a catalytic investment and technical assistance platform with US\$215 million.
- **By February 2013:** US\$77 million are committed to financing the winning proposals of the SME Finance Challenge.
- **March 2011:** the SME Finance Framework is established; Global SME Finance Innovation Trust Fund is established with US\$30 million.

✓ **Completed**

## Action 3: Implement the Action Plan for Financial Inclusion

**36.** “Implement the G20 Financial Inclusion Action Plan to promote the application of the Principles for Innovative Financial Inclusion and the lessons learned from the SME stocktaking exercise. The actions to be implemented include:

- (i) advance the implementation of the principles through a commitment by each G20 member to implement at least one;
- (ii) encourage the standard-setting bodies to further incorporate financial inclusion objectives into their work;
- (iii) encourage further private sector activities to increase access to financial services;
- (iv) strengthen and expand data availability for measuring financial inclusion and methodologies for countries that wish to set financial inclusion targets;
- (v) support peer learning, capacity building and training;
- (vi) improve coordination at the national and international levels; and
- (vii) integrate financial inclusion into financial assessment programs” (2010 MYAP).

- (i) **2011:** A GPFI report on Bringing the Principles to Life
- (ii) SSBs incorporate financial inclusion issues into standards and guidances: **2012** – revised Basel Core Principles, **2011** – Insurance Core Principles, and **2012** – FATF Recommendations, and **2013** – revised financial inclusion guidance
- (iii) **June 2012:** the Financial Inclusion Challenge: Innovative Solutions to Unlocking Access
- (iv) **2011:** A GPFI report on stocktaking key data initiatives and initial target-setting approaches: June 2012: The G20 Basic Set of Financial Inclusion Indicators **2013:** An analytical report on IFI/DFI harmonization of SME reporting available, GPFI dissemination is underway
- **2013:** Development of the Advanced Set of Financial Inclusion Indicators
- (v) **February 2012:** The G20 Peer Learning Program; the Financial Inclusion Council (representing all public bodies relevant to financial inclusion policy) and financial inclusion strategy development under the Peer Learning Program
- (vi) **January 2011; March 2012:** High-level meetings of SSB leadership co-convened by GPFI Honorary Patron and Basel Committee Chair **October 2012:** high level conference with five global SSBs, G20 and non-G20 countries
- (vii) financial inclusion incorporated in FATF new effectiveness methodology — increasingly part of Financial Sector Assessment Programs
- (vii) lessons from SME stocktaking exercise are deepened through consultations with developing countries; SME finance policy guide is used as a reference point for governments and regulators to underpin the development SME finance policies, programs and/or Action Plans; and an Impact Assessment Framework for monitoring and evaluating those policies, programs and actions.

**T:**  
November 2010  
(adopt the plan);  
November 2011  
(report); 2013  
Ongoing  
The FIAP has  
been adopted,  
its realization  
continues and  
will be revised  
next year

**37.** “Commit to pursuing our efforts on the five recommendations put forward in the GPFI report under the Mexican Presidency”. *[The five recommendations are to: encourage implementation of the G20 principles; encourage SSBs to consider the GPFI White Paper recommendations; launch the SME Finance Forum; mobilize SME financing; request the IMF to continue and strengthen its supply-side data collection effort with the support of the IFC and CGAP; strengthen data collection] (2011 Leaders’ Declaration).*

- **Rec 1: (Feb 2012):** Leaders welcome 17 country commitments to create cross-sector coordination mechanisms and national strategies under G20 Financial Inclusion Peer Learning Program; and 35 Maya Declaration commitments advancing the implementation of the principles.
- **Rec 2 (Oct 2012):** A GPFI high-level conference with 5 global SSBs focuses on Proportionate Standards and Guidances. Ongoing SSB engagement takes place.
- **Rec 3 (April 2012):** SME Finance Forum ([www.smefinanceforum.org](http://www.smefinanceforum.org)) is launched.
- **Rec 4:** Significant funding is mobilized and efforts are ongoing.
- **Rec 5:** Efforts to strengthen data collection are underway: the IMF expands the questionnaire for its Financial Access Survey from 2012 onward; the global demand-side data are strengthened through the 2012 launch of the Global Findex; March-July 2013: finance ministers anticipate expansion of G20 Basic Set of Financial Inclusion Indicators with an Advanced Set of Financial Inclusion Indicators to be published and data sources identified in 2013.

**On-track:**  
An Advanced Set of Financial Inclusion Indicators was presented at the Finance Ministers’ Meeting in July 2013

**T:** 2013

**38.** “Call on the OECD/ International Network on Financial Education (INFE) and the World Bank in cooperation with the GPFI to deliver further tools to promote financial education” (2012 Leaders’ Declaration).

- **September 2013:** The G20 Russia’s Presidency/OECD publication on National Strategies for Financial Education and practical tools for financial literacy measurement and evaluation of financial education programs.
- **July 2013:** The Russian Trust Fund presents a set of practical recommendations, guidances and tools to measure financial literacy and capability and evaluate financial education programs

**On-track:**  
The Russian Trust Fund outputs are presented to the July 2013 Finance Ministers’ Meeting; and a progress report - to the September 2013 Summit.

**T:** September 2013 (report)



**39.** "We ask the GPF, the OECD/INFE, and the World Bank to identify barriers women and youth may face in gaining access to financial services and financial education" (2012 Leaders' Declaration).

- **2013:** Women's Finance Hub is launched.
- **2013:** Report on barriers to accessing financial services and education for women and youth, with policy recommendations.
- **2013:** OECD/Infe report on financial education for youth and guidelines on financial education on schools.

**On-track:**  
The outputs are presented to the Finance Ministers' Meeting in July 2013 and the September 2013 Summit  
**T:** 2013

**40.** "Launch the SME Finance Compact" (2012 Leaders' Declaration).

- **2012:** The SME Finance Compact: support for peer learning component of the SME Finance Compact is provided and implemented by the AFI in collaboration with the IFC's SME Finance Forum.

**On-track:**  
In 2013, the SME Finance Compact will be presented to partner countries and implementation will commence  
**T:** Ongoing

**41.** "Implementation of the G20 Financial Inclusion Peer Learning Program" (2012 Leaders' Declaration).

- **April 2013:** A Financial Inclusion Support Framework (FISF) to be launched.
- **February 2013:** Finance Ministers' Communiqué recognizes the FISF as supporting implementation of the Peer Learning Program's (PLP) country commitments.
- **June 2012:** 17 countries committed to creating cross-sector coordination mechanisms and prepare national strategies to achieve financial inclusion, and share experience in the G20 Financial Inclusion PLP.
- **April 2012:** The AFI's peer learning activities and the CGAP's knowledge agenda support the PLP.

**On-track:**  
An update on these activities will be presented within GPF Progress Report in September 2013  
**T:** Ongoing

## TRADE<sup>7</sup>

Strengthening the ability of developing countries to trade through greater market access, integration of regional markets and the availability of trade finance are critical to inclusive growth – although not automatic, no country has grown and reduced poverty without access to and the ability to trade. Individual measures in each of these areas are important. Combined with improved infrastructure and trade facilitation, trade finance, market access and integration could provide a major boost for the economies of developing countries, in particular LICs.

In the spirit of the Istanbul Programme of Action – calling for a significant increase in the LDC share of global trade - the G20 committed in its 2010 MYAP on Development to action on Duty-Free and Quota Free (DFQF) access to support LDCs in increasing their share of global trade, Aid for Trade (AfT), trade facilitation, trade finance, and regional integration - with a particular focus on enhancing intra-regional trade in Africa.

By committing through the 2010 MYAP to supporting the ability of developing countries to trade, G20 members have called on relevant IOs: to monitor and report on G20 progress towards Hong Kong commitments on DFQF and maintenance of AfT levels; to report on the impact of AfT in the light of the July 2011 Global Aid for Trade Review; to identify barriers/obstacles to regional trade integration in Africa, including coordinating a collective multilateral agency response on Trade Facilitation; and to review the availability and effectiveness of Trade Finance for LICs. The G20 has given important support for actions that other organizations have been taking, and the additional G20 political signaling has reinforced efforts to promote increased trade access, regional integration in Africa and provision of trade finance during the period of financial turbulence.

It is worth considering whether ongoing commitments of the Seoul MYAP on Trade (namely, DFQF access and the monitoring of AfT levels) would be better

## Trade Finance Success Story

Maintaining the availability of trade finance is essential to ensuring the resilience of developing countries in times of global financial uncertainty. Recognizing that availability of trade finance continues to be a problem for many, building on recommendations from the WTO 2011 Trade Finance Report and consulting with the OECD working group on export credit, the DWG has committed to continued monitoring of the situation for LICs. The G20 has provided political support, including through DWG dialogue with the AfDB, for an important initiative to establish a trade finance facility at the AfDB, which would allow all MDBs to have a trade finance facility in place.

We congratulate the AfDB on the establishment of the Trade Finance Plan approved by the AfDB Board in February 2013. This paves the way for operationalizing a US\$1 billion facility to help address critical market demand for trade finance in Africa by providing support for trade in vital economic sectors such as agribusiness and manufacturing. Moreover, this will foster financial sector development, regional integration, and contribute to government revenue generation.

More generally, the AfDB has welcomed the work done by the DWG, and has said how influential the pillars articulated in the Seoul MYAP have been in informing the development and focus of the AfDB's own strategy.

located within the G20 Trade Track in the future. This could allow for better alignment between these trade actions, with potential development benefits, and G20 wider trade interests.

### ***In-Depth Assessment: G20 Aid for Trade***

A range of supply-side and trade-related infrastructure obstacles prevent poor countries from reaping the full benefits of trade. The AfT Initiative seeks to mobilize resources to address these trade-related constraints, building trade capacity and infrastructure that is needed.

G20 leaders committed to maintaining, beyond 2011, AfT levels that “reflect the average of the last 3 years (2006 to 2008)”, as well as considering the outcome of the July 2011 Global Aid for

Since 2010, Argentina, the EU and the UK have co-facilitated this work under the DWG's Trade Pillar. The World Bank, AfDB, OECD and WTO have been its major contributors.

Trade Review. The WTO and OECD were asked to continue monitoring the AfT levels and report periodically to the DWG.

*Alignment with Core G20 and DWG Mandate:*

Maintaining the AfT levels, contextualizing aid flows, and highlighting what makes AfT work, can enhance G20 efforts to achieve strong, sustainable and balanced economic growth in LICs.

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COMMITMENT 43: Maintain average Aid for Trade levels from 2006 – 2008

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*Implementation:*

The G20 continues to provide significant amounts of AfT funding on a bilateral basis (\$23.3 billion representing 56 % of the total AfT). While the G20 AfT levels have increased in 2009 and 2010, there is in 2011 a slight decrease (- 3.4%). In addition, G20 members also allocated significant amounts of trade-related assistance through multilateral channels, for which they continue to be major providers. It should also be noted that the AfT allocated to LDCs increased by 3.4 % in 2011.

A wide range of stakeholders submitted case stories on the impact and outcomes of AfT to inform the 2011 Global Aid for Trade Review. The case stories showed that AfT had had a good impact on trade performance of developing countries, especially LDCs, and suggested that the focus now should be put on strengthening the effectiveness and impact of interventions through better targeted and harmonized international coordination. The Review was considered useful in demonstrating the importance of AfT, and the G20 was right in making this commitment.

The time lag in the availability of data of actual flows means that figures on AfT for 2012 and 2013 will follow only in 2014 and 2015 respectively. It is

important therefore to ensure ongoing monitoring of G20 AfT levels in order to establish for certain if the G20 has met its AfT commitments.

*Lessons Learned:*

- There is a specific pledge by the G20 on AfT in the Seoul MYAP to “at least maintaining beyond 2011 AfT levels that reflects the average of the last three years (2006-2008)”. The G20 will consider, in close cooperation with relevant IOs including OECD and WTO, how to monitor this commitment and enable effective assessment in the future. The G20 DWG will discuss the issue of methodology at the G20 DWG meeting in October 2013.
- It is important that the monitoring of this commitment should continue within the G20 including in the context of the results and outcomes of the July Global Aid for Trade Review and the December WTO Bali Ministerial meeting, which are expected to provide a fresh impetus and renewed mandate for the AfT Initiative during 2013.

## TRADE

### Baseline Commitment

### Implementation Notes

### Status

#### Action: Enhance Trade Capacity and Access to Markets (2010 MYAP)

**42.** "... progress towards duty-free and quota-free (DFQF) market access for the least developed country (LDC) products in line with Hong Kong commitment..." (2010 MYAP).

The WTO continues to present updates on the state of play on DFQF and rules of origin (ROO) to the DWG. At present most developed G20 countries provide at least 97% DFQF. Since the Hong Kong Decision, China, India and Korea have adopted DFQF market access schemes for LDCs products.

**On-track:**

Further work is required within the G20.

**Timeline (T):**

None specified.

**43.** "...committed to at least maintaining, beyond 2011, Aid for Trade levels that reflect the average of the last three years (2006 to 2008)" (2010 MYAP).

Given the relevance of AfT facilitation, it is important that the monitoring of this G20 commitment on AfT should continue, contextualizing the aid flows and highlighting what makes AfT work.

**On-track:**

Further monitoring is required within the G20. AfT figures for 2012 and 2013 will be available in 2014 and 2015 respectively. Upon the availability of the figures the status of the commitment can be revised.

T: beyond 2011

**44.** "...consider the outcome of the Global Aid for Trade Review of July 2011 and adjust our Multi-Year Action Plan on Development accordingly" (2010 MYAP).

**2011:** Global Aid for Trade Review shows that AfT has had a good impact on trade performance of developing countries, especially LDCs. The focus should now be on strengthening the effectiveness and impact of interventions through better targeted and harmonized international coordination.

**✓ Completed:**

No further DWG action at this stage

T: 2011

**45.** "To follow up on the Toronto Declaration which asks international agencies... to step up their capacity and support for trade facilitation... we call on such institutions to coordinate a collective multilateral agency response..." (2010 MYAP).

An MDB report on trade facilitation has been delivered by AfT review.

**July 2011:** Transparency in Trade initiative (TNT) is launched.

✓ **Completed:**  
No further DWG action at this stage

T: July 2011

**46.** "...the WTO to review the effectiveness of existing trade finance programs for LICs and to report on actions and recommendations..." (2010 MYAP).

While the trade finance markets recovered quickly after the crisis in the major markets, problems with accessing affordable trade finance have worsened for traders in low-income countries. Multilateral development banks have developed a network of trade finance facilitation programmes aimed at supporting trade transactions at this lower end of trade finance markets. Demand for these facilities keeps growing, as an indicator of the market gap in these countries.

Multilateral agencies will need to remain engaged in trade finance, at least to help fill the structural gap at the lower end of the market. Dialogue with regulatory agencies will need to be pursued to ensure that trade finance is recognized as a development-friendly and low-risk form of finance. Also, the ADB recently released a survey which finds that there is a gap in trade finance, noting that: "\$1.6 trillion of demand for global trade finance was unmet, with \$425 billion unmet in developing Asia".

✓ **Completed:**  
No further DWG action at this stage

T: February 2011

**47.** "...African Development Bank...to identify...obstacles and barriers to regional trade integration in Africa" (2010 MYAP).

**June 2011:** The AfDB presents a draft paper on obstacles and barriers to regional trade integration in Africa.

The AfDB System of Indicators to Monitor Regional Integration is scheduled for presentation to the Bank's Committee on Operations and Development Effectiveness (CODE) on 2nd April 2013.

✓ **Completed:**  
No further DWG action at this stage

T: June 2011

## PRIVATE INVESTMENT AND JOB CREATION<sup>8</sup>

Domestic and foreign private investments are key sources of employment, wealth creation and innovation, which in turn contribute to sustainable development and poverty reduction in developing countries.

Recognizing the centrality of private investment to development and job creation, the G20 committed in its 2010 MYAP to assisting investors, developing countries and key development partners in their work to better leverage and maximize the economic value-added of private investment and to create globally competitive industries. The G20 has worked closely with IOs towards this objective, including UNCTAD (lead agency on Commitments 48, 49 and 51), the IFC (lead agency on Commitment 50), the UNDP, OECD and ILO.

To support responsible value-adding private investment and job creation, G20 members asked relevant IOs to:

- 1) identify and promote the best existing standards for responsible investment in value chains and voluntary investor compliance;
- 2) review and develop quantifiable economic and financial indicators for measuring and maximizing financial value-added and job creation arising from private sector investment in value chains;
- 3) make recommendations to assist developing countries in attracting the most value-adding investment to their economies;
- 4) assist LICs in developing action plans with the view to strengthening financial markets, improving the business investment climate, maximizing the value added of private investment and supporting the regulatory framework for foreign and domestic investment.
- 5) develop a G20 Challenge on Inclusive Business Innovation (see adjacent box).

## Private Investment and Job Creation Success Story

The G20 DWG launched the Challenge on Inclusive Business Innovation, managed by the IFC, the private-investment arm of the World Bank, to rapidly expand commercially viable businesses that serve the large numbers of low-income people constituting the base of the global economic pyramid.

The goal of the Challenge was to identify, showcase, and support innovative business models that can be replicated across developing countries. There was a strong response from the private sector to the Challenge. Close to 300 companies participated and 15 winners were selected by a high-level judging panel. Together the winners, presented during the Leaders' Summit in Mexico, reach out to more than 40 million people living at the base of the economic pyramid — as suppliers, distributors, retailers, or customers — in more than 10 countries.

The Challenge winners have demonstrated that commercially viable companies can also provide economic opportunities for poor people—along with better access to clean water, electricity, health care, education, housing, phone services, and financial services. Through a series of workshops, the winners get support for finding solutions to existing obstacles to the scale and replication of their business models. Based on the outcome of the Challenge and the winners' experience, the IFC has provided a policy note assessing regulatory hurdles and offering policy recommendations.

### ***In-Depth Assessment: Development of indicator framework***

The G20 has asked the IAWG to develop an indicator framework to maximize the development impact of government programs aimed at attracting responsible private investment that generates more value and creates more jobs in particular value chains.

### ***Alignment with Core G20 and DWG Mandate.***

<sup>8</sup> Since 2010, Germany and Saudi Arabia have co-facilitated the work done under the Private Investment and Job Creation Pillar. Regarding this Pillar the G20 has worked closely with UNCTAD, the IFC, UNDP, OECD and ILO.

The G20 recognizes the importance of private investment to development and job creation. A fundamental component of increasing the effectiveness of private sector investment in developing countries is to target support based on quantifiable indicators. For this reason, the G20 has chosen an indicator framework as one of the primary actions in the Private Investment and Job Creation Pillar.

COMMITMENT 49: Develop quantifiable economic and financial indicators



### Implementation

The following steps have been taken to develop and implement the indicator framework:  
Field testing in 6 LICs and MICs, i.e. Bangladesh, Mongolia, the Dominican Republic, Laos, Cambodia, and Mozambique, and elaboration of

country reports for these countries. The incorporation of indicator testing results in the report on “Promoting responsible investment for sustainable development and job creation”.

### Lessons Learned

Lessons learned from the implementation of the indicator framework include:

- Representatives from the Dominican Republic, participating in the DWG meeting in February 2013, expressed their satisfaction with the outcome of the field testing and expressed their interest in further collaboration with the G20 DWG in the field of private investment and job creation.
- The country reports contain action plans with country-specific recommendations for governments on how to attract responsible private investment that generates more value added and creates more jobs. To date, feedback from the pilot countries on the indicator testing has been very positive.

## PRIVATE INVESTMENT AND JOB CREATION

### Baseline Commitment

### Implementation Notes

### Status

#### Action: Support Responsible Value-Adding Private Investment and Job Creation

**48.** “Support responsible value-adding private investment and job creation through identifying and promoting the best existing standards for responsible investment in value chains and voluntary investor compliance with these standards” (2010 MYAP).

- **September 2011:** UNCTAD (lead), the UNDP, ILO, OECD and World Bank report on “Promoting standards for responsible investment in value chains”.
- **June 2012:** Policy recommendations are taken up in the summary report on the work of the PIJC Pillar “Promoting responsible investment for sustainable development and job creation”.

✓ **Completed:**

T: June 2011

**49.** “Review and, consistent with the best practice of responsible investment, develop key quantifiable economic and financial indicators for measuring and maximizing financial value-added and job creation arising from private sector investment in value chains” (2010 MYAP).

- **September 2011:** UNCTAD, the UNDP, ILO, OECD, UNIDO and the World Bank deliver a report to the DWG on “Indicators for measuring and maximizing economic value added and job creation arising from private sector investment in value chains”.

✓ **Completed:**

T: June 2011

**50.** “Based on the developed indicators make recommendations to assist developing countries in attracting and negotiating the most value-adding investment in their economies” (2010 MYAP).

- **November 2011:** The start of indicator testing (by UNCTAD) in 6 pilot countries: Bangladesh, the Dominican Republic, Mongolia, Cambodia, Laos, and Mozambique.
- **June 2012:** The first results of the indicator testing are taken up in the Final Report on the work of the PIJC pillar “Promoting responsible investment for sustainable development and job creation”.
- **February 2013:** Country reports on Bangladesh, the Dominican Republic, Cambodia, Mongolia and Laos are finalized.
- **May 2013:** A country report on Mozambique is presented to the DWG.
- **Summer 2013:** The final report is taking up findings from piloting to be presented to the DWG.

**On-track:**

advancing as planned, though further steps have yet to be done to finalize this action

T: Summer 2012

**51.** “The establishment of a G20 Challenge on Inclusive Business Innovation to provide a platform for innovative solutions to be brought to scale and to showcase entrepreneurship aimed at solving challenges” (2010 MYAP).

- **November 2011:** The launch of the G20 Challenge on Inclusive Business Innovation.
- **May 2012:** 15 winners of the G20 Challenge on Inclusive Business Innovation are selected and recognized with an awards ceremony at the G20 Leaders’ Summit in Mexico.
- **September 2012:** Berlin hosts the first Inclusive Business Workshop.
- **April 2013:** The second regional G20 Inclusive Business Workshop is held in India.
- **June 2013:** The third regional G20 Inclusive Business Workshop is conducted in Colombia.
- **November 2013:** The fourth regional G20 Inclusive Business Workshop to be held in Kenya.

**On-track:**

T: November 2011

**52.** “Based on the outcomes develop the recommendations for how to engage the private sector to find innovative business solutions that meet the needs of

- **June 2012:** The IFC delivers the Final Policy Note on the Business Environment for Inclusive Business Models to the DWG.
- **October 2012:** A progress report on the first G20 Inclusive Business Workshop held in Berlin

**On-track:**

T: Summer 2012



the poor in a sustainable way” (2010 MYAP).

in September 19-20th is delivered to the DWG.

- **July 2013:** In response to a DWG request, a final report on the implementation and lessons learned from the regional workshops is provided in July 2013 as an input to the Leaders’ Summit in Russia.

**53.** “Assist developing countries, in particular LICs, to develop action plans with the view to strengthening financial markets, boosting small and medium enterprises (SME’s), improving the business investment climate, maximizing the value added of private investment and supporting the regulatory framework for foreign and domestic investment” (2010 MYAP).

- **June 2012:** The main policy recommendations are taken up in the final report (UNCTAD lead) on the work of the Private investment and Job Creation Pillar – *“Promoting responsible investment for sustainable development and job creation”*.

✓ **Completed:**

**T:** June 2011



Representatives of the winning companies at the presentation of their awards at the G20 Leaders Summit in Los Cabos, Mexico on June 18, 2012.



International Finance Corporation. 2012. “G20 Challenge on Inclusive Business Innovation.” Washington, DC: IFC.

## GROWTH WITH RESILIENCE PILLAR<sup>9</sup>

Social protection programs and remittances play an important role in enhancing income security for vulnerable communities in developing countries, including by providing buffers against the impact of external shocks. Every year some 50 million people escape from absolute poverty because of social protection, which can help poor families avoid decisions with lasting development implications such as withdrawing children from school, eating less nutritious foods and reducing health spending. Half of all global remittance flows are sent from or received by G20 members. Official remittance flows are more than US\$406 billion – about three times the level of overseas development assistance. Recognizing the vulnerabilities revealed by recent crises, the G20 committed in its 2010 MYAP to taking action on social protection and remittances to enhance resilient growth in LICs.

In 2010, the G20 committed to supporting developing countries to strengthen and enhance **social protection** programs (MYAP Commitment 54), asking relevant IOs to: identify lessons learned from implementing social protection mechanisms in developing countries; prepare best practice guidelines; and make recommendations on how to surmount barriers inhibiting knowledge sharing and program replication or expansion. The G20 has since supported initiatives, including the launch of the first UN Global Pulse Lab\* in Jakarta, Indonesia, in October 2012; establishing the Social Protection Inter-Agency Cooperation Board\*\* to improve coordination among IOs on social protection in LICs; and an on-line Social Protection Knowledge-Sharing Gateway\*\*\* and an e-learning capacity building platform.

In the MYAP, the G20 asked IOs to work with members and non-members to advance implementation of the General Principles for International Remittance Services and other initiatives to reduce the global average cost of transferring remittances (MYAP Commitment 58).

## In-Depth Assessment: G20 remittance target

At the 2011 Cannes Summit, leaders agreed to work towards reducing the global average cost of transferring remittances from 10 % to 5% by 2014. This is unique among G20 development commitments as it sets a specific target for driving action.

### Alignment with Core G20 and DWG Mandate

Reduction in remittance costs advances G20 efforts to achieve strong and inclusive growth. Lower costs increase flows to developing countries, which expands aggregate demand and improves income security and resilience to adverse shocks. This in turn helps narrow the development gap and reduce poverty. The remittance target also aligns well with the principles of “economic growth focus” and of “global partnership” (a clear target helps foster a transparent partnership with developing countries).

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COMMITMENT 58: Work to reduce the average cost of transferring remittances from 10 % to 5 % by 2014



### Implementation

Since G20 leaders set the target in 2011, efforts to reduce sending costs have resulted in another US\$1 billion going to poor families in developing countries each year. Examples of actions taken to reduce remittance costs (either by the G20 collectively or by members voluntarily) include:

- launching the G20 Remittances Toolkit in 2011;
- funding the World Bank Remittances Trust Fund, which currently assists 10 developing countries and is scoping a further 9; an AfDB trust fund called the Migration and Development Initiative, which France, the United States and IFAD are contributing to. Since 2010, the trust fund has been supporting actions undertaken in Africa

<sup>9</sup> Since 2010, Australia, Indonesia and Italy have co-facilitated this work under the DWG’s Growth with Resilience Pillar. The ILO, UNDP and MDBs have been major contributors.

regarding capacity building of local remittances operators, modernization of legislation, new financial products, and local investments for migrants; and

- improving transparency and competition in remittance markets by funding price comparison websites ([www.sendmoneypacific.org](http://www.sendmoneypacific.org), [www.sendmoneyasia.org](http://www.sendmoneyasia.org) and [www.sendmoneyafrica.org](http://www.sendmoneyafrica.org)).

Despite these efforts, reductions in global average remittance costs have been relatively small. According to the World Bank, in the first quarter of 2013 the costs fell to 9.05 % from just below 10 % in 2011. Yet, falling short of a target does not equate with failure. As MDGs demonstrated, targets help shape common expectations and drive action to achieve outcomes. By providing a clear yardstick for assessing progress, targets can also foster greater transparency and accountability. To do this in a balanced way, however, the target does need to be realistic.

### *Lessons Learned*

Lessons learned from the implementation of the G20 remittance target include:

- A G20 target, even if overambitious, can serve as a useful tool for increasing political pressure on an important issue at international and national levels by sustaining the pressure required to maintain focus among G20 members.
- The target selected in 2010 was not drawn from a clear evidence-based analysis of what was achievable by 2014 and used metric that was not precise enough (costs for the current target are given as a simple average, but a weighted average is more realistic). This has undermined the extent to which the target was able to provide a balanced and fair yardstick for measuring progress.
- Since setting the target, strong links between remittances and the G20's financial inclusion agenda have become more apparent. What has been missing, however, is a focus on remittances in the G20's GPFI, where practical

work on financial services is being advanced.

- DWG efforts related to the remittance target could have been more closely aligned with the key G20 Development Principles. For instance, the DWG could have targeted greater "private sector participation" in this area given that private sector innovations are a key driver of lower costs in remittance markets. Additionally, greater focus could be put on financial literacy for migrants and recipients.

ⓧ <http://www.unglobalpulse.org/pulse-lab/jakarta>

\*\* <http://www.social-protection.org/gimi/gess>

\*\*\* <http://www.socialprotection.org/>

## GROWTH WITH RESILIENCE

### Baseline Commitment

### Implementation Notes

### Status

## Action 1. Support Developing Countries to Strengthen and Enhance Social Protection Programs

**54.** "... call upon the UNDP, in consultation with the ILO, MDBs and other relevant IOs, to:

- identify lessons learned from the implementation of social protection mechanisms in developing countries, in particular LICs, during and after the crisis;
- prepare best practice guidelines based on this experience; and
- make recommendations for surmounting barriers inhibiting cross-country knowledge sharing and program replication or expansion". (2010 MYAP).

- **October 2012:** The launch of first UN Global Pulse Lab in Jakarta, Indonesia\*.
- **June 2012:** The launch of the social protection knowledge-sharing gateway\*\*\* hosted by the UNDP; and of the Social Protection Inter-Agency Cooperation Board (SPIAC-B) co-chaired by the ILO and the World Bank. The board has since met 3 times and is working effectively to coordinate relevant IOs.
- **September 2011:** The ILO/UNDP Report is delivered to the DWG on "Inclusive and resilient development: the role of social protection", containing principles of social protection.
- G20 members make individual contributions to the UN Global Pulse initiative.

✓ **Completed:**

The report fulfilled this request

**Timeline (T):**

June 2011 for final report

**55.** "Support the implementation and expansion of nationally-designed social protection floors in developing countries, especially LICs» (2011 Leaders' Declaration).

- **June 2012:** Implementation report on social protection floors is delivered to G20 leaders in Los Cabos; and leaders reiterate the importance of establishing nationally-determined social protection floors.

**On-track:**

This action is being implemented as planned, though members could make further efforts.

**56.** "Continue to foster inter-agency and international policy coherence, coordination, cooperation and knowledge sharing to assist LICs in capacity building to implementing nationally determined social protection floors. Ask IOs to identify policy options with LICs on how to develop effective sustainable protection floors" (2012 Leaders' Declaration).

- **June 2012:** The social protection knowledge-sharing gateway (www.socialprotection.org), and SPIAC-B are implementation mechanisms. SPIAC-B is assessing result and country systems to harmonize and coordinate approaches at the country level including by developing detailed plans for addressing capacity gaps in LICs.
- **October 2013:** IOs report (led by the ILO) on policy options to implement effective and sustainable social protection floors in LICs.

**On-track:**

This action is being implemented as planned, but G20 members could continue to support coordination efforts, including though SPIAC-B

## Action 2. Facilitate the Flow of International Remittances

**57.** "Ask the World Bank, RDBs and other relevant organizations, including the Global Remittances Working Group, to work with individual G20 members and non-G20 members in order to advance further the implementation of the General Principles for International Remittance Services and related international initiatives aimed at a quantified reduction of the global average cost of transferring remittances" (2010 MYAP).

- **October 2011:** The launch of G20 Remittances Toolkit on the General Principles for International Remittances.
- Some G20 members work with IOs on actions to reduce costs e.g. price comparison websites ([www.sendmoneyhome.com](http://www.sendmoneyhome.com), [www.sendmoneypacific.org](http://www.sendmoneypacific.org), [www.sendmoneyasia.org](http://www.sendmoneyasia.org), [www.mandasoldiacasa.it](http://www.mandasoldiacasa.it), [www.envoidargent.fr](http://www.envoidargent.fr)) and funding the World Bank Remittances Trust Fund and the AfDB's migration and development initiative.

✓ **Completed:**  
further G20 implementation is required

T: Nov 2011  
Cannes Summit

**58.** "Work to reduce the average cost of transferring remittances from 10% to 5% by 2014" (2011 Leaders' Declaration).

- **July 2013:** Many G20 members now agree to take at least one action to help reduce the global average cost.
- **May 2012:** A DWG report encourages the use of the G20 remittances toolkit and welcomes efforts to monitor global progress by reporting to the DWG every 6 months.

**Off-track:**  
Some implementation has been achieved, but progress is slow and G20 members could take further actions.

T: 2014

\* <http://www.unglobalpulse.org/pulse-lab/jakarta>

\*\* <http://www.social-protection.org/gimi/gess>

\*\*\* <http://www.socialprotection.org/>

## DOMESTIC RESOURCE MOBILIZATION (DRM) PILLAR<sup>10</sup>

In 2010, G20 members agreed to support developing countries, particularly LICs, to continue strengthening tax regimes and fiscal policies to provide a sustainable revenue base for inclusive growth and social equity, as well as to enhance the transparency and accountability of public finances.

The G20's DRM goals in LICs were to:

- enhance DRM for development;
- promote inclusive growth; and
- reduce aid dependency.

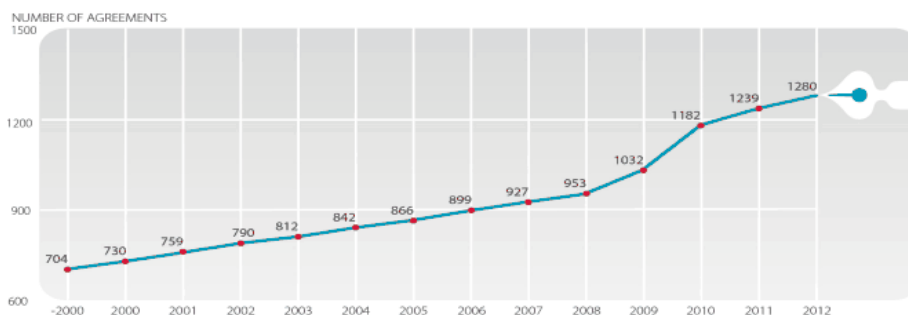
To achieve these goals, the 2010 Seoul MYAP asked the G20 DWG to take two concrete actions. **The first commitment was to support the development of more effective tax systems.** Its subsidiary actions included: making recommendations to help developing countries address the key capacity constraints faced in their tax systems; developing

a knowledge management platform to support developing country capacity in tax policy and administration systems; and identifying ways to help developing countries tax multinational enterprises (MNEs) fairly through effective transfer pricing regimes.

The **second overarching MYAP action aimed to support work to prevent erosion of domestic tax revenues** by asking the Global Forum to — over the medium-term — enhance its work to counter the erosion of developing countries' tax bases and, in particular, to highlight the relationship between the work on non-cooperative jurisdictions and development. Initial results were to be reported to leaders at the Cannes Summit. The DWG has assessed that this commitment is on-track: concrete steps have been taken, including the Global Forum launching a technical assistance coordination platform in February 2012 to better support developing countries in the areas of transparency and exchange of information.



Exchange of information agreements signed between OECD countries and developing countries (2000-12)



Source: OECD Secretariat

1

<sup>10</sup> Since 2010, South Africa and Spain have co-facilitated the work under the DRM Pillar. The G20 called for the OECD Task Force on Tax and Development, the UN, IMF, World Bank, the Global Forum on Transparency and Exchange of Information for Tax Purposes and regional tax organizations to contribute to the ongoing work.

## ***In-Depth Assessment: Help developing countries tax MNEs fairly through effective transfer pricing regimes***

A transfer price is the price charged for a transaction by one MNE to one or more MNEs in the same multinational group of companies. The transfer prices used will influence the amount of profit an MNE reports (and pays tax on) in each country where they operate. While transfer pricing is a legitimate feature of commercial activity, it can be used to reduce an MNE's global tax bill by shifting profit from normal tax-rate countries to low tax-rate countries. This can also have wider implications: tax avoidance by high profile corporate taxpayers will be perceived as "unfair" by citizens, and may undermine the legitimacy and credibility of the tax system, thus discouraging compliance among all taxpayers.

Most OECD and many non-OECD countries have introduced transfer pricing rules into their tax legislation. However, relatively few developing countries have fully effective transfer pricing regimes and often lack the administrative, technical and auditing capacity to conduct effective and efficient audits.

### *Alignment with Core G20 and DWG Mandate*

In the globalized economy, developing countries are increasingly opening their borders to international trade and investment. It is estimated that as much as two-thirds of all cross-border business transactions take place between companies belonging to the same group. Such cross-border trade and investment is vital to economic development, but it is also essential that developing countries should be able to collect tax on the profits that MNEs earn in their countries in a way that does not discourage or distort international trade and investment.

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COMMITMENT 63: Help developing countries tax multinational enterprises through effective transfer pricing regimes

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## *Implementation*

In 2010, G20 leaders called on relevant IOs to support the development of more effective tax systems by identifying ways to help developing countries tax MNEs through effective transfer pricing regimes. To implement this action, some G20 members joined the European Commission, OECD Task Force on Tax and Development and World Bank to deliver support to developing countries on transfer pricing. The work led by the OECD Task Force on Tax, which brings together all major stakeholders on tax and development, assists developing countries in putting in place measures to protect their tax bases and foster a transparent, predictable investment climate through the introduction of rules that create certainty and consistency for business.

Under the DRM Pillar, a program of intensive support for transfer pricing capacity development is underway. The programs have already achieved a significant impact in all countries of operation leading to increases in tax revenues, and a more transparent and predictable investment climate through the introduction of rules that create certainty and consistency for business. Some of the practical results achieved include:

- **Colombia** — transfer pricing adjustments made as a result of audits of MNEs have increased revenues from US\$3.3m in 2011 to US\$5.83m in 2012 (a 76% increase).
- **Kenya** — the Kenya Revenue Authority (KRA) successfully negotiated a transfer pricing adjustment based on the advice given through the pilot program, which resulted in additional tax revenue of US\$ 12.9m.
- **Ghana** — in September 2012, new transfer pricing regulations that are aligned with international standards were introduced.
- **Rwanda** — the pilot program is working with the Rwanda Revenue Authority to design an effective transfer pricing regime.
- **Vietnam** — A recent audit of a large MNE resulted in the increased tax of US\$3.9m paid in Vietnam.

## Lessons Learned

- The G20 DWG has played a critical role in bringing together international and regional organizations to address the challenges facing developing countries, including LICs, in the DRM area. The current international agenda is focusing ever more closely on international tax issues as is demonstrated by the outcomes statement of the G20 Finance Ministers' meeting in April 2013.
- There is a need for the DWG to more closely align itself with the rest of the G20 as an implementer and monitoring mechanism for ensuring

that developing countries benefit from developments and decisions.

- Pilot project: Developing countries have expressed concerns relating to the availability of and access to comparable data, which is important to the application of transfer pricing rules. The pilot program will explore what work might be undertaken to address these concerns. This would include looking at how improvements might be made in the availability of financial data to developing countries and how they might reduce their reliance on comparable data to be able to better apply their transfer pricing regimes.

## DOMESTIC RESOURCE MOBILIZATION

### Baseline Commitment

### Implementation Notes

### Status

## Action 1. Support the Development of More Effective Tax System

**59.** "Identify key capacity constraints faced by developing countries in their tax systems and make recommendations on capacity building" (2010 MYAP).

- The IMF, OECD, World Bank and UN set out the full range of capacity constraints and make specific recommendations for actions G20 countries should take in their joint 2011 report to the G20 on "Supporting the development of more effective tax systems".

✓ **Completed:**  
No further G20 implementation required  
**Timeline (T):**  
June 2011

**60.** "Develop a knowledge management platform and promote South-South cooperation to support the capacity of developing countries in tax policy and administration systems" (2010 MYAP).

- Knowledge management platforms such as the International Tax Dialogue\* (ITD) are being strengthened on an ongoing basis. The ITD is a joint initiative of leading international, regional and bilateral organizations working on tax issues.
- International and regional organizations (such as the African Tax Administration Forum, Commonwealth Association of Tax Administrators and the Inter-American Center of Tax Administrations) are undertaking activities to support South-South interactions like the IMF's 8 regional assistance centers as well as the OECD's Global Relations Program. These activities include training courses, workshops and regional events organized by several IOs.

✓ **Completed:**  
No further G20 implementation required  
**T:** Medium-term



<p><b>61.</b> “Survey and disseminate all G20 and IOs’ actions on supporting tax systems in developing countries” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• Mapping studies regarding cooperation on capacity building in taxation have been undertaken by the International Tax Compact (ITC) and the UN Committee of Experts (in a report on capacity building prepared by IMF staff).</li> </ul>	<p><b>Off-track:</b> Not all G20 and IO actions have been surveyed and disseminated.</p> <p><b>T:</b> June 2011</p>
<p><b>62.</b> “Set up objective measures to track progress in the capacity improvement of LICs’ tax administration systems” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• <b>March 2012:</b> IOs, regional organizations and regional development banks embark on a process to share diagnostic, benchmarking and surveying instruments and discuss implementation plans.</li> <li>• The IMF leads the development of a Tax Administration Diagnostic Assessment Tool in cooperation and consultation with IOs, including the World Bank and regional organizations of tax administrations.</li> <li>• <b>May 8:</b> The IMF hosts a follow-up event with ITD partners where a stocktaking of results from each organization is discussed. Enhancing coordination in undertaking these exercises is also addressed, with bilateral discussions held.</li> </ul>	<p><b>Off-track:</b> Implementation has been achieved, although it has been delayed. Continued monitoring is advisable.</p> <p><b>T:</b> June 2011</p>
<p><b>63.</b> “Identify ways to help developing countries tax multinational enterprises (MNEs) fairly through effective transfer pricing” (2010 MYAP).</p>	<ul style="list-style-type: none"> <li>• The IMF, European Commission, OECD Task Force on Tax and Development (which includes a large number of non-OECD members, business and civil society as members) and the World Bank are delivering ongoing support for developing countries in the transfer pricing field. In addition pilot projects dealing with transfer pricing capacity development have been undertaken in 5 countries: Colombia, Ghana, Kenya, Rwanda and Vietnam.</li> </ul>	<p><b>Off-track:</b> Further effort is required to extend assistance to developing countries beyond the 5 pilot countries, more so, in the light of focus on Base Erosion and Profit Shifting.</p> <p><b>T:</b> June 2011</p>

**Action 2. Support Work to Prevent Erosion of Domestic Tax Revenues**

<p><b>64.</b> “Support work to prevent erosion of domestic tax revenues by asking the Global Forum to enhance its work to counter the erosion of developing countries’</p>	<ul style="list-style-type: none"> <li>• The Global Forum currently boasts 120 member countries, of which 65 are developing countries. The future growth in its membership will increasingly come from developing countries.</li> <li>• <b>February 2012:</b> the Global Forum</li> </ul>	<p><b>On-track:</b> It is being implemented as planned, but further efforts</p>
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\* <http://www.itdweb.org/Pages/Home.aspx>

tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdictions and development” (2010 MYAP).

launches its technical assistance coordination platform responding to a G20 request to develop such a platform to facilitate the coordination of technical assistance to developing countries in the areas of transparency and exchange of information. The platform serves as a bridge between the jurisdictions requesting assistance, IOs and development partners.

could be made particularly given the medium-term timeframe set in the MYAP, and also in the light of the outcomes of the G20 Finance Ministers’ Meeting during the spring meetings of 2013 regarding the development of automatic exchange of tax information as a new international standard.

**T:** Medium-term

## KNOWLEDGE SHARING<sup>11</sup>

Sharing development experience, including through North-South, South-South and triangular cooperation, helps build the capacity of developing countries through the adoption and adaptation of the most relevant and effective development solutions.

In the 2010 MYAP on Development, the G20 requested the Task Team on South-South Cooperation (TT-SSC) and UNDP to recommend how knowledge-sharing activity, including North-South, South-South, and triangular cooperation, can be scaled up. These recommendations were to include measures to broaden knowledge sources, improve brokering functions, strengthen the dissemination of best practices and expand funding options.

At a request of the DWG, knowledge sharing networks or platforms have been established in the areas of domestic resource mobilization, food security, human resource development and social protection.

### ***In-Depth Assessment: Knowledge-sharing platforms***

#### *Alignment with Core G20 and DWG Mandate*

Knowledge sharing as a distinct tool for development cooperation complements other forms of development cooperation through the sharing of experience and lessons learned. The established platforms focus on facilitating collective action between development cooperation providers and actively draw on the expertise and resources of the private sector.

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COMMITMENT 65: Enhance the effectiveness and reach of knowledge

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<sup>11</sup> Since 2010, Mexico and the Republic of Korea have co-facilitated this work under the “Knowledge Sharing Pillar”. IOs such as the UN, World Bank and OECD have been major contributors to this work to strengthen and broaden sources of knowledge for development and growth and mainstream knowledge sharing into other MYAP pillars.

## Implementation

The knowledge-sharing platforms are still at a developing stage. An immediate priority is to bring the number of knowledge products within the platform to a critical mass, as well as to strengthen outreach to make the platforms more visible to a wider audience.

A secure platform (<https://community.oecd.org/community/eoita>) under the framework of the **Global Forum on Transparency and Exchange of Information (EOI) for Tax Purposes** aims to enhance cooperation between IOs and development agencies working on tax assistance projects in developing countries. Since its launch in February 2012, the Platform has proved to be a useful tool in raising the awareness of the Global Forum’s work with technical assistance (TA) partners, providing them with access to a wealth of information and alerting them about upcoming events and training opportunities. It has also fostered a number of one-on-one discussions with TA partners on how they might incorporate tax transparency and information exchange into their existing programs.

A key objective of the **TAP** ([www.tropagplatform.org](http://www.tropagplatform.org)) is to foster partnerships between international, regional and national organizations to create greater coherence among capacity development initiatives in LDCs with the aim of fostering agriculture innovation systems. TAP partners are working on defining TAP services, which will include a policy-dialogue space between stakeholders, a marketplace to broker demands and offers, and a TAPipedia offering knowledge products in agricultural innovation.

The **Global Public-Private Knowledge-Sharing Platform on Skills for Employment (Global KSP)** (<http://www.skillsforemployment.org>) focuses on collecting case studies, research findings, strategy papers from policymakers, academic institutions, the private sector and IOs interested in sharing ideas on how to bridge the world of education and training for decent and productive work. The website, which was launched in January 2013, contains knowledge products focused on 3 priority issues: skills for youth

employment, anticipating skills for green jobs, and skills for disability inclusion, and will expand to include all aspects of the G20 Training Strategy.

Similar to the Global KSP, the secure **Social Protection Gateway** ([www.socialprotection.org](http://www.socialprotection.org)) provides the user with a point of access to knowledge being generated in agencies working on social protection and incorporates the latest publications, news and events. As per G20 DWG recommendations, the Gateway will also focus on facilitating sharing of and learning from the experiences of countries through a networking platform. The prototype of the Gateway is being tested with the aim of making it fully operational in 2013.

### Lessons Learned

While noting the value of online knowledge platforms, several LICs have pointed out the importance of face-to-face learning opportunities as a more effective form of learning. The platforms could review the option of incorporating and/or strengthening the interactivity component. These efforts will be dependent on the allocation of human and financial resources for the implementation, operation and maintenance of knowledge-sharing platforms.

## KNOWLEDGE SHARING

### Baseline Commitment

### Implementation Notes

### Status

#### Action: Enhance the Effectiveness and Reach of Knowledge-Sharing

**65.** "Request the Task Team on South-South Cooperation (TT-SSC) and UNDP to recommend how knowledge sharing activity, including North-South, South-South, and triangular cooperation, can be scaled up. These recommendations should include measures to broaden knowledge sources, improve brokering functions, strengthen the dissemination of best practices and expand funding options" (2010 MYAP).

- **2013:** Knowledge-sharing platforms are established in the areas of agriculture and food security, human resource development, social protection and domestic resource mobilization.
- **May 2012:** The OECD, the World Bank Institute (WBI) and the UNDP submit a Progress Report on the Knowledge Sharing Pillar to the DWG. The report contains the monitoring of progress on knowledge-sharing platforms.
- **September 2011:** The UNDP, TT-SSC and other IOs submit a report on "Scaling up knowledge sharing for development" to the G20 DWG.

**On-track:**  
Work is ongoing to fully launch the knowledge-sharing platforms  
Timeline (T):  
The 2011 G20 Summit (report on scaling up knowledge sharing for development)

## INCLUSIVE GREEN GROWTH<sup>12</sup>

Eradicating poverty and achieving sustainable development through more inclusive, resilient and greener growth are among the greatest challenges confronting humankind. Under the Mexican G20 Presidency in 2012, the DWG recognized that environmental constraints and social exclusion present some of the most serious threats to hard-won development gains and decided to take action. The DWG strengthened its commitment to help developing countries, in particular LICs, to sustain and strengthen their growth by adopting a focus on IGG. Although not a part of the G20's 2010 MYAP on Development, IGG work was mandated by the G20 Leaders' Declaration of 2012. As this work was only initiated in 2012 by the DWG's informal co-facilitators group on IGG, its work items have yet to be finalized and show concrete results.

### ***In-Depth Assessment***

#### *Alignment with Core G20 and DWG mandate*

The work on IGG is aligned with the 2010 G20 Development Principles, which underline the need for inclusive, sustainable and resilient growth. This requires green growth policies that foster economic growth consistent with the sustainable use of natural resources, addressing environmental concerns, social inclusion, and poverty eradication. In line with the G20 Development Principles the work on IGG addresses global systemic threats (derived from environmental systemic threats) requiring collective action. Two other G20 Development Principles—a global development partnership between the G20 and LICs, and private sector participation—are also advanced through this work. The DWG acknowledges in its reports and through the development of a non-prescriptive toolkit on IGG that relevant strategies will vary by country according to their national priorities and circumstances. The role of the private sector and the need for an enabling policy environment conducive to investment in IGG have also been an integral part of the DWG's work on the toolkit and ongoing collaboration with the IFC and the Global Green

<sup>12</sup> Initiated in 2012 by the DWG's informal co-facilitators group on IGG, which comprises Australia, Brazil, Canada, Germany, Japan, Mexico and the Republic of Korea. The main contributors to this work are the OECD, AfDB, UN and WB.

Growth Institute\* to develop a Dialogue Platform on Inclusive Green Investment (DPIGI).

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COMMITMENT: We commit to continuing to help developing countries sustain and strengthen their development, including through inclusive green growth

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2 3 4

### *Implementation*

In response to a DWG request, the AfDB, OECD, UN and WB have jointly developed a non-prescriptive package of tools (toolkit) relevant to supporting developing countries that wish to design and implement affordable IGG strategies. The G20 leaders welcomed this effort at the Los Cabos Summit in 2012. They encouraged further national implementation efforts. The toolkit contains practical information on 15 tools for crafting an IGG-strategy as the first step of a collaborative effort to support countries to green their economies in an inclusive way in the context of sustainable development. This initiative will be strengthened and expanded by the addition of further tools and showcasing of success stories with the continued support of IOs and discussed during a workshop open to developing country partners, particularly LICs. All 4 participating IOs, as well as the G20 members involved in developing the IGG toolkit have been working internally and in collaboration with other partners on the implementation of IGG in their activities in two directions:

- mainstreaming IGG within their strategies and operations; and
- using the Green Growth Knowledge Platform\*\* to scale up the provision of relevant knowledge to enable IGG implementation in a timely fashion.

The IGG toolkit provides practical guidance relevant to shaping the integrated policy approaches to growth that are critical for enabling the private sector to undertake needed investments and innovations

\* <http://gggi.org/>

\*\* <http://www.greengrowthknowledge.org/Pages/GGKPHome.aspx>

and for getting both consumers and businesses to internalize the true cost of their behavior. The toolkit and the DWG's other IGG initiative — the DPIGI — complement each other.

Financing the IGG transformation will be a major challenge to the global economy in the 21st century. Both public and private funds for such investments in IGG will be of utmost importance. In addition, it is also vital for countries to be able to continue leveraging financial resources to that end, where the private sector also has a key role to play. The 2012 Los Cabos Leaders' Declaration mandated the DWG to explore ways to scale up private finance for IGG investments in developing countries, especially LICs. This is being pursued

through initial steps to set up the DPIGI, which aims to bring together diverse relevant public and private stakeholders to identify and address existing bottlenecks and to scale up financial investments for inclusive green growth in developing countries, especially LICs. In a first stocktaking undertaken by the IFC, knowledge gaps were examined and initial insights presented. An expanded stocktaking exercise will identify promising ideas for innovative approaches to leveraging private investment in IGG to support sustainable development. This work will be extended in collaboration with interested partners as input to the 2013 G20 Leaders' Summit to serve as a base for establishing the DPIGI in 2014.

INCLUSIVE GREEN GROWTH		
Baseline Commitment	Implementation Notes	Status
<p><b>66.</b> "Welcome the delivery of a non-prescriptive, voluntary toolkit of policy options for inclusive green growth and encourage efforts to promote its implementation" (2012 Leaders' Declaration).</p>	<ul style="list-style-type: none"> <li>• <b>2013:</b> Relevant IOs will update the toolkit with additional tools and practical examples.</li> <li>• <b>July 2013:</b> A workshop is held on the sidelines of the G20 DWG meeting to examine practical application and experience on the ground and exchange ideas and proposals for its further implementation.</li> <li>• <b>May 2013:</b> Relevant IOs deliver a revised version of the toolkit that includes: an update on the tool for Integrated Water Resources Management (IWRM); and two new tools — one on climate change and the other on energy.</li> <li>• <b>October 2012:</b> the AfDB, OECD, WB and UN updated the DWG on their efforts to mainstream IGG in their strategies and operations, and to use the Green Growth Knowledge Platform (GGKP) to facilitate knowledge sharing, as well as to disseminate the toolkit.</li> <li>• <b>May 2012:</b> The AfDB, OECD, WB and UN present to a report to the DWG entitled "A toolkit of policy options to support inclusive green growth".</li> </ul>	<p><b>On-track:</b> This action is being implemented as planned, but further efforts could be made</p>

**67.** “Encourage further exploration of effective mechanisms to mobilize public and private funds for inclusive green growth investment in developing countries, including through the public-private Dialogue Platform on Inclusive Green Investments. We welcome the B20’s Green Growth Action Alliance” (2012 Leaders’ Declaration).

- **September 2013:** Follow-up on the report on extended stocktaking exercise, to be presented at the 2013 Leaders’ Summit.
- **2013:** Work is ongoing to officially establish the DPIGI.
- **October 2012:** The DWG receives an updated concept note on the DPIGI and terms of reference for the second phase of stocktaking from the IFC and the Global Green Growth Institute (GGGI).
- **June 2012:** G20 leaders encourage expansion of the IFC’s initial stocktaking through a multi-stakeholder dialogue, which could serve as a basis for establishing the DPIGI.

**On-track:**  
This action is being implemented as planned, but further work is required to finalize the establishment of the platform



# G20 Development

# 3 Chapter

## Outreach to Low Income Countries through G20 Development Working Group

«Engage developing countries, particularly LICs, as equal partners, respecting their national ownership and recognizing that the most important determinant of successful development is a country's own development policy. Ensure that actions foster strong, responsible, accountable and transparent development partnerships between the G20 and LIC»

G20 Development Principles, 2010 Seoul Development Consensus for Shared Growth

Engagement with developing countries, in particular LICs, is at the core of the G20 development agenda. At the Toronto Summit in June 2010, G20 leaders recognized that a crucial part of achieving sustained prosperity through the G20 Framework involved enhancing the role of these countries in the global economy. In the Seoul Development Consensus launched later that year, G20 leaders identified an overarching objective of helping LICs improve and maintain the levels and quality of growth.

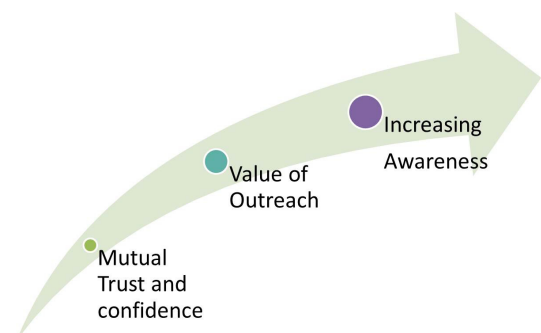
### 3.1 DWG Approach to Outreach

Since the first DWG meetings in 2011, outreach has been an important feature of the G20 development agenda. Invitees to DWG meetings include non-G20 developing countries as representatives of regional and sub-regional organizations, countries involved in specific G20 actions or implementation of pilot projects, private sector representatives and civil society.

Outreach provides the DWG with an opportunity to engage developing countries and other stakeholders in discussions on the G20 development agenda, identify

links with national and regional development policies, and obtain developing country views about DWG policy issues. It also enables developing countries to draw upon G20 experience in implementing initiatives and the expertise of IOs involved in the DWG to identify policy solutions to development challenges.

Thirteen non-G20 countries have participated in DWG meetings since the DWG's inception in 2010. The DWG has also directly engaged with developing countries through pilot projects implemented under several MYAP pillars. The DWG has used mechanisms such as toolkits, workshops and consultations to provide further opportunities for engaging LICs.





In addition, the DWG has pioneered a further approach to outreach by working with the Commonwealth Secretariat and Organization International de La Francophonie (OIF) – two organizations with approximately 70 developing country members.

Since the adoption of the MYAP, successive G20 Presidency Sherpas have briefed the UN General Assembly twice a year on the priorities of their presidency (including on development) ahead of G20 Leaders' Summits and then on the outcomes.

Lastly, in 2013 the DWG has conducted specific outreach to engage LICs in the new accountability process and seek their views on DWG's work. The results and main findings of this consultation are presented at the end of this chapter.

Expanding outreach through invitations to DWG meetings and organizing collective meetings with organizations that have large developing country memberships, such as the Commonwealth and OIF, is helping the G20 to better understand the perspectives of non-G20 members and the development challenges confronting specific groups such as the smallest developing countries.

For G20 members, outreach efforts provide valuable channels for engagement with non-members to identify development priorities and raise awareness about the G20 development agenda, encouraging a collaborative approach.

For non-G20 developing countries, expanding outreach helps the G20 better understand the development challenges they confront, highlights bottlenecks to progress and fosters knowledge sharing including on best practices. By influencing the DWG agenda, outreach also offers avenues for additional practical solutions through collective international action.

## Outreach Participants in G20 DWG meetings

### 2011

- Ethiopia
- NEPAD
- AU
- ECOWAS
- United Arab Emirates
- Singapore (3G)

### 2012

- Benin
- Cambodia
- Chile
- Colombia
- NEPAD
- ECOWAS
- Sweden

### 2013

- Dominican Republic
- Vietnam
- The Gambia
- D.R. Congo
- Ethiopia (AU Presidency)
- NEPAD
- ECOWAS
- Brunei (ASEAN Chair)
- Singapore (3G)

## Dominican Republic Case Study

After participating in the May 2013 DWG meeting, the Dominican Republic highlighted that DWG discussions had been relevant to the development challenges it faces, including on issues such as facilitating the flow of international remittances, enhancing national employable skills strategies, building trade capacities, enhancing access to markets, and supporting responsible value-adding private investment and job creation. As part of the MYAP's Private Investment and Job Creation pillar, **the Dominican Republic** was one of the pilot country studies undertaken by UNCTAD in collaboration with relevant IOs. An objective of the study was to provide policy advice on attracting private investment and benefiting from it in specific economic sectors. In the Dominican Republic these sectors were tourism and IT-Business Process Outsourcing (BPO). The outcomes of the pilot studies will serve as a guide to policymaking in the Dominican Republic.

The key findings in the **tourism sector** helped determine that there are longer-term opportunities to deepen links with the local economy and move to higher value-added types of tourism. However, the quantitative indicators and comparators showed that the sector's contributions in terms of value added (including local sourcing), employment generation, export generation, wages and fiscal revenues are in line with or better than international comparisons/standards.

With regards to the IT Business process outsourcing (**IT-BPO**) sector, the quantitative indicators and comparators confirm that there is significant potential for further contributions by the sector to add more value to exports, job creation and higher wages, among others. At the same time, it also shows that while expanding to the high-value end of IT-BPO the entry-level activities should not be overlooked.

### 3.2 DWG Engagement with Commonwealth and La Francophonie Members

Three annual DWG-Commonwealth-OIF meetings have taken place since 2011: Cape Town in June 2011; Washington DC in April 2012; and Washington DC in April 2013. Each meeting was attended by all six Commonwealth and OIF G20 members (Australia, Canada, India, France, South Africa and the UK), incumbent DWG Chairs and other G20 members. Each successive meeting drew

broader developing country participation.

The meetings focused on shared policy priorities for each G20 Presidency, the DWG and Commonwealth and OIF developing countries (CF countries). To support discussion, papers were prepared on many areas of the G20 development agenda<sup>13</sup>. Participants identified and recommended practical steps for global action, shared knowledge and development experiences, and provided valuable contributions to enrich the G20 development agenda.

Issues Discussed	Key Messages
<b>Cape Town, June 2011</b>	
<b>TRADE</b>	<p><i>The DWG should encourage the WTO to consider development as an integral part of its agenda, for example by:</i></p> <ul style="list-style-type: none"> <li>• establishing a task force to examine the feasibility of a more comprehensive duty-free and quota-free framework;</li> <li>• examining options to simplify and streamline rules of origin</li> <li>• implementing the WTO services modalities for LDCs; and</li> <li>• expanding the overall G20 preference regime to the poorest countries.</li> </ul>
<b>FINANCIAL INCLUSION</b>	<p><i>G20 should:</i></p> <ul style="list-style-type: none"> <li>• adopt an SME financing framework;</li> <li>• develop a set of indicators on financial inclusion;</li> <li>• formulate principles for effective financial inclusion; and</li> <li>• develop region specific programs and new initiatives to build capacity, including in insurance and micro-financial services.</li> </ul>
<b>Washington DC, April 2012</b>	
<b>INCLUSIVE GREEN GROWTH</b>	<p>LICs highlighted the need to generate new sources of growth and employment, particularly amongst the youth, increase energy efficiency and promote sustainable consumption and production and renewable energy supplies.</p> <p><i>G20 should help to:</i></p> <ul style="list-style-type: none"> <li>• scale up investment in the natural resource base;</li> <li>• adopt new initiatives to promote knowledge sharing in forging effective pathways to green growth and sustainable development; and</li> <li>• identify and securing viable financing options and frameworks to support transformative actions in developing countries.</li> </ul>

<sup>13</sup> These papers are available at <http://tinyurl.com/lcweahm> (2011); <http://tinyurl.com/lsakr5h> (2012); and <http://tinyurl.com/n4if2fz> (2013).

## FOOD SECURITY

*G20 should help to:*

- secure longer-term commitments for future investment, financial and technical assistance;
- build national capacity;
- establish a growth-oriented global trade environment;
- adapt new research to better assist the poorest countries;
- develop tools aimed at increasing productivity for smallholders;
- promote long-term sustainable use of natural resource proceeds; and
- broaden the set of development issues associated with food insecurity, including a more detailed focus on environmental factors.

Washington DC, April 2013

## FINANCIAL INCLUSION

*G20 should:*

- help develop a more comprehensive information base and a core set of financial inclusion data, particularly for small states; and
- help share examples of best practice and innovations in FI, including through funding and fostering new networks.

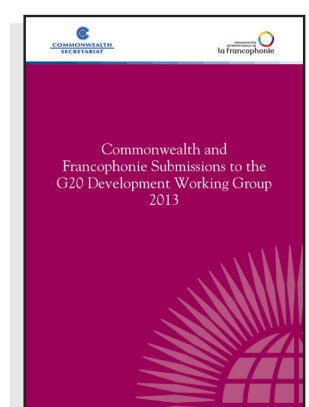
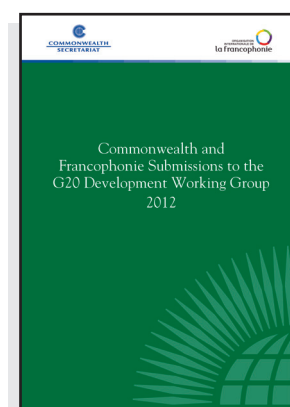
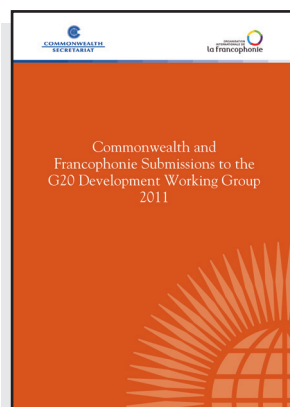
## INFRASTRUCTURE

*LICs face structural underinvestment, therefore the G20 should explore options for:*

- diaspora-bonds;
- local currency bonds;
- risk pooling;
- expanding the use of guarantees;
- scaling-up of green infrastructure and green bonds; and
- expand access to longer-term counter-cyclical concessional finance as well as financing from sovereign wealth funds and emerging development banks.

## POST-2015 AGENDA

The G20 should help incorporate the economic aspects of growth into the Post-2015 Development agenda



### 3.3 Policy Workshops in 2013

#### 3.3.1 G20 DWG Workshop on Human Resource Development

The G20 DWG Workshop on Human Resources Development (HRD) took place in Moscow, Russia on 13-14 May 2013. The workshop brought together G20 countries, international agencies, and representatives from three of the four pilot countries under the MYAP HRD pillar: Bangladesh, Benin and Malawi. Participants discussed the development and implementation of the internationally comparable skills indicators and the HRD Knowledge-Sharing Platform.

##### *Key messages on what participants thought the G20 could do included:*

- take into account specific conditions in some countries regarding the skills indicators and the need to complement the proposed international indicators with nationally elaborated country-specific indicators;
- ensure that the work on both actions be continued to fully capitalize on the progress that had been achieved;
- the need to stimulate the development of labor market information systems and a stronger dialogue between employers, trade unions and the education and training system with a view to better matching the needs of employers;
- tackle the difficulties many countries are facing in collecting and analyzing statistical information on skills through additional capacity-building efforts;
- the need for the identification of skill needs in specific sectors, such as the development of rural employment capacities to boost agriculture productivity;
- help the involved countries to overcome difficulties in implementing their Skills Development Action Plans; and
- look for synergies between the HRD and other G20 areas, such as infrastructure development and food security.

#### Bangladesh Case Study

In **Bangladesh**, the objective of the HRD pilot country support program is to improve inter-agency support for the National Action Plan to implement the National Skills Development Policy. At the HRD workshop in May, industry and government representatives identified successes and lessons learned. Coordination meetings are convened at regular intervals by the Government and managers of ILO, ACB, and WB projects participate in the management committees of all three projects. The projects have helped build a new spirit of partnership between government and industry by strengthening the work of nine industry sector skills councils to help develop curriculum, assess skills acquisition, improve skills data systems, and motivate utilization of higher skills by business. Technical cooperation projects are all geared towards achieving the goals set in the National Skills Development Policy on gender, on the inclusion of people with disabilities, and on extending better training in rural areas. The program has raised expectations for further strengthening the mechanisms for inter-ministerial coordination to ensure that skills development is aligned with the country's goals to achieve middle-income status by 2021 and to create some 20 million new jobs.

#### 3.3.2 DWG Workshop on Inclusive Green Growth

The DWG Workshop on Inclusive Green Growth (IGG) took place on 7 July 2013 in Moscow. It was an opportunity to expand the G20's dialogue with representatives from developing countries, especially LICs, on the lessons learned in designing and implementing IGG strategies. Participants comprised G20 countries, representatives from

IOs and ten government experts from developing countries from across Africa, Asia and Latin America: Cambodia, the Dominican Republic, Ethiopia, Kenya, Moldova, Mozambique, Rwanda, Sierra Leone, Philippines and Vietnam. The workshop provided an opportunity to examine the practical application on the ground in implementing specific tools in the Annex to the G20 report "A Toolkit of Policy Options to Support Inclusive Green Growth" (IGG Toolkit), and the state of play with respect to

the Dialogue Platform on Inclusive Green Investment. It promoted the sharing of experience on strategies, policies and instruments for IGG; enhanced developing country engagement in G20 IGG work and policymakers' understanding of practical dimensions to applying IGG tools; and identified developing country needs. Discussion also explored how international cooperation might better support developing countries in voluntarily transitioning to greener growth.

### **Key messages on what participants thought the G20 could do included:**

- green research co-operation and cost-effective

technology transfer, increased knowledge sharing and access to information;

- national plans and strategies to mainstream green growth, and enhanced participation of the private sector and other key stakeholders;
- regional, South-South and triangular cooperation and knowledge sharing to develop IGG capacity;
- promote financing for green growth through public and private resources mobilization including via the leverage of private investment through public funds; and
- engaging the institutional investors' community to scale up green investment by incorporating development benefits.

### **IGG Toolkit Country Case Study: Sierra Leone**

Poverty and social inclusion are the main challenges, but it is now time for a change, with the need to move away from development strategy that seeks short-term gains with little regard to the future. Sierra Leone's goal is to deliver near-term local solutions and benefits, but to avoid costly lock-in to inefficient and polluting development pathways. It has a commitment to simple and transparent governance, with robust but adaptable decision making on green growth, reflecting that there are many shades of green. There is a commitment at national level to integrate cross-sectorial solutions for inclusive green economy into Poverty Reduction Strategy papers (PRS), development strategy, and budgeting. There is an interest to develop value added, and build international competitiveness through greener growth. Key priorities include sustainable infrastructure, resource efficiency, and economic resilience, recognising challenges for example in the mining, power and transport sectors. Timely external and private finance will be critical with use of appropriate risk mitigation tools.

## **3.4 Contribution of LICs to the Accountability Process**

The creation of the G20 accountability process on development in 2013 has helped to reinforce the need for, and value in, conducting more extensive and targeted outreach to LICs to identify what actions and policies are most effective in meeting the objectives of the G20 development agenda. Consequently, under Russia's Presidency several types of outreach have taken place to help ensure that the agenda is effectively meeting the needs of developing countries, particularly LICs.

### **3.4.1 The Commonwealth and OIF**

The Commonwealth and OIF discussed the G20's development accountability process during their

meeting in 2013. They also produced a paper — «The accountability of the G20's development agenda: Perspectives and Suggestions from Developing Countries of the Commonwealth and Francophonie». The Commonwealth and OIF Secretariats and two of their respective members - the Gambia and the Democratic Republic of Congo - also participated in the May 2013 DWG meeting.

### **Key messages from participants included the following:**

- Participants believed that the G20's has made good progress in several pillars such as trade, infrastructure, and food security.
- They noted that the G20 pilot studies in countries such as Bangladesh, Benin, Cambodia, the Dominican Republic, Ghana, Haiti, Indonesia,



Kenya, Laos, Malawi, Mongolia, Mozambique, Nigeria, Uganda, and Zambia had produced some good results.

- They welcomed the fact that the G20 had followed through on several Commonwealth and OIF previous recommendations (e.g. on agricultural productivity, infrastructure, aid for trade).
- However, they noted that other recommendations remained outstanding (e.g. action on financial inclusion for small and vulnerable states, extension of trade preferences to SVEs, resilience profiling and consideration of small state MIC debt).
- With regards to future G20 work, participants believed that: Infrastructure, human resource development, private investment and job creation, and trade conditions between developed and developing countries should remain a focus for G20 development efforts;
- New areas for the G20 to consider included issues such as resilience, small state debt, climate change, financial and economic stability; global imbalances, natural resource management and financial regulation.

sharing are of utmost importance and the G20 was helpful as a platform for expression of the African voice on agriculture issues.

- Structural reforms intended to boost economic development and better integrate LICs into the global market have not yet been adequately addressed through the G20 and would require further efforts.
- The G20 should continue to improve coordination among IOs on the ground in LICs.
- More is expected from decisions that show policy coherence between domestic economic measures and development policies in the G20 countries.
- The need for better communications and consultations with LICs was highlighted.
- The G20 should consider making financial commitments for specific projects.

### 3.4.2 Targeted Interviews with LICs

As part of its new accountability process, in 2013 the DWG also conducted interviews with LIC representatives from Ethiopia, Kenya, Tanzania and NEPAD to get their assessments of its performance – the key messages of which are distilled below.

- Infrastructure is an area where the G20 made significant progress in identifying and putting a spotlight on the main constraints and bottlenecks, although interviewees would still like to see further concrete achievements.
- G20 needs to interact more with regional communities and find ways to foster regional integration.
- LICs required further assistance in designing and managing public-private-partnerships, and in negotiating with private companies.
- Such issues as HRD, food security, private investment and job creation, and knowledge



# G20 Development Working Group

## Lessons Learned and Conclusions

# 4 Chapter

«We commend the progress achieved against our commitments in the Seoul Multi-Year Action Plan... We invite the Development Working Group to explore putting in place a process for ensuring assessment and accountability for G20 development actions...»

Los Cabos Leaders Declaration, June 18-19, 2012

This first Accountability Report on G20 development commitments represents an important step towards improving transparency and legitimacy of the G20 development agenda. The report identifies progress made, with active DWG support for meeting a wide range of development challenges and advancing the implementation of previous commitments made under the Seoul Multi-Year Action Plan (MYAP) and subsequent Leaders Declarations. At the same time, the report shows that some of these commitments have yet to be fulfilled and further efforts are needed to make DWG actions more effective.

This chapter is based on the main outcomes of the accountability exercise and acknowledges the environment in which the G20 has operated, reviews best practices and describes the lessons learned and conclusions emerging from this process

### 4.1. Context

Since its inception, a number of factors have influenced work of the G20 DWG. These include:

- Uneven recovery in the global economy and recognition of the considerable impact on LICs.
- The desire of the G20 to respond to this through an initial set of comprehensive and ambitious targets in the MYAP.
- The volume of proposals and actions resulting from this broad agenda.
- The need of each presidency to respond to current priorities under its leadership
- Working together on a development agenda with a particular focus on LICs and engaging with them was a new experience for the G20.
- This context has provided both opportunities and challenges for the DWG's work.

### 4.2. Achievements

The DWG has made good progress across a comprehensive agenda. The achievements of the past three years have been characterized by: political will and ownership; active cooperation amongst G20 partners and IOs; proactive co-facilitators; outreach to developing countries and LICs; clear timeframes;



and the involvement of the private sector and civil society.

The DWG has tailored its actions to address a range of development issues. This has included policy guidance from leaders, technical assistance in the form of toolkits and guidelines supporting national strategies and policies, improved policy coherence and coordination by establishing knowledge sharing platforms, and pilot projects implementation to strengthen national capacities.

The G20 has helped raise the profile of development issues in the international community and improved the coherence of the work of IOs and G20 member governments. By providing a platform for consultations, bringing together multiple stakeholders and streamlining their activities, the DWG has given focus and momentum to existing coordination mechanisms.

With respect to outreach, the approach of using pilot projects has worked very well, as it involved inviting experts from LICs and other developing countries to participate in workshops, seminars and face-to-face meetings with the DWG. This dialogue has informed the development agenda with regard to the needs of LICs. Sustained outreach makes the G20 an inclusive, consultative global forum.

The G20 priority setting has proven extremely valuable, catalyzing both bilateral and multilateral initiatives. The Women's Finance Hub and the Africa Agriculture Fast Track Fund provide examples of such initiatives. There are also positive initiatives that have been enabled by voluntary financial contributions from some G20 members (e.g. AgResults, ECOWAS humanitarian food reserves, HRD knowledge-sharing workshops within the G20 Training Strategy).

Considering the DWG actions against the G20 Seoul Development Principles, some illustrative examples are outlined below.

*The strong focus on economic growth was demonstrated through:*

- Encouragement to support the Principles for Responsible Agricultural Investment.

- Commitment to maintain aid for trade volumes.
- The agreed Action Plans on skills for employment in the pilot countries and the development of the skills indicators database.
- Establishment of the High-level Panel on Investment for Infrastructure (HLP) and progress towards delivering the MDB's Action Plan (including on promoting public-private partnerships).

*The G20 played a catalytic role in promoting global development partnerships:*

- The launch of the Global Partnership for Financial Inclusion in collaboration with non-G20 countries, the private sector, and other relevant initiatives and stakeholders.
- Successful cooperative effort with the ILO, the World Bank and other IOs delivered fiscally sustainable approaches to social protection programs and social protection floors, such as the social protection knowledge-sharing gateway and the Social Protection Inter-Agency Cooperation Board (SPIAC-B).

*Global or regional systematic issues were addressed through:*

- The agreement not to impose food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes.
- Standard-setting bodies incorporating financial inclusion issues into their standards and guidelines.
- New mechanisms for policy coordination such as AMIS, the Tropical Agricultural Platform and the Global Public-Private Knowledge Sharing Platform on Skills for Employment.
- The policy recommendations on standards for responsible investment. A set of quantifiable indicators for maximizing the value-added and job creation arising from private sector investment.
- The comprehensive approach to implementing G20 Leaders' target to work towards reducing the global average cost of transferring

remittances from 10 to 5 per cent by 2014.

- The value provided to initiatives in Africa by addressing regional priorities.

### 4.3. Lessons Learned and Conclusions

To maximize effectiveness, the DWG agenda needs to be organized around a small number of leader-level issues at a time. These issues should be chosen based on the capacity of the G20 to identify systemic gaps and add value within its mandate. By sequencing the agenda carefully, each G20 member will be able to provide the political support required to follow through on issues, and successive presidencies will be able to monitor progress and respond appropriately.

Because its work directly affects the interests of LICs, the DWG must engage systematically with them and build a strong outreach policy dialogue. This will help identify the most relevant issues for the DWG's work and assess the impact of its actions. The DWG needs strong outreach with non-G20 members and LICs, and to include the private sector and civil society in its work and hear their views. The DWG also needs a consistent practice on including developing countries, particularly LICs, within its activities to address specific issues. The inclusion of regional organizations such as AU/NEPAD, ASEAN and 3G is an effective contribution in this regard. The new public database of DWG activities will increase the awareness of the DWG's work.

The IOs are indispensable to the work of the DWG, but more efficient and effective collaboration is needed. IOs are a principal source of relevant analysis, which can help identify priorities for the G20. The DWG should continue to promote coherent approaches across IOs to tackle priority issues through joint activities. When requesting actions by IOs, the DWG must be specific and, as much as possible, build on existing workstreams with the aim of accelerating progress.

In the absence of an established formal financing mechanism, funds are made available on an ad hoc and voluntary basis. The capacity of the G20

to support and promote some initiatives rests upon its ability to catalyze other sources of funding.

The DWG has a unique role within the G20 given its focus on LICs. As the work of other tracks impacts on these countries, it is important that there is close coordination of agendas across G20 workstreams. There is also scope for further use of bodies with wider membership and broader agendas such as the GPFII. The DWG needs greater visibility across different areas of the G20 development agenda, given the cross-cutting nature of its work.

It is important that these lessons guide the future work of the DWG. The Saint Petersburg Development Outlook builds on these lessons to establish a new approach to strengthen and streamline the G20 development agenda.



## SNAPSHOT OF IMPLEMENTATION OF G20 DEVELOPMENT COMMITMENTS

### INFRASTRUCTURE

#### Action 1. Develop Comprehensive Infrastructure Action Plans

✓	1. Request MDBs to develop a joint infrastructure action plan addressing commitments 2-11 below
	2. Identify infrastructure gaps, needs & funding requirements
✓	3. Deliver bankable regional connectivity projects
	4. Identify possible improvements in MDB infrastructure policies
✓	5. Assess sufficiency of internal resources for project preparation, institutional capacity and risk mitigation
	6. Assess and diagnose bottlenecks in LICs that hamper investment
✓	7. Develop recommendations on national policies and regional architecture to advance regional projects
	8. Identify regional initiatives
✓	9. Identify MDBs' institutional bottlenecks to investment in cross-border and regional projects
	10. Develop an initiative on transparency in procurement, construction and finance
	11. Assess how best to integrate environmental safeguards in a cost-efficient manner

#### Action 2. Establish G20 High Level Panel for Infrastructure Investment

✓	12. Establish a G20 High-Level Panel (HLP) for Infrastructure Investment to focus on commitments 13-16
✓	13. HLP: Review MDB policy frameworks

✓

14. HLP: Innovative ways to mitigate and manage risk

✓

15. HLP: Review MDB Action Plans and provide comment

✓

16. HLP: Report final outcomes to 2011 Summit

#### Other Actions

✓

17. Encourage B20 follow-up on Misperception of Risk and Return in Low Income Countries report [2012 Leaders Declaration]

✓

18. IOs to develop a toolkit on best practices for urban mass transport projects [2012 Leaders Declaration]

### FOOD SECURITY

#### Action 1. Enhance policy coherence and coordination

✓

19. IOs recommend results-based mechanisms and advanced market commitments for Ag productivity

✓

20. Fulfil our existing commitments on food security

✓

21. Call for support to build capacity in tropical agriculture technologies and systems

✓

22. IOs to increase policy coherence for food security

#### Action 2. Mitigate Risk in Price Volatility and Enhance Protection for the Most Vulnerable

✓

23. IOs to develop options to better mitigate and manage price volatility risks

24. Improve food stocks and production projections, nutrition and access to humanitarian supplies

	25. Increase procurement from smallholder producers
	26. Uphold the Principles of Responsible Agricultural Investment, with IOs to develop relevant options

### Other Actions

✓	27. MDBs to finalize an action plan on water, food and agriculture [2011 Leaders Declaration]
	28. Mitigate adverse effects of excessive price volatility [2011 Leaders Declaration]
	29. Confirm commitment to scaling-up nutrition [2011 Leaders Declaration]

## HUMAN RESOURCE DEVELOPMENT

### Action 1. Create Internationally Comparable Skills Indicator

	30. Create internationally comparable skills indicators
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### Action 2. Enhance National Employable Skills Strategies

✓	31. Enhance National Employable Skills Strategies
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### Other Actions

	32. Implement a knowledge-sharing platform on skills for employment [2011 Leaders Declaration]
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## FINANCIAL INCLUSION

### Action 1. Establish a Global Partnership for Financial Inclusion

✓	33. Launch the Global Partnership for Financial Inclusion
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### Action 2. SME Finance Challenge and Finance Framework for Financial Inclusion

✓	34. Announce SME Finance Challenge winners
✓	35. Establish a finance framework to mobilize funds for winners of the SME Finance Challenge

### Action 3. Implement the Action Plan for Financial Inclusion

	36. Implement the G20 Financial Inclusion Action Plan
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## Other Actions

	37. Commit to pursuing efforts on the 2012 GPF report's recommendations [2011 Leaders Declaration]
	38. Deliver further tools to promote financial education [2012 Leaders Declaration]
	39. Identify barriers to access for women and youth [2012 Leaders Declaration]
	40. Launch the SME Finance Compact [2012 Leaders Declaration]
	41. Implement the G20 Financial Inclusion Peer Learning Program [2012 Leaders Declaration]

## TRADE

### Action. Enhance Trade Capacity and Access to Markets

	42. Progress towards duty-free and quota-free market access for LDCs
	43. Maintain average Aid for Trade levels from 2006-08
✓	44. Adjust the MYAP based on outcomes of the 2011 Global Aid for Trade Review [2011 Leaders Declaration]
✓	45. Call on relevant institutions to coordinate a collective response to trade facilitation
✓	46. The WTO to review trade finance programs for LICs and report on recommendations and support
✓	47. The African Development Bank to identify barriers to regional trade integration in Africa

## PRIVATE INVESTMENT AND JOB CREATION

### Action. Support Responsible Value-Adding Private Investment and Job Creation

✓	48. Support responsible investment in value chains and voluntary investor compliance with standards
✓	49. Develop indicators for financial value-added and job creation from private investment in value chains
	50. Make recommendations to assist developing countries to attract and negotiate value-adding investment
	51. Establish G20 Challenge on Inclusive Business Innovation

	52. Develop recommendations on how to engage the private sector to find innovative business solutions
✓	53. Assist LICs to develop relevant country action plans

### GROWTH WITH RESILIENCE

#### Action 1. Support Developing Countries to Strengthen and Enhance Social Protection Programs

✓	54. Support developing countries to strengthen and enhance social protection programs through IO work
	55. Support the implementation of nationally-designed social protection floors in developing countries [2011 Leaders Declaration]
	56. Foster international policy coherence to assist LICs in implementing nationally-determined social protection floors, with IOs to develop policy options [2012 Leaders Declaration]

#### Action 2. Facilitate Flow of International Remittances

✓	57. IOs to work with countries to implement the General Principles for International Remittance Services and related initiatives
	58. Work to reduce the global average cost of transferring remittances from 10 to 5 per cent by 2014 [2011 Leaders Declaration]

### DOMESTIC RESOURCE MOBILISATION

#### Action 1. Support Development of More Effective Tax Systems

✓	59. Identify key capacity constraints in developing countries' tax systems
✓	60. Develop a knowledge management platform for tax policy and administration
	61. Survey and disseminate actions to support developing country tax systems
	62. Set up measures to track progress in capacity improvement of LICs' tax administration systems
	63. Identify ways to help developing countries tax multinationals through effective transfer pricing

#### Action 2. Support Work to Prevent Erosion of Domestic Tax Revenues

	64. Support work to prevent erosion of domestic tax revenues
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### KNOWLEDGE SHARING

	65. Enhance the effectiveness and reach of knowledge-sharing
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### INCLUSIVE GREEN GROWTH

	66. Deliver a policy toolkit for inclusive green growth (2012 Leaders Declaration)
	67. Encourage further exploration of mechanisms to mobilize public and private funds for inclusive green growth investments (2012 Leaders Declaration)

✓	<b>Completed:</b> The action has been implemented. No further action is required.
	<b>On-track:</b> The action is being implemented as planned, but further steps could be taken.
	<b>Off-track:</b> Some progress has been achieved, but implementation has been delayed. Some work is still ongoing.
	<b>Stalled:</b> Implementation is not advancing. G20 DWG to decide next steps

For Notes  
For Notes

