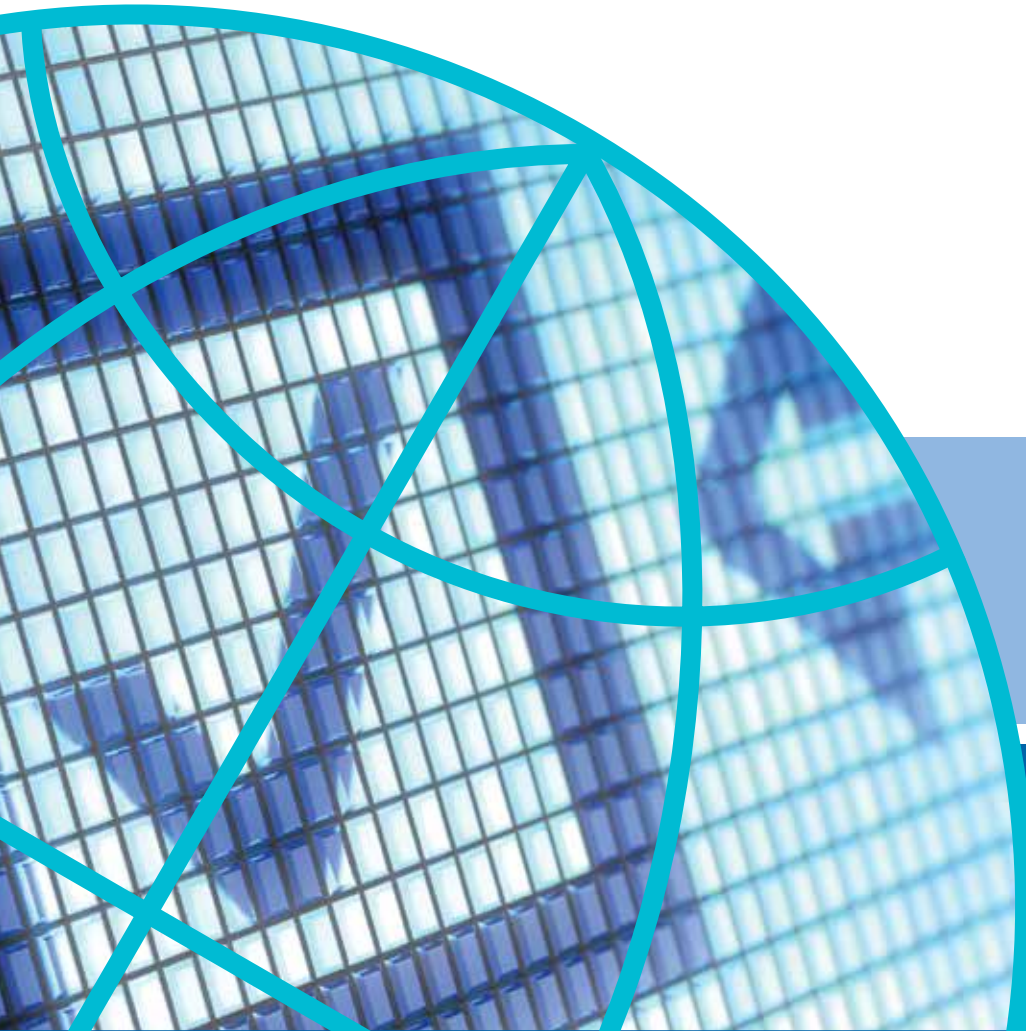


ICC G20 BUSINESS SCORECARD

FIFTH EDITION



JANUARY 2016

ICC INTERNATIONAL
CHAMBER
OF COMMERCE
The world business organization

ICC G20
CEO ADVISORY GROUP

ICC G20

CEO ADVISORY GROUP

About the ICC G20 CEO Advisory Group

The ICC G20 CEO Advisory Group, an initiative of the International Chamber of Commerce (ICC), is a platform for global business to provide input to the work of the G20 on an ongoing basis. The Group mobilizes ICC's worldwide policy-making expertise and solicits priorities and recommendations from companies and business organizations of all sizes and in all regions of the world. The Group comprises approximately 40 CEOs working to ensure that the voice of business is heard by governments, the public and the media before, during and after each Summit. To learn more visit www.iccwbo.org/g20



About the International Chamber of Commerce (ICC)

ICC is the world business organization, whose fundamental mission is to promote open trade and investment and help business meet the challenges and opportunities of an increasingly integrated world economy. With interests spanning every sector of private enterprise, ICC's global network comprises over 6 million companies, chambers of commerce and business associations in more than 130 countries. ICC members work through national committees in their countries to address business concerns and convey ICC views to their respective governments. ICC conveys international business views and priorities through active engagement with the United Nations, the World Trade Organization, the G20 and other intergovernmental forums. To learn more about ICC visit www.iccwbo.org



About the International Organisation of Employers (IOE)

The International Organisation of Employers (IOE) is the largest network of the private sector in the world, with a membership of more than 150 business and employer federations around the world. In social and labour policy debate taking place in the International Labour Organization, across the UN and multilateral system, and in the G20 and other emerging processes, the IOE is the recognized voice of business.

The IOE seeks to influence the environment for doing business, including by advocating for regulatory frameworks at the international level that favour entrepreneurship, private sector development, and sustainable job creation. The IOE supports national business organizations in guiding corporate members in matters of international labour standards, business and human rights, CSR, occupational health and safety, and international industrial relations. For more information please visit www.ioe-emp.org/



About the Business and Industry Advisory Committee (BIAC)

Founded in 1962 as an independent organization, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognized representative of the OECD business community. BIAC's members are the major business organizations in the OECD member countries and a number of OECD observer countries. For more information please visit www.biac.org

Table of Contents

List of acronyms	2
Foreword	3
Executive Summary.....	4
Introduction	16
Chapter 1: Trade.....	21
Chapter 2: Financing Growth.....	28
Chapter 3: Infrastructure and Investment.....	37
Chapter 4: Employment	45
Chapter 5: Anti-Corruption.....	49
Chapter 6: SMEs and Entrepreneurship	56
Chapter 7: Energy and Environment	63
Notes	75

List of Acronyms

ACTF	B20 Turkey Anti-Corruption Taskforce
ACWG	G20 Anti-Corruption Working Group
APEC	Asia-Pacific Economic Cooperation
B20	Business-20
BCBS	Basel Committee on Banking Supervision
BEPS	Base Erosion and Profit Shifting
BIAC	The Business and Industry Advisory Committee to the OECD
BIT	Bilateral Investment Treaty
CFSG	G20 Climate Finance Study Group
EEFTG	Energy Efficiency Finance Task Group
EGA	WTO Environmental Goods Agreement
EMDEs	Emerging Market and Developing Economies
ESWG	G20 Energy Sustainability Working Group
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FSB	Financial Stability Board
GAN	Global Apprenticeships Network
G20	Group of 20
GDP	Gross Domestic Product
GPFI	Global Partnership for Financial Inclusion
GVCs	Global Value Chains
HLRMs	High-Level Reporting Mechanisms
ICC	International Chamber of Commerce
ICT	Information and Communications Technology
IEA	International Energy Agency
IEF	International Energy Forum
IIA	International Investment Agreement
ILO	International Labour Organization
IOE	International Organization of Employers
IRENA	International Renewable Energy Agency
ITA	WTO Information Technology Agreement
ITC	International Trade Centre
IPR	Intellectual Property Right
JODI	International Energy Forum Joint Oil Data Initiative
MDB	Multilateral Development Bank
MOU	Memoranda of Understanding
NTB	Non-Tariff Barrier
NTM	Non-Tariff Measure
OECD	Organization for Economic Cooperation and Development
PPP	Public-Private Partnership
RESIS	Resisting Extortion and Solicitation in International Transaction toolkit
SDGs	UN Sustainable Development Goals
SE4All	Sustainable Energy for All initiative
SME	Small- and Medium-Sized Enterprise
SSBs	Standard-Setting Bodies
STEM	Science, Technology, Engineering and Math education
TI	Transparency International
TFA	WTO Trade Facilitation Agreement
TOBB	Union of Chambers and Commodity Exchange of Turkey
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
VET	Vocational Education and Training
WBG	World Bank Group
WSF	World SME Forum
WTO	World Trade Organization

Foreword

As the voice of international business, ICC has a clear stake in the success of the G20. And it is our view that while governments create the necessary frameworks and conditions, it is the world's businesses, both large and small, that drive the creation of jobs, investment and trade.

Turkey deserves credit for focusing the G20's work on what Ankara labelled the "three I's": ensuring *implementation* of past commitments; boosting *investment* as a key driver of growth; and promoting *inclusiveness* to ensure that the benefits of growth are widely shared. These were admirable objectives, but progress toward them in the Turkish host year could be described as mixed.

On implementation, G20 Leaders agreed to an accountability framework to ensure follow-through on their past growth commitments and support progress toward the Brisbane goal of lifting collective G20 GDP by an additional 2 percent by 2018. They also reinforced their commitment to the full and consistent implementation of the global financial regulatory framework and moved the G20's important anti-corruption and energy agendas forward. But implementation lagged in other areas, notably trade, where G20 Leaders did not announce specific action to roll back protectionist measures, especially localization requirements and other non-tariff barriers; moreover, half of the G20 membership has yet to implement the WTO's landmark Trade Facilitation Agreement (TFA).

On investment, Leaders moved forward the G20's infrastructure investment agenda launched in St. Petersburg, announcing several toolkits, best practices and guidelines for G20 countries to better prepare, prioritize and finance infrastructure projects. But they missed the opportunity to rationalize the current patchwork of bilateral and regional investment rules through a model investment framework.

The inclusiveness agenda at Antalya centred on the important goal of supporting small and medium-sized enterprises (SMEs), which are critical to robust and inclusive growth. Significant progress was made in facilitating SME access to finance, increasing SME access to international markets, and endorsing the World SME Forum, an ICC-led initiative designed to provide advocacy, know-how, and e-knowledge for SMEs globally. Yet even in this area, G20 Leaders missed an opportunity to launch a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives.

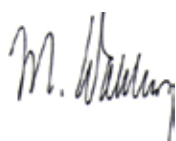
Despite all the good work, the fifth edition of the *ICC G20 Business Scorecard* shows the achievements—and shortfalls—during the Turkish Presidency and provides an evaluation of where progress has been made and where more work needs to be done. We believe that by monitoring G20 actions and offering constructive feedback, the *Scorecard* can help improve G20 outcomes and support its objectives of growth, job creation, and better global governance.

The G20 still has a vital role to play in a post-crisis, growth-deficient global economy. However, it may need a new mindset and a new *modus operandi*. Rather than issuing broad action plans that may promise much but be difficult in practice to carry out, we encourage Leaders to refocus the G20's work on tangible areas of cooperation that support long-term growth, job creation, and resilience of the global economy.

Business input into the process is critical and it is imperative that G20 Leaders are responsive to the constraints that businesses, small and large, face in creating jobs, investments and sustainable growth—and how these problems can be mitigated.

We trust that the *ICC G20 Business Scorecard* can continue to play a useful role in informing the G20 on how the business community interprets its actions and helping the G20 to establish priorities, honour commitments, gauge its progress over time, and identify areas that merit greater attention.

Sincerely,



Marcus Wallenberg
Chairman, ICC G20 CEO Advisory Group

Executive Summary

The importance of the G20 to international business

The G20 agenda bears upon core business goals for trade, investment, economic growth and job creation and will increasingly shape government policies that affect business internationally. Since its elevation to a Leaders-level forum in 2008, G20 cooperation across a wide range of policy issues from trade to anti-corruption has aided business' own efforts to grow and create jobs. Although the G20 is an informal forum for international cooperation with no permanent secretariat or binding enforcement power, the group has the ability to provide strategic leadership for an increasingly integrated global economy, overcoming political roadblocks and driving progress on some of the most intractable economic and social challenges confronting the global economy.

The Group of Twenty (G20) is the premier forum for international economic cooperation. Its members account for 85% of the world economy, 75% of global trade, and around two-thirds of the world's population. The G20 is credited for playing a key role in responding to the global financial crisis of 2008-09. Its decisive and coordinated actions boosted consumer and business confidence and supported the first stages of economic recovery.

For these reasons, the International Chamber of Commerce (ICC) has been deeply engaged in the work of the G20, and formed the *ICC G20 CEO Advisory Group* to intensify top-level international business engagement and press for the inclusion of business priorities in the deliberations of G20 Leaders. Among the activities of the *ICC G20 CEO Advisory Group* has been participation in the Business-20 (B20) process—to drive the development of business policy recommendations—and the production of the *ICC G20 Business Scorecard* to help measure the responsiveness of G20 Leaders to these priorities.

The development of business recommendations

Starting with the first gathering of business leaders during the Canadian G20 Presidency in June 2010, groupings of the world business community, operating collectively as the B20, have come together to develop business priorities and present policy recommendations to G20 Leaders. In their Seoul Communiqué of December 2010, G20 Leaders officially recognized the B20 as an important stakeholder and a constructive partner in promoting the shared objectives of global growth and job creation. Since Seoul, the B20 has been organized by successive national business hosts, under which a number of distinct policy task forces have prepared B20 recommendations, concentrating on issues ranging from trade and investment to anti-corruption and employment.

In 2015 the G20 focused on ensuring inclusive and robust growth through collective action in accordance with the Turkish G20 Presidency's "three I's"—Implementation, and Investment and Inclusiveness. In response, B20 Turkey, under the leadership of B20 Chair Rifat Hisarcıklioğlu, organized itself under six business-led taskforces: Trade, Infrastructure and Investment, Financing Growth, Employment, Anti-Corruption, and SMEs and Entrepreneurship. Each taskforce identified a number of critical barriers to growth and employment across the "three I's" and prepared a set of policy recommendations that, if implemented, would promote and strengthen economic activity and create jobs across the G20 and beyond.

Working collectively during the first half of 2015, the six taskforces arrived at 19 recommendations for action by G20 governments. Together, the B20 Turkey recommendations address key challenges across all G20 members: more trade and investment; better infrastructure; accessible and affordable finance; more capable and active SMEs; human capital in the right place with the right skills. In addition, the recommendations underline the importance of G20 members' continuing to effectively implement commitments already made to improve growth and build resilience.

The evaluation of G20 responsiveness to business

The purpose of the *ICC G20 Business Scorecard* is to examine the G20's recognition of core business messages and its collective policy response to recommendations put forward by the international business community.

It is ICC's view that the *Scorecard* improves the G20 policy-making process by:

- Informing G20 governments on how the business community interprets G20 actions, thereby helping the G20 to establish priorities, honour commitments, gauge its progress over time, and identify areas that merit greater attention.
- Improving business leaders' ability to tailor recommendations and engagement with the G20 by evaluating whether the G20 has recognized business input and how it has carried through on specific business recommendations.

About the Scorecard

First, given the breadth and complex nature of the G20's policy work, it is important to note that the *Scorecard* focuses on G20 responsiveness to business recommendations; it does not attempt to assess progress on the G20's entire agenda. Second, while this fifth edition of the *Scorecard* concentrates on G20 performance during the 2015 Turkish Presidency, it includes intertemporal assessments, recognizing that the response cycle of government policymaking is generally more long-term than the time afforded by the one-year G20 presidencies.

It is important to underline that the *Scorecard* assesses progress by the G20 *collectively* in responding to business recommendations, rather than assessing the performance of *individual* G20 countries. Likewise, the *Scorecard* does not evaluate G20 performance solely on the basis of its achievement of the "end goal." Rather, it evaluates G20's recognition of and subsequent actions in dealing with an issue, followed by an assessment of G20's responsiveness to corresponding business recommendations.

The fifth edition *Scorecard* takes as its starting point the 19 recommendations for G20 governments prepared by B20 Turkey in 2015. In the absence of a B20 Turkey taskforce on energy, companies from the *ICC G20 CEO Advisory Group* also prepared a set of energy recommendations for consideration by G20 Leaders. These were delivered to G20 Energy Ministers through the B20 Energy Forum, held on the sidelines of the first G20 Energy Ministerial in October 2015. Recommendations in the *Scorecard* have been grouped into seven major policy categories corresponding to the 2015 B20 Turkey taskforce structure and the B20 Energy Forum.

1. Trade
2. Financing Growth
3. Infrastructure and Investment
4. Employment
5. Anti-Corruption
6. SMEs and Entrepreneurship
7. Energy and Environment

The *Scorecard's* evaluation of Employment recommendations has been contributed by our colleagues at the International Organization of Employers (IOE) and the Business and Industry Advisory Committee to the OECD (BIAC). IOE and BIAC have contributed significantly to the development of B20 recommendations in this area. IOE served as the co-chair for the Human Capital task force during the Russian and Australian B20 cycles, and was the Business Network Partner for the B20 Turkey Employment Taskforce in 2015.

Scores

Overall score

Decisions taken at the 2015 G20 Leaders' Summit in Antalya were generally reflective of the “three I’s” framework promoted by the Turkish G20 Presidency: making progress on implementation of past commitments, underlining the role of investments as a powerful driver of growth and promoting inclusiveness through an increased focus on small and medium-sized enterprises (SMEs). The overall score of 2.0 (out of 3.0) earned a score of FAIR across the seven major policy groups evaluated in this edition of the *Scorecard*.

Overall Score Fifth Edition ICC G20 Business Scorecard

Overview of all topics	Score
Trade	POOR (1.0)
Financing Growth	GOOD (2.8)
Infrastructure and Investment	POOR (1.3)
Employment	FAIR (1.8)
Anti-Corruption	FAIR (2.3)
SMEs and Entrepreneurship	FAIR (2.0)
Energy and Environment	FAIR (2.2)
Overall Score	FAIR (2.0)

This year's results are mixed. The majority of the recommendations received a number of “Good” scores, reflecting solid progress on business recommendations. However, as in the past, a non-insignificant number of “Fair” and “Poor” and “Inadequate” scores pulled down the average—ultimately yielding a lower overall score than achieved at Brisbane last year. Three of the seven chapters contained an Inadequate score (0.0/3.0), meaning that there was no recognition of the business priority, and there were three instances of Poor scores (1.0/3.0), indicating that G20 Leaders had acknowledged the issue but not taken any collective steps to address it. Compared to past *Scorecards*, there is a notable increase in polarized scores—either high or low, and less in-between. This suggests that both business and the G20 need to do a better job of communicating priorities and identifying areas where progress is both realistic and achievable.

Over 70 G20 meetings, including at a ministerial level, were held during Turkey's presidency. The Antalya Communiqué also saw the delivery of 22 Agreed Documents, nine Ministerial Statements, 34 G20 Working Group Documents, and 54 Supporting Documents—more than any previous host. The outcome of these meetings and reports were reflected in the topics covered in the Leaders' Communiqué, with several notable advancements on business priorities.

The Communiqué reiterated the commitment to lifting collective G20 GDP by an additional 2% by 2018 as announced in Brisbane last year and reported that significant progress towards fulfilling commitments to the individual country growth strategies had been made. Acknowledging that more needs to be done, G20 member countries presented country-led investment strategies aimed at boosting investment in infrastructure, in particular through public-private partnerships. Business also welcomed Turkey's decision to organize the first ever G20 Energy Ministers Meeting, as well as continuing the tradition started by Mexico in 2012 of hosting a G20 Trade Ministers meeting. Both events provide an important opportunity for business executives to share priorities directly with Ministers ahead of the G20 Leaders' Summit in Antalya.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and was a unifying theme across the G20's work streams in 2015. In particular, ICC welcomed the G20's official recognition of the new World SME Forum (WSF), a groundbreaking ICC-led initiative to build capacity within the small business sector and to ensure that the views of small business are taken into account in the development of global policies.

Progress on other important business priorities included: (i) support for a strong multilateral trading system; (ii) renewed attention to energy and climate challenges; (iii) the FSB's first annual report on implementation and effects of the G20 financial regulatory reforms; and (iv) the first mentions of the Internet, Intellectual Property (IP) theft and Information Communication Technologies (ICTs) in a Summit Communiqué.

G20 score on Trade

The overall score assessment of G20 commitments and decisions on Trade is a 1.0 (out of 3.0).

This is the lowest score of all the policy areas evaluated in the fifth edition of the *Scorecard*. Progress on ratification of the WTO Trade Facilitation Agreement has been disappointingly slow and there has been insufficient action by the G20 to curb protectionism, including localization requirements

which are barriers to trade, as recommended by the B20. However, the low overall score masks promising—albeit early—steps to address the digital economy. This year's score of 1.0 is a step down from the 4th edition's score of 2.0 and the 3rd edition's high score of 2.5—demonstrating a return to the low scores of the 1st and 2nd *Scorecard* where G20 commitments and decisions on trade received scores of 1.0 and 1.3 respectively.

Robust trade policies, supported by an open, rules-based, transparent and non-discriminatory WTO-based multilateral trading system are the best guarantees to deliver strong and sustainable growth. ICC therefore commends Turkey for hosting a G20 Trade Ministers meeting in October and welcomes the G20 Leaders' continued support in Antalya for a strong and efficient multilateral trading system. ICC also welcomes the recognition by G20 Leaders that bilateral, regional and plurilateral trade agreements should complement one another, be transparent and contribute to a stronger multilateral trading system under WTO rules. This commitment is especially important with several regional trade agreements currently being discussed, including the Transatlantic Trade and Investment Partnership (T-TIP), Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP).

Trade flows—which have historically been an important driver of growth and job creation—recorded an unanticipated 6% drop through the first half of this year. New data suggest that protectionism is again on the rise, and according to the latest ICC Open Markets Index 2015, the G20 is failing to demonstrate global leadership on trade openness, with only one G20 nation (Germany) ranking among the world's top 20 open trade markets. It is therefore vital that the good words of the Antalya Communiqué translate into real world action to keep markets open and to make trade easier for small businesses and entrepreneurs.

Scoring component highlights:

- Ratification and implementation of the WTO Trade Facilitation Agreement (TFA) remains a milestone for the WTO, as well as for the G20. However, despite the G20's collective call for the "*prompt ratification and implementation of the Trade Facilitation Agreement*," progress on ratification has been disappointingly slow, and only 66 of the 108 countries required for the agreement to enter into force have ratified the TFA.¹ The passive wording in the Antalya Communiqué was a missed opportunity to amplify the urgency of making progress on TFA to implementation, and the importance of such progress on the balance of the WTO agenda. Moreover, the G20 missed an opportunity to demonstrate commitments amongst its own membership, with 10 G20 countries remaining unsigned (Argentina, Brazil, Canada, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa and Turkey.)²

Summary of G20 Response to Business Recommendations

Trade	Score
1.A – Ratify and implement the Trade Facilitation Agreement	Poor
1.B – Reaffirm the standstill on protectionism	Inadequate
1.C – Improve the global trade system for the emerging digital economy	Fair
Overall Score	POOR

- In stark contrast to the G20's recurrent pledges to refrain from protectionism and to roll back protectionist measures, the overall stockpile of restrictive measures introduced by G20 economies since 2008 continues to grow. Consequently, G20 reaffirmations of its longstanding standstill and rollback commitments to resist protectionism come across as hollow in the face of recent reports that the G20's effective operational progress on reducing trade barriers has been lacking.
- Leaders omitted any recognition of their own introduction of new barriers, a slowing in progress on rolling back existing barriers and the generally limited progress on removing trade-restrictive measures, including trade remedies and business recommendations for addressing non-tariff barriers (NTBs), including localization barriers.
- The Antalya Communiqué included—for the first time in G20 history—a paragraph on the importance of ICTs as a means to generate growth. While it did not outline any specific actions to improve the digital economy, this inclusion is welcomed and sets the stage for an increased focus on this important business priority.

G20 score on Financing Growth

The overall score assessment of G20 commitments and decisions on Financing Growth is 2.8 (out of 3.0). In 2015, the B20 Financing Growth Taskforce prepared four recommendation focused on two overarching themes: 1) facilitating financial inclusion with a focus on supporting SMEs and 2) improving global financial regulation. The near perfect score reflects the clear responsiveness to three of the four business priorities put forward this year. Notable progress was made across the G20's regulatory reform agenda under the Turkish G20 Presidency, and all of the business recommendations were acted upon. However, insufficient response to the business recommendation to improve regulatory consistency and establish institutional mechanisms to strengthen regulatory cooperation prevented a perfect score.

Summary of G20 Response to Business Recommendations

Financing Growth	Score
2.A – Make data on SME creditworthiness more transparent and available	Good
2.B – Broaden and deepen SMEs' access to alternative financing	Good
2.C – Finalize and improve the implementation of the global financial reform agenda	Good
2.D – Reiterate the need for regulatory consistency and improve the consultation process	Fair
Overall Score	GOOD

Business commends Turkey for amplifying the focus on the SME sector as a priority issue during its G20 Presidency. The increased focus on SME finance—both traditional and alternative sources—under Turkey's stewardship of the G20 is an important acknowledgment of the contributions the SME sector can make to the global economy. Turkey has successfully laid the groundwork for the G20 to support SME growth and development—and it will now be up to individual G20 members to ensure that the policies are translated into tangible support to SMEs. The international business community also welcomes efforts of the G20, led by the Financial Stability Board (FSB), to improve the resilience of the financial system through more robust regulation. If properly implemented, reforms will help support economic activity and job creation. However, it is important to improve financial stability without impeding growth. The priority must therefore be to ensure the full, consistent and prompt implementation of agreed reforms, while also giving due consideration to their impact on emerging market and developing economies.

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the 2015 G20 Turkish Presidency and this focus effectively elevated the discourse on SMEs to the Leaders level, with the G20 building on its portfolio of support mechanisms and measures to improve SME's access to finance and help unlock the full potential of SMEs worldwide.
- Actions for improving SME creditworthiness and transparency were highlighted in several of the reports, studies and action plans prepared for the Antalya Summit, including the *G20/OECD High-Level Principles on SME Financing and the Joint Action Plan on SME Financing*.
- The Summit Communiqué and Antalya Action Plan clearly recognized the importance of the SME sector and endorsed a number initiatives aimed at increasing SME financing, including non-traditional alternatives.
- Endorsement of the World SME Forum (WSF) and further reference to WSF in the Antalya Action Plan signals the G20's valuation of the mandate of WSF to provide advocacy, know-how, and e-knowledge for SMEs globally.
- Leaders in Antalya recognized the importance of further improvement in the stability of the financial system to support growth and affirmed that major financial regulatory reforms have been completed, including finalization of the standard on total-loss-absorbing-capacity (TLAC). Business notes the impact assessment studies conducted by the FSB, BCBS and BIS on the final TLAC standard and welcomes the FSB's commitment to monitor implementation and undertake a review of its technical implementation by the end of 2019.
- Leaders in Antalya reinforced their commitment to the full and consistent implementation of the global financial regulatory framework and specifically pledged to monitor and assess the implementation and effects of reforms on emerging market and developing economies. Nonetheless, the G20 missed an opportunity to delineate methods for improving the consultation process, such as the B20 recommendation to establish MoUs between regulators and stakeholders to improve regulatory consistency and strengthen regulatory cooperation.
- The FSB released its first annual report on implementation and effects of the G20 financial regulatory reforms and an action plan to address the decline in correspondent banking services.

G20 score on Infrastructure and Investment

The overall score assessment of G20 commitments and decisions on Infrastructure and Investment is 1.3 (out of 3). The score reflects Turkey's emphasis on investment, together with inclusiveness and implementation, as the three "I's" of its Presidency. The continued absence of any discussions on the recurrent business recommendation to work towards a common set of international investment principles precluded a higher score.

Summary of G20 Response to Business Recommendations

Infrastructure and Investment	Score
3.A – Improve the infrastructure investment ecosystem	Fair
3.B – Develop country-specific infrastructure investment strategies	Fair
3.C – Commit to international investment principles related to FDI	Inadequate
Overall Score	POOR

The G20's long-term investment agenda, launched at the 2013 St. Petersburg Summit and continued through Brisbane and Antalya, has firmly established infrastructure investment as one of the G20's key priorities and resulted in a number of collective actions and initiatives across the G20 and beyond.³

During its G20 Presidency, Turkey put a firm emphasis on investments as a powerful driver of growth, and the topic of infrastructure investment ran through the Antalya Summit deliberations as a major theme. Building on the G20's comprehensive growth strategies launched at the 2014 Brisbane Summit, Turkey asked G20 members in 2015 to develop country-specific investment strategies to improve the investment ecosystem, foster efficient and quality infrastructure, and support dynamism among SMEs. According to analysis by the OECD, these strategies would contribute to lifting aggregate G20 investment to GDP ratio by an estimated 1 percentage point by 2018.

However, ICC believes that the growth strategies also need to be coupled with robust measures to support cross-border investments and improve underlying investment conditions that enable long-term financing across the board. It was therefore disappointing that the G20 once again failed to address the issue of supporting international investment flows—including through the development of clearer international investment rules. The development of a high-standard multilateral framework would help overcome the deficiencies of the current patchwork of bilateral and regional investment rules.

Scoring component highlights:

- The Turkish G20 Presidency carried forward the G20's impressive infrastructure investment agenda launched in St. Petersburg; and the Antalya Summit saw the delivery of several toolkits, best practices and guidelines for G20 countries to better prepare, prioritize and finance infrastructure projects, including PPPs. Notwithstanding these important steps, Leaders have not prioritized the need to rationalize cross-border investment frameworks, including for infrastructure investment.
- Business commends the G20 country-specific investment strategies endorsed by Leaders in Antalya, which include a number of concrete actions that G20 members are taking to foster infrastructure investment. Looking forward, the G20 should continue progress by setting national targets on infrastructure spending as a percentage of GDP and developing an overarching national vision or strategy with clear and credible infrastructure pipelines, as recommended by the B20.
- Despite a growing chorus for G20 leadership on international investment governance, the Turkish G20 Presidency did not respond to this business recommendation. Failing to address this important issue, such as through a model investment framework, was a missed opportunity to demonstrate leadership in rationalizing the current patchwork of bilateral and regional investment rules.

G20 score on Employment

The overall business assessment of G20 commitments and decisions on Employment is 1.8 (out of 3.0).

High and persistent unemployment in many countries has given impetus to the G20 focus on the role of employment in achieving a sustainable recovery. The Turkey G20 Presidency, which promoted "Inclusiveness, Implementation, and Investment for Growth", concentrated the G20 employment workstream on promoting more inclusive labour markets; increasing investment in human resources; and achieving successful implementation through effective monitoring.

Summary of G20 Response to Business Recommendations

Employment	Score
4.A – Implement comprehensive structural reforms to advance employment opportunities	Poor
4.B – Increase youth employment and female labour-force participation	Good
4.C – Develop and finance programmes aimed at reducing skills mismatches	Fair
Overall Score	FAIR

Unfortunately, G20 leadership did not press for essential labour market reforms. This is concerning, particularly in view of the recent IOE-BIAC-Deloitte survey on youth employment in G20 countries, wherein 80% of the respondents reported that the current regulatory framework for the establishment and operation of enterprises is “*more cumbersome than supportive to employment creation.*”⁴ Streamlining the regulatory environment will improve the ability of economies to employ more people. Consequently, the G20 must become an engine for reform for labour markets that encourages companies to hire as many people as quickly as possible.

Scoring component highlights:

- Business welcomes the commitment by G20 Leaders to reduce the proportion of young people who are most at risk of being left permanently behind in the labour market by 15 per cent by 2025, as well as to improve the institutional and professional capacities of employment services in G20 countries.
- However, the G20 ministers failed to address key issues around bringing more people into employment, such as creating an enabling business environment and improving labour market flexibility.
- Determined action is needed to implement the G20 commitments on skills development. Skills have been the focus of the G20 employment process from the very beginning, but too little follow-up action has been delivered.

G20 score on Anti-Corruption

The overall score assessment of G20 commitments and decisions on Anti-Corruption is 2.3 (out of 3). This score is an acknowledgement of the ongoing partnership between the B20 and ACWG, with several commitments and deliverables in the 2015-2016 G20 Anti-Corruption Action Plan aligned to the 2015 B20 recommendations.

The ACWG is by far the most inclusive of all the official G20 working group arrangements, with B20 representatives

routinely invited to participate in ACWG meetings and to submit suggestions to the ongoing G20 anti-corruption agenda. In 2015, B20 Turkey focused on implementable solutions to strengthen anti-corruption initiatives, and progress was made on all three priority areas identified: Customs, Public Procurement, and Beneficial Ownership.

Business recognizes and values the ongoing cooperative role between the G20 and B20 on this very important issue, and stands ready to complement the work of the G20, including through the development of training products to help companies implement effective compliance programmes. As part of the Turkish G20 Presidency’s focus to broaden the engagement of private sector, the ACWG adopted the G20 High Level Principles on Private Sector Integrity and Transparency and the Anti-Corruption Education Toolkit for SMEs, which was developed in cooperation with the B20.

Summary of G20 Response to Business Recommendations

Anti-Corruption	Score
5.A – Implement the G20 High-Level Principles on Beneficial Ownership Transparency	Fair
5.B – Move towards a comprehensive digital environment for customs and border clearance	Good
5.C – Promote public integrity in public procurement	Fair
Overall Score	FAIR

Scoring component highlights:

- The delivery and publication of *national Implementation Plans* on beneficial ownership transparency demonstrates the G20's continued resolve to take action on beneficial ownership secrecy. However, one year out from Brisbane, there are still gaps between the G20's own principles and the current state of regulation in several G20 countries. Considerable progress remains to fulfill the Brisbane commitments and deliver tangible results on anti-corruption Implementation Plans during 2016.
- Business commends the G20 for identifying customs-related corruption as a high risk area and a priority issue for future work. ICC stands ready to support the ACWG through its portfolio of anti-corruption tools and with support from the ICC global network of large and small businesses.
- Business welcomes the G20's efforts to ensure integrity and transparency of the public sector. However, despite several notable actions and deliverables in Antalya, there was no response to the ongoing business recommendation to develop and promote the concept of high-level reporting mechanisms (HLRMs). Business believes that this was a missed opportunity, as the promotion of HLRMs among G20 countries and beyond would complement the G20's initiative to achieve integrity in public procurement.

SMEs & Entrepreneurship

The overall score assessment of G20 commitments and decisions on SMEs and Entrepreneurship is 2.0 (out of 3.0.) The score reflects Turkey's emphasis on SME growth as one of its key priorities for its G20 Presidency, tying into business priorities for improving international entrepreneurial mobility and the need for specific broadband penetration goals to improve SMEs' access to the digital economy.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and was a unifying theme across the G20's work streams in 2015. To complement the G20's efforts, B20 Turkey amplified attention to SMEs by creating a new B20 taskforce on SME and Entrepreneurship, tasked with identifying the most critical bottlenecks to SME development and delineating a priority list of SME-oriented policy recommendations.

Notably, B20 Turkey also championed the creation of the World SME Forum (WSF)⁵—a global platform with the mission of improving the overall growth and impact of SMEs globally. The WSF was established by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and ICC and aims to provide SMEs with effective representation and tools, ensuring that they can compete fairly in both domestic and international markets.

While SMEs and Entrepreneurship is a new policy grouping for the fifth *Scorecard*, previous editions have assessed various elements of this category. A comparison of past scores shows that the G20 has not only increased its focus on SMEs, but its responsiveness to business recommendations in this area has also improved—with the 2015 Turkish G20 being particularly notable for its focus on SMEs and inclusive growth.

Summary of G20 Response to Business Recommendations

SMEs & Entrepreneurship	Score
6.A – Initiate G20-wide entrepreneur visa programmes	Inadequate
6.B – Improve SMEs' access to the digital economy and innovation ecosystems	Fair
6.C – Improve SMEs' access to international markets	Good
6.D – Endorse the World SME Forum	Good
Overall Score	FAIR

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and the Antalya Summit Communiqué made multiple references to supporting SME growth.
- The G20 did not respond to the business recommendation of initiating the development of a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives.
- ICC welcomes the G20's commitment to “bridge the digital divide.” The inclusion of the first G20 Leaders level discussion on the digital economy is historic and lays the groundwork for further discussions during China's Presidency of the G20 in 2016.
- Business welcomes the G20 Trade ministers' discussion on the importance of increasing SMEs access to international markets, including by enhancing their participation in Global Value Chains (GVCs).
- ICC commends the G20's official recognition of the newly formed WSF as a platform to provide advocacy to enable SMEs to better integrate into their GVCs and to improve their financing opportunities and investment environment. The WSF's upcoming programmes on certification and digital connectivity (eWSF - online platform) hold great potential to improve access to international markets by helping to position SMEs worldwide for better partnership opportunities with anchor buyers and their GVCs in general.

G20 score on Energy and Environment

The overall score assessment of G20 commitments and decisions on Energy and Environment is 2.2 (out of 3.0.) This is a notable increase over last year's score of 1.2 and the highest score on Energy and Environment since ICC began monitoring the G20's work in 2010. The increase is the result of a heightened, even unprecedented, focus on energy and climate change in the Antalya Leader's Communiqué, coupled with the first G20 Energy Ministers Meeting on 2 October 2015—both indicating that energy and climate issues are gaining greater traction in G20 deliberation at the Leaders' level.

Summary of G20 Response to Business Recommendations

Energy and Environment	Score
7.A – Improve environment to encourage long-term investment in energy	Poor
7.B – Improve global energy governance framework	Fair
7.C – Increase the uptake of energy efficiency	Good
7.D – Stimulate investment in sustainable energy and new technologies	Fair
7.E – Enhance energy security and improve energy access for all	Good
Overall Score	FAIR

ICC is pleased that the G20 has recognized several of the business priorities outlined in this year's B20 Energy Forum statement, to which ICC G20 CEO Advisory Group members contributed. Specifically, G20 Leaders endorsed the G20 Energy Access Action Plan; Voluntary Collaboration on Energy Access, which initially focuses on enhancing electricity access in Sub-Saharan Africa; and the G20 Toolkit of Voluntary Options on Renewable Energy Deployment, which sets out options for further work by the G20. The Communiqué also highlighted progress made this year by participating countries in taking forward their voluntary collaboration on energy efficiency and emissions performance of vehicles, particularly heavy duty vehicles, networked devices, buildings, industrial processes and electricity generation, as well as financing for energy efficiency.

The G20 Communiqué also included unprecedented strong language on climate change, noting that it is “one of the greatest challenges of our time”. The G20 affirmed members’ determination to adopt “a protocol, another legal instrument or an agreed outcome with legal force at the COP21 in Paris that is applicable to all Parties.” *Notably, these commitments held firm in Paris and a historic consensus on a new global climate agreement was reached—one that will give business and investors the long-term certainty needed to scale up innovation and investment in climate solutions*

Scoring component highlights:

- Energy Ministers emphasized the importance of supporting investments in clean energy technologies. However, there were no G20 discussions on reducing trade barriers in environmental goods and services, nor was there any support for the WTO EGA negotiations, as suggested by business.
- The Antalya Communiqué’s reference to making enhanced progress on Leaders’ 2009 fossil fuel subsidy pledge is welcome, but tangible progress on the longstanding goals remains unclear.
- The lack of invited private sector participation in the G20’s energy discussions continues to be a concern, especially given the role of business in energy exploration, production and supply. Business encourages the ESWG in 2016 to invite members of the business community to its official working group meetings during the Chinese G20 Presidency.
- Business is encouraged by the G20 Energy Ministers’ commitments to strengthen energy market transparency through the JODI-Oil and JODI-Gas initiatives, and the recognition that the G20 has an important role to advance coordination and cooperation among international and regional energy institutions.
- Consistent with the Leaders’ Brisbane mandate and the G20 Energy Efficiency Action Plan, a number of G20 economies have formulated options and possible next steps to address barriers to greater energy efficiency in 2016.
- The endorsement from G20 Energy Ministers for “*further work to ensure that the [Energy Efficiency Action Plan] has a long term perspective*” validates the B20 recommendations and signals the potential for collaborating with Business on this critical topic, beginning with the Chinese G20 Presidency in 2016.
- The adoption of the first-ever *Voluntary G20 Renewable Energy Toolkit* reflects G20 leadership to reduce renewable energy costs among G20 countries and sharing low-cost technology around the globe.
- Business welcomes the adoption of the new *G20 Energy Access Action Plan*, in which G20 Leaders agreed to strengthen G20 coordination and establish a long-term voluntary cooperation framework on improving energy access, focusing initially on enhancing electricity access in Sub-Saharan Africa where the problem is most acute.

ICC G20 Business Scorecard results over time

To establish a point of reference on scoring over time, the following table presents the overall score and the scores across the major policy groupings since the publication of the 1st edition *Scorecard* in 2011. Notably, the major groupings have changed slightly due to the re-composition of B20 taskforces in 2014 under B20 Australia, the inclusion of a chapter on Employment deriving from ICC's collaboration with IOE/BIAC, and the addition of a new chapter on SMEs and Entrepreneurship in 2015 under B20 Turkey. In order to bridge any gaps associated with the restructuring in this edition, the reader will find that each scoring chapter contains a brief discussion on how those specific scores have progressed since ICC's monitoring began.

Major Grouping (1st - 3rd edition)	First Scorecard	Second Scorecard	Third Scorecard	Fourth Scorecard	Fifth Scorecard	Major Grouping (4th – 5th edition)
Trade and Investment	Poor	Poor	Good	Fair	Poor	Trade
				Fair	Poor	Infrastructure and Investment
					Fair	SMEs and Entrepreneurship
Financing for Growth and Development	Fair	Good	Fair	Good	Good	Financing Growth
Energy and Environment	Poor	Fair	Poor	Poor	Fair	Energy and Environment
Anti-Corruption	Poor	Fair	Good	Good	Fair	Anti-Corruption
				Fair	Fair	Employment
Overall Score	POOR (1.4)	FAIR (1.9)	FAIR (2.1)	FAIR (2.1)	FAIR (2.0)	

As set out in the 1st edition, “*The Scorecard is envisioned to be a living document that evolves with G20 developments. Subsequent Scorecard editions will refine the process for identifying deficiencies; provide guidance for improvement and action; and monitor progress from Summit to Summit.*” As such, ICC will endeavour to continually adapt the *Scorecard* to reflect the evolution of Business policy priorities and the progress by the G20 in responding to these priorities.

Introduction

Business engagement: a prerequisite for success

As the everyday practitioners in the global economy, international business has a clear stake in the success of the G20 and is willing to play an increasing role, delivering real-world input to policymaking, partnering with governments to implement commitments, and validating the G20's actions through increased international trade and investment, economic growth, and job creation. Business believes that by monitoring G20 actions and offering constructive feedback, it can help improve G20 outcomes and support its objectives of growth, financial stability, and better global governance.

For these reasons, ICC has been closely engaged in the G8/G20 policy process since 1990, when it initiated the practice of conveying world business priorities to the host country Head of State.

The G20, with its mixed membership of advanced and emerging economies, has become a powerful force for shaping the rules of engagement for competing in global markets. Against this background, along with the recognition that the G20 agenda will have a major impact on core business goals to expand economic growth and employment, ICC formed the *ICC G20 Advisory Group* of CEOs to spearhead global business engagement with G20 heads of government and contribute a high-level business perspective to G20 policymaking.

The last seven years have witnessed an evolving G20 that seeks to harness and apply this cooperative approach to a broader development agenda and an array of global economic challenges. Yet, the complex challenges ahead, ranging from persistent high levels of unemployment and faltering infrastructure to combatting corruption, can only be resolved if the G20 and the private sector work in concert.

While governments create the necessary frameworks and conditions, it is the world's businesses, both large and small, that drive the creation of jobs, investment, and inclusive economic growth. For example, the Small and Medium-Sized Enterprises (SME) sector, employs more than two-thirds of the private sector workforce, and provides over 80% of net job growth. Yet businesses in the SME sector are reliant on governments to help overcome barriers that impede their growth, ranging from complex regulatory frameworks, to a lack of access to finance and international markets.

Similarly, infrastructure investment, whether maintaining existing networks or building new assets, is critical to economic growth and development. Governments across the globe face challenges in meeting current and future demand for infrastructure, with an estimated \$15–20 trillion investment gap under current conditions. So while governments play a crucial role in filling the void, a big part of the solution will be increased private sector involvement—as both investors and delivery partners. And it is therefore incumbent upon governments to put in place rules to stimulate investment.

To achieve its overarching goal of strong, sustainable and balanced growth, it is imperative that G20 Leaders are informed of the constraints that businesses, small and large, face in creating jobs and sustainable growth—and how these problems can be mitigated.

The critical importance of business engagement was recognized by former Korean President Lee Myung-bak, who ushered in a new era for direct business-to-government communications through the establishment of the Seoul G20 Business Summit in 2010. In his words: *“Participation from business will reinforce the positive outcome from the official summit, and highlight the vitality that can only be provided by the private sector to further enhance the G20 as an effective forum for promoting global prosperity.”*

G20 business recommendations

Over the last six annual G20 Summit cycles (Seoul 2010, Cannes 2011, Los Cabos 2012, St. Petersburg 2013, Brisbane 2014, and Antalya 2015), ad hoc groupings of the world business community, operating collectively as the Business-20 or “B20”, have prepared and delivered policy recommendations to G20 Leaders. Up until 2015, 47 distinct business policy task forces have prepared more than 400 business recommendations for G20 Leaders’ consideration, concentrating on issues ranging from trade and investment to anti-corruption and employment.

Collectively, the recommendations presented to G20 Leaders in Korea, France, Mexico, Russia, Australia and most recently Turkey constitute an extensive compendium of international business priorities and recommendations that continue to be reshaped as the process moves from summit to summit. Some of the business priorities have been reiterated and carried over between Summits, and others have called on the G20 to take action in new areas.

In 2015 the G20 focused on ensuring inclusive and robust growth through collective action in pursuit of the Turkish G20 Presidency’s “three I’s”– Inclusiveness, Implementation, and Investment. In response, B20 Turkey, under the leadership of B20 Chair Rifat Hisarcıklioğlu, organized itself in six business-led taskforces: Trade, Infrastructure and Investment, Financing Growth, Employment, Anti-Corruption, and SMEs and Entrepreneurship. Each taskforce identified a number of critical barriers to growth and employment across the “three I’s” and prepared a set of 19 policy recommendations that, if implemented, would promote and strengthen economic activity and create jobs across the G20 and beyond:

- **four actions to complete the implementation of specific agreed policies** in trade, global financial regulation, tax, and anti-corruption;
- **four actions to invest in correcting macroeconomic imbalances**, relating to international investment principles and tax arrangements, infrastructure investment strategies, improving the investment ecosystem, and reducing skills mismatches;
- **six actions to foster inclusiveness**, including through structural reforms to labour markets, increasing youth employment and labour force participation, a five-year universal broadband connection target, a range of actions to improve the data, policies, regulations, and international standards around SMEs; and
- **five actions to enhance competition**, including improving the global trade system for the digital economy, initiating G20-wide entrepreneur visa programmes, rollbacks on protectionist measures and especially non-tariff barriers, developing a comprehensive digital environment for customs procedures, and to digitalize public procurement systems.

The B20 recommendations were presented to Turkish President Erdoğan in September 2015, and President Erdogan reiterated the value of B20 input and contributions during his remarks to the business community during the B20-G20 Antalya Summit on 15 November. Through these recommendations the B20 offers a practical, real-economy perspective to G20 deliberations, with the aim to support the G20 agenda from year to year.

The Scorecard: towards sustained and balanced measurement

With the B20 process now entering its 7th year, there is an ever-increasing need to evaluate the impact of business engagement on the G20 process over time. The purpose of the *ICC G20 Business Scorecard* is to provide a detailed assessment of the G20’s recognition of core business messages and its collective policy response to recommendations put forward by the global business community.

Four editions of the *ICC G20 Business Scorecard* have already been published.

- The 1st *Scorecard*, released in June 2012, compared 54 global business recommendations with G20 commitments and decisions conveyed in Summit Declarations since Washington. The overall assessment was “Poor”⁶ across the four policy areas evaluated: trade and investment, green growth, transparency and anti-corruption.
- The 2nd edition of the *Scorecard* was released in April 2013 and focused on the G20’s performance during the 2012 Mexican Presidency. The overall assessment was “Fair”, which marked a modest improvement over the first *Scorecard*.
- The 3rd edition was released in March 2014 and assessed the G20’s response to business recommendations put forward during the 2013 Russian G20 Presidency. It revealed a year-on-year improvement in score since ICC’s monitoring began, while noting that progress still remained poor in several crucial areas, including energy and the environment.
- The 4th edition was released in March 2015 and evaluated the G20’s response to recommendations put forward during the 2014 Australian G20 Presidency. With only one of the seven chapters receiving a “Poor” grade, the overall score of “Fair” suggested an improving alignment between B20 recommendations and G20 priorities.

This fifth edition of the *Scorecard* focuses on the G20’s response to recommendations put forward by the international business community during the 2015 Turkish G20 Presidency.

Methodology

Organizing the business recommendations for scoring

Given the breadth and complex nature of the G20’s policy work, the *Scorecard* does not attempt to assess progress on the G20’s entire agenda; nor does it evaluate the G20’s response to all of the of the business recommendations. Instead, the *Scorecard* focuses on seven major policy groupings corresponding to the B20 task forces and issues that the *ICC G20 Advisory Group* considers priorities for G20 attention at this time.

Each major grouping is presented as a specific chapter in the *Scorecard*:

1. The **Trade** chapter captures a major policy area of the business recommendations over the past six B20 cycles and reflects the international business view that trade is a vital contributor to the global economy.
2. The **Financing Growth** chapter looks at steps to ensure that the implementation of global financial reforms promotes an integrated global financial system, addresses harmful fragmentation, and avoids unintended costs for business and the real economy.
3. The **Infrastructure and Investment** chapter explores business recommendations that address structural bottlenecks in infrastructure investment and suggests policies to create an enabling environment for private sector engagement.
4. The **Employment** chapter is contributed by the IOE and BIAC and highlights some of the key challenges and recommendations necessary to create sustainable growth and generate employment opportunities across G20 countries.
5. The **Anti-Corruption** chapter explores actions that can promote a legitimate and fair business environment and delineates steps that G20 Leaders can take to encourage the private sector to put in place robust anti-corruption compliance programmes.

6. The **SMEs and Entrepreneurship** chapter identifies the most critical bottlenecks to SME development and presents a priority list of SME-oriented policy recommendations geared to support SME growth and job creation.
7. The **Energy and Environment** chapter covers some of society's most intractable international challenges to rationalize energy markets, improve international energy cooperation and achieve sustainable development.

The fifth edition of the *Scorecard* looks at 25 business recommendations across these seven policy groupings, with a corresponding assessment and score assigned, as discussed below.

Evaluation

The assessment of the G20's response to international business recommendations is undertaken collectively by the *ICC G20 CEO Advisory Group*, their corporate representatives and ICC policy experts. As noted above, the Employment chapter is contributed by the IOE and BIAC. The assessment of G20 responsiveness is based on official documents issued by the G20, its working groups and ministerial meetings, and other publicly available documents. While multiple official documents are considered for the evaluation, the *Scorecard* puts a particular emphasis on the G20's principal policy outcome document, the "Leaders' Communiqué" (sometimes referred to as "Summit Declaration"). This document embodies the collective voice of the G20 Leaders and is the primary mechanism for delineating G20 priority areas, progress, commitments, decisions and next steps.

Individual actions by member countries are not considered for the score. Accordingly, the revised national growth strategies for the individual member states, released at the conclusion of the Antalya Summit, are not used for assessing scores. However, examples from G20 members may be highlighted to illustrate general action and progress.

In addition, the *Scorecard* does not evaluate G20 performance on the basis of whether the "end goal" is achieved. Rather, it concentrates the evaluation on G20 recognition of the problem, then an assessment of actions the G20 as a body has taken to address the problem, followed by an assessment of its responsiveness to business recommendations. As such, the *Scorecard* recognizes that the G20 is just one of many intergovernmental bodies tackling global economic issues.

Scoring

The *ICC G20 Business Scorecard* evaluates the G20's response to an aggregated business recommendation based on three criteria:

Recognition: If the G20 has recognized/addressed an issue raised by business, either actively (i.e., Leaders have referred to the issue in a Summit Declaration) or passively (i.e., referencing the work of others or supporting initiatives that are focused on the issue);

Action: If the G20 has taken action (e.g., set a goal, created a task force, called upon an IGO to act, requested a report, etc.); and

Adequacy: If the G20's response / action is adequate in addressing business concerns.

Score criteria	
Recognition	✓
Action	✗
Adequacy	✗

For each criterion the G20 meets, it earns a green check (✓) and one corresponding point, each of which lend to a final score. If the criterion has not been met, it is assigned a red "X" (✗) and 0 points. Consequently, an aggregated recommendation can achieve a minimum numerical score of "0" and a maximum score of "3."

Qualitative assessment

Since the *Scorecard's* implicit bottom line is an assessment of whether the G20 is taking business priorities into consideration and whether the G20, as a collective body, is responding effectively, the numerical score is further translated into a *qualitative* assessment.

The score “Inadequate” indicates that the G20 has not addressed the issue at all (i.e., no points were earned). A score of “Poor” indicates that the G20 has, at a minimum, acknowledged the subject, with little or no action taken in response. A score of “Fair” illustrates that the G20 has recognized the business recommendation and has initiated at least some steps in response (i.e., two points are assigned). A score of “Good” means that the G20 has addressed the business recommendation effectively (i.e., a point is assigned for each of the three scoring criteria for a total of three points).

Points	Score
0	Inadequate
1	Poor
2	Fair
3	Good

Overall scoring

Each major grouping has also been given an average score based on the G20 responsiveness to all of the aggregated business recommendations within that chapter.

Finally, all chapter scores lend to an overall score, based on the average of all 25 recommendations reviewed in the fifth edition of the *Scorecard*.

Chapter 1: Trade

Over the past 60 years, the multilateral trading system has contributed to improving the standard of living of billions of people across the world. It has created new economic opportunities, providing greater choice and lower prices to consumers. However, WTO economists have lowered their forecast for world trade growth in 2015 from the 3.3% to 2.8%; they have also reduced their 2016 estimate from 4.0% to 3.9%.

If these projections hold, 2015 will mark the fourth consecutive year in which annual trade growth has fallen below 3%—well below the pre-crisis average of 7% (1987–2007). This year will also be the fourth consecutive year when trade has grown at roughly the same rate as world GDP. Comparatively, trade grew twice as fast as world GDP in the 1990s and early 2000s.

In a global economy where recovery remains fragile, additional measures to liberalize trade are needed to provide a significant debt-free stimulus and to boost global GDP. International business has repeatedly called for G20 Leaders to ensure that trade liberalization remains a core feature of the G20 agenda and to demonstrate leadership in key WTO negotiations. The business community's priorities for G20 in 2015 call for G20 Members to accomplish the following:

- Ratify and implement the WTO's Trade Facilitation Agreement (TFA);
- Reaffirm the standstill commitment and roll back existing measures (especially non-tariff barriers to trade, starting with forced localization barriers); and
- Improve the global trade system for the emerging digital economy.

Summary of score

The overall score assessment of G20 commitments and decisions on Trade is a 1.0 (out of 3.0). This is the lowest score of all the policy areas evaluated in the fifth edition *Scorecard*. Progress on ratification of the TFA has been disappointingly slow and G20 action has been insufficient in curbing protectionism, including localization barriers to trade, as recommended by the B20. However, the low overall score also masks promising steps to address the digital economy.

This year's score of 1.0 is a step down from the 4th edition's score of 2.0 and the 3rd edition's high score of 2.5—demonstrating a return to the low scores of the 1st and 2nd *Scorecard* where G20 commitments and decisions on trade received scores of 1.0 and 1.3 respectively.

Table 1 delineates the three B20 Turkey Trade Taskforce recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 1

B20 Turkey Trade Taskforce Recommendations	Abridged recommendation	Score
1a Ratify and implement the Trade Facilitation Agreement.	<i>Ratify and implement the Trade Facilitation Agreement</i>	(1.0/3.0) POOR
1b Reaffirm their commitment to a standstill on protectionism and roll back existing protectionist measures, especially non-tariff barriers, including localization barriers to trade.	<i>Reaffirm the standstill on protectionism</i>	(0.0/3.0) INADEQUATE
1c Improve the global trade system for the emerging digital economy.	<i>Improve the global trade system for the emerging digital economy</i>	(2.0/3.0) FAIR
Average Score for Trade		POOR (1.0/3.0)

Scoring component highlights:

- Ratification and implementation of the WTO Trade Facilitation Agreement (TFA) remains a milestone for the WTO, as well as for the G20. However, despite the G20’s collective call for the “prompt ratification and implementation of the Trade Facilitation Agreement,” progress on ratification has been disappointingly slow. Only 66 of the 108 countries required for the agreement to enter into force have ratified the TFA.⁷ The passive wording in the Antalya Communiqué was a missed opportunity to amplify the urgency of progressing the TFA to implementation, and the importance of such progress on the balance of the WTO agenda. Moreover, the G20 missed an opportunity to demonstrate commitments amongst its own membership, with 10 G20 countries remaining unsigned (Argentina, Brazil, Canada, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, and Turkey.)⁸
- In stark contrast to the G20’s recurrent pledges to refrain from protectionism and to roll back protectionist measures, the overall stockpile of restrictive measures introduced by G20 economies since 2008 continues to grow. Consequently, G20 reaffirmations of its longstanding standstill and rollback commitments to resist protectionism come across as hollow in the face of recent reports that the G20’s effective operational progress on reducing trade barriers has been lacking.
- Leaders omitted any recognition of their own introduction of new barriers, a slowing in progress on rolling back existing barriers and the generally limited progress on removing trade-restrictive measures, including trade remedies and business recommendations for addressing non-tariff barriers (NTBs), including localization barriers.
- The Antalya Communiqué included—for the first time in G20 history—a paragraph on the importance of ICTs as a means to generate growth. While it did not outline any specific actions to improve the digital economy, this inclusion is welcomed and sets the stage for an increased focus on this important business priority.

1a - Ratify and implement the Trade Facilitation Agreement

Simplifying and harmonizing international trade procedures are fundamental to improving global trade management efficiency. Business has continuously called on G20 Leaders to demonstrate leadership to advance the WTO Doha Development Agenda trade negotiations, with a particular focus on driving ratification of the WTO Trade Facilitation Agreement (TFA). The goal of the TFA is to remove administrative and regulatory bottlenecks at borders and to expedite the movement, release and clearance of goods, including goods in transit.⁹

In 2013, Business praised G20 Leaders for rallying behind the TFA at their St. Petersburg Summit, eventually leading to a deal at the Ninth WTO Ministerial Conference in Bali in December 2013. G20 Leaders continued to support the Bali package at their 2014 Brisbane Summit, and the TFA was opened for acceptance by the WTO's members on November 27, 2014. The agreement will enter into force once two-thirds of WTO members have completed their domestic ratification process.

While no G20 country has refused to ratify the agreement, progress on ratification has been disappointingly slow. Prior to the Antalya Summit, the B20 Turkey Trade Taskforce called on the G20 economies either to ratify the TFA by the WTO 10th Ministerial Conference in Nairobi in December 2015, or to commit to the earliest deadline to show leadership to other WTO members.

The Antalya Communiqué responded by affirming the G20's longstanding support of the WTO and the multilateral trading system: *"We remain committed to a strong and efficient multilateral trading system and we reiterate our determination to work together to improve its functioning." To that end, the G20 pledged to work together for a successful Nairobi Ministerial Meeting, acknowledging the "need to increase our efforts to implement all the elements of the Bali Package, including ... the prompt ratification and implementation of the Trade Facilitation Agreement."*

The Communiqué echoed the G20 Trade Ministers' statement, released after their Meeting in Istanbul on October 6, 2015, where Trade Ministers *"underscored the importance of delivering a successful WTO Ministerial Conference in Nairobi with concrete outcomes [and] noted the importance of ensuring the ratification of the Trade Facilitation Agreement as early as possible."*

SCORE: POOR

ICC has been an avid contributor to the B20 trade recommendations. It has provided strong international business leadership throughout TFA negotiations and the domestic ratification process. ICC has also rallied its global network to highlight the agreement's potential to boost growth,¹⁰ and calling on Trade Ministers to press for ratification in national capitals.

ICC welcomed the G20 Leaders' recognition of the importance of a strong and efficient multilateral trading system and their commitment to a successful WTO 10th Ministerial Conference in Nairobi in December, including a concrete set of outcomes. With TFA ratification at such a critical juncture, however—and with the Nairobi Ministerial looming—the G20's "acknowledgement" of the importance of ratifying the TFA "as early as possible" was a missed opportunity. G20 Leaders failed to encourage all G20 countries and remaining WTO members to immediately endorse and ratify the TFA.

The specific commitment to increase efforts to implement all the elements of the WTO Bali Package, including the prompt ratification and implementation of the TFA, however, must be followed with commitments in national capitals, as only 66 countries have ratified the TFA to date. Perhaps even more concerning is that, despite repeated G20 support, only 10 G20 members have ratified the agreement.

✔ Recognition

International business welcomes the G20's commitment to a strong and efficient multilateral trading system, embodied by the WTO, and the "acknowledgement" of the importance of ratifying the Trade Facilitation Agreement "as early as possible".

✘ Action

The passive wording in the Antalya Communiqué was a missed opportunity to amplify the urgency of implementing the TFA and the importance of such progress on the balance of the WTO agenda. Moreover, the G20 missed an opportunity to demonstrate commitments amongst its own membership, with 10 G20 countries remaining unsigned.

✘ Adequacy

The TFA remains a milestone for the WTO, as well as for the G20, however we are still far from the reaching the 108 required in order for the agreement to enter into force—and among the remaining are several G20 countries.

1b - Reaffirm the standstill on protectionism

Business has strongly supported G20 Leaders' ongoing standstill commitment and the continued recognition of the importance of refraining from protectionism as a core G20 commitment.¹¹ While business recognizes that the G20 has no institutional mechanism to eliminate protectionist measures, the group can play a catalytic role by eliminating trade restrictions and committing to cooperate in international economic organizations. Business has therefore repeatedly called on G20 Leaders to demonstrate global leadership by honouring their standstill commitment and rolling back existing protectionist measures.

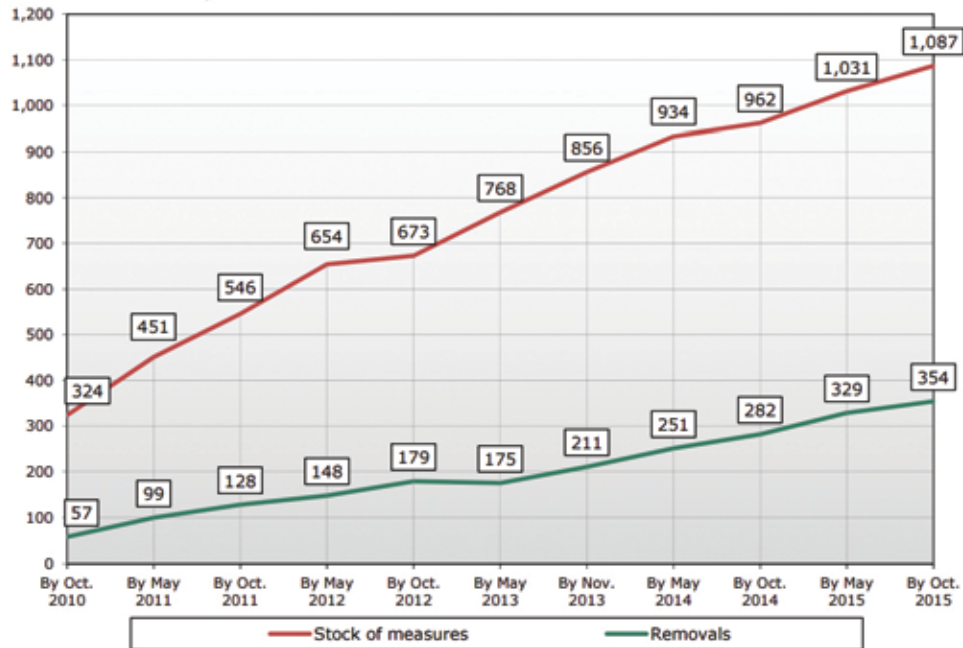
While the G20's standstill commitment covers only traditional tariff-barriers, the B20 has increasingly urged G20 Leaders to also reduce numerous other types of non-tariff barriers (NTBs) to trade that have been in place or instituted since 2008.¹² These behind-the-border measures include policies defining regulation, subsidies, and other distortionary effects that have serious negative impacts on trade flows and GDP growth—in some cases, even more than tariff barriers.¹³ Among these, global business has been most concerned about localization barriers to trade,¹⁴ which have been identified as emerging and particularly damaging types of NTB. In 2015, the B20 Turkey Trade taskforce recommended the G20 not only to reaffirm its standstill commitment and roll back existing protectionist measures but also to address NTBs, starting with localization barriers.

The G20 Leaders' endorsement in Antalya of their standstill commitment was nearly identical to that of past Summits: *"We further reaffirm our longstanding commitment to standstill and rollback on protectionist measures and will remain vigilant by monitoring our progress. For this, we ask the WTO, OECD and UNCTAD to continue their reporting on trade and investment restrictive measures."*

Despite recurrent pledges to refrain from protectionism and to roll back protectionist measures, the WTO reports that the overall stockpile of restrictive measures introduced by G20 economies continues to grow. The WTO's most recent monitoring report shows that G20 economies applied 86 new trade-restrictive measures between mid-May and mid-October 2015. At the same time, G20 members introduced 62 trade liberalizing measures, the lowest number since November 2013. Of the 1,441 trade-restrictive measures, including trade remedies, introduced by G20 economies since 2008 and recorded by the WTO's monitoring exercise, only 354 had been removed by mid-October 2015. Thus, the total number of restrictive measures still in place stands at 1,087—up by more than 5% compared to the last report.

Chart 3.4 Trade restrictions since October 2008

(number of measures)



Note: The monitoring of the accumulation of restrictions and the removals started at the end of 2010. Information on trade restrictions and distortions in place before October 2008 is not available.

Source: 14th WTO Report on G-20 Trade Measures (mid-May 2015 to mid-October 2015)

The WTO findings are substantiated by the latest ICC Open Markets Index 2015, which shows that G20 countries are failing to demonstrate global leadership on trade openness. Only one G20 nation (Germany) ranks among the world’s top 20 open trade markets.¹⁵ Moreover, neither the Antalya Declaration nor the official G20 Trade Minister’s Meeting Summary mentions NTBs, let alone localization barriers. This is notable considering that several intergovernmental reports commissioned by the Turkish G20 Presidency identify NTBs as areas of increasing concern.¹⁶

SCORE: INADEQUATE

ICC has routinely called on the G20 to eliminate trade protectionism measures and other barriers to open trade, and was pleased that G20 Leaders reaffirmed their longstanding commitment to standstill and rollback on protectionist measures and pledged to remain vigilant by monitoring their progress. These commitments, however, come across as hollow in the face of recent reports that the G20’s operational progress has fallen short of reducing trade barriers.

This shortcoming is amplified by the WTO’s most recent report that *“overall the longer term trend continues to remain one of concern”*, with more than 75% of trade-restrictive measures recorded since 2008 still in place. ICC is also increasingly concerned that the G20’s commitment to standstill and rollback protectionist measures remains too broad, especially given the limited progress to date and the documented shift towards non-tariff measures in recent years, including localization barriers.

There is an increasing need to better qualify and quantify the impact of many non-tariff measures in place. As highlighted by the *ICC Global Trade and Finance Survey 2015*,¹⁷ greater transparency from G20 economies could be a critical starting point, establishing a new paradigm of openness and accounting when it comes to non-tariff measures. It is therefore disappointing that G20 Leaders and their Trade Ministers have not adequately addressed problems of NTBs as recommended by B20.

❌ Recognition

In Antalya, the G20 again reaffirmed its longstanding standstill and rollback commitments to resist protectionism. The Leaders, however, omitted any recognition of their own introduction of new barriers, a slowing in progress on rolling back existing barriers and the generally limited progress on removing trade-restrictive measures, including trade remedies, introduced by G20 economies since 2008. Moreover, Leaders did not recognize business calls for addressing NTBs, including localization barriers.

❌ Action

By not including a categorical call for rolling back protectionist measures, especially in light of reports commissioned by the Turkish G20 Presidency that identify NTBs as areas of increasing concern, the G20 has exhibited no tangible action beyond calling for ongoing reporting from WTO, OECD and UNCTAD.

❌ Adequacy

G20 commitments on protectionism must translate into world action to keep markets open and to make trade easier for small businesses and entrepreneurs. In stark contrast to the G20's recurrent pledges to refrain from protectionism and to roll back protectionist measures, the overall stockpile of restrictive measures introduced by G20 economies since 2008 continues to grow.

1c - Improve the global trade system for the emerging digital economy

Efficient and effective use of digital technologies has become fundamental to companies' competitive edge and growth prospects. Likewise, information and communication technologies (ICTs) are increasingly blurring the boundaries between digital and physical worlds. More than 3 billion people are connected to the Internet, representing a tenfold increase of users from 1999 to 2013.¹⁸ Boston Consulting Group estimates that digital trade will contribute 4.2 trillion dollars—or more than 5% of the GDP for all G20 countries in—leading to a digital trade growth rate of 10% annually.¹⁹

Recognizing these trends and the benefits of digital trade to global trade growth, particularly benefiting developing countries in the future, the B20 Turkey Trade Taskforce included among the 2015 recommendations the role of the digital economy in fostering global trade. Chief among these recommendations was the call for governments to accelerate finalization of the proposed expansion of the Information Technology Agreement (ITA II) and to roll back data flow restrictions and improve standards for cross-border data security.²⁰ (See also 6b on improving SMEs access to the digital economy).

The penultimate paragraph of the Antalya Communiqué generally responded to the B20 recommendations, including a call for broader Internet access, statements on commercial cyberespionage and intellectual property (IP) theft, and the respect and protection of individuals' privacy through digital communications.

In calling for broader access to the Internet, the Communiqué said, “We are living in an age of Internet economy that brings both opportunities and challenges to global growth [...] We commit ourselves to bridge the digital divide.” On cyber security, especially against attacks on businesses, Leaders affirmed that “no country should conduct or support ICT-enabled theft of intellectual property, including trade secrets or other confidential business information, with the intent of providing competitive advantages to companies or commercial sectors. All states in ensuring the secure use of ICTs, should respect and protect the principles of freedom from unlawful and arbitrary interference of privacy, including in the context of digital communications.”

While Antalya marked a good start on the digital trade agenda, especially since Leaders had not previously addressed the topic, neither the Antalya Summit Communiqué, nor the Chair’s summary of the G20 Trade Minister’s meeting, delineated any specific trade aspects of the digital agenda, such as improving access to IT products by accelerating finalization of the ITA II agreement or discussions on data flow restrictions.

Despite the absence of G20 leadership in Antalya, by the time of the MC10 in Nairobi in 16 December, 53 WTO members, including nine G20 economies, agreed on the timetable for implementing the expansion of the WTO ITA II. This landmark agreement is the first major tariff-cutting deal at the WTO since 1996, and is expected to inject US\$190 billion into the global economy—making it one of the largest trade agreements in history.

SCORE: FAIR

Improved digital network access is a prerequisite for unlocking the digital economy’s full potential. ICC is pleased that the Antalya Communiqué included the commitment to “bridge the digital divide.” While considerable opportunity remains for the G20 to provide specific guidance and momentum in this area, its inclusion has a particular historic significance: For the first time, the G20 officially acknowledged the role that ICTs play in creating growth. This inclusion also marks the first time the “Internet” is mentioned in any of the nine previous G20 Summit Communiqués. Access to ICTs and the Internet—and the protection of IP rights—are critical to improving the global trade system for the emerging digital economy. While the G20 and its Trade Ministers did not act on some of the more detailed B20 suggestions, such as the ITA II and data flow restrictions, ICC commends the G20 for taking the first steps on a digital agenda.

✔ Recognition

Access to digital networks and preventing IP-theft are critical components of a well-functioning digital economy.

✔ Action

While the Communiqué contained no specific actions on how to bridge the digital divide, the inclusion of language on the importance of safe and secure ICTs as a means to generate growth is unprecedented and commendable and the directives to countries on ICT, cybersecurity, privacy and intellectual property effectively embody a first draft of G20 mandates for action.

✘ Adequacy

Given its ability to strengthen business access to global markets, especially for SMEs, business encourages the G20 to include trade aspects of the digital economy part of its future agenda. Looking forward, it will be important to recognize that the digital divide is both inter-and intra-national. Over 50% of those offline today are women, so addressing the barriers to access for women will also be an important step in addressing the divide.

Chapter 2: Financing Growth

When G20 Leaders first met in Washington in November 2008, their immediate concern was to pull the world from the abyss of another Great Depression. Since then, building a stronger, safer, more resilient international financial system has been one of the most important elements of the G20's agenda.

After seven years of working on global financial reforms aimed at stabilizing the global financial system and preventing a repeat of the global financial crisis, the priority is now to ensure the full, consistent and prompt implementation of agreed reforms. Business has cautioned that inconsistencies in the domestic implementation of the new regulatory standards and their applicability to all countries could collectively and unintentionally stagnate growth. Unilateral and uncoordinated actions by individual countries can skew the global level playing field and, more importantly, reduce the global financial system's effectiveness and resilience. Business is also concerned that access to finance continues to be a major constraint for SMEs, despite their pivotal role as major drivers of economic growth and employment.

In 2015 the B20 Turkey Financing Growth Taskforce focused on two overarching themes: (i) improving global financial regulation and (ii) facilitating financial inclusion with a focus on SMEs.

The B20 Turkey Financing Growth Taskforce also called upon the G20 leadership to support the new World SME Forum initiative. Established by TOBB and ICC, the initiative focuses on building small business sector capacity and ensuring that the views of small business are taken into account in the development of global policies.

Summary of score

The overall score assessment of G20 commitments and decisions on Financing Growth is 2.8 (out of 3.0). The near perfect score reflects the clear responsiveness to three of the four business priorities put forward this year. Notable progress was made across the G20's regulatory reform agenda under the Turkish G20 presidency. The G20 acted to some degree on all of the business recommendations; however, its insufficient response to improving regulatory consistency and establishing institutional mechanisms for strengthening regulatory cooperation prevented a higher score.

Table 2 delineates the four B20 Turkey Financing Growth Task Force recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 2

B20 Turkey Financing Growth Taskforce Recommendations	Abridged recommendation	Score
<p>2a Make data on SME creditworthiness more transparent and available so that various finance tools that reduce risk associated with SME lending can be used effectively.</p>	<p><i>Make data on SME creditworthiness more transparent and available</i></p>	<p>(3.0/3.0) GOOD</p>
<p>2b Broaden and deepen SMEs' access to alternative financing by supporting and harmonizing policies, regulations, and standards.</p>	<p><i>Broaden and deepen SMEs' access to alternative financing</i></p>	<p>(3.0/3.0) GOOD</p>
<p>2c Finalize and improve the implementation of the global financial reform agenda.</p>	<p><i>Finalize and improve the implementation of the global financial reform agenda</i></p>	<p>(3.0/3.0) GOOD</p>
<p>2d Reiterate the need for regulatory consistency and improve the consultation process in the financial reform agenda.</p>	<p><i>Reiterate the need for regulatory consistency and improve the consultation process</i></p>	<p>(2.0/3.0) FAIR</p>
<p>Average Score for Financing Growth</p>		<p>GOOD (2.8/3.0)</p>

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the 2015 G20 Turkish Presidency and this focus effectively elevated the discourse on SMEs to the Leaders level, with the G20 building on its portfolio of support mechanisms and measures to improve SME's access to finance and help unlock the full potential of SMEs worldwide.
- Several reports, studies and action plans prepared for the Antalya Summit, including the *G20/OECD High-Level Principles on SME Financing* and the *Joint Action Plan on SME Financing*, highlighted actions for improving SME creditworthiness and transparency.
- The Summit Communiqué and Antalya Action Plan clearly recognized the importance of the SME sector and endorsed a number of initiatives aimed at increasing SME financing, including non-traditional alternatives.
- Endorsement of the World SME Forum (WSF) and further reference to WSF in the Antalya Action Plan signal the G20's valuation of the WSF mandate to provide global SME advocacy, knowhow, and e-knowledge.

- Leaders in Antalya recognized the importance of further improving financial system stability to support growth, and affirmed that major financial regulatory reforms have been completed, including finalization of the standard on total-loss-absorbing-capacity (TLAC). Business notes the impact assessment studies conducted by the FSB, BCBS and BIS on the final TLAC standard. It also welcomes the FSB's commitment to monitor and review the technical implementation and undertake a review of the technical implementation by the end of 2019.
- Leaders in Antalya reinforced their commitment to the full and consistent implementation of the global financial regulatory framework. They specifically pledged to monitor and assess the implementation and effects of reforms on emerging market and developing economies. Nonetheless, the G20 missed an opportunity to delineate methods for improving the consultation process, such as the B20 recommendation to establish MoUs between regulators and stakeholders to improve regulatory consistency and strengthen regulatory cooperation.
- The FSB released its first annual report on implementation and effects of the G20 financial regulatory reforms and an action plan to address the decline in correspondent banking services.

2a - Make data on SME creditworthiness more transparent and available

SMEs are major drivers of economic growth and employment, yet research shows that limited access to reasonably priced finance is holding back small business potential. The global SME credit gap is approximately \$2.1 to \$2.6 trillion, with about half of this gap found in G20 economies.²¹ According to the World Bank Group, access to finance continues to be a major constraint for 26% of SMEs in G20 developing countries.²² The finance gap is aggravated by the absence of transparent and reliable data on the financial performance of SMEs, which financial institutions and other lenders need to make lending decisions for credits that cannot be readily backed by guarantees or collateral. Moreover, reliable information on SME financial performance and creditworthiness can positively affect SME financing across a broad range of providers by lowering credit-assessment costs and qualifying a wider range of borrowers for more credit on easier terms. Bearing in mind the critical role that SMEs play in creating growth and jobs, the B20 Turkey Financing Growth Taskforce called on G20 Leaders to reduce risk in SME financing by making information on SME creditworthiness more available.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency. The Antalya Summit Communiqué made multiple references to promoting long-term financing for SMEs: “[W]e welcome the Joint Action Plan on SME Financing, the G20/OECD High-Level Principles on SME Financing as guidance, and the establishment of the private sector-led World SME Forum, a new initiative that will serve as a global body to facilitate the contributions of SMEs to growth and employment.” A substantial number of G20 members also included in their country-specific G20 investment strategies policy commitments aimed at “expanding direct financing channels by introducing specific measures and programs to improve access to finance for SMEs.”²³

Several of the reports, studies and action plans prepared for the Antalya Summit highlighted actions for improving SME creditworthiness and transparency:

- The *G20/OECD High Level Principles on SME Financing* includes a comprehensive menu of measures to support improved access to finance for SMEs. The report includes a call to improve transparency in SME finance markets and the recognition that “Information infrastructures for credit risk assessment should aim to support an accurate evaluation of the risk in SME financing.”²⁴

- The *Joint Action Plan on SME Financing*²⁵ identifies improvements of the credit reporting framework for SMEs as one of three priority reform measures in financial markets infrastructure. Notably, the Executive Summary of the *Action Plan* includes its own set of recommendations that closely parallel the B20 Turkey Financing Growth recommendation: “The G20 should encourage G20 countries and non G20 countries to fully develop credit infrastructure for SMEs [...] Having a solid financial infrastructure will help countries to reduce the information asymmetries and legal uncertainties that increase risk to lenders and constrain the supply of finance to SMEs.”²⁶
- The *World SME Forum* (WSF) is a collaboration between the Union of Chambers and Commodity Exchange of Turkey (TOBB), the ICC, and ICC’s World Chambers Federations. It is designed to provide advocacy, knowhow, and e-knowledge for the SMEs globally. To address the lack of transparent and comparable information on SME performance, the WSF plans to initiate a Credit Rating Programme that will help to develop and disseminate an SME rating toolkit and related standards (See also 6c on improving SMEs’ access to international markets).

In addition, several IGO deliverables to G20 Finance Ministers in 2015 highlighted the importance of improving data on creditworthiness, financial performance and financing track record of SMEs.²⁷

SCORE: GOOD

The G20’s continued focus on SME finance is an important acknowledgment of the contributions this business sector can make to the global economy. The Antalya Communiqué and supporting documents have fully identified transparent and reliable SME data as a key factor for closing the SME credit gap. Actions for improving SME creditworthiness and transparency were highlighted in several of the reports, studies and action plans prepared for the Antalya Summit, including the *G20/OECD High-Level Principles on SME Financing* and the *Joint Action Plan on SME Financing*.

✔ Recognition

Leaders in Antalya recognized the importance of SME creditworthiness through numerous statements on improving SMEs’ access to finance, including commitments in the country-specific investment strategies, a *Joint Action Plan on SME Financing*, the release of *G20/OECD High-Level Principles on SME Financing* and the official recognition of the *World SME Forum*.

✔ Action

Several reports, studies and action plans prepared for the Antalya Summit highlighted actions for improving SME credit reporting and data transparency. The information embodied in these deliverables respond to the B20’s call for action and help to advance this business priority.

✔ Adequacy

Under the Turkish leadership, the G20 continued to build a portfolio of support mechanisms to improve SME’s access to finance and help unlock the full potential of SMEs worldwide. Business now looks to the Chinese in 2016 to maintain the focus on and support of the SME sector.

2b - Broaden and deepen SMEs' access to alternative financing

The Global financial crisis has profoundly impacted the business environment for SMEs and entrepreneurs, with access to finance particularly affected. New lending by banks to SMEs, the most common form of external finance for SMEs, has fallen substantially in many G20 countries driven by weaknesses in borrowing demand and more cautious attitudes toward risk as a result of banks adjusting business models in the face of more rigorous prudential rules. At the same time alternatives to bank financing have been slow to fill the void. Confronted with a business environment where less credit is becoming the 'new normal' for SMEs, it is critical to broaden the range of financing instruments available to SMEs and entrepreneurs to enable them to continue to play their role in investment, growth, innovation and employment.

Business believes that alternative financing, if properly supported by effective policy measures, can expand across multiple fronts, complementing bank financing and providing significant support for SMEs to grow and create jobs. In addition to strengthening SMEs access to traditional financing (see 2a), the B20 Turkey Financing Growth Taskforce called on the G20 to broaden and deepen SMEs' access to alternative financing.

Enabling and improving SMEs to access to alternative financing was a cross-cutting theme in the G20's work streams under the Turkish G20 Presidency, with several of the deliverables under the Finance Minister track reflecting priority topics put forward by the B20 Turkey Financing Growth Taskforce:

- The *G20-OECD High-level Principles on SME Financing*, agreed upon by Leaders in Antalya, includes a principle on enabling SMEs to access diverse, non-traditional bank financing instruments and channels.²⁸
- The September OECD report to G20 Finance Ministers, *Opportunities and constraints of market-based financing for SMEs*, underlines the importance of developing and promoting alternative funding options for SMEs.²⁹
- As part of its "Continued Knowledge Agenda," *the Joint Action Plan on SME Financing*³⁰ includes a list of drivers for new innovative SME finance policies and instruments, including the issues of supply chain financing and crowdfunding that were advocated by the B20.
- In response to a G20 Finance Ministers' request, the World Bank Group and the Islamic Development Bank Group prepared a joint report, *Leveraging Islamic Finance for SMEs*. Half of the report addresses mobilizing non-banking financial channels and touches upon several of the topics proposed by the B20 to broaden and deepen SMEs' access to alternative financing.
- The GPMI SME Finance Compact Workshop, held in Ankara in September 2015, addressed the lack of bank financing alternatives for SMEs and called for the promotion of the development of financial markets infrastructure and alternative financing solutions in G20 and non G20 economies.

The Antalya Communiqué recognized several Finance Minister track deliverables on SME finance (see 2a). According to the Antalya Action Plan, "*supporting SMEs is critical to achieving our objective of strong, sustainable and balanced growth as well promoting inclusiveness ... In order to support sound long-term financing opportunities for businesses, including SMEs, capital market development, creating a simple and transparent securitization market, and developing alternative instruments including asset-based financing will be key policy actions in many member countries.*"

SCORE: GOOD

Given the scale of the credit drought faced by small businesses, all policy options must be put on the table and given due consideration. Business commends Turkey for amplifying the focus on the SME sector as a priority issue during its G20 Presidency. Several of the G20's 2015 deliverables have identified cross-cutting policy strategies aimed at enhancing SME access to alternative finance sources. Turkey has successfully laid the groundwork for the G20 to support SME growth and development—and now individual G20 members must ensure that the policies are translated into tangible SME support. Business encourages China as host of the G20 in 2016 to task the OECD with preparing an update on the implementation and status of the *G20-OECD High-level Principles on SME Financing* by the 2016 Summit, with particular focus on alternative financing options.

✔ Recognition

The Summit Communiqué and *Antalya Action Plan* clearly recognized the importance of the SME sector to global growth and employment, and endorsed a number of initiatives aimed at supporting SME financing, including non-traditional alternatives.

✔ Action

The *G20's Joint Action Plan on SME Financing*, together with the World Bank/ Islamic Development Bank Group report on *Leveraging Islamic Finance for SMEs*, the OECD report on market-based financing for SMEs, and the GPMI SME Finance Compact Workshop in September, delineate actions that support the B20's recommendation for broadening SMEs' access to alternative finance sources.

✔ Adequacy

The Turkish G20 Presidency's focus on SME growth has elevated the discourse on SMEs to the Leaders level. The Communiqué clearly delineated several policy strategies aimed at enhancing SME access to alternative sources of finance.

2c - Finalize and improve the implementation of the global financial reform agenda

Eight years after the onset of the global financial crisis, the effects on the global economy are still being felt. The crisis, which nearly brought down the world's financial markets, demonstrated substantial structural shortcomings in the global financial system. In response, at the inaugural Washington Summit in 2008, G20 Leaders pledged to overhaul of the financial regulatory framework by establishing stricter global standards.

International business has supported the extensive efforts to improve global financial resilience and stability. Yet, as the proposed G20 financial agenda nears full adoption by several jurisdictions, business has cautioned that expanded financial regulation may curtail banks' ability to lend, worsening small businesses' access to funding and, as a result, their ability to support much needed economic growth.

In 2015, the B20 Turkey Financing Growth Taskforce therefore underlined the importance of making adverse effects on the real economy clearer to G20 Leaders, as well as regulators, supervisors and standard-setting bodies (SSBs). Specifically, the B20 notes that implementation of additional regulatory requirements should be based on careful, proportionate calibration, considered not in isolation, but jointly with previously implemented regulation. Relevant authorities and SSBs should use comprehensive regulatory impact assessments that take into account the cumulative and holistic impact of regulation and, where warranted, revise the global regulatory framework based on these studies. The introduction of the common international standard on total-loss-absorbing-capacity (TLAC) for global systemically important banks,³¹ along with the treatment of trade finance,³² were identified by B20 Turkey as areas that merit special attention and continued monitoring by the G20.

Financial reform continued to be a core item of the G20's agenda in 2015. The Antalya Communiqué notes, “[W]e have completed further core elements of the financial reform agenda. In particular, as a key step towards ending too-big-to-fail, we have finalized the common international standard on total-loss-absorbing-capacity (TLAC) for global systemically important banks. [...] We look forward to further progress in assessing and addressing, as appropriate, the decline in correspondent banking services.”

Leaders also welcomed “the FSB’s first annual report on the implementation of reforms and their effects. We will continue to review the robustness of the global regulatory framework and to monitor and assess the implementation and effects of reforms and their continued consistency with our overall objectives, including by addressing any material unintended consequences.”

Business is also pleased that the G20 and FSB have recognized the need to monitor the decline in correspondent banking.³³ Trade finance can represent a significant amount of correspondent banking and further withdrawals can reduce availability and increase the cost of trade finance in emerging economies. ICC and its Banking Commission stand ready to support the G20 in this important work.

SCORE: GOOD

The international business community welcomes efforts of the G20 to improve the resilience of the financial system through more robust regulation. If properly implemented, reforms will help support economic activity and job creation. However, it is important to find an adequate balance between financial stability and strengthening growth. Overly severe regulatory treatment raises banks’ cost of capital and increases liquidity requirements beyond what is proportional to risk. In the long term, business is concerned the effect will be to constrain world trade growth and leave companies with fewer options among fewer lenders.

Business commends the FSB for the first annual report on implementation and effects of the G20 financial regulatory reforms. The report is a critical tool to monitor the impact of the G20 actions and decisions, and business encourages continued commitment from authorities and standard-setting bodies to use comprehensive regulatory impact assessments that account for the cumulative and holistic impact of regulation. In this context, business notes the impact assessment studies conducted by the FSB, BCBS and BIS on the final TLAC standard and welcomes the FSB’s commitment to monitor implementation and undertake a review of the technical implementation by the end of 2019.

✓ Recognition

Leaders in Antalya recognized the importance of improving the stability of the financial system to support growth. They also affirmed that major financial regulatory reforms have been completed, including total-loss-absorbing-capacity (TLAC). The leaders agreed to continue monitoring the effects and implementation of financial regulatory reforms.

✓ Action

The FSB released its first annual report on implementation and effects of the G20 financial regulatory reforms and delivered several impact assessment studies on TLAC, as well as an action plan to address the decline in correspondent banking services.

✓ Adequacy

The Antalya Communiqué and numerous FSB and SSB reports demonstrate that Leaders are listening to business recommendations on the importance of appropriate financial regulatory reforms, supported by monitoring and comprehensive regulatory impact assessments that enable regulators to assess the impact on economic activity and job creation.

2d - Reiterate the need for regulatory consistency and improve the consultation process

In line with progress on the financial reform agenda, business has emphasized that implementation should be consistent manner across markets, jurisdictions, sectors, and asset classes. At the 2009 Pittsburgh Summit, G20 members pledged to implement “...global standards consistently in a way that ensures a level playing field and avoids fragmentation of markets, protectionism and regulatory arbitrage.” Yet, business is increasingly concerned that a lack of regulatory and economic policy co-ordination may give rise to fragmented economic policies and unintended side effects that create market uncertainty and undermine economic growth.

Regulatory inconsistencies across jurisdictions create inefficiencies, complicate cross-border activities and create incentives for regulatory arbitrage. These inconsistencies also heighten financial and reputation risk from unintended non-compliance. At the same time, business acknowledges that appropriate timelines for emerging market and developing economies (EMDEs) to adopt international standards might differ considerably from those proposed globally, given their different stages of development.

To improve regulatory consistency and strengthen regulatory cooperation, the B20 Turkey Financing Growth Taskforce called on G20 Leaders to establish institutional mechanisms in the form of memoranda of understanding (MoUs) between regulators and stakeholders, which would facilitate continuous and systematic dialogue across different jurisdictions. In finalizing and reviewing implementation of regulatory measures, G20 Leaders were also encouraged to give greater consideration to EMDEs’ specific needs and characteristics.

The Antalya Communiqué demonstrated some responsiveness to the B20’s call for regulatory consistency in its commitment to “full and consistent implementation of the global financial regulatory framework in line with the agreed timelines, and [to continue monitoring] and address uneven implementation across jurisdictions.”

Leaders also pledged “to monitor and assess the implementation and effects of reforms and their continued consistency with our overall objectives, including by addressing any material unintended consequences, particularly for emerging markets and developing economies (EMDEs).”

The FSB’s first annual report on the implementation and effects of the G20 financial regulatory reforms, delivered to the G20 ahead of the Antalya Summit, notes that it identified no major unintended consequences from the implementation of the agreed-upon reforms in EMDEs. In some cases, however, the FSB acknowledges that EMDEs may have been affected by spill-overs from reforms in the home jurisdictions of the largest global financial institutions. Working with international partners, the FSB will “continue to monitor the effects of reforms on EMDEs and assist them in implementation.”

Notably, in March 2015 the FSB held an Emerging Markets Forum to identify and discuss issues of importance to EMDEs that the FSB should address including implementation challenges and the potential impact on EMDEs from implementation of reforms by other FSB members. In its report to the G20, the FSB notes that the FSB, SSBs and international financial institutions are following up on many of the issues raised in the Forum.

None of the Summit documents made any reference to the establishment of MoUs between regulators and private sector stakeholders, or similar actions, to improve regulatory consistency and strengthen regulatory cooperation.

SCORE: FAIR

Given that emerging market and developing economies account for about two-thirds of global growth, Business is pleased that the Antalya Communiqué included a commitment to monitor and assess the implementation and effects of regulatory reforms, particularly for emerging markets and developing economies. The consideration of emerging economies in global standard-setting bodies is an important dimension of financial inclusion.

Leaders in Antalya did support the B20 recommendation to strengthen institutional mechanisms of regulatory cooperation, though not specifically through the establishment of MoUs between regulators and stakeholders in different jurisdictions. While this business recommendation is specific, it is not unprecedented for the G20 to request that IGOs engage the private sector on a specific topic or issue. For example, at their meeting in April 2015, G20 Finance Ministers requested that the FSB convene the public and private sector to consider how the financial sector can take account for climate-related issues.

In lieu of a continuous and institutionalized dialogue to address cross-border regulatory conflicts, business encourages SSBs to regularly engage stakeholders in consultations before implementing new global regulatory measures to ensure that economic growth and implementation considerations for emerging and advanced economies are taken into account.

Recognition

Leaders in Antalya reinforced their commitment to the full and consistent implementation of the global financial regulatory framework and specifically pledged to monitor and assess the implementation and effects of reforms on EMDEs.

Action

The FSB will continue to monitor the effects of regulatory reforms on EMDEs and assist them in implementation.

Adequacy

As the global regulatory agenda moves toward finalization, priority should now shift to implementing remaining reforms in a consistent and coordinated manner. The G20 missed an opportunity to delineate methods for improving the consultation process. For instance, the did not act on the B20 recommendation to establish MoUs between regulators and stakeholders to improve regulatory consistency and strengthen regulatory cooperation.

If not properly addressed, regulatory inconsistencies could collectively and unintentionally stagnate growth, impede global recovery, and distort the availability of funding to businesses, precisely at a time when more liquidity and investment is needed to generate growth and jobs.

Chapter 3: Infrastructure and Investment

Whether maintaining aging existing networks or building new assets, infrastructure investment is critical to economic growth and development. Yet governments across the globe face challenges in meeting current and future infrastructure demand: a \$15–20 trillion investment gap is projected under current conditions over the next 15 years. The scale of the capital required to meet the demand for infrastructure investment is beyond individual governments' capability, particularly at a time of fiscal constraint and weakened economic conditions in many parts of the world.

As the B20 Turkey Infrastructure and Investment Taskforce noted, the private sector can play a pivotal role in closing this investment gap. G20 leadership, however, must address market inefficiencies and legislative and regulatory disincentives that currently constrain private capital flows to infrastructure projects.

G20 countries must also explore ways to improve the underlying rules-based environment needed for cross-border investment. Open investment flow enables more efficient global allocation of capital, people, and knowledge, increasing the prosperity in both developed and developing economies. As sound physical infrastructures, such as bridges, ports, highways, etc., help attract FDI in other areas, investments in infrastructure will benefit from more stable investment rules and can, in turn, create a mutually reinforcing investment environment.

Going back to the 2010 Seoul Summit, the B20 has repeatedly urged G20 Leaders to promote a mutual understanding of open cross-border investment's role and to work towards the establishment of a single, globally consistent set of investment principles to mitigate inconsistent regulatory decisions and increase investor confidence.

During its G20 presidency, Turkey emphasized investments as powerful drivers of growth, and the topic of infrastructure investment ran through the Antalya Summit deliberations as a major theme. Building on the G20's comprehensive growth strategies launched at the 2014 Brisbane Summit, Turkey asked G20 members in 2015 to develop country-specific investment strategies to improve the investment ecosystem, foster efficient and quality infrastructure, and support dynamism among small- and medium-sized enterprises (SMEs).

Summary of score

The overall score assessment of G20 commitments and decisions on Infrastructure and Investment is 1.3 (out of 3). This score reflects Turkey's emphasis on investment, together with inclusiveness and implementation, as the three "I's" of its Presidency. Continued absence of any discussions on the recurrent business recommendation to work towards a common set of international investment principles precluded a higher score.

The G20's long-term investment agenda, launched at the 2013 St. Petersburg Summit and continued through Brisbane and Antalya, has firmly established infrastructure investment as one of the G20's priorities and resulted in a number of collective actions and initiatives across the G20 and beyond.³⁴

Table 3 delineates the three B20 Turkey Infrastructure and Investment Taskforce recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 3

B20 Turkey Infrastructure and Investment Taskforce Recommendations	Abridged recommendation	Score
3a Improve the infrastructure investment ecosystem to facilitate the development of infrastructure as an asset class.	<i>Improve the infrastructure investment ecosystem</i>	(2.0/3.0) FAIR
3b Develop country-specific infrastructure investment strategies linked to G20 growth aspirations.	<i>Develop country-specific infrastructure investment strategies</i>	(2.0/3.0) FAIR
3c Develop a common set of international investment principles and promote greater transparency and harmony in taxation related to FDI.	<i>Commit to international investment principles related to FDI</i>	(0.0/3.0) INADEQUATE
Average Score for Infrastructure and Investment		POOR (1.3/3.0)

Scoring component highlights:

- The Turkish G20 Presidency carried forward the G20’s impressive infrastructure investment agenda launched in St. Petersburg, and the Antalya Summit saw the delivery of several toolkits, best practices and guidelines for G20 countries to better prepare, prioritize and finance infrastructure projects, including PPPs. Notwithstanding these important steps, Leaders have not prioritized the need to rationalize cross-border investment frameworks, including for infrastructure investment.
- Business commends the G20 country-specific investment strategies endorsed by Leaders in Antalya, which include a number of concrete actions that G20 members are taking to foster infrastructure investment. Looking forward, the G20 should set national targets on infrastructure spending as a percentage of GDP and develop an overarching national vision or strategy with clear and credible infrastructure pipelines, as recommended by the B20.
- Despite a growing chorus for G20 leadership on international investment governance, the Turkish G20 Presidency did not respond to this business recommendation. Failing to address this important issue, such as through a model investment framework, was a missed opportunity to demonstrate leadership in rationalizing the current patchwork of bilateral and regional investment rules.

3a - Improve the infrastructure investment ecosystem

Every year, the world spends approximately \$9 trillion on infrastructure, some \$2.6 trillion of which goes into economic infrastructure, such as transportation, power and water, and telecommunications. Yet governments across the globe face continued challenges in meeting current and future infrastructure demand. Under current conditions, the investment gap over the next 15 years is projected to reach an estimated \$15-20 trillion.³⁵

As both investors and delivery partners, the private sector can help bridge this gap through increased involvement. Private capital, however, is often limited by market inefficiencies and legislative and regulatory disincentives that constrain funding for infrastructure projects. For these reasons, B20 recommendations going back to the 2010 Seoul Summit have consistently urged G20 governments to stimulate infrastructure investments by creating enabling regulatory frameworks that encourage private sector participation.

In 2015, the B20 Turkey Infrastructure and Investment taskforce built on the work of the previous cycles' taskforces. It proposed a set of 11 priority initiatives to improve the investment ecosystem and facilitate the development of infrastructure as an asset class.³⁶

The Antalya Summit Declaration made several notable statements in line with the B20 recommendation, including Leaders' call on their Finance Ministers to *"continue their work to improve the investment ecosystem, promote long-term financing, foster institutional investors' involvement, support the development of alternative capital market instruments and asset-based financing models, and encourage Multilateral Development Banks (MDBs) to mobilize their resources, optimize their balance sheets, and catalyze private sector funding."*

The Antalya Summit also saw the delivery of several guidelines and best practices for public-private-partnership (PPP) models, as well as the development of toolkits and instruments for developing countries to better prepare, prioritize and finance infrastructure projects.³⁷ Leaders also affirmed their support for the Global Infrastructure Hub and endorsed its business plan. The establishment of the Hub directly responded to one of the B20's core business recommendations in 2014, and is set up to collect, develop, and promote the adoption of leading practices across the infrastructure life-cycle. *"We expect the [Hub] to make a significant contribution towards these endeavours,"* the Communiqué said, and asked the Hub to present a report to G20 Finance Ministers on its knowledge sharing efforts by April 2016.

The *Antalya Action Plan* further developed the G20's commitments to infrastructure financing. Leaders stressed that *"Boosting quality investment, especially in infrastructure, is a top priority for the G20."* To that end, the *Antalya Action Plan* identified a number of specific steps that G20 members individually and collectively are taking to foster efficient infrastructure investment. Moreover, several members' country-specific investment strategies (see 3b) include concrete policy commitments that foster efficient infrastructure investment. The Action Plan also identified steps towards the implementation of the G20's multi-year infrastructure and investment agenda, including the following:

- Increase cooperation and involvement of the private sector through The Global Infrastructure Hub.
- Mobilize multilateral development banks' (MDBs) resources in infrastructure investment; ask them to evaluate steps taken and report back by July 2016 on how they intend to move forward.
- Support the development of non-traditional sources of infrastructure lending, particularly asset-based financing, and consider policy recommendations by the IMF and the WBG on *"systematically integrating the features of asset-based financing practices into global finance."*

SCORE: FAIR

The capital required to address the global infrastructure gap is beyond individual governments' capability, particularly at a time of fiscal constraint and weakened economic conditions in many parts of the world. In that respect, ICC commends the G20 for its continued endorsement of the Global Infrastructure Hub and ongoing efforts to catalyze private sector infrastructure funding.

The delivery of several toolkits, best practices and guidelines for G20 countries will help them better prepare, prioritize and finance infrastructure projects. If properly used and

implemented, these resources will help to build governments' ability to deliver PPPs and increase the number of bankable infrastructure projects. Business similarly endorses efforts to support the development of new and existing sources of infrastructure lending.

While individual country actions are not considered for the score, several G20 Members' investment strategies include specific commitments to foster infrastructure investment. The efficacy of these pledges, however, will ultimately depend on G20 countries' ability to mobilize sufficient resources to act on their commitments. Business can play a key role here, but governments will need to address structural bottlenecks and implement policies that encourage and enable private sector engagement and investment.

✔ Recognition

Leaders underlined that boosting quality investment, especially in infrastructure, is a top priority for the G20 and pledged to increase cooperation and involvement of the private sector through the Global Infrastructure Hub.

✔ Action

The toolkits, best practices and guidelines generated by subsidiary bodies demonstrate action on the infrastructure and investment portfolio. Several G20 members' country-specific investment strategies include concrete policy commitments to foster efficient infrastructure investment; however, G20 Leaders have not prioritized investment rules and frameworks, generally or with respect to infrastructure investment.

✘ Adequacy

The Turkish G20 Presidency carried forward the G20's impressive infrastructure investment agenda launched in St. Petersburg and Brisbane. Leaders have not, however, delineated any specific mandates and have not addressed the persistent shortcomings in fragmented investment frameworks, including for infrastructure.

3b - Develop country-specific infrastructure investment strategies

Filling the worldwide spending gap on infrastructure will require unprecedented amounts of private capital, yet the lack of data and clear understanding of project costs and benefits continue to be big obstacles for private investors. Compounding the risks related to long-term financing is the absence of credible, evaluated infrastructure pipelines, which discourages private investment in potentially attractive projects. At the same time, there is no one-size-fits-all approach; every country has a different infrastructure stock starting point and a different level of investment need, and each must develop its own spending plan according to its context.

For this reason, the B20 Turkey Infrastructure and Investment Taskforce called on the world's leading economies to develop infrastructure strategies at the country level linked with their G20 growth aspirations. While the Taskforce listed six high-level actions to attain this goal,³⁸ the *Scorecard* focuses on two actions which are preconditions for any credible national vision on infrastructure investments:

- 1) the identification of country-specific spending targets on infrastructure and,
- 2) clearly defined aspirations and action plans at the national level.

The critical role of investment, and especially long-term investment for infrastructure, has been acknowledged by G20 Leaders for years. At the 2014 Summit in Brisbane, Leaders recognized that *"tackling global investment and infrastructure shortfalls is crucial to*

lifting growth, job creation and productivity.” To that end, Leaders agreed on the Brisbane Action Plan comprising nearly 1,000 individual national growth strategy actions, which if implemented in a full and timely manner could increase G20 collective GDP by an additional 2% by 2018. Investment and infrastructure development were a major focus in all G20 members’ Brisbane growth strategies and accounted for about a quarter of all structural reform commitments put forward in the growth strategies.³⁹

To ensure the Brisbane growth strategies delivered the maximum growth dividends, G20 Finance Ministers agreed in February 2015 to prepare concrete, country-specific investment strategies that support the G20’s collective growth objective.

The Antalya Communiqué welcomed the delivery of the G20’s investment strategies: *“To provide a strong impetus to boost investment, particularly through private sector participation, we have developed ambitious country-specific investment strategies, which bring together concrete policies and actions to improve the investment ecosystem, foster efficient and quality infrastructure, including by the public sector, support small and medium sized enterprises (SMEs), and enhance knowledge sharing.”* The Antalya Action Plan, annexed to the Summit Communiqué, further underlined the G20’s emphasis on infrastructure: *“Together with raising the overall level of investment, our priority is ensuring quality investment, with a special focus on infrastructure.”*

Prior to the Antalya Summit, the Turkish G20 Presidency and the OECD compiled the G20’s investment strategies and prepared a comparative analysis for Leaders’ consideration.⁴⁰ The survey shows that most countries increasingly recognize the need to emphasize the quality of investment and the related need to improve its efficiency, *“including through proper cost/benefit analysis”* but that needs *“differ across countries and depend upon the age of the existing stock of infrastructure, state of economic development, rate of urbanization and more fundamental development goals.”*

The survey also showed that most G20 countries are promoting the role of the private sector in long-term investment, including through the development of public private partnerships, and that there is a *“growing recognition of the need for relevant risk factors to be transparently communicated to allow risks to be properly assessed and priced, as well as the importance of historical data on existing long-term projects, suitable project pipelines and adequate skills for evaluating technical aspects of investment projects.”*

SCORE: FAIR

ICC is encouraged by the development of country-specific investment strategies aimed at boosting investment, including through private sector participation. Analysis by the OECD indicates that the more than 300 investment measures undertaken or planned by G20 members would contribute to lifting the aggregate G20 investment to GDP ratio by an estimated 1 percentage point by 2018.

While the country-specific investment strategies are commendable and include several actions to foster efficient infrastructure investments, no uniform decision exists to set national targets on infrastructure spending as a percentage of GDP, nor are there clear strategies across all members to ensure credible infrastructure pipelines to achieve these goals, as suggested by the B20. A commitment to an infrastructure target relative to GDP would allow countries to be more explicit on the amount of infrastructure investment required. It also would enable them to track performance against targets to ensure that infrastructure develops steadily in line with national goals.

Tackling the infrastructure gap will require a combination of private and public-sector investment, with governments defining a credible national vision of planned projects to attract more investors. The launch of the Global Infrastructure Hub under last year’s Australian G20 Presidency was a major step in the right direction, but business believes more needs to be. Business urges China to build on this important platform during its G20 presidency in 2016.

✔ Recognition

G20 Finance Ministers agreed in February 2015 to prepare concrete, country-specific investment strategies that support the collective growth objective.

✔ Action

The G20 country-specific investment strategies were endorsed by Leaders in Antalya and include a number of concrete actions that G20 members are taking to foster infrastructure investment.

✘ Adequacy

While the country-specific investment strategies are commendable, they do not consistently embrace the B20 recommendation for national targets on infrastructure spending as a percentage of GDP. The investment strategies' infrastructure commitments also lack an overarching national strategy, with clear and credible infrastructure pipelines, as suggested by the B20.

3c - Commit to international investment principles related to FDI

The free flow of investment across borders is a crucial engine for global trade and economic growth. The B20 has repeatedly urged G20 Leaders to promote a mutual understanding of open cross-border investment's role as an essential contributor to growth, development and job creation. In particular, the B20 has asked for G20 leadership to promote the positive impacts of Foreign Direct Investment (FDI) and address the increasingly fragmented global investment framework. As of October 15, 2015, over 2,900 bilateral investment treaties (BITs) and 350 other International Investment Agreements (IIAs) existed globally. The absence of an overarching multilateral framework on investment will continue to undermine investor confidence and hold back investment flows. At the same time, G20 members continued to negotiate or concluded new IIAs: In the 6-month period between May 16–October 15, 2015, G20 members concluded three new BITs and six other IIAs.⁴¹

Business notes that the complexity of cross-border taxation treatment can also have a hampering effect on international investments. Transparent and predictable tax regimes are key for economic growth. Business has therefore applauded the G20's approach to modernizing and harmonizing international tax rules through the G20/OECD Base Erosion and Profit Shifting (BEPS) Action Plan. Leaders are however cautioned that due attention must be given so that the BEPS project's main goals are realized without inadvertently creating disruptions on cross-border investment flows.⁴²

To encourage cross-border investments, the B20 Turkey Infrastructure and Investment Taskforce recommended that the G20 develop a common set of international investment principles and promote greater transparency and harmony in taxation related to FDI.

Despite the recurrent Business recommendation, the Leaders in Antalya did not take up the discussion on a framework for international investment or a model investment treaty. The closest reference was a line in the Antalya Action Plan that mentioned *"a substantial number of G20 members are implementing policies aimed at [...] attracting foreign investors, including through easing foreign direct investment regulations."*

In this regard, it is interesting to note that the 14th OECD-UNCTAD report on G20 investment measures, released on November 2, 2015, found that over 80% of the G20 investment policy measures taken since 2009 specific to FDI were liberalizing in nature.⁴³ The report concludes that beyond their commitment to a standstill on protectionism (see 1b), G20 Leaders should *"consider ways and means to effectively promote investment to boost global economic growth, trade, employment and sustainable development. There is a need for [G20] collective leadership in this regard."*

International taxation received significantly more consideration in Antalya, with Leaders endorsing the completion of the G20/OECD BEPS project: *“Widespread and consistent implementation will be critical in the effectiveness of the project, in particular as regards the exchange of information on cross-border tax rulings. We, therefore, strongly urge the timely implementation of the project and encourage all countries and jurisdictions, including developing ones, to participate.”* To monitor BEPS implementation, the G20 called on the OECD to develop an inclusive implementation framework by early 2016 with the involvement of interested non-G20 countries including developing economies *“on an equal footing.”*

On December 1, 2015 China took over the G20 chairmanship and announced the theme and key agenda items for its 2016 Presidency.⁴⁴ Of particular relevance to this business recommendation is the inclusion that the G20 should *“explore the development of non-binding global investment guiding principles or framework on a voluntary basis, while seriously addressing the concerns of developing countries. To this end, the G20 should serve as a platform for pragmatic cooperation on issues like capacity building, information exchange and sharing of good practices, to enable developing countries to be better prepared in cross-border investment and create a sound policy environment.”* The vision expressed in China’s initial statement is encouraging, and business will continue to develop recommendations on investment for consideration by Leaders at the Hangzhou Summit in September 2016.

SCORE: INADEQUATE

Business was disappointed that the G20, under the Turkish Presidency, once again failed to address measures to drive international investment flows, particularly through the B20 recommendation to develop a clearer set of international investment principles. Over the past 10 years, the global investment environment has undergone dramatic changes. With over 3,200 fragmented IIAs, the need is ever increasing for the G20 to show leadership in this area.

ICC fully supports the G20’s goal of a globally fair and modern international tax system. The conclusion of the OECD’s BEPS package is an important first step in tackling tax evasion. The goal can be achieved only if countries can agree among themselves on a fair distribution of taxation rights in order to avoid double taxation disputes that would stifle cross-border trade and investment. ICC welcomes the G20’s statement that the BEPS package should be implemented in consistently—coordinated and coherent implementation is imperative to prevent increased double taxation. Furthermore, ICC believes that implementation should take place in close cooperation with business to ensure that the reforms are both practical and effective. ICC also stresses the importance of ensuring that all countries—not just OECD members—work together towards a consistent international tax landscape. ICC fully shares the G20’s calls to strengthen developing economies’ engagement on equal footing.

✘ Recognition

While business welcomes the completion of the BEPS package, the absence of any substantial discussion on international investment principles in Antalya precludes a point for recognition.

✘ Action

Despite a growing chorus calling for G20 leadership on international investment governance, Leaders in Antalya did not address this business recommendation. A model investment treaty could help overcome the deficiencies of the current patchwork of bilateral and regional investment rules, and provide international investors with a level playing field for FDI worldwide.

✘ Adequacy

Business welcomes the Chinese G20 Presidency's recognition of the need for the G20 to enhance policy coordination and explore the development of non-binding global investment guiding principles or framework on a voluntary basis in 2016. While the reference lies outside the scope of the fifth *Scorecard's* monitoring, ICC commends the Chinese leadership on this longstanding ICC recommendation and B20 priority. Efforts should include fair and equitable treatment of foreign investments, clear limits on and compensation for expropriation, and binding dispute-resolution mechanisms.

Chapter 4: Employment

For development and scoring of Chapter 4 on Employment, ICC is pleased to collaborate with the International Organization of Employers (IOE) and the Business and Industry Advisory Committee to the OECD (BIAC).

High and persistent unemployment in many countries has given impetus to the G20's focus on the role of employment in achieving a sustainable recovery. The Turkey G20 Presidency, which promoted "Inclusiveness, Implementation, and Investment for Growth", concentrated the G20 employment workstream on promoting more inclusive labour markets; increasing investment in human resources; and achieving successful implementation through effective monitoring.

Unfortunately, G20 leadership did not press for essential labour market reforms. This is concerning, particularly in view of the recent IOE-BIAC-Deloitte survey on youth employment in G20 countries, wherein 80% of the respondents reported that the current regulatory framework for the establishment and operation of enterprises is "more cumbersome than supportive to employment creation."⁴⁵ Streamlining the regulatory environment will improve the ability of economies to employ more people. Consequently, the G20 must become an engine for reform for labour markets that encourage companies to hire as many people as quickly as possible.

Table 4 delineates the three B20 Turkey Employment Taskforce recommendations, with scores presented in the right column. Each recommendation consists of a series of sub-actions,⁴⁶ with the final score based on the average of all of the sub-actions within that specific recommendation. The section which follows presents scoring component highlights, after which there is an in-depth review of each recommendation and explanation of how the score was derived.

Table 4

B20 Turkey Employment Taskforce Recommendations	Abridged recommendation	Score
4a Implement comprehensive structural reforms, making labour markets more dynamic and inclusive, to advance employment opportunities.	<i>Implement comprehensive structural reforms to advance employment opportunities</i>	(0.75/3.0) Poor
4b Increase youth employment and female labour force participation	<i>Increase youth employment and female labour force participation</i>	(3.0/3.0) Good
4c Develop and finance programmes aimed at reducing skills mismatches, in particular technical, managerial, and entrepreneurial skills.	<i>Develop and finance programmes aimed at reducing skills mismatches</i>	(1.75/3.0) Fair
Average Score for Employment		Fair (1.8/3.0)

Scoring component highlights:

- Business welcomes the commitment by G20 Leaders to reduce the proportion of young people who are most at risk of being left permanently behind in the labour market by 15% by 2025, as well as to improve the institutional and professional capacities of employment services in G20 countries.
- However, the G20 Labour ministers failed to address key issues around bringing more people into employment, such as creating an enabling business environment and improving labour market flexibility.
- Determined action is needed to implement the G20 commitments on skills development. Skills have been the focus of the G20 employment process from the very beginning, but too little follow-up action has been delivered.

4a - Implement comprehensive structural reforms to advance employment opportunities

Persistently high unemployment remains one of the greatest challenges in many countries around the globe. In addition to conducive macroeconomic conditions, appropriate levels of debt, stability of financial institutions and access to finance, the sound functioning of labour markets is key for bringing people into employment and keeping them in work. A wealth of data, including from the World Bank and the OECD, shows that overly-rigid labour markets, high non-wage labour costs, and excessive bureaucracy hinder companies from growing and employing people. In the G20 employment process, very little has been achieved to address this issue. A IOE-BIAC G20 monitoring report from 2014 showed that, in some areas, the situation has even worsened. Business is deeply concerned by the operating environment at national and international level.

SCORE: POOR

Although G20 Labour Ministers stressed the potential benefit of international labour mobility and mentioned in an annex to the G20 Labour Ministers' Declaration the importance of an environment favourable to enterprise development, entrepreneurship, innovation, investment and enhanced productivity and wages, they did not develop any concrete recommendations for action. Moreover, the G20 neither gave any commitment with regard to comprehensive structural reforms to advance employment opportunities, nor did Leaders address at all the important topic of promoting multiple forms of work, as called on by the B20. The overall "Poor" score reflects the fact that the Turkish G20 Presidency missed an opportunity to set the course for modern and dynamic labour markets. Business encourages the Chinese G20 Presidency to develop concrete commitments in this regard.

Recognition

The G20 Labour Ministers' Declaration recognized the importance of an environment favourable to enterprise development, entrepreneurship, innovation, investment and enhanced productivity and wages.

Action

Labour Ministers failed to develop any concrete recommendations for action to advance employment opportunities in G20 countries, such as creating an enabling business environment and improving labour market flexibility, as called for by the B20.

Adequacy

The Turkish G20 Presidency missed an opportunity to set the course for modern and dynamic labour markets.

4b - Increase youth employment and female labour force participation

Despite the fact that youth employment has been on the agenda of the G20 and the B20 from the beginning, unacceptably high youth unemployment is still the biggest legacy of the crisis. The G20's work on youth unemployment so far has been to modernize vocational education and training (VET) systems and bring them in line with labour market needs. With the commitment to reduce the proportion of young people who are most at risk of being left permanently behind in the labour market by 15% by 2025, G20 Leaders in Antalya set for the first time a concrete and measurable target with regard to youth employment. This complements the Brisbane target of reducing the gap in participation between men and women in G20 economies by 25% by 2025.

SCORE: GOOD

Although the G20 did not respond to all B20 recommendations for increasing youth employment and female labour force participation, the significance of establishing concrete targets on youth employment merits an overall "Good" score. Business now expects determined action on this and the Brisbane gender gap target.

The B20 call on the G20 to improve supportive mechanisms such as day-care centres and elderly care as well as the call for increasing the representation of women in executive-level positions is critically important if the Brisbane 25/25 target is to be reached. It is therefore disappointing that the G20 did not address these areas of work. Under the Chinese G20 Presidency, IOE and BIAC will assess national policies, as well as G20 employment plans, to see whether they are conducive to achieving the targets.

✓ Recognition

Leaders in Antalya committed to reduce youth unemployment in G20 countries by 15% by 2025.

✓ Action

This is the first time G20 Leaders have set a concrete and measurable target with regard to youth employment.

✓ Adequacy

The Antalya commitment to reduce youth unemployment complements the 2014 Brisbane target of reducing the gap in participation between men and women in G20 economies by 25% by 2025. Business now expects determined action to reach both targets.

4c - Develop and finance programmes aimed at reducing skills mismatches

Skills mismatches are of concern in many countries. According to statistics published by the International Labour Organization, skills mismatches are observed in 30-50% of the employed in various European countries. Improving national education and skills development policies will be pivotal for closing the skills gap. The G20 adopted a Skills Strategy as far back as 2010. However, implementation is still not satisfactory. The G20 committed this year to *"developing strong partnerships with social partners and relevant stakeholders to ensure that all young people learn the basic skills needed to help their transition from school to the labour market."* Business welcomes this commitment. Social partners need to be closely involved in VET systems. What is needed is a determined implementation of these G20 commitments. The B20 also called on G20 governments to

promote STEM education. Although the G20 acknowledged that further improvements in foundation skills such as literacy and numeracy could provide an additional strong boost to long-run growth in all G20 countries, concrete commitments are missing. Business expects governments to address this important topic through their national employment plans.

SCORE: FAIR

The G20 did not address at all the B20 recommendation to assign international organizations such as OECD and the World Bank Group to develop a skills mismatch index and to keep and monitor periodic data as well as to commission a study by OECD, ILO or the World Bank Group for structuring a Global Skills Accelerator. Data is a key to measure performance and track progress, therefore the G20 should as a minimum develop under the Chinese G20 Presidency a strategy on how to improve the monitoring in this field.

Skills were also high on the agenda for the B20 and L20. The B20 and L20 agreed in their joint statement this year to engage more fully on the issue of quality apprenticeships. Moreover, business has responded to the call for effective VET systems by establishing the Global Apprenticeships Network (GAN). The GAN is a coalition of committed companies and employers' federations coordinated by the IOE and BIAC with the aim of fostering workforce readiness as a key instrument to facilitate the transition from school to work, and to address youth unemployment as well as the skills mismatch. Thus, there are ample opportunities to join forces at national and G20 level to address skills mismatches in 2016.

Recognition

G20 Labour Ministers committed to developing strong partnerships with social partners and relevant stakeholders to ensure that all young people learn the basic skills needed to help their transition from school to the labour market.

Action

Business welcomes the commitment to involve social partners and the acknowledgement that further improvements in foundation skills, such as literacy and numeracy, could provide an additional boost to long-run growth in all G20 countries.

Adequacy

Determined action is needed to implement the G20 commitments on skills development. Skills have been the focus of the G20 employment process from the very beginning, but too little follow-up action has been delivered.

Chapter 5: Anti-Corruption

Corruption is a significant impediment to sustainable economic growth and poverty reduction. The World Bank has declared corruption among the greatest obstacles to economic and social development, undermining the rule of law and weakening the institutional foundations upon which sustainable development depends. For business, corruption has numerous negative effects, including by increasing the costs of doing business, raising barriers for market entry (especially for SMEs), and undermining the quality of both products and services.

Recognizing that failure to address corruption undermines the effectiveness of G20 efforts across its entire agenda, G20 Leaders have made the fight against corruption a core item of their work programme. The G20 first addressed anti-corruption at the 2009 Pittsburgh Summit. Since 2010, the work of the G20 Anti-Corruption Working Group (ACWG) has been guided by two-year Action Plans, and Leaders adopted the current 2015-16 Action Plan at their 2014 Brisbane Summit. The Action Plan's six topics reflect the G20 countries' current priorities: beneficial ownership transparency, bribery, high-risk sectors, public sector transparency and integrity, international cooperation, and private sector transparency and integrity.

Starting with the 2011 Cannes Summit, the B20 has prepared annual anti-corruption recommendations for G20 Leaders' consideration. Recurring themes include ratification, enforcement and monitoring of the implementation of the OECD and UN conventions on anticorruption; transparent public procurement; corruption in the supply chain; private sector self-reporting, training and capacity building; and a B20/G20 multiyear dialogue.

In 2015 B20 Turkey focused on implementable solutions to strengthen anti-corruption efforts, with particular emphasis on continuation of the 2014 Brisbane recommendations. Three areas of action were assigned significant importance: Customs, Public Procurement, and Beneficial Ownership.

Business recognizes and values the ongoing cooperative role between the G20 and B20, and stands ready to complement the work of the G20, including through the development of training products to help companies implement effective compliance programmes. As part of the Turkish G20 Presidency's focus to broaden private sector engagement, the ACWG adopted the *G20 High Level Principles on Private Sector Integrity and Transparency*. Together with the B20, the ACWG developed an *Anticorruption Education Toolkit for SMEs*. The G20 and B20 have also jointly been building on the Resisting Extortion and Solicitation in International Transactions (RESIST) tool developed by the International Chamber of Commerce, Transparency International, the United Nations Global Compact, and the World Economic Forum.

Summary of score

The overall score assessment of G20 commitments and decisions on Anti-Corruption is 2.3 (out of 3). This score acknowledges the ongoing partnership between the B20 and ACWG, with several commitments and deliverables in the 2015-2016 G20 Anti-Corruption Action Plan aligned to the 2015 B20 recommendations. The ACWG is by far the most inclusive of all official G20 working arrangements. B20 representatives have routinely been invited to participate in ACWG meetings and to submit suggestions to the ongoing G20 anti-corruption agenda.

Table 5 delineates the three B20 Turkey Anti-Corruption Taskforce recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 5

B20 Turkey Anti-Corruption Taskforce Recommendations	Abridged recommendation	Score
<p>5a Implement the G20 High-Level Principles on Beneficial Ownership Transparency.</p>	<p><i>Implement the G20 High-Level Principles on Beneficial Ownership Transparency</i></p>	<p>(2.0/3.0) FAIR</p>
<p>5b Develop and adopt a comprehensive digital environment for customs procedures and cross-border automated clearance systems in all G20 countries within five years through public-private collaboration.</p>	<p><i>Move towards a comprehensive digital environment for customs and border clearance</i></p>	<p>(3.0/3.0) GOOD</p>
<p>5c Digitalize public procurement systems, develop high-level reporting mechanisms, and incentivize business compliance programmes for public procurement processes.</p>	<p><i>Promote public integrity in public procurement</i></p>	<p>(2.0/3.0) FAIR</p>
<p>Average Score for Anti-Corruption</p>		<p>FAIR (2.3/3.0)</p>

Scoring component highlights:

- The delivery and publication of national Implementation Plans on beneficial ownership transparency demonstrates the G20’s continued resolve to take action on beneficial ownership secrecy. One year since Brisbane, however, several gaps still exist between the G20’s own principles and the current state of regulation in several G20 countries. Considerable progress remains to fulfil the Brisbane commitments and deliver tangible results on anti-corruption Implementation Plans during 2016.
- Business commends the G20 for identifying customs-related corruption as a high risk area and a priority issue for future work. ICC stands ready to support the ACWG through its portfolio of anti-corruption tools and with support from the ICC global network of large and small businesses.
- Business welcomes the G20’s efforts to ensure integrity and transparency of the public sector. However, despite several notable actions and deliverables in Antalya, there was no response to the ongoing business recommendation to develop and promote the concept of high-level reporting mechanisms (HLRMs). Business believes that this was a missed opportunity, as the promotion of HLRMs among G20 countries and beyond would complement the G20’s initiative to achieve integrity in public procurement.

5a - Implement the G20 High-Level Principles on Beneficial Ownership Transparency

At the 2014 Brisbane Summit, the G20 described financial transparency as a “high priority” issue and committed “to improve the transparency of the public and private sectors, and of beneficial ownership by implementing the G20 High Level Principles on Beneficial Ownership Transparency.” Business welcomed the initiative as an opportunity to create a globally consistent approach on beneficial ownership transparency regulation, instead of multiple disparate national laws. The G20 principles outline the actions of G20 countries to ensure legal entities are transparent and are not being misused for illicit purposes such as money laundering, tax evasion and corruption. Specifically, the principles state that countries should ensure that law enforcement, tax authorities and other competent authorities can access information in a timely manner to trace and determine the legal identity of owners of financial assets.

In 2015, the B20 Turkey Anti-Corruption Taskforce (ACTF) called on the G20 to honour its Brisbane commitment and pressed for implementation of the G20 High-Level Principles on Beneficial Ownership Transparency. As part of the implementation, the B20 ACTF recommended that the G20 review and consider recent reports from the World Bank and Transparency International (TI) on beneficial ownership. The B20 also called on governments to advocate consistent regulation across jurisdictions in order to simplify the compliance burden experienced by businesses and establish models for management of central registers of beneficial ownership.

The G20’s work on Beneficial Ownership is a key deliverable under the 2015-2016 ACWG Action Plan, and the G20 Anti-Corruption Working Group (ACWG) has said that it will continue to work with the Financial Action Task Force (FATF), the World Bank and the OECD to support implementation of the principles in G20 countries. In 2015 G20 members were asked to develop national implementation plans that set out the actions that each country will take to implement the Principles. “We welcome the publication of our Implementation Plans on beneficial ownership transparency and will continue our efforts in this regard,” said the Antalya Communiqué. With the exception of Brazil, all countries’ implementation plans were published on the G20’s official website after the conclusion of the Summit.

Despite the strong rhetoric and release of specific implementation plans, some observers note that the G20 has so far not delivered on its promises to tackle issues of beneficial ownership. A TI report, *Just for Show? Reviewing G20 Promises on beneficial ownership*,⁴⁷ published just before of the Antalya Summit reveals several gaps in the current regulation of beneficial ownership in many G20 countries. The report finds that overall performance is poor—15 of the G20 members have an average or weak legal framework for beneficial ownership transparency when measured against the G20’s own principles adopted in Brisbane. Only one country—the UK—achieved a framework rating of very strong. The TI report reveals that two G20 members, Brazil and South Africa, have yet to even adopt a legal accepted definition of beneficial ownership.⁴⁸

SCORE: FAIR

One year ago, Business commended the G20 for its Brisbane commitment to address beneficial ownership secrecy. The focus on the national Implementation plans shows that G20 governments are willing to take action. As of Antalya, however, the gap between commitments and results remains wide. Progress on transparency around companies’ ownership and control is especially significant. Governments need to supply the guidance and tools to help businesses more easily identify and stop corrupt customers. Part of this work includes establishing models for management of central registers of beneficial ownership. While Business notes that some G20 members are moving faster than others (e.g., the UK Central Registry set to go online in 2016), more countries need to step up their implementation efforts. As countries begin to implement their National Actions Plans, it is critical that the private sector is consulted to ensure that the business community has the necessary capabilities to adapt to the new developments in this area.

✔ Recognition

Leaders in Antalya welcomed the publication of the national Implementation Plans on beneficial ownership transparency and pledged continued efforts in this regard.

✔ Action

Beneficial Ownership is a key deliverable under the 2015-2016 ACWG Action Plan. The delivery and publication of the National Implementation Plans demonstrates the G20's continued resolve to take action.

✘ Adequacy

One year since Brisbane, gaps still exist between the G20's principles and the current regulation of beneficial ownership in several G20 countries. During 2016, Leaders must fulfil their Brisbane commitment and step up efforts to deliver tangible results on their Implementation Plans.

5b - Move towards a comprehensive digital environment for customs and border clearance

Corruption in customs can lead to inefficient economic decisions, illegal conduct, and trade inefficiencies, while increasing the cost of doing business and raising barriers to market entry. Corruption at border points also facilitates illicit trade, including arms, narcotics and human trafficking, and poses risks to both the internal and international security of many countries.

The B20 Turkey Anti-Corruption Taskforce recognizes that addressing corruption at points of entry is critical for the success in the G20's anti-corruption agenda. The Taskforce recommended that G20 economies improve trade efficiency by moving towards a comprehensive digital environment for customs and cross-border systems through public-private collaboration in all G20 countries within five years. Recommended actions include performance reports on the use of technology in e-customs applications in G20 countries and the development of a customs-specific collective action toolkit for use in G20 countries by companies and customs brokers.

Leaders in Antalya underlined that *"Ensuring the integrity and transparency of our public sectors is essential"* and the G20 ACWG 2015 Accountability Report identifies customs as a "high risk area" for follow up work. The G20 ACWG endorsed the Mexican proposal and associated steps for mitigating corruption in Customs, including the following initiatives:

- Complete a self-assessment of G20 customs administrations, based on international standards such as the World Customs Organization's Revised Integrity Development Guide.⁴⁹
- Complete a scoping study of best practices for promoting integrity in customs administrations in G20 countries.
- Identify next steps to combat corruption in customs administrations building on the results of the scoping study.
- Deliver a high-level position paper, *Strategic Paper on Best Practices to Identify Successful Strategies for Preventing and Countering Corruption in Customs*, prepared by the WCO, to the ACWG at their January 2016 Meeting.

In response to the Mexican Government's initiative, the B20 has offered to prepare a comparative performance report on industry experience with the use of current technology in e-customs applications in G20 countries.

SCORE: GOOD

Moving towards a comprehensive digital environment for customs and border clearance can improve integrity and transparency and mitigate opportunities for corruption and improper payments. Electronic customs and cross-border automated clearance systems also can improve trade efficiency and contribute to more-effective fraud, bribery, and corruption risk management at borders.

Business welcomes the ACWG's continuing efforts, led by the Mexican government, to address customs-related corruption. A number of activities and deliverables in 2016 will consider how automated clearance systems can improve customs integrity and functioning. To support this initiative, the B20 will provide a business perspective through customs administrations benchmarking and an overview of new automation technology in G20 countries.

ICC also notes that the G20's commitment to implement the WTO Trade Facilitation Agreement (see 1a) has the potential to reduce the demand side of corruption at the border. The Agreement provides a blueprint for customs modernization, with several aspects of the agreement, such as transparency, automated entry and payment of duties, serving as powerful measures to address corruption at customs.

✔ Recognition

The G20 ACWG has identified Customs as "high risk area" for follow-up work.

✔ Action

Efforts to address customs-related corruption risks, including through automated clearance systems, are being made at a global level by the G20 ACWG, the B20 and the WCO.

✔ Adequacy

Business commends the G20 for making customs-related corruption a priority and stands ready to support the ACWG in this important work.

5c - Promote public integrity in public procurement

Every year, government agencies in both developed and developing countries spend trillions of dollars in public procurement to purchase goods and services. Corrupt practices in the procurement process, however, can reduce competition, skew the playing field for law-abiding businesses, and diminish trust in government.

Recognizing that public procurement processes are particularly vulnerable to corruption, the B20 has repeatedly called on G20 Leaders to support fair and transparent procurement practices. In 2015, the B20 Anti-Corruption Taskforce established a specific work stream on government procurement and proposed three actions for the G20 to promote the integrity in public procurement: (i) incentivize corporate anti-corruption programmes, (ii) institute digital systems for efficiency and transparency (e-procurement), and (iii) develop and promote high-level governmental reporting mechanisms.

Leaders in Antalya committed to building "a global culture of intolerance towards corruption" by effectively implementing the 2015-2016 G20 Anti-Corruption Action Plan. "Ensuring the integrity and transparency of our public sectors is essential," continued the Antalya Communiqué. "In this regard, we endorse the G20 Anti-Corruption Open Data Principles and the G20 Principles for Promoting Integrity in Public Procurement." The Communiqué also endorsed a new set of G20 High-Level Principles on Integrity and Transparency in the Private Sector, "which will help our companies comply with global standards on ethics and anti-corruption."

- The *G20 Principles for Promoting Integrity in Public Procurement* is an extension of the 2014 “*G20 Compendium of Good Practices for Integrity in Public Procurement*” prepared by the OECD for the Brisbane Summit. Notably, the Principles reflect the B20 recommendations on the role of e-procurement and the importance of incentivizing good business practices. For example, Principle 3 calls for governments to use integrated e-procurement solutions to the maximum extent possible and practical. Principle 8 encourages G20 countries to foster a culture of integrity in public procurement among suppliers, including by encouraging suppliers to develop internal corporate controls, and compliance measures, including competition and anti-corruption programmes.
- The development of *G20 High-Level Principles on Private Sector Transparency and Integrity* is a result of the 2015-16 G20 Anti-Corruption Action Plan’s recognition of the private sector as an essential government partner in the fight against corruption. The High-Level Principles, which do not create new standards or represent any form of legally binding business requirement, aim to “*encourage the commitment of businesses, ranging from SMEs to large businesses, for internal controls, ethics and compliance, transparency and integrity.*”
- In 2014, the ACWG established “open data” as one of the issues that merit particular attention in the promotion of public sector transparency and integrity. The Leaders’ endorsement of the G20 Open Data Principles in Antalya is recognized as a first step towards leveraging open data as a crucial tool to enable a culture of transparency, accountability and access to information as efforts to prevent corruption. The Open Data Principles highlight the use of open data to prevent and tackle corruption in public procurement by “*shedding light on government activities, decisions, and expenditures; as well as increasing levels of accountability, allowing citizens and government to better monitor the flow and use of public money within and across borders.*”

In addition to the aforementioned 2015 deliverables, the G20 ACWG 2015 Accountability Report records two areas for follow-up work on procurement:

- Prepare a practical toolkit for G20 governments on integrity in public procurement.
- Conduct analytical work on procurement practices, and consider next steps.

SCORE: FAIR

Digital technologies and open data provide new opportunities to promote integrity and competition throughout the public procurement cycle. Business is therefore pleased that the *G20 Principles for Promoting Integrity in Public Procurement* includes a recommendation to use integrated e-procurement solutions and the recognition that countries should foster a culture of integrity in public procurement among suppliers. Business welcomes the G20 Principles on Open Data and the recognition that open contracting can help to prevent and tackle corruption in public procurement. Business also commends the G20 for promoting compliance through collective action and public-private sector dialogue through the development of G20 High Level Principles on Private Sector Integrity and Transparency.

ICC encourages the continued collaboration between the B20 and the G20 ACWG to develop guidance and models that support effective anti-corruption compliance programmes. By putting in place appropriate legislation requiring companies to adopt and implement anti-bribery and corruption policies Governments reward good behaviour and incentivize the business community to develop and maintain effective corporate integrity frameworks.

The Business recommendation to promote high-level reporting mechanisms (HLRM) was, however, not acted upon. The HLRM concept follows an initial recommendation made by the 2012 B20 Mexico Taskforce on Improving Transparency and Anti-Corruption. The HLRM model was developed by the Basel Institute on Governance and the OECD, in conjunction with a number of companies from the energy and transport sectors. The model has been introduced or is being considered in several countries. Business encourages the G20 ACWG to include this important initiative as part of its 2016 work programme.

Recognition

Public procurement continues to be a priority issue under the 2015-2016 G20 Anti-Corruption Action Plan, with several G20 ACWG deliverables in 2015.

Action

The Antalya Communiqué endorsed three new sets of G20 Principles that collectively incentivize corporate anti-corruption programmes, broaden the engagement of private sector and promote integrity in public procurement processes.

Adequacy

Business commends the G20 for underlining the importance of ensuring integrity and transparency of the public sector. Despite several notable actions and deliverables in Antalya, there was no response to the ongoing business recommendation to develop and promote the concept of HLRMs. Business believes that this was a missed opportunity, as the promotion of HLRMs among G20 countries and beyond would complement the G20's efforts to achieve integrity in public procurement.

Chapter 6: SMEs and Entrepreneurship

The SME sector is vital to the world economy, employing more than two-thirds of the private-sector workforce, and providing over 80% of net job growth. The role of small- and medium-sized enterprises (SMEs) is increasingly viewed as a vital source of productivity, growth, innovation, and job creation across G20 countries. SMEs and entrepreneurs, however, face a number of critical barriers to growth, including access to finance, access to international markets, access to managerial and entrepreneurial skills, access to the digital economy and innovation ecosystems and ability to comply with business regulations.

G20 interventions to stabilize the economy and stimulate economic growth, trade and employment must address SMEs' critical role and administer policies better geared to service SMEs. In turn, SMEs will more effectively contribute to growth and job creation. Since the first G20 Business Summit in Seoul in 2010, the B20 has repeatedly called on G20 Leaders to address the constraints SMEs face in the global marketplace.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and was a unifying theme across the G20's work streams in 2015. To complement the G20's efforts, B20 Turkey amplified its attention to SMEs and created a new B20 taskforce on SME and Entrepreneurship, tasked with identifying the most critical bottlenecks to SME development and delineating a priority list of SME-oriented policy recommendations.

Notably, B20 Turkey also championed the creation of the World SME Forum (WSF)—www.worldsmeforum.org—a global platform with the mission of improving the overall growth and impact of SMEs globally. The WSF aims to provide SMEs with effective representation, ensuring that they can compete fairly in both domestic and international markets. The WSF will support the implementation of major initiatives to unleash the potential of SMEs, including the 2015 G20 and B20's SME-related recommendations and the G20 pledges from Brisbane (e.g., providing an SME-enabling environment, encouraging SME entry in different sectors and improving access to financing). The WSF was established by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the International Chamber of Commerce (ICC). The World Bank Group (WBG), the International Trade Centre (ITC) and the Organization for Economic Co-operation and Development (OECD) have all endorsed WSF, and officially became WSF's "Institutional Partners" in 2015.

Summary of score

The overall score assessment of G20 commitments and decisions on SMEs and Entrepreneurship is 2.0 (out of 3.0.) The score reflects Turkey's emphasis on SME growth as one of its key priorities for its G20 Presidency. The score also acknowledges business priorities for improving international entrepreneurial mobility and the need for specific broadband penetration goals to improve SMEs access to the digital economy.

While SMEs and Entrepreneurship is a new policy grouping for the fifth *Scorecard*, previous editions have assessed various elements of this category. A comparison of past scores shows that the G20 has both increased its focus on SMEs and improved its responsiveness to business recommendations in this area. The 2015 Turkish G20 is particularly notable for its focus on SMEs and inclusive growth.

Table 6 delineates the three B20 Turkey SMEs and Entrepreneurship Taskforce recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 6

B20 Turkey SMEs and Entrepreneurship Taskforce Recommendations	Abridged recommendation	Score
<p>6a Initiate G20-wide entrepreneur visa programmes</p>	<p><i>Initiate G20-wide entrepreneur visa programmes</i></p>	<p>(0.0/3.0) INADEQUATE</p>
<p>6b Incorporate a five-year universal broadband connection target into G20 Member Growth Strategies, improve SMEs' access to the digital economy, and innovation ecosystems by increasing stakeholder collaboration.</p>	<p><i>Improve SMEs' access to the digital economy and innovation ecosystems</i></p>	<p>(2.0/3.0) FAIR</p>
<p>6c Provide support to SMEs to comply with international standards and improve their access to international markets through capacity-building and technical assistance programmes.</p>	<p><i>Improve SMEs' access to international markets</i></p>	<p>(3.0/3.0) GOOD</p>
<p>6d To facilitate implementation of these recommendations, the B20 advocates that the G20 formally endorse the WSF.</p>	<p><i>Endorse the World SME Forum</i></p>	<p>(3.0/3.0) GOOD</p>
<p>Average Score for SME and Entrepreneurship</p>		<p>FAIR (2.0/3.0)</p>

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and the Antalya Summit Communiqué made multiple references to supporting SME growth.
- The G20 did not respond to the business recommendation to initiate the development of a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives.
- ICC welcomes the G20's commitment to "bridge the digital divide." The inclusion of the first G20 Leaders level discussion on the digital economy is historic and lays the groundwork for further discussions during China's Presidency of the G20 in 2016.
- Business welcomes the G20 Trade ministers' discussion on the importance of increasing SMEs access to international markets, including by enhanced participation in Global Value Chains (GVCs).

- ICC commends the G20's official recognition of the newly formed World SME Forum as a platform to advocate for SMEs' integration into their GVCs, and to improve their financing and investment environment. The WSF's upcoming programmes on certification and digital connectivity (eWSF—online platform) hold great potential to improve international market access by helping to position SMEs worldwide for better partnership opportunities with anchor buyers and their GVCs in general.

6a - Initiate G20-wide entrepreneur visa programmes

To ensure that a next generation of start-ups reap the benefits of globalization, G20 Governments should develop policies to decrease barriers for entrepreneurs to travel and conduct business internationally. Following discussions with the G20 Young Entrepreneur Alliance and the SME business community, the B20 Turkey SME and Entrepreneurship Taskforce recommended that G20 Leaders initiate the development of a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives. Business also called on G20 members to act jointly to initiate coordinated national visa programmes that would allow foreign entrepreneurs to settle and create start-ups in G20 countries.

The G20 did not respond to this business priority, and there was no mention of a G20-wide visa programme in any of the agreed Antalya Summit documents.

SCORE: INADEQUATE

Business believes that G20 governments have a key role to play in fostering a culture that supports and encourages young people to start their own businesses. While a significant number of G20 economies have specific visa programmes to attract foreign entrepreneurs who bring in new business investment, few programmes are aimed at facilitating international business travel, and most programmes are bilateral or regional. The B20 SME and Entrepreneurship Taskforce highlights the APEC Business Travel Card (ABTC) as a leading practice that can be used as a model for G20 economies. The ABTC removes the need to individually apply for visas or entry permits, saving valuable time, and allowing multiple entries into participating economies during the three years the card is valid.

It is paramount that G20 economies explore all possible avenues for supporting entrepreneurship and creating jobs. Improving access to international markets through a G20-wide entrepreneurs' visa programme is an opportunity to encourage international mobility and support the development of new and innovative companies.

Recognition

There was no discussion on the development of G20-wide entrepreneur visa programme in any of the Antalya Summit documents or associated reports.

Action

G20 Leaders have yet to take any collective action to increase international entrepreneurial mobility.

Adequacy

A G20 commitment to remove unnecessary bureaucratic barriers to facilitate international business travels by entrepreneurs and SME executives would send a powerful signal that G20 Leaders are serious about exploring new and innovative approaches to creating jobs and growth.

6b - Improve SMEs' access to the digital economy and innovation ecosystems

Digital infrastructure is at the heart of innovation ecosystems. It improves the performance of a wide range of companies, enabling them to bring new products to market and allowing them to work with multiple partners. The rise of the digital economy fosters global interconnectivity, providing significant positive impact on SMEs and helping them expand their geographic reach through e-commerce and digital trade. The use of digital technologies is also an important driver of innovation, competition, and growth. As a consequence, digital technologies are increasing requirements for SMEs' successful participation in global value chains (GVCs).

Improving access to the digital economy, coupled with commitments to improve digital infrastructures, are key in helping SMEs realize the full potential of the emerging digital economy (*see also 1c, Improve the global trade system for the emerging digital economy*).

The B20 Turkey SME and Entrepreneurship Taskforce urged G20 governments to incorporate five-year universal broadband connection targets into their Growth Strategies, and to provide for continuous investment in next-generation digital networks. Recognizing the importance of improving framework conditions for innovation ecosystems, the Taskforce also recommended that the G20 strengthen the protection of SMEs' intellectual property rights (IPR).

Referencing the Internet for the first time in a G20 Leaders' statement, the Antalya Communiqué stated, *"We are living in an age of Internet economy that brings both opportunities and challenges to global growth. We acknowledge that threats to the security of and in the use of [information and communication technologies], risk undermining our collective ability to use the Internet to bolster economic growth and development around the world. We commit ourselves to bridge the digital divide."* Leaders also underscored the increasing threat of cyber espionage and IP-theft and affirmed that *"no country should conduct or support ICT-enabled theft of intellectual property, including trade secrets or other confidential business information, with the intent of providing competitive advantages to companies or commercial sectors."*

The *Antalya Action Plan* and the G20 country-specific adjusted growth strategies and investment strategies endorsed in Antalya do not, however, contain any universal broadband connection targets or similar commitments to realize this goal.

SCORE: FAIR

One of ICC's priorities in the Digital Economy is the global development, stable growth of and access to ICT. ICC is encouraged that the Communiqué included a commitment to "bridge the digital divide." Considerable opportunity remains for the G20 to provide specific guidance and momentum in this area. The commitment, generally reflects the recommendation of ICC First Vice Chairman Sunil Mittal to Turkish President Erdoğan during the B20-G20 session in Antalya. Mr. Mittal called on Leaders to commit and invest in developing digital infrastructure to deliver a brighter and more prosperous future to their citizens. Mr. Mittal also underlined the urgent need to bridge the global digital divide and provide easy and affordable ICT access to millions across the world: *"If we want to help people feed, heal, educate and employ themselves, we need to ensure they can connect to the Internet."*

The Antalya Communiqué also notably includes the first mention of intellectual property (IP) in a G20 Leaders' Communiqué. ICC commends the G20 for recognizing this important issue. ICC has long sought to highlight the importance of an effective and predictable IP system for innovation, as well as to safeguard companies from IP theft and protect consumers from the health and safety risks associated with trademark counterfeiting and copyright piracy. IP can play a key role in supporting the innovation required to help solve many of the challenges described in the Antalya Communiqué, such as sustainable development, climate change, food security and improving energy efficiency.

✔ Recognition

The Antalya Communiqué includes the first mentions of the “Internet economy,” ICT and IP in a G20 Leaders’ Communiqué.

✔ Action

ICC welcomes the G20’s commitment to bridge the digital divide. The inclusion of the first G20-level discussion on the digital economy is historic and opens avenues for further discussions in 2016.

✘ Adequacy

Access to broadband and new digital networks is a pre-condition for entrepreneurship, innovation, and SME growth. Unfortunately, the G20 did not respond to B20 calls for specific broadband penetration goals, nor did it work to encourage better SME Internet adoption and use.

6c - Improve SMEs’ access to international markets

The globalization of business has enhanced the role of SMEs as important contributors to global value chains (GVCs) through the goods and services they exchange with larger companies. By engaging in trade, SMEs can gain access to global markets and unlock growth potential on a much larger scale. Heightened international competition and barriers to international trade and investment can, however, hinder SMEs’ ability to develop and sustain business operations in new markets.

Trade transaction costs remain one of the main obstacles for integrating SMEs and developing countries into global value chains. Today’s products can cross borders multiple times before becoming final products and reaching consumers, yet administrative red tape in customs and other “behind-the-border” obstacles present significant barriers to trade flows. For example, World Bank research shows that the longer it takes to get goods across borders, the more large firms dominate the export. Part of the solution for improving SMEs access to international markets is the implementation of the World Trade Organization’s Trade Facilitation Agreement (TFA). Trade experts have suggested that such implementation could more than double SME exports, creating some 21 million jobs in the process (see also 1a- Ratify and implement the Trade Facilitation Agreement).

The business community recognizes that more must be done to enable businesses, and SMEs in particular, to access GVCs. The B20 Turkey SME and Entrepreneurship Taskforce accordingly urged G20 economies to support SMEs trying to comply with international standards and improve SMEs’ international market access through capacity-building and technical assistance programmes.

SME support was one of the defining aspects of the Turkish G20 Presidency. The Antalya Communiqué made multiple references to supporting SME growth, from the delivery of a *Joint Action Plan on SME Financing* and the release of *G20/OECD High-Level Principles on SME Financing* (see 2b) to making GVCs more inclusive by overcoming participation constraints for SMEs: “We support policies that allow firms of all sizes, particularly SMEs, in countries at all levels of economic development to participate in and take full advantage of GVCs and encourage greater participation and value addition by developing countries.”

As the President of the G20 during 2015, Turkey also requested a number of reports and studies on how to improve SME growth and internationalization. For example, the OECD and World Bank prepared a joint report for the G20 Trade Ministers Meeting entitled, *Inclusive Global Value Chains, Policy options in trade and complementary areas for GVC Integration by small and medium enterprises and low-income developing countries*. The focus of the report is on making GVCs more “inclusive” by overcoming SME participation constraints for SMEs. To achieve this inclusivity, the report provides a detailed list of possible trade and investment policy actions for G20 Leaders’ consideration.⁵⁰

Better integration of SMEs into GVCs was also a key agenda item for the G20 Trade Ministers meeting in October 2015. The Chairman's Summary: *"Accepting the crucial role of GVC participation for economic development and growth, [G20 Trade Ministers] also noted the importance of identifying and implementing policies that allow firms of all sizes, especially SMEs, in countries at all levels of economic development, to take full advantage of GVCs."* To further increase support for SMEs, the Trade Ministers *"welcomed the launch of the World SME Forum in co-operation with the International Chamber of Commerce and B20 as a platform to provide advocacy to enable SMEs to better integrate GVCs and to improve their financing and investment environment."*

SCORE: GOOD

Since the first G20 Business Summit in Seoul in 2010, the B20 has called on the G20 to address the constraints SMEs face in the global marketplace. When provided with the proper support and a conducive business environment, SMEs can drive economic development at national, regional, and global levels. G20 governments can help to create an enabling environment for SME internationalization by improving the legal and policy framework, tackling "behind-the-border" barriers and by providing programmes for financing, capacity-building and technical assistance.

The Turkish government's focus on SMEs was evident throughout its Presidency. Business welcomes discussions on improving SME access to GVCs at the Trade Ministers Meeting in October and the delivery of reports and meetings held throughout the year on improving the SME business landscape. ICC is particularly pleased that the Antalya Communiqué welcomed the ICC-led WSF initiative. To improve SME access to international markets and position SMEs worldwide for better partnership opportunities within their GVCs, the WSF is initiating a suite of programmes on certification and digital connectivity. Through these programmes, WSF will support SMEs to meet global and country-specific standards,⁵¹ and to improve their linkages and business opportunities with large investors and international buyers.

✔ Recognition

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency. The Summit Communiqué made multiple references to supporting SME growth, including improving SMEs' access to global value chains.

✔ Action

G20 Leaders and their Trade ministers highlighted the many economic benefits of enhancing SME participation in GVCs. Business commends the G20's official recognition of the new World SME Forum as a platform to provide advocacy and capacity building. This new direction will enable SMEs to better integrate with their GVCs and to improve their financing and investment environment.

✔ Adequacy

As a cofounder of the WSF, ICC will contribute to the WSF mission to help SMEs tap global markets and ensure that global policies are designed with the needs of small businesses and entrepreneurs in mind. The WSF's upcoming certification and digital connectivity programmes hold great potential to improve access to international markets by positioning SMEs worldwide for better partnership opportunities within their GVCs.

6d - Endorse the World SME Forum

SMEs are vital to the world economy, and the role of SMEs is increasingly viewed as a powerhouse of economic growth, investment, employment and innovation. Notwithstanding these wide-ranging benefits to the economy, SMEs persistently lack human and financial resources and face constraints that restrict their potential contribution to global economic activity.

Since its second summit in 2010, the B20 has put forward recommendations to the G20 to support SMEs. This year, in light of G20 Turkey's emphasis on the SME sector and inclusiveness, B20 has amplified attention to SMEs through the establishment of a B20 SME Task Force and through creation of the World SME Forum (WSF).

The WSF was established by the TOBB and the ICC to promote the SME agenda globally and is specifically structured to carry out the B20's SME-related recommendations, along with G20 pledges in Brisbane for providing an SME-enabling environment, encouraging SME entry in different sectors and improving access to financing. To facilitate implementation of these recommendations, the B20 called upon the G20 to formally endorse the WSF, and mandate it to (i) monitor the implementation status of SME-related recommendations accepted by the G20 going forward to ensure continuity; (ii) coordinate with international financial institutions and MDBs to deliver on SME programmes and financing; and (iii) bring forward practical solutions to help integrate SMEs more seamlessly into Global Value Chains.

The Antalya Communiqué officially welcomed the establishment of the WSF as *"a new initiative that will serve as a global body to facilitate the contributions of SMEs to growth and employment."* Reiterating its support for the WSF, the *Antalya Action Plan* added, *"[We] welcome the role of the [WSF] in providing advocacy, knowhow, and e-knowledge for the SMEs globally."*

SCORE: GOOD

ICC welcomed the G20 Communiqué's official recognition of the WSF, a ground-breaking initiative to build capacity within the small business sector and to ensure that the views of small business are taken into account in the development of global policies. During the 2015 IMF/WB Spring Meetings in Washington, the WSF received the support of G20 Finance Ministers. Further reference to WSF in the Antalya Action Plan signals the G20's recognition of the mandate of the WSF to provide advocacy, knowhow, and e-knowledge for the SMEs globally. ICC is prepared to support the implementation of the new G20 commitments to enhance SME access to both short- and long-term financing.

Recognition

The Antalya Communiqué specifically *"welcome[d] the establishment of the private sector-led World SME Forum, a new initiative that will serve as a global body to facilitate the contributions of SMEs to growth and employment."*

Action

Turkey has championed inclusiveness as one of the key priorities for the G20. The establishment of the WSF—with its focus on small business worldwide—delivers a tangible achievement of Turkey's G20 Presidency.

Adequacy

With respect to the launch of the WSF and ties to the G20/B20 SME agenda, the initial endorsement contained in the Antalya Communiqué is adequate. As the WSF matures, however, and the B20 and G20 work programmes merge, the business community will look for further G20 endorsement, support and mandate to realize continuity for the SME development agenda across G20 Presidencies.

Chapter 7: Energy and Environment

Energy is indispensable to a productive economy. It also supports G20 priorities for economic stability, sustainable growth and prosperity. By 2035, global energy demand is projected to increase by one-third across all types and forms of energy. This increase will be driven by the continued extraordinary population growth and economic development experienced in many regions in recent years. Meeting the future demands for reliable, affordable and sustainable energy will require timely investment in supply and demand infrastructure, where projects can take up to a decade to develop and implement. Depending on overall energy use and the pace of expansion of low-carbon energy, the level of energy investment is expected to be the largest single area of overall infrastructure investment, requiring US\$1-2 trillion per annum over the coming decades.

Starting with the G20 Summit in Pittsburgh in 2009, energy and environment issues have been recurring items on the G20 agenda. In 2013, the G20 established the G20 Energy Sustainability Working Group (ESWG) to integrate and organize its broad energy-related agenda. The ESWG met three times in 2015 and focused on five key issues: (1) access to energy for all, (2) energy efficiency, (3) market transparency, (4) inefficient fossil fuel subsidies and (5) renewable energy. Participants also exchanged views on the way forward for G20 Principles on Energy Collaboration adopted in Brisbane.

Business has engaged the G20 on energy issues, with dedicated energy or energy-related B20 taskforces at the Seoul, Cannes, Los Cabos and St Petersburg B20 Summits.⁵² In 2014, B20 Australia opted not to organize a B20 taskforce on energy, but did host a special energy panel at the July 2014 B20 Summit. Turkey followed a similar approach, choosing not to have a B20 Energy Taskforce, instead it organized a B20 Energy Forum on the sidelines of the first G20 Energy Ministers meeting.

In the absence of official B20 work on energy, companies from the ICC G20 CEO Advisory Group have crafted business recommendations for consideration by G20 Leaders: In 2014, a formal paper was presented to G20 Energy Ministers; in 2015, the ICC group drafted recommendations which led to the B20 Energy Dialogue and associated recommendations delivered to the first G20 Energy Ministerial in Istanbul.

Summary of score

The overall score assessment of G20 commitments and decisions on Energy and Environment is 2.2 (out of 3.0.) This is a notable increase over last year's score of 1.2 and the highest score on Energy and Environment since ICC began monitoring the G20 in 2010. The increase is the result of a heightened focus on energy and climate change in the Antalya Leader's Communiqué, coupled with the first ever G20 Energy Ministers Meeting on October 2, 2015, which indicate that energy and climate issues are gaining greater traction in G20 deliberation at the Leaders' level.

Table 7 delineates the five B20 Energy Forum recommendations, with scores presented in the right column. The succeeding section presents scoring component highlights, followed by an in-depth review of each recommendation and explanation on how the score was derived.

Table 7

B20 Turkey Energy Forum Recommendations	Abridged recommendation	Score
<p>7a</p> <p>Improve conditions for energy investment and trade by minimizing inefficient energy subsidies that distort markets and lead to inefficient use of energy resources. Champion the elimination of tariff and non-tariff barriers on energy and environmental goods and services.</p>	<p><i>Improve environment to encourage long-term investment in energy</i></p>	<p>(1.0/3.0)</p> <p>POOR</p>
<p>7b</p> <p>Establish formal B20 representation to the G20 Energy Sustainability Working Group, and make the G20 an accountable forum for encouraging global energy collaboration by supporting the modernization and reform of current international energy institutions as necessary, prior to considering the creation of new ones.</p>	<p><i>Improve global energy governance framework</i></p>	<p>(2.0/3.0)</p> <p>FAIR</p>
<p>7c</p> <p>Increase efforts by the G20 Energy Sustainability Working Group (G20 ESWG) to promote energy efficiency scale-up, sharing of best practices, raising awareness of existing technologies and expanding the availability of risk-sharing financing, including collaboration with relevant organizations on green bonds and risk-mitigating interventions by public financial institutions. Establish among G20 members government efficiency guidance standards in the main energy-consuming sectors, and make energy-efficient infrastructure a priority.</p>	<p><i>Increase the uptake of energy efficiency</i></p>	<p>(3.0/3.0)</p> <p>GOOD</p>
<p>7d</p> <p>Pursue policies and regulatory stability that promote investment protection and reduce barriers to the deployment of new and cleaner technologies and energy resources, including by implementing predictable international carbon pricing to enhance investor confidence in low-carbon energy supply.</p>	<p><i>Stimulate investment in sustainable energy and new technologies</i></p>	<p>(2.0/3.0)</p> <p>FAIR</p>
<p>7e</p> <p>Welcome the <i>Sustainable Energy for All initiative</i>, in cooperation with other relevant international organizations, to prepare a G20 Energy Access Action Plan. Encourage these organizations to provide inputs to the G20 Energy Sustainability Working Group on a regular basis.</p>	<p><i>Enhance energy security and improve energy access for all</i></p>	<p>(3.0/3.0)</p> <p>GOOD</p>
<p>Average Score for Energy and Environment</p>		<p>FAIR (2.2/3.0)</p>

Scoring component highlights:

- The heightened focus on energy and climate change in the Leader's Communiqué, coupled with the first G20 Energy Ministers Meeting on 2 October 2015, indicates that energy and climate issues are evolving as more integral parts of the G20 agenda.
- Energy Ministers emphasized the importance of supporting investments in clean energy technologies; however, G20 discussions failed to address reduction of trade barriers in environmental goods and services, nor did they support the WTO EGA negotiations, as Business suggested.
- The Antalya Communiqué's reference to making enhanced progress on Leaders' 2009 fossil fuel subsidy pledge is welcome, but tangible progress on the longstanding goals remains unclear.
- The lack of invited private sector participation in the G20's energy discussions continues to be a concern, especially given the role of business in energy exploration, production and supply. Business encourages the ESWG in 2016 to invite members of the business community to its official working group meetings during the Chinese G20 Presidency.
- Business is encouraged by the G20 Energy Ministers' commitments to strengthen energy market transparency through the JODI-Oil and JODI-Gas initiatives, and the recognition that the G20 has an important role to advance coordination and cooperation among international and regional energy institutions.
- Consistent with the Leaders' Brisbane mandate and the G20 Energy Efficiency Action Plan, a number of G20 economies have formulated options and possible next steps to address barriers to greater energy efficiency in 2016.
- The endorsement from G20 Energy Ministers for "*further work to ensure that the [Energy Efficiency Action Plan] has a long term perspective*" validates the B20 recommendations and signals the potential for collaborating with Business on this critical topic, beginning with the Chinese G20 Presidency in 2016.
- The adoption of the first-ever *Voluntary G20 Renewable Energy Toolkit* reflects G20 leadership in steps to reduce renewable energy costs among G20 countries and sharing low-cost technology around the globe.
- Business welcomes the adoption of the new *G20 Energy Access Action Plan*, in which G20 Leaders agreed to strengthen G20 coordination and establish a long-term voluntary cooperation framework on improving energy access, focusing initially on enhancing electricity access in Sub-Saharan Africa where the problem is most acute.

7a - Improve environment to encourage long-term investment in energy

According to the International Energy Agency, global energy demand is projected to increase by more than one-third by 2040, across all types of energy. Meeting the future demand for reliable, affordable and sustainable energy will require significant investment in supply and demand infrastructure, estimated at over \$51 trillion over the period to 2040.

To address these vast investment needs, the B20 Energy Forum recommended that the G20 demonstrate leadership in improving conditions for long-term investment in energy, calling in particular for progress on two recurrent business priorities:

- Champion the elimination of tariff and non-tariff barriers on energy and environmental goods and services.
- Rationalize and phase-out inefficient energy subsidies that distort markets and lead to inefficient use of energy resources.

Starting with the 2010 Seoul Business Summit, the international business community has repeatedly called on the G20 to push for progress on liberalizing trade in environmental products and services as a rapid way to reduce the cost of renewable, energy efficiency and other clean energy projects. In particular, Business has urged G20 economies to support the plurilateral WTO Environmental Goods Agreement (EGA) negotiations, which currently includes eight G20 members.⁵³

Similarly, Business has also repeatedly called on G20 Leaders to follow through on their 2009 Pittsburgh Summit pledge to *“rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term, while providing targeted support for the poorest.”* Inefficient and wasteful energy subsidies help distort markets and lead to inefficient energy use, as well as creating artificial investment conditions that favour fossil fuel-based technologies over clean energy alternatives.

The importance of a supporting investment environment was a recurring theme when the G20 Energy Ministers met in October 2015: *“We recognize the importance of a conducive enabling environment for increased investments and sustainable growth of the power sector, taking into account national circumstances, including available indigenous energy sources, needs and priorities.”* Ministers also stressed the key role of the private and public sectors in making *“the investments and developing the technologies and good practices to enhance productivity, efficiency and sustainable development.”* To that end, the Ministers welcomed the development of the *“G20 Voluntary Energy Efficiency Investment Principles”* (see an assessment of this under 7C).

The Antalya Summit Communiqué and the G20 Energy Minister’s Statement did not, however, include any discussions on liberalizing trade in environmental goods and services; nor did Leaders make any reference to the WTO EGA negotiations. Signs of possible future action by the G20 in this area can be found in the December 1, 2015, G20 China announcement of key agenda items for its 2016 presidency, which included reference to *“The G20 needs to make continuous efforts for ... progress in the Environmental Goods Agreement negotiations.”*⁵⁴ Progress in this area will be further evaluated in the 6th edition of the *ICC G20 Business Scorecard*, following the Hangzhou Summit in September 2016.

At the beginning of 2015, the G20 Energy and Sustainability Working Group (ESWG) tasked the World Bank, IEF and OECD with preparing a joint report to summarize developments on fossil-fuel subsidy reform since 2009.⁵⁵

The Antalya Summit Communiqué reaffirmed, almost verbatim, past Summit statements on Leaders’ pledge to *“rationalize and phase out inefficient fossil fuel subsidies, over the medium term, recognizing the need to support the poor.”* In the absence of any new progress the 4th edition we reiterate the *Scorecard’s* past concerns that G20 commitments in this area are not much more than a hollow promise. The Leaders’ Communiqué concluded, *“We will endeavor to make enhanced progress in moving forward this commitment.”*

SCORE: POOR

Energy investment decisions made today significantly influence consumption and fuel use for many years to come. It is, therefore, crucial that the G20, which embodies both energy producers and consumers, implement clear policies to support an environment that encourages long-term investment in sustainable energy technologies. Removing barriers to trade in energy and environmental goods, coupled with fulfilling their 2009 pledge to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, are key steps that G20 Governments can and should take.

The Antalya Communiqué’s reference to making enhanced progress on its fossil fuel subsidy pledge is good, but only insofar as it produces tangible results. According to the OECD, fossil fuel subsidies are on a downward trend since peaking in 2011-12. Yet, governments are still spending almost twice as much money supporting fossil fuels as is needed to meet the climate-finance objectives set by the international community.⁵⁶

Business also believes that the Turkish G20 presidency missed an important opportunity by not further encouraging discussions on the WTO EGA. ICC has been a strong proponent of reducing trade barriers to environmental goods and services. Trade-enhancing solutions can be particularly important tools in addressing global sustainability challenges: by reducing tariffs on environmental goods and services, countries and consumers will have better access to new environmental technologies.

✔ Recognition

Energy Ministers emphasized the importance of supporting energy investments in clean energy technologies and reaffirmed the G20's commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term.

✘ Action

Momentum for reform on fossil fuel subsidies is building—including reform in key G20 economies. The Antalya Communiqué's reference to making enhanced progress on the fossil fuel subsidy pledge is welcome, but only insofar as it yields tangible results. G20 discussions did not address reduction of trade barriers in environmental goods and services, nor did they support WTO EGA negotiations.

✘ Adequacy

Global trade in environmental goods offers an unprecedented opportunity for developed and developing countries to transition toward cleaner, more sustainable growth, while boosting competition in the global economy. Turkey missed an important opportunity by not including discussions on the WTO EGA during its G20 presidency, but Business is encouraged that China is looking to explore the issue in 2016.

7b - Improve global energy governance framework

The global energy landscape has changed dramatically in recent decades. New methods of energy production and exploration have begun to transform some of the world's major energy importers into net exporters. At the same time, existing global energy governance arrangements have failed to adapt and no longer reflect changes in energy markets, particularly the growing role played by emerging markets. Recognizing the need to reform and adapt global energy governance arrangements to this new reality, the B20 Energy Forum recommended that the G20 improve the global governance framework for energy, including the following initiatives:

- Complete the International Energy Forum Joint Oil Data Initiative (JODI) work on oil and gas and other energy sources information to improve energy market transparency and efficiency.
- Make the G20 accountable for encouraging global energy collaboration by supporting the modernization and reform of current international energy institutions as necessary, prior to considering the creation of new ones.
- Establish formal B20 representation in the G20 Energy Sustainability Working Group (ESWG).

Steps to improve energy market transparency were discussed during all of the three ESWG meetings in 2015. The International Energy Forum (IEF) presented progress in three areas at the 3rd ESWG meeting in Izmir, Turkey, in September.⁵⁷ While the IEF reported that the JODI initiative has been successful to date, it also reported room for further improvement. JODI-Oil would benefit, for example, from better inventory reporting and greater coverage. JODI-Gas can be strengthened with more complete and consistent submissions over time, including gas data in more measurement units to account for quality variations.

At their October meeting, G20 Energy Ministers voiced strong support for the JODI initiative and encouraged further improvements to market transparency: *“We believe that transparent and competitive energy markets are a prerequisite for energy security and encouraging investment.”* To promote market transparency and efficiency, energy Ministers committed *“to further strengthen the Joint Organizations Data Initiative (JODI) by encouraging and facilitating the collection and dissemination of high quality energy data, as well as enhancing support for capacity building ... We support efforts to improve the functioning of energy markets, including gas markets. We also acknowledge the importance of public disclosure of market-related information on all energy resources.”*

Energy Ministers also discussed the G20’s contributions in *“furthering coordination and cooperation among international and regional energy institutions and its effectiveness facilitating a variety of international organizations to work together.”* Referencing the growing role played by emerging markets, Ministers agreed to *“work together to make international energy institutions more representative and inclusive of emerging and developing economies while taking into consideration the specific objectives and mandates of international institutions and we note the ongoing processes for this purpose.”*

Leaders in Antalya welcomed their Energy Ministers’ first meeting and reaffirmed their support for the *G20 Principles on Energy Collaboration*, adopted at the 2014 Brisbane Summit; Leaders asked their Energy Ministers to report back on energy collaboration again in 2016.⁵⁸

Neither the G20 Energy Ministers Statement nor the G20 Leader’s Antalya Communiqué considered the B20 recommendation to establish formal B20 representation to the G20 ESWG. The only reference to the private sector in the Energy Ministers’ statement was the following: *“We stress the need for public-private partnerships, stakeholder alliances and strong political commitment to energy access.”*

SCORE: FAIR

Improving the global governance framework for energy is a necessary success factor for progressing the G20’s energy agenda and associated policy objectives. Business is encouraged by the Energy Ministers’ recognition that the G20 has a role to play in furthering coordination and cooperation among international and regional energy institutions. Business also welcomes the G20’s continued support of the JODI-initiative and discussion on improving its functioning.

While several international energy organizations are invited to attend and deliver presentations to the ESWG, including the IEF, IOSCO, OPEC and the IEA, the absence of private sector representation undermines the ultimate effectiveness of the ESWG’s work. Business is disappointed that the G20 has not responded to its recurrent recommendation to establish formal B20 representation to the G20 Energy Sustainability Working Group.

Nonetheless, Business commends Turkey for organizing the first G20 Energy Ministers meeting in the history of the G20. Business welcomed the inclusion of a working breakfast on October 2nd between G20 Energy Ministers and the B20 as part of the B20 Energy Forum. This meeting provided an opportunity for business executives to share priorities directly with Energy Ministers prior to the G20 Leaders’ Summit in Antalya.

ICC welcomes China’s decision to host a G20 Energy Ministers meeting during its presidency of the G20 in 2016 and encourages the G20 to request increased private sector representation in the G20’s energy work streams.

✔ Recognition

ESWG actions throughout 2015 reflect B20 recommendations for G20 leadership on global energy collaboration and improving market transparency through the JODI-Oil and JODI-Gas initiatives. Business welcomed the organization of a working breakfast between the B20 and the G20 Energy Ministers alongside the first G20 Energy Ministerial in October.

✔ Action

Business is encouraged by the Energy Ministers' recognition that the G20 plays a role in furthering coordination and cooperation among international and regional energy institutions and their commitment to make international energy institutions more representative and inclusive. Business welcomes the G20's continued support of the JODI-initiatives and discussion on improving its functioning; however, neither the G20 Energy Ministers Statement nor the G20 Leader's Antalya Communiqué considered the B20 recommendation to establish formal B20 representation to the G20 ESWG.

✘ Adequacy

The lack of private-sector participation in the G20's energy discussions continues to be a key concern. Business encourages China to mandate the ESWG to invite members of the business community to its official working group meetings during its G20 Presidency in 2016.

7c – Increase the uptake of energy efficiency

Energy efficiency helps drive economic productivity, strengthens energy security, creates employment opportunities, and delivers positive environmental outcomes, while helping cut costs for businesses and households. Improving energy efficiency can also help reduce global carbon emissions and—through the multiplier-effect of energy efficiency investment—increase cumulative economic output worldwide. Business has regularly called on the G20 to demonstrate leadership in increasing the uptake of energy efficiency. In 2015 the B20 Energy Forum made three recommendations for G20 Leaders' consideration:

- Increase efforts by the G20 Energy Sustainability Working Group (ESWG) to promote energy efficiency scale-up, sharing of leading practices, and raising awareness.
- Among G20 members, establish government efficiency guidance standards in the main energy-consuming sectors, and make energy-efficient infrastructure a priority.
- Facilitate dialogue and identify options to unlock finance for energy efficiency by making it an infrastructure investment priority. Work to agree on and implement the *G20 Energy Efficiency Investment Principles*.

Initially a peripheral G20 agenda item, energy efficiency received increased attention at the 2014 Brisbane Summit with adoption of the *G20 Action Plan for Voluntary Collaboration on Energy Efficiency*. The Action Plan encompasses six areas of energy efficiency work for ongoing voluntary collaboration and knowledge sharing among G20 members and other participating countries.⁵⁹ Significantly, the Action Plan represented the first time G20 Leaders agreed on international cooperation on energy efficiency on such a scale.

At their October 2015 meeting, G20 Energy Ministers welcomed the *Energy Efficiency Progress Report*⁶⁰ on the first year of the Action Plan's implementation. They noted “the important progress achieved in 2015 in the implementation by participating countries.” Acknowledging the “need for substantial improvement in countries' energy efficiency performances,” Energy Ministers agreed to consider potential areas for future voluntary collaboration that increase energy efficiency in G20 economies and “further work to ensure that the Plan has a long term perspective.”

Recognizing the importance of increasing financing for energy efficiency, Energy Ministers welcomed a set of *Voluntary Energy Efficiency Investment Principles for G20*.⁶¹ The Energy Efficiency Finance Task Group (EEFTG) established the Principles as one of the six work streams of the *G20 Energy Efficiency Action Plan*, addressing the urgent need for increased investments in energy efficiency. Led by Mexico and France, the Task Group was formed to accomplish the following: (i) Enhance capital flows for energy efficiency investments in participating countries; and (ii) To provide G20 policymakers with a forum for engaging directly with members of the private and public finance community, industry and international organizations.

G20 Leaders discussed energy efficiency at their Antalya Summit in November 2015, recognizing “*that actions on energy, including improving energy efficiency, increasing investments in clean energy technologies and supporting related research and development activities will be important in tackling climate change and its effects.*”

Highlighting the progress made by participating countries in progressing G20 collaboration on energy efficiency, Leaders agreed “*to further support on a voluntary basis the 2015 outcomes of existing work streams on efficiency and emissions performance of vehicles, particularly heavy duty vehicles, networked devices, buildings, industrial processes and electricity generation, as well as financing for energy efficiency.*”

While Leaders endorsed further work on financing for energy efficiency, the Antalya Communiqué did not include a reference to the *Voluntary Energy Efficiency Investment Principles for G20*, nor were the *Principles* included among the 119 agreed documents listed in the Communiqué’s Annex.

SCORE: GOOD

Business welcomes the G20’s continued recognition of the importance of improving energy efficiency. Progress and possible next steps to address barriers to greater energy efficiency across the *G20 Energy Efficiency Action Plan*’s six workstreams, as identified in the Energy Efficiency Progress Report, mirrors many of B20’s recommendations, including sharing of best practices within the ESWG and discussions on energy efficiency standards and measurements.

While ICC remains disappointed that the Action Plan is only voluntary in nature, underscoring the G20’s inability to collectively rally around this important issue, the *Progress Report* presented to G20 Energy Ministers shows that every G20 member is participating in at least one of the workstreams, with the majority of countries engaging in three or more.⁶²

ICC commends the development of the *G20 Energy Efficiency Investment Principles*, which provide a welcomed framework to increase public and private investment flows into energy efficiency. China is encouraged to carry forward this important work during its G20 Presidency in 2016.

✔ Recognition

G20 Energy Ministers recognized the need for substantial improvement in countries' energy efficiency performances and reaffirmed their support for the *G20 Energy Efficiency Action Plan*. The Plan includes considering potential areas for future voluntary collaboration that increase energy efficiency in G20 economies.

✔ Action

Consistent with the Leaders' Brisbane mandate and the *G20 Energy Efficiency Action Plan*, a number of G20 economies have formulated options and suggested next steps to address barriers to greater energy efficiency in 2016. The recommended policy options contained within the *Energy Efficiency Progress Report* mark an important milestone for political consensus on this important business priority. In addition, the Energy Ministers Statement welcomed the *G20 Voluntary Energy Efficiency Investment Principles* aimed at accelerating the flows of capital into energy efficiency investments.

✔ Adequacy

The endorsement from Energy Ministers for “*further work to ensure that the [Energy Efficiency Action Plan] has a long-term perspective*” is a strong signal for deepening and bolstering this collaboration in the years to come, beginning with the Chinese G20 Presidency in 2016.

7d - Stimulate investment in sustainable energy and new technologies

Energy investments have been identified as the largest single area for infrastructure investment, with some US\$1-2 trillion per annum required over the coming decades. In the case of renewable energy, technologies and projects can take years to develop and implement on a commercial scale. This has been the case for wind and solar, and is also true for other new and renewable energy technologies such as advanced biofuels made from agricultural residues and waste. Companies have sought clarity from policymakers in developing long-term and credible policies on climate change to incentivize investment necessary to shift to renewable and low-carbon energy sources.

The B20 Energy Forum recommended that the G20 demonstrate leadership in de-risking and stimulating new energy technologies and business models that can reduce energy production and consumption costs. Suggested G20 actions include the following:

- Pursue policies and regulatory stability that promote investment protection and reduce barriers to the deployment of new and cleaner technologies and energy resources, such as solar, wind, sustainable biomass, unconventional hydrocarbons, high-efficiency low-emission power plants, and carbon capture and storage.
- Implement predictable international carbon pricing to enhance investor confidence in low-carbon energy supply.
- Champion international collaboration on energy technology. Establish financial facilities with public-private partnership for development and demonstration of new technologies, financially efficient and targeted support mechanisms to de-risk pre-commercial technologies such as smart grids or cleaner energy solutions.
- Exchange leading practices among G20 members and business leaders on actions to encourage cleaner, more efficient energy technologies, for example, integration of variable renewables in the power markets, reduction of the use of least-efficient coal-fired power plants, and reduction of methane emissions in oil and gas production.

G20 discussions on the future of sustainable energy infrastructure, including renewables and energy efficiency, were initiated at the 2009 Pittsburgh Summit. This work was scaled up in 2014 when G20 Leaders at the Brisbane Summit endorsed the *G20 Principles on Energy Collaboration*, agreeing among others to work together to:

- Ensure access to affordable and reliable energy for all;
- Support sustainable growth and development, consistent with their climate activities and commitments, including promotion of cost-effective energy efficiency, renewables and clean energy;
- Encourage and facilitate the design, development, demonstration and widespread deployment of innovative energy technologies, including clean energy technologies.

Energy Sustainability was one of the key themes for the G20 under the Turkish presidency. At their first meeting in February 2015, the G20 Energy Sustainability Working Group (ESWG) requested that the International Renewable Energy Agency (IRENA) build on the 2014 *G20 Principles on Energy Collaboration* and take the lead in developing a toolkit of voluntary options on renewable energy.⁶³

The G20 Energy Ministerial in October 2015 included discussions on ways for increasing renewable energy uptake: *“We emphasize the importance of renewables and its potential long-term growth. ... We recognize that, while markets, technologies and policies vary from country to country, enhancing renewables investments through innovation, risk mitigation and the deployment of conducive policy frameworks, in accordance with national priorities and contexts, can contribute to an environmentally sound, socially and economically sustainable development path.”* The Energy Ministers adopted the *“G20 Toolkit of Voluntary Options on Renewable Energy Deployment.”* which provides options for G20 countries to take a long-term, integrated and sustainable approach towards enhanced deployment of renewable energy.⁶⁴ Notably, this marked the first time that renewable energy was featured prominently on the G20 agenda.

The G20 Energy Ministers’ Statement also included a paragraph on the importance of innovative energy technologies to deliver secure, affordable, reliable, viable and sustainable energy: *“We recognize the important role of the private and public sectors in making the investments and developing the technologies and good practices needed to enhance productivity, efficiency and sustainable development. We also support continued investment in research and development, demonstration and the deployment of innovative energy technologies across a broad range of energy sources, including clean energy technologies. In addition, we support increased international coordination on clean energy research and development.”*

G20 Leaders endorsed the *Voluntary Renewable Energy Toolkit* in Antalya and reinforced their Energy Ministers’ statement by underlining that *“actions on energy, including improving energy efficiency, increasing investments in clean energy technologies and supporting related research and development activities will be important in tackling climate change and its effects.”*

Under Turkey’s leadership, G20 Finance Ministers also tasked several intergovernmental agencies with preparing reports on ways to improve investments and financing for clean energy investments:

- The OECD’s report *“Overcoming Barriers to International Investment in Clean Energy”* provides a detailed discussion on specific investment barriers for international investment in solar PV and wind energy, and assesses their impacts across the value chains. Notably, the report reinforces several of the B20’s recommendations on government actions to stimulate investments in sustainable energy and new technologies.

- The 2015 G20 Climate Finance Study Group (CFSG)⁶⁵ Report to the G20 Finance Ministers focuses on sharing national experiences between G20 countries, particularly on countries' initiatives, best practices and lessons learned.⁶⁶ As part of this mandate—and in line with the recurring business recommendation that G20 economies should demonstrate leadership in implementing predictable international carbon pricing mechanisms—the 2015 report contains a section on G20 members' different approaches to Green House Gas (GHG) emissions pricing instruments. The report finds that *“The application of GHG emissions pricing approaches has been considered by some countries, in their domestic circumstances and preferences, as a cost-efficient means of achieving emission reductions and uncovering opportunities for GHG mitigation. On the other hand, some countries have indicated that GHG emissions pricing would not be an appropriate policy option for implementation in their national circumstances.”* As part of its mission to share best practices and lessons learned, the CFSG report includes a number of case studies and country examples from different G20 members' carbon pricing policies.
- By request of the ESWG and in cooperation with several other energy organizations, IRENA prepared the *G20 Deployment of Renewable Energy* report as a background and support document for developing the *G20 Voluntary Renewable Energy Toolkit*. The report lists several options to reduce the cost of renewables and accelerate their deployment through joint initiatives of interested G20 countries.

SCORE: FAIR

Business believes that concerted and coordinated action on increasing investment in renewable energy and clean technologies among G20 countries can accelerate transition to sustainable energy supplies. Moreover, it can foster sustainable energy security, economic growth, and new jobs.

Business welcomes the adoption of the *Voluntary Renewable Energy Toolkit* and Leaders' and their Energy Ministers' discussions on ways to increase investments in clean energy technologies and supporting related research.

ICC notes a continued absence of material discussions on carbon pricing mechanisms at the G20 Leader and Finance Minister levels, despite recurrent calls from Business. Nonetheless, Business welcomes the third CFSG report and its efforts to share best practices and lessons learned on different G20 members' approaches to long-term, predictable market-based carbon pricing mechanisms.

☑ Recognition

G20 Leaders adopted the *Voluntary Renewable Energy Toolkit* and discussed ways to increase investments in clean energy technologies and supporting related research.

☑ Action

The adoption of the *Voluntary Renewable Energy Toolkit* is an important step forward in reducing renewable energy costs among G20 countries and sharing low-cost technology around the globe. Notably, this also marked the first time that renewable energy featured prominently on the G20 agenda.

☒ Adequacy

Business has sought clarity from policymakers in developing long-term, predictable market-based policies on climate change. Unfortunately, the G20 has not taken any collective action to implement predictable international carbon pricing mechanisms. Implementing robust international carbon pricing can be a particularly powerful tool for rationalizing and enhancing investor confidence in low carbon investment decisions and helping government achieve global net emission reduction targets.

7e - Enhance energy security and improve energy access for all

More than 1.1 billion people live without access to electricity, many of whom live in the Sub-Saharan Africa Region and around 2.9 billion people still depend on biomass for cooking, causing health and environmental problems.⁶⁷ Considering the global urgency to access energy resources and the G20's focus on inclusivity under the Turkish G20 Presidency, the B20 Energy Forum prioritized ways to increase public and private investments in energy to improve energy access in developing economies and low-income developing countries.

The B20 welcomed the Sustainable Energy for All (SE4All)⁶⁸ initiative, in cooperation with other relevant international organizations to prepare a G20 Energy Access Action Plan. The B20 also encouraged the G20 to adopt measures to strengthen the energy policy and regulatory environment in developing economies, low-income developing countries, and G20 members.

The *G20 Principles on Energy Collaboration* agreed at the Brisbane Summit included a commitment for G20 Leaders to work together to “ensure access to affordable and reliable energy for all.” In line with this commitment, and recognizing energy access as a core priority under the newly agreed UN Sustainable Development Goals (SDGs) enshrined in Goal 7, the G20 Energy Ministers adopted the *G20 Energy Access Action Plan: Voluntary Collaboration on Energy Access* at their Ministers' Meeting on October 2, 2015.

G20 Leaders in Antalya later endorsed the *Action Plan*. Prepared with the support of SE4All, African stakeholders and other international organizations, the *Action Plan* “aims to strengthen G20 coordination and establishes a long-term voluntary cooperation framework that can be applied to other regions over time, recognizing that energy access is a critical factor to foster development.”

The first phase of the Action Plan focuses on enhancing electricity access in Sub-Saharan Africa where G20 Leaders noted the “problem is most acute”: “In this first phase, we will cooperate and collaborate with African countries and relevant regional and international organizations on policy and regulatory environments, technology development and deployment, investment and finance, capacity building, regional integration and cooperation, taking into consideration national needs and contexts.”

SCORE: GOOD

The G20 is most effective when it makes joint commitments and declarations and acts collectively. Business welcomes the adoption of the new *G20 Energy Access Action Plan*, in which G20 Leaders agreed to strengthen G20 coordination and establish long-term voluntary cooperation for improving energy access.

✔ Recognition

The Actions throughout the Turkish G20 Presidency reflect the B20's recommendation for G20 leadership on enhancing energy security and improving energy access for all.

✔ Action

Building on the Brisbane Summit's *Principles on Energy Collaboration*, Leaders in Antalya endorsed the new *G20 Energy Access Action Plan: Voluntary Collaboration*.

✔ Adequacy

The *G20 Energy Access Action Plan*—and the many actions set out within—respond to this year's B20 recommendation to support the energy policy and regulatory environment in developing economies, low-income developing countries, and G20 members.

Notes

¹ As of 11 January 2016.

² As of 11 January 2016.

³ Various infrastructure instruments have been developed under the aegis of the G20 over the course of its 7-year history as a Leaders level event, including: G20 leading practices on promoting and prioritizing quality investment, the G20/OECD High-Level Principles on Long-term Investment Financing by Institutional Investors, the G20/OECD Checklist on Long-term Investment Financing Strategies and Institutional Investors; the WBG's Prioritizing Projects to Enhance Development Impact; 2015 instruments (such as the IMF guidance on "Making Public Investment More Efficient"; the revised OECD Policy Framework for Investment; the OECD Guidelines "Towards a Framework for the Governance of Infrastructure"; the OECD Recommendation on Effective Public Investment across levels of Government; the G20/OECD Principles of Corporate Governance; the MDB's Common Approaches to Supporting Investments in Infrastructure; the WBG Infrastructure Prioritization working paper and Draft Infrastructure Prioritization Platform; the WBG/ OECD Checklist for Public Private Partnership Projects; the WBG Report on Recommended Public Private Partnership Contractual Provisions and Good Practices on Public Private Partnership Disclosure) and others (such as the OECD Codes of Liberalization and the OECD Guidelines for MNEs).

⁴ IOE, BIAC, Deloitte "The youth employment opportunity Understanding labour market policies across the G20 and beyond" (2015). <http://biac.org/wp-content/uploads/2015/09/The-Youth-Employment-Opportunity1.pdf>

⁵ www.worldsmeforum.org

⁶ N.B. All editions of the *Scorecard* share the same scoring methodology, however the 1st edition had a somewhat different scoring terminology. Cf. First edition (Second and third edition) scores: Inadequate (Inadequate), Incomplete (Poor), Insufficient (Fair), Pass (Good). While the overall assessment score for the 1st edition *Scorecard* was "Incomplete", the corresponding score in the 2nd edition would be "Poor".

⁷ As of 11 January 2016.

⁸ As of 11 January 2016.

⁹ Aid for Trade at A Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth, OECD, WTO 2015

¹⁰ New WTO research suggests that the TFA could boost global trade flows by an unprecedented US\$3.6 trillion, creating more than 20 million jobs in the process. The impact of implementing the TFA would be greater than eliminating all remaining tariff barriers the world over and could lead to an increase in SME exports by up to 80% in some economies.

¹¹ At the inaugural G20 Summit in November 2008, the G20 declared: "We underscore the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty. In this regard, within the next 12 months, we will refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports." At each subsequent Summit, the G20 has reaffirmed its pledge and called on WTO, OECD, and UNCTAD to monitor and publicly report on G20 countries' trade and investment policy measures. The "standstill" commitment was extended in St. Petersburg and currently remains valid until the end of 2016.

¹² NTBs are a subset of non-tariff measures (NTMs), which are permitted under WTO agreements under certain circumstances, e.g., the Technical Barriers to Trade (TBT) Agreement or the Sanitary and Phytosanitary Measures (SPS) Agreement. When these measures are used as a mean to circumvent free-trade rules and favour domestic industries at the expense of foreign competition, however, they are called non-tariff barriers (NTBs). It is very difficult—and sometimes impossible—to distinguish legitimate NTMs from protectionist NTMs, especially as the same measure may be used for several reasons.

¹³ The OECD and World Bank Group report, *Inclusive Global Value Chains: Policy options in trade and complementary areas for GVC Integration by small and medium enterprises and low-income developing countries*, submitted to G20 Trade Ministers October 2015 Meeting, reports that "Although NTMs should not have protectionist intent, they nevertheless can have an impact on trade costs that is of a much larger magnitude than tariffs." It also cites an OECD study on NTMs in G20 economies that reports "the trade cost impact of NTMs is more important than prevailing tariff rates in obstructing trade."

¹⁴ The OECD explains "localization barriers" as a range of measures that favour domestic industry at the expense of foreign competitors.

¹⁵ ICC Open Markets Index (September 2015). <http://www.iccwbo.org/global-influence/g20/reports-and-products/open-markets-index/>

¹⁶ For example, the IMF and World Bank Note, *Prospects for Global Trade*, states that "Heightened and coordinated vigilance will be needed to avoid both old and new forms of protectionism and distortionary rules. The WTO has been effective in enhancing transparency and limiting traditional protectionism through higher tariffs and other border measures, but there is a risk that protectionism will increase through diverse non-tariff measures such as undue regulatory barriers, for which large data gaps exist."

¹⁷ <http://www.iccwbo.org/Products-and-Services/Trade-facilitation/ICC-Global-Survey-on-Trade-Finance/>

¹⁸ Internet Live Stats. <http://www.internetlivestats.com/internet-users/>

¹⁹ B20 Turkey Trade Taskforce paper. b20turkey.org/policy-papers/b20turkey_trade.pdf

²⁰ Recognizing that there are several more issues to be discussed in regard to digital trade, B20 Turkey also held the first-ever B20 Digital Economy Forum on the margins of the G20 Trade Ministers meeting in October and prepared a special B20 Digital Economy Policy Paper for the G20 Leaders' consideration. b20turkey.org/policy-papers/b20turkey_digital.pdf

²¹ Report on SME Finance Compact Workshop, GPF (2015). See SME Finance Forum (financegap.smeffinanceforum.org). Data refers to SMEs in the developing world, and therefore, the credit gap figure does not include SMEs in developed (OECD) countries.

²² Enterprise Surveys (WBG, 2013 and 2014). Data available under the Global Methodology for Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea and Turkey.

²³ Antalya Action Plan

²⁴ Principle 6.

²⁵ The Action Plan's official name is *The GPF/IIWG Joint Action Plan on SME finance* (JAP) and was developed by the The G20 Investment and Infrastructure Working Group (IIWG) and the G20 Global Partnership for Financial Inclusion (GPF) SME finance Sub-group. The Action Plan provides "a framework to facilitate a dialogue between the G20 GPF SME finance Sub-group and the G20 IIWG, to advance the agenda for SME finance across different G20 work streams with a focus on LIDCs and to report on progress."

²⁶ The GPF/IIWG Joint Action Plan on SME finance

²⁷ For example, *Opportunities and constraints of market-based financing for SMEs*, OECD report to G20 finance ministers and central bank governors, September 2015.

²⁸ Principle 3.

²⁹ This report builds on several OECD reports in 2015, e.g., OECD, *New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments*, Report to G20 Finance Ministers and Central Bank Governors, February 2015 and *Financing SMEs and Entrepreneurs 2015: An OECD Scoreboard*

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³¹ At the St. Petersburg Summit in 2013, G20 Leaders called on the Financial Stability Board (FSB), "in consultation with standard setting bodies, to assess and develop proposals by end-2014 on the adequacy of global systemically important financial institutions' loss-absorbing capacity when they fail." A central premise of the new regulation framework is that future bank recovery and resolution be supported by shareholders and private creditors through the bail-in tool. In order to be effective, banks must at all times have a minimum of TLAC-eligible liabilities that can absorb losses in case of resolution.

³² Business has repeatedly warned that overly severe regulatory treatment raises banks' cost of capital and increases liquidity requirements beyond what is proportional to risk. This reduces banks' incentive to provide trade finance and raises firms'—especially SMEs'—borrowing costs, sometimes significantly. Robust data collection by the ICC continues to underscore that trade finance entails lower risk than many other assets.

³³ FSB Report to the G20 on actions taken to assess and address the decline in correspondent banking. <http://www.financialstabilityboard.org/wp-content/uploads/Correspondent-banking-report-to-G20-Summit.pdf>

³⁴ Various infrastructure instruments have been developed under over the course of the G20's seven-year history as a Leaders level event, including the following: G20 leading practices on promoting and prioritizing quality investment, the G20/OECD High-Level Principles on Long-term Investment Financing by Institutional Investors, the G20/OECD Checklist on Long-term Investment Financing Strategies and Institutional Investors, the WBG's Prioritizing Projects to Enhance Development Impact, 2015 instruments (such as the IMF guidance on "Making Public Investment More Efficient"; the revised OECD Policy Framework for Investment; the OECD Guidelines "Towards a Framework for the Governance of Infrastructure"; the OECD Recommendation on Effective Public Investment across levels of Government; the G20/OECD Principles of Corporate Governance; the MDB's Common Approaches to Supporting Investments in Infrastructure; the WBG Infrastructure Prioritization working paper and Draft Infrastructure Prioritization Platform; the WBG/ OECD Checklist for Public Private Partnership Projects; the WBG Report on Recommended Public Private Partnership Contractual Provisions and Good Practices on Public Private Partnership Disclosure) and others (such as the OECD Codes of Liberalization and the OECD Guidelines for MNEs).

³⁵ B20 Infrastructure & Investment Taskforce Policy Paper. www.b20turkey.org/policy-papers/b20turkey_infra.pdf

³⁶ The 11 initiatives were grouped under four themes: 1) Improve the enabling environment to increase the number of bankable infrastructure projects and the level of private-sector funds; 2) Implement infrastructure procurement and approval processes consistent with leading practices; 3) Supporting the development of new and existing marketplaces for trading infrastructure assets; and 4) Increase the number of projects developed through public-private partnerships (PPP) and, where necessary, build the capabilities of governments to deliver PPPs.

³⁷ See for example the WBG Infrastructure Prioritization Toolkit, the WBG/OECD Project Checklist for PPPs, the WBG Report on Recommended PPP Contractual Provisions (2015 Edition), the WBG Framework for Disclosure in PPP Projects, and MDBs, coordinated by the Inter-American Development Bank, Paper entitled Partnering to Build a Better World: MDBs' Common Approaches to Supporting Infrastructure Development.

³⁸ B20 Infrastructure & Investment Taskforce Policy Paper. www.b20turkey.org/policy-papers/b20turkey_infra.pdf

³⁹ Commitments to develop a range of public infrastructure projects were made by several G20 members (Argentina, Australia, France, India, Mexico, Russia, Saudi Arabia, UK, U.S.) and the G20 Antalya Accountability Assessment finds that "at this stage, challenges or risks to full implementation of members' key investment commitments by 2018 appear to be fairly limited and isolated."

⁴⁰ OECD, A survey of investment strategies in G20 countries. The collection of information and data on countries' investment strategies was carried out by the G20 Investment and Infrastructure Working Group (IIWG), following mandates given by both the G20 Leaders and the Finance Ministers and Central Bank Governors.

⁴¹ Source OECD-UNCTAD Twelfth Report on G20 Investment Measures. <http://www.oecd.org/daf/inv/investment-policy/14th-G20-Report.pdf>

⁴² The B20 Turkey Infrastructure and Investment Taskforce particularly highlights rules on debt and interest deductibility on cross-border infrastructure investment.

⁴³ Source OECD-UNCTAD Twelfth Report on G20 Investment Measures. <http://www.oecd.org/daf/inv/investment-policy/14th-G20-Report.pdf>

⁴⁴ President Xi Jinping's message for the 2016 Hangzhou Summit. http://g20.org/English/Dynamic/201512/t20151201_1660.html

⁴⁵ IOE, BIAC, Deloitte "The youth employment opportunity Understanding labour market policies across the G20 and beyond" (2015). <http://biac.org/wp-content/uploads/2015/09/The-Youth-Employment-Opportunity1.pdf>

⁴⁶ See B20 Turkey Employment Taskforce Policy Paper. http://b20turkey.org/policy-papers/b20turkey_employment.pdf

⁴⁷ http://www.transparency.org/whatwedo/publication/just_for_show_g20_promises

⁴⁸ South Africa has pledged to address this shortfall in its Implementation Plan. Brazil has not yet published its implementation plan on the G20 webpage.

⁴⁹ The Revised Integrity Development Guide includes provisions on Automation of Customs functions and the use of ICT systems to complement processes that cannot be fully automated.

⁵⁰ Inclusive Global Value Chains, Policy options in trade and complementary areas for GVC Integration by small and medium enterprises and low-income developing countries OECD (2015). <http://www.oecd.org/trade/OECD-WBG-g20-gvc-report-2015.pdf>

⁵¹ For example, SMEs with minimum requirements on integrity, financial strength, management quality; potentially including voluntary certification on labour, safety, environmental standards. The WSF Business Plan for Sept 2015–December 2019.

⁵² B20 Russia included energy as part of its Global Priorities for Innovation and Development taskforce.

⁵³ The WTO's Doha Ministerial Declaration instructed Member States to negotiate the reduction and possible elimination of tariff and non-tariff barriers to trade in environmental goods and services back in 2001. In July, 2014, a group of 14 WTO Member States began working towards a plurilateral agreement. The negotiations have since expanded, and now include Australia, Canada, China, Chinese Taipei, Costa Rica, the EU, Hong Kong, Iceland, Israel, Japan, the Republic of Korea, New Zealand, Norway, Switzerland, Singapore, the US, and Turkey.

⁵⁴ President Xi Jinping's message for the 2016 Hangzhou Summit. http://g20.org/English/Dynamic/201512/t20151201_1660.html

⁵⁵ Update on recent progress in reform of inefficient fossil fuel subsidies that encourage wasteful consumption. <https://g20.org/wp-content/uploads/2015/11/Summary-of-Progress-Reports-on-the-Commitment-to-Rationalize-and-Phase-Out-IFFS.pdf>

⁵⁶ <http://www.theguardian.com/environment/2015/sep/21/oecd-nations-200bn-subsidies-fossil-fuels-climate-change>

⁵⁷ (1) the quantitative analysis accompanying the Joint IEA-IEF-OPEC Report on the Market Impact of the International Organisation of Securities Commissions' (IOSCO) Principles for Oil Price Reporting Agencies, (2) the activities of the Joint Organisations Data Initiative's (JODI) to advance both JODI-Oil and JODI-Gas, and (3) the exploratory work under way to assess the feasibility of enhancing data transparency more broadly, including international coal markets.

⁵⁸ *The G20 Principles on Energy Collaboration* include leaders' agreement to make international energy institutions more representative and inclusive of emerging and developing economies.

⁵⁹ Priorities for new work: (1) Improving vehicle energy efficiency and emissions performance; (2) Improving the energy efficiency of networked devices; and (3) Enhancing capital flows to energy efficiency investments. Priorities for accelerating existing international work: (4) Buildings: Improving metrics and performance; (5) Industrial energy management: Making industrial processes more energy efficient; and (6) Electricity generation: Sharing high-efficiency, low-emissions technologies.

⁶⁰ Report on the G20 Energy Efficiency Action Plan Voluntary Collaboration on Energy Efficiency—Report to the G20 on 2015 Outcomes of Work Streams. <http://www.ipeec.org/publications/download/id/1883.html>

⁶¹ Voluntary Energy Efficiency Investment Principles for G20 participating countries. <http://www.ipeec.org/publications/download/id/1885.html>

⁶² G20 Energy Efficiency Action Plan: 2015 Outcomes. <https://finance.cleanenergysolutions.org/sites/default/files/documents/g20-energy-efficiency-action-plan-2015.pdf>

⁶³ The Toolkit was developed in close cooperation with the International Energy Agency (IEA) as well as with the Energy Charter, the Global Bioenergy Partnership (GBEP), the International Energy Forum (IEF), the Organization for Economic Cooperation and Development (OECD), the Organization of the Petroleum Exporting Countries (OPEC), and the World Bank (WB) as well as other regional organizations.

⁶⁴ The Toolkit focuses on five areas: driving down technology costs; exchanging good practices on enabling policy frameworks and power system integration; mobilizing finance through risk mitigation; technology potentials and roadmaps; and accelerating the deployment of modern bioenergy.

⁶⁵ The Climate Finance Study Group was established by G20 Finance Ministers in April 2012 and was welcomed by Leaders in the Los Cabos Summit in June 2012, with a view "to consider ways to effectively mobilize resources taking into account the objectives, provisions and principles of the UNFCCC." G20 Finance Ministers and Central Bank Governors reaffirmed in their April 2015 Communiqué "the importance of [...] continued discussions on climate finance" with the "contributions of IOs" and asked the Group to "finalize this year's work and report back to [them] at [their] September meeting."

⁶⁶ The CFSG's mandate is to provide "non-exhaustive approaches on climate finance for the consideration of member countries, to take-up on a voluntary basis in accordance to their national circumstances and preferences, recognizing that there is no 'one-size fits all' policy and that country ownership is a key element to guide the enhancement of climate finance."

⁶⁷ G20 energy ministers' communiqué, Istanbul, October 2, 2015

⁶⁸ SE4All was launched in 2011 by Secretary-General Ban Ki-moon with a twin goal of reducing carbon emissions in developed countries, while, in undeveloped countries, introducing sustainable alternatives to common fuels used for heating and cooking, namely wood, coal, charcoal, and animal waste.



