G20 GERMANY 2017
HAMBURG

ANNEX TO G20 LEADERS DECLARATION

HAMBURG ANNUAL PROGRESS REPORT ON G20 DEVELOPMENT COMMITMENTS

Hamburg · Germany 2017

The preparation of the APR 2017 has been coordinated by the Development Working Group (DWG). Input has been provided by other G20 working groups, the OECD, and other International Organisations.

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Abbreviations

AAAA	Addis Ababa Action Agenda
ADB	Asian Development Bank
AEOI	Automatic Exchange of Information
AfDB	African Development Bank
APR	Annual Progress Report
ATI	Addis Tax Initiative
ATAF	African Tax Administrations Forum
BEPS	Base Erosion and Profit Shifting
CAR	Comprehensive Accountability Report
CFS-RAI	Committee on World Food Security Principles for Responsible Investment in Agriculture and Food Systems
CIAT	Inter-American Center of Tax Administrations
CRS	Common Reporting Standard
DFI	Development Finance Institution
DPIGI	Dialogue Platform on Inclusive Green Investment
DRM	Domestic Resource Mobilisation
DWG	Development Working Group
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EOI	Exchange of Information
EWG	Employment Working Group
FAO	Food and Agriculture Organization
FIAP	Financial Inclusion Action Plan
FSN	Food Security and Nutrition
GAFSP	Global Agriculture and Food Security Program
GPFI	Global Partnership for Financial Inclusion
GPIB	Global Platform on Inclusive Business
HRD	Human Resource Development
IADB	Inter-American Development Bank
IB	Inclusive Business
IF	Inclusive Framework
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFPRI	International Food Policy and Research Institute
IIWG	Investment and Infrastructure Working Group
ILO	International Labour Organization
IMF	International Monetary Fund
IO	International Organization
ITC	International Tax Compact
ISPA	Inter-Agency Social Protection Assessments
KSP	The Global Knowledge Sharing Platform
LDC	Least-Developed Country
LIC	Low-Income Country
LIDC	Low-Income Developing Country
MDB	Multilateral Development Bank
MFI	Multilateral Financial Institution
OECD	Organisation for Economic Co-operation and Development
OSBP	One-Stop Border Post
PARM	Platform for Agricultural Risk Management
PPF	Project Preparation Facility
PPP	Public Private Partnership
RAS	Risk Assessment Studies
SDG	Sustainable Development Goal
SME	Small and Medium-Sized Enterprise
SPIAC-B	Social Protection Interagency Cooperation Board
TADAT	Tax Administration Diagnostic Assessment Tool
TVET	Technical and Vocational Education and Training
TIWB	Tax Inspectors without Borders
TMEA	TradeMark East Africa
UN	United Nations
UNDP	United Nations Development Programme
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
WBG	World Bank Group
WCO	World Customs Organization

G20 Africa Conference (Berlin, Germany)

EXECUTIVE SUMMARY

Executive Summary

As the group of the world's economically most significant countries, the G20 has ranked sustainable development high on its agenda. Since the initiation of the G20's Development Working Group (DWG) in 2010, the group has agreed on actions in many areas to support sustainable development, fight poverty, and ensure decent living in the G20 countries and across the world. The areas of action range from strengthening infrastructure and investment to increasing domestic resource mobilisation and ensuring food security and nutrition. The areas of action are based on the nine pillars of the Multi-Year Action Plan on Development, which was adopted by G20 leaders in Seoul in 2010. Each year, new commitments are made by the G20 that originate from the work of the DWG. In Hangzhou in 2016, the G20 Action Plan on the 2030 Agenda for Sustainable Development, which was developed in the DWG in cooperation with other working groups and workstreams, was adopted by the G20 leaders. With this, the G20 has embraced its responsibility to coherently contribute to the implementation of the 2030 Agenda, both internationally and domestically, through collective as well as individual actions.

To follow up on the G20's development commitments – in accordance with the mandate from the 2013 St. Petersburg Development Outlook – the DWG prepares accountability reports. In 2014 an Accountability Framework was adopted to structure a transparent accountability process. According to this framework, every three years a Comprehensive Accountability Report (CAR) of the DWG shall be prepared, the last of which was completed in 2016. In the years in between, the DWG publishes an Annual Progress Report (APR). The 2017 DWG APR in year one after the adoption of the G20 Action Plan on the 2030 Agenda tracks all active core G20 development commitments, but it also presents progress on other selected 2030 Agenda-positive G20 commitments.

Of the 31 development commitments originating in the DWG considered to be active (i.e. not having been completed by the G20), 3 were now considered complete and 28 to be on track. The extended list of pillars of G20 action areas with respect to development mirrors the range of issues that are related to development and can only support development if tackled together, particularly in low-income and developing countries. The actions taken in these action areas and those that are underway show the increased responsibility that the G20 has assumed, not only for its own domestic and collective challenges, but also for those of the global community.

With its Action Plan on the 2030 Agenda, the G20 has committed to further align its work with the 2030 Agenda by taking concrete, collective action across its workstreams and working groups. This is reflective of the broadened concept of sustainable development and the principles of universality and coherence of the 2030 Agenda. In 2017, the G20 has prepared a "Hamburg Update" on the Action Plan, which contains a comprehensive list of 2030 Agenda-positive G20 actions.

In order to more comprehensively follow up on the G20's efforts towards sustainable development, this 2017 DWG APR for the first time presents progress on selected commitments by the G20 that originate from other workstreams and working groups, or have an overarching nature and are directly related to the implementation of the 2030 Agenda by the G20. One of these areas is the core cross-cutting topic of sustainability in its three dimensions: economic, social, and environmental. The other is the global tax agenda and the G20's role in it – a policy area in which action is paramount to ensuring tax justice, fighting inequality, and financing sustainable development.

In the areas of environmental and social sustainability, the G20 has agreed on important positions. The steps it has taken so far are notable but do not seem sufficient to deliver the intended ambition. To fulfil its 2013 commitment to address climate change and environment protection, the G20 has worked within its Green Finance Study Group (GFSG) and Energy Sustainability Working Group (ESWG) towards the aims of the Paris Agreement to limit global warming. The GFSG has worked towards identifying policy options to foster private green investment, while the ESWG has developed plans and mechanisms to transform

↑ Bridge construction for improved market access (Narikelbari, Bangladesh)

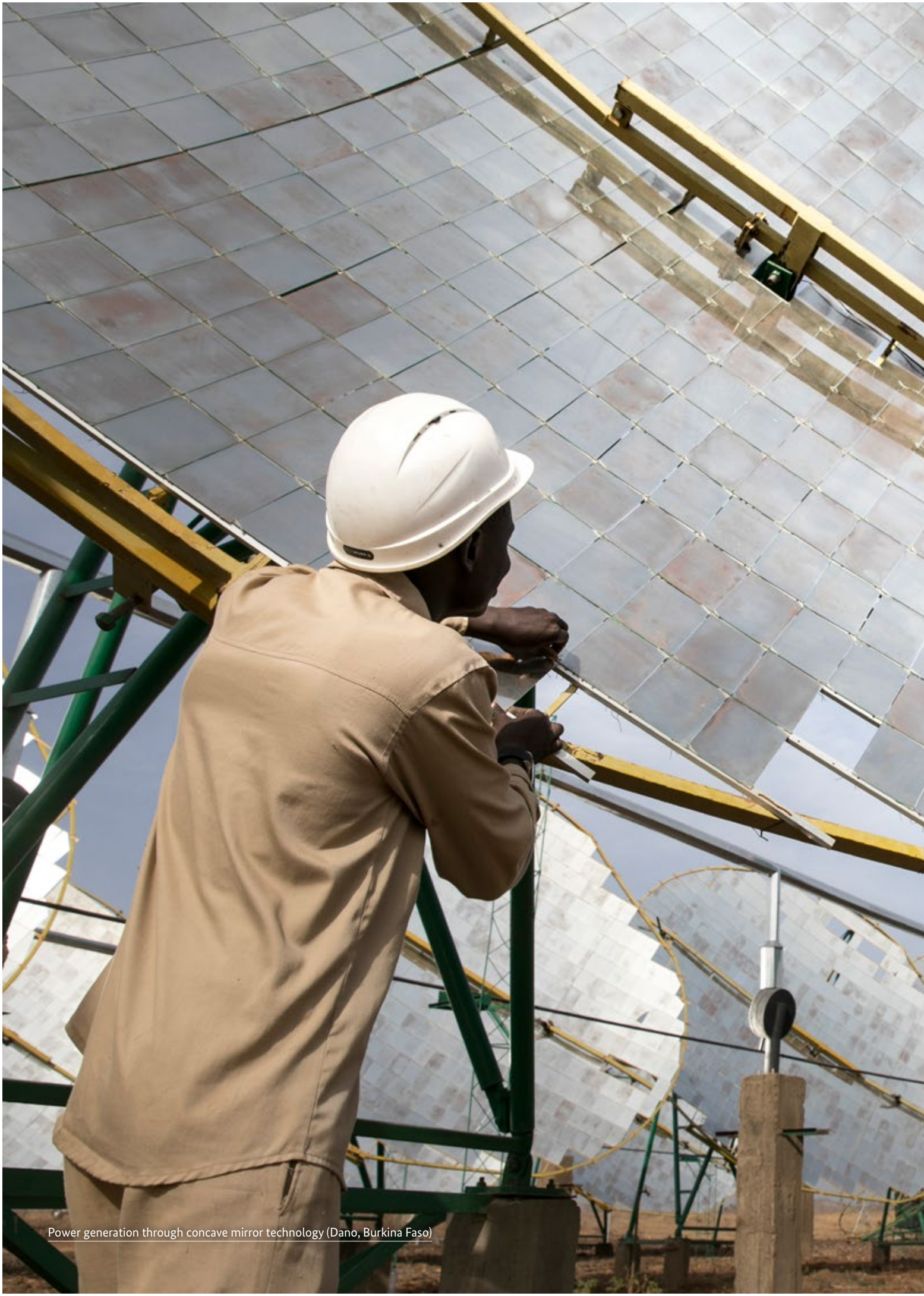
energy systems to decrease greenhouse gas emissions and environmental pollution. With these efforts, the G20 has taken first steps towards contributing to limit global warming and ensuring environmental sustainability.

As an example of the G20's commitment to ensure social sustainability, its activities towards the goal of reducing the gap in participation rates between men and women in G20 countries by 25 % by 2025 that it declared in 2014 are illustrated. While the gap has only slightly narrowed since then, besides national policies that are already being taken, the G20 Employment Working Group is proposing a holistic policy approach that concentrates on labour market policies.

In order to achieve economic sustainability, the G20 has identified the support of small and medium-sized enterprises (SMEs) as a key policy tool and, in 2014, committed to work towards the improvement of access to financial markets for SMEs. The G20's Global Partnership for Financial Inclusion (GPFI) has – through its SME Finance Subgroup jointly with the G20 Infrastructure and Investment Working Group – prepared a G20 Action Plan on SME Financing, supplemented by an Implementation Framework. The SME Finance Subgroup of the GPFI aims at increased knowledge-sharing and implementation between G20 countries and with non-G20 countries.

With regard to the global tax agenda, the G20 has – jointly with the Organisation for Economic Co-operation and Development (OECD) and other international organisations – advanced a major programme towards global coordination in tax matters. The G20 can show substantial results here, but even more gains are to be made. The project against Base Erosion and Profit Shifting (BEPS) puts forward 15 Action Points that shall fight tax avoidance by multinational corporations. Through its Inclusive Framework, the BEPS measures will be adopted and implemented by 99 countries and jurisdictions, over half of which are developing countries. Furthermore, a Common Reporting Standard (CRS) for tax-relevant information has been developed, which is an important step to facilitate the exchange of information between (so far) 100 implementing countries and jurisdictions. These programmes are supported by manifold initiatives of capacity-building by international organisations that are supported by G20 countries to increase implementing and negotiating capacities, also in non-G20 and low-income countries.

The follow-up on the work of the DWG in such diverse areas as infrastructure and domestic resource mobilisation – but also accounting for the G20's efforts with regard to its commitments towards economic, social, and environmental sustainability and the global tax agenda – shows how the G20 already contributes to sustainable development, and where there is still need for further action. Thus, this Annual Progress Report 2017 of the DWG is an important stocktaking of the G20's sustainable development agenda and its contributions to achieving the Sustainable Development Goals of the 2030 Agenda.



Power generation through concave mirror technology (Dano, Burkina Faso)

INTRODUCTION

1

1 Introduction

Accountability processes have the potential to support learning from the implementation of previous commitments, ensure that we remain aware of commitments whose implementation has not been completed, and serve credibility by giving the public a true and fair view on progress made. At their Los Cabos Summit in 2012, G20 leaders established Development Working Group (DWG) accountability to capture those gains (G20 Leaders' Declaration, para. 64). Like its predecessors, this Annual Progress Report 2017 of the DWG is intended to deliver on them. In accordance with a mandate from the 2013 St. Petersburg Development Outlook, a Comprehensive Accountability Report (CAR) is prepared every three years and, in line with the 2014 Accountability Framework, the DWG produces an Annual Progress Report (APR) in all years in between. The last comprehensive report, the Hangzhou Comprehensive Accountability Report on G20 Development Commitments (Hangzhou CAR), was prepared in 2016.

Following the Accountability Framework, the main focus of this year's APR is on G20 commitments originating from the DWG that have not been considered completed by earlier accountability reports (i.e. active DWG commitments). Chapter II of this report shows the progress the G20 has made on those commitments since the end of the reporting period covered by the Hangzhou CAR. The APR also captures the status of development-related commitments made under China's G20 presidency.

Development goals are now defined in the 2030 Agenda. This is why the G20 has moved beyond DWG matters to give a full picture of what it does to put this Agenda into practice. The G20 Action Plan on the 2030 Agenda for Sustainable Development (Action Plan) was adopted at the Hangzhou Summit in 2016. It states that "all G20 work streams have the potential to contribute" and explicitly sets out how different workstreams add value to the implementation of the 2030 Agenda. This is why the DWG has taken a broader view of accountability, without overstepping its mandate. In the words of the Action Plan: "Each relevant working group and work stream can contribute with inputs to the DWG accountability products by sharing the information with the DWG on progress made on relevant actions." In order to accommodate this new approach, this APR features a new structure: Besides tracking progress on all active G20 development commitments, it also selectively takes a look at G20 progress on 2030 Agenda-positive commitments outside the DWG's remit. The 2014 Accountability Framework explicitly leaves room for additional content on "a particular thematic area or cross-cutting theme". This accountability report is the first to use that opportunity and offer a broader view of the G20's engagement towards the 2030 Agenda.

↑ Women browsing job advertisements (Addis Abeba, Ethiopia)

Chapter III of this report for the first time reflects progress on a number of selected G20 commitments with particular relevance for the Action Plan on the 2030 Agenda that originated in other working groups and work streams or have an overarching nature. In order to fulfil its role as "coordinating body and policy resource for sustainable development across the G20" (2016 CAR), the DWG in this APR will offer short, descriptive analyses on selected G20

↑ Construction of a wind power generator (San Jose, Costa Rica)

commitments originating from beyond the DWG in two thematic areas. Given the nature of accountability, both positive and negative implementation results are reflected.

The first thematic area of chapter III concerns the goal of sustainability in its three dimensions, as the central theme of the 2030 Agenda, where the G20 has made a number of important commitments. In consultation with the Global Partnership on Financial Inclusion, a section on the financial inclusion of small and medium-sized enterprises (SMEs) as an example of economic sustainability has been prepared. As an example of social sustainability, a section on the implementation of a G20 commitment on the inclusion of women in the labour market has been prepared in cooperation with the German Chair of the Employment Working Group (EWG). Input for a short section on a G20 commitment on climate change as a central challenge to environmental sustainability was proposed by the German Presidency.

The second thematic area considered in Chapter III is the global tax agenda, in which work has been identified as vital in order to ensure financing for sustainable development globally. This Annual Progress Report thus assesses progress on G20 commitments that directly or indirectly contribute to the implementation of the 2030 Agenda. This section has been coordinated with the German representatives of the G20 finance track.

Future DWG accountability reports must be aligned with the G20 Action Plan on the 2030 Agenda, and there are good reasons for further strengthening this alignment. The question of how to include Agenda 2030-relevant actions that straddle different G20 working groups remains a challenge. The final section intends to facilitate future accountability products by offering possible avenues.

Mangrove plant in a tree nursery (Beira, Mozambique)

G20 DEVELOPMENT COMMITMENTS MONITOR

2

2
G20 Development Commitments Monitor

The G20 Development Commitments Monitor contains a list of completed and ongoing commitments and information on the latest status. The status of the commitments is indicated using the "traffic light"-style coding adopted in previous accountability reports: on track (green); mixed progress (orange); stalled (red); complete, ongoing monitoring; and complete. Commitments marked "complete" in 2016 have not been measured in 2017. Commitments identified in 2016 as "complete, ongoing monitoring" will only be monitored when developing the DWG Comprehensive Accountability Report, as the focus is on looking at longer-term outcomes from those commitments. New commitments agreed by the DWG in 2016 have been added to the Annual Progress Report 2017, with an indication of their status at that time.

The 2017 Development Commitments Monitor reviews 31 commitments: 6 under "Infrastructure"; 6 under "Food Security and Nutrition" (FSN); 4 under "Human Resource Development" (HRD); 4 under "Financial Inclusion and Remittances"; 6 under "Domestic Resource Mobilisation" (DRM); 2 under "Inclusive Business" (IB); 1 under "2030 Agenda for Sustainable Development"; 1 under "Inclusive Green Growth", and 1 under "Industrialisation in Africa". Four new commitments were included from 2016.

Of the 31 commitment reviewed: 28 are assessed as being on track; 0 are assessed as having registered mixed progress; 0 are assessed as having stalled; 2 (under Inclusive Business and 2030 Agenda) are assessed as having been completed with ongoing monitoring; 1 (under Inclusive Business) is assessed as completed.

Three commitments that were identified in the 2016 Comprehensive Accountability Report as showing "mixed progress" are now classified as "on track": 1 in the area of infrastructure (commitment from 2010 on transparency and sustainability to integrate environmental safeguards in an effective, cost-efficient manner in the operations of the multilateral development banks (MDBs) and 2 in the area of HRD (commitment D from 2013 on enhancing national capacities on skills to meet labour market needs; and commitment E from 2013 on developing regional and international cooperation for training).

The following table gives an overview of the status of all 31 active development commitments originating in the DWG. The full table and status descriptions can be found in Annex A.

↑ Women serving lunch at a daycare facility (Cotonou, Benin)

SUMMARY TABLE

INFRASTRUCTURE		
1	On track	(2010) Identify a limited number of regional initiatives with an action plan to reduce bottlenecks and deliver concrete outcomes
2	On track (changed from 2016)	(2010) Assess how best to integrate environmental safeguards in an effective, cost-efficient manner
3	On track	(2014) MDB-based Project Preparation Facilities (PPFs) will collaboratively support governments to develop prioritised lists of infrastructure projects. MDB-based PPFs with a focus on public–private partnerships (PPPs) for infrastructure are requested to report on the key elements of their current approach to country-specific sector diagnostic and approaches to project prioritisation
4	On track	(2014) Initiate a dialogue on factors affecting risk perception in low-income countries (LICs) to better inform risk management and mitigation approaches and explore engagement between institutional investors and other potential stakeholders
5	On track	(2015) Promote a policy dialogue with LICs, MDBs, regional institutions, investors, and relevant stakeholders on cross-cutting infrastructure issues requiring joint inputs from both groups
6	On track	(2016) Promote investment with a focus on infrastructure in terms of both quantity and quality
FOOD SECURITY AND NUTRITION		
7	On track	(2010) Promote increased procurement from smallholder producers and strengthen their access to markets in line with domestic and regional strategies
8	On track	(2010) Confirm commitment to scaling-up nutrition through a combination of direct nutrition interventions and incorporation of nutrition into all relevant policies
9	On track	(2015) Uphold the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) and the Committee on World Food Security Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI) and promote their application, on a voluntary basis, to investment originating in G20 members and support the Global Agriculture and Food Security Program (GAFSP)
10	On track	(2015) Support human resource development through G20 low-income developing countries' (LIDCs) knowledge-sharing forums on enhancing vocational training and promoting food security and nutrition safety nets
11	On track	(2015) Improving the investment climate in agriculture sectors of LIDCs
12	On track	(2015) Establish and operationalise a G20 technical platform for sharing information and experiences in measuring and reducing food loss and waste

← Installment of drinking water pipes (Mafraq, Jordan)

HUMAN RESOURCE DEVELOPMENT			
13	On track		(2010) Knowledge-sharing platform on skills for employment
14	On track (changed from 2016)		(2013) Enhancing national capacities on skills to meet labour market needs
15	On track (changed from 2016)		(2013) Developing regional and international cooperation for training
16	On track		(2015) Carry out further work in 2016 to improve policy coherence on Human Resource Development, specifically between the DWG and the Employment Working Group
FINANCIAL INCLUSION AND REMITTANCES			
17	On track		(2015) Implementing, monitoring, and updating National Remittance Plans: Annually review the implementation of National Remittance Plans to achieve commitments
18	On track		(2015) Undertake analysis to better understand remittance sectors and key corridors
19	On track		(2015) Joint Action Plan on SME Financing
20	On track/ Completed	✓	(2016) Implement and review the G20 Financial Inclusion Action Plan (FIAP)
DOMESTIC RESOURCE MOBILISATION			
21	On track		(2014) Ensure developing countries can participate in, and benefit from, the G20/OECD Base Erosion and Profit Shifting (BEPS) agenda and related international tax issues
22	On track		(2014) Ensure developing countries can participate in, and benefit from, Automatic Exchange of Information (AEOI)
23	On track		(2014) G20 members take practical steps, on a voluntary basis, to make available tax policy and administration experts to assist international and regional organisations that strengthen developing countries' capacity
24	On track		(2015) Call on the OECD to develop an inclusive framework to monitor and support implementation of (and review progress on) BEPS measures by early 2016 with the involvement of interested non-G20 countries and jurisdictions
25	On track		(2015) Carry out the first reporting in 2016 on steps taken in relation to the Call to Action for Strengthening Tax Capacity in Developing Countries
26	On track		(2016) Work on addressing cross-border financial flows derived from illicit activities, including deliberate trade mis-invoicing, which hampers the mobilisation of domestic resources for development, and welcome the communication and coordination with the World Customs Organization (WCO) for a study report in this regard following the Hangzhou Summit

INCLUSIVE BUSINESS			
27	Completed with ongoing monitoring (changed from 2016)	✓	(2015) Taking forward the G20 Inclusive Business Framework: Establish the G20 Global Platform on Inclusive Business (GPIB)
28	Completed	✓	(2015) Promoting the development of the G20 Global Platform on Inclusive Business: Report in 2016 on the progress on advancement of actions taken under the platform
2030 AGENDA FOR SUSTAINABLE DEVELOPMENT			
29	Completed with ongoing monitoring (changed from 2016)	✓	(2015) Develop an action plan in 2016 to further align the work of the G20 with the 2030 Agenda
INCLUSIVE GREEN GROWTH			
30	On track		(2012) Encourage further exploration of effective mechanisms to mobilise public and private funds for inclusive green-growth investments in developing countries, including through the public-private Dialogue Platform on Inclusive Green Investment (DPIGI)
INDUSTRIALISATION IN AFRICA			
31	On track		(2016) Launch the G20 Initiative on Supporting Industrialization in Africa and least-developed countries (LDCs) [...] with a focus on women and youth; and promoting science, technology, and innovation as critical means for industrialisation.

↑ Expansion of a brick production business through microcredits (Darkhan, Mongolia)

Training of mechanics, metalworkers and engineers (Kigali, Rwanda)

EXEMPLARY OVERVIEWS ON ADDITIONAL 2030 AGENDA-POSITIVE G20 COMMITMENTS ORIGINATING FROM OTHER WORKING GROUPS AND WORKSTREAMS

3

3
Exemplary Overviews on Additional 2030 Agenda-positive G20 Commitments Originating from Other Working Groups and Workstreams

The G20 has acknowledged in its Action Plan on the 2030 Agenda the universal, transformative, indivisible, and integrated nature of the agenda. In order to contribute to the implementation of the 2030 Agenda and to achieve the Sustainable Development Goals (SDGs), policy coherence is required – across G20 workstreams, but also in coordination with non-G20 countries and other international organisations (IOs). To support coherence and to demonstrate how the G20 can act towards the implementation through its different workstreams and achieve successful cooperation with external actors, this chapter exemplarily reports on G20 work in policy areas that are of crucial relevance for the 2030 Agenda and its implementation. By doing so, it gives examples for how the principles of the agenda can be incorporated in G20 work. These two exemplary policy areas are:

- The cross-cutting topic of *Sustainability* in its three dimensions – economic, social, and environmental,
- The extensive work that the G20 – jointly with international organizations and in close cooperation with non-G20 countries – has conducted on the *Global Tax Agenda* in recent years.

In both areas, the G20 has committed to contribute to the universal means of implementation and goals that the 2030 Agenda sets to policy-making worldwide. The three levels of implementation of the 2030 Agenda will be addressed in the assessment: (i) implementation within G20 countries; (ii) G20 support for global public goods; and (iii) cooperation with and assistance to non-G20 countries, in particular with low-income and developing countries. The following sections track progress on G20 commitments in the two areas mentioned above. Both areas feature prominently in the work of the DWG (see Chapter II), but have also been addressed by other G20 workstreams.

3.1 SUSTAINABILITY

Sustainability is the central concept of the 2030 Agenda for Sustainable Development. It adds to the multi-dimensionality of the notion of development. In paragraph 33 of the Hangzhou Leaders' Communiqué, the commitment of the G20 to contribute to the 2030 Agenda and enhance policy coherence for sustainable development is reaffirmed. Sustainability is a cross-cutting issue that is of relevance for the activities of all working groups and workstreams of the G20. This section exemplarily assesses commitments of the G20 arising from the work of different working groups with regard to sustainability. Examples from all three dimensions of sustainability – economic, social, and environmental – will be considered. While these three dimensions are interrelated, some G20 commitments have been directly addressing a particular dimension in order to foster sustainable development in general. The examples given demonstrate the variety of measures that are needed in order to implement the 2030 Agenda.

3.1.1 ECONOMIC DIMENSION – SME FINANCE

The goal of sustainability is of relevance to all parts of the economy. In the APR 2017, as an example of G20 actions addressing the economic dimension of sustainability, progress against a commitment on the financial inclusion of SMEs is assessed. SMEs provide about 50 % of employment worldwide. According to the report "Scaling-Up SME Access to Financial Services in the Developing World" of the Financial Inclusion Experts Group from 2010, SMEs are especially important for the economies of developing countries, where they account for about 93 % of employment and 70 % of GDP. Lack of long-term financing can hinder SMEs from exploiting their tremendous potential for job creation, investment, innovation, and sustained economic growth. Therefore, access to finance for SMEs can play a useful role in ensuring economic sustainability. It can support the implementation of a range of different SDGs (e.g. SDGs 1, 8, 9). In consultation with the Global Partnership for Financial Inclusion (GPFI), this APR reports on the following commitment

made by the G20 in the Leaders' Communiqué of the Brisbane Summit 2014:

> *"We are working to facilitate long-term financing from institutional investors and to encourage market sources of finance, including transparent securitisation, particularly for small and medium-sized enterprises."*

The efforts of the G20 to implement this commitment are mainly conducted by the GPFI. The GPFI is an inclusive platform for G20 member states, other interested non-G20 countries, implementing partners, and relevant stakeholders. The GPFI deals with the topic of SME finance in a subgroup that focuses on identifying, scaling up, and improving the policy environment for successful models of SME financing, both within G20 and non-G20 countries, including developing countries.

One year after the adoption of the commitment mentioned above, the GPFI SME Finance Subgroup, jointly with the G20 Investment and Infrastructure Working Group (IIWG), prepared the G20 Action Plan on SME Financing in 2015, which was supplemented by an Implementation Framework in 2016. The Action Plan aims to advance the agenda of SME finance across different G20 workstreams and specifies planned G20 actions to improve access to finance for SMEs. The Implementation Framework contains a self-assessment tool, which allows countries to benchmark their existing practices against international best practices in the credit infrastructure area and to inform selection and sequencing of reforms. The main pillars of the expected country self-assessments are credit reporting, secured transactions and collateral registries, and the legal framework for insolvency. By creating a baseline for G20 countries in credit infrastructure areas, they can prioritise the implementation of reform, use it to follow up on progress through regular updates, and provide an opportunity for knowledge- and experience-sharing among countries. Willing non-G20 countries are also encouraged to implement the Action Plan. Implementing partners with operational expertise in credit infrastructure, such as the World Bank Group (WBG), are ready to support G20 and non-G20 countries as asked for.

The GPFI supports developing countries in the area of SME finance, among other activities, through the SME Finance Compact, which promotes the development of innovative approaches to address the specific needs of LIDCs with regard to SME finance. To this end, the GPFI organised workshops, which provided the opportunity for knowledge-sharing and the discussion of national SME finance strategies. In addition, the GPFI has been actively engaging with the SME Finance Working Group of the Alliance for Financial Inclusion (AFI) since 2013. This working group assembles a broad network of relevant actors from developing countries to discuss policy frameworks that facilitate access to finance for SMEs. Outcomes include surveys, case studies, and selected policy peer reviews.

↑ Store offering cash-free money transfer via mobile phones (Talek, Kenya)

← Training of agricultural sciences and mechanical, electrical and automotive engineering (Harar, Ethiopia)

These two examples of activities of the G20 with regard to SME finance focus, like the majority of G20 measures in this area, on knowledge-sharing between and knowledge-transfer by G20 countries. The provision of a framework for mutual learning with respect to relevant policy measures can be seen as a valuable contribution of the G20 towards identifying and applying best practices of ensuring economically sound financial environments for SMEs globally. In the end, the availability of finance to SMEs depends on policy measures implemented by national governments.

3.1.2 SOCIAL DIMENSION – INCLUSION OF WOMEN IN THE LABOUR FORCE

Inclusive economic development is an essential part of social sustainability. Inclusiveness is relevant for a whole range of SDGs (1, 8, 9, 10, 12, 17), especially SDG 8, which demands the promotion of sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all, in particular in the context of global value chains. In the Hangzhou Leaders' Communiqué, the G20 again committed to ensure that the benefits of growth reach all people. The APR 2017 describes ways in which the G20 addresses the requirement of inclusiveness in their traditional growth agenda. Exemplarily, in cooperation with the German Chair of the G20 EWG, the following G20 commitment from the Brisbane Leaders' Communiqué 2014 is considered:

"Countries agree to the goal of reducing the gap in participation rates between men and women in our countries by 25 per cent by 2025, taking into account national circumstances, to bring more than 100 million women into the labour force, significantly increase global growth and reduce poverty and inequality."

G20 leaders at the 2014 Brisbane Summit committed to reduce the gender gap in labour force participation by 25 % by 2025 within G20 countries (the 25 by 25 target).

While overall the gender gap in labour force participation has narrowed slightly in the past few years, it remains large in a number of G20 economies and has recently increased in several countries with small gaps. Moreover, whereas the participation gap is lowest amongst youth as compared to older workers, this gap widens around the start of parenthood.

Two challenges stand out: (1) to maintain the steady entry of women in the labour force, and (2) to enhance the quality of their work.

While all G20 countries have carried out policy actions to improve the participation and quality of female employment, evidence suggests that improving women's status in the labour market requires a holistic approach and action on participation as well as on various dimensions

↑ Stabilizing dunes for protection from rising sea levels (Nouakchott, Mauretania)

of job quality, including earnings, labour market security, and working conditions. Furthermore, there is emerging evidence that policies contributing to gender equality in the workplace also contribute to a firm's profitability, making it a win-win proposition. A good understanding of how policies on one particular dimension may have effects on the other two dimensions, and their impact on productivity, is key for better-informed and more effective policy-making.

Both individual and joint actions by government, enterprises, and social partners are necessary to advance gender equality and close gender gaps in participation and employment outcomes.

3.1.3 ENVIRONMENTAL DIMENSION – COMBATING CLIMATE CHANGE[1]

Climate change is arguably the greatest challenge to environmental sustainability of our time. SDG 13 demands "urgent action to combat climate change and its impact". As G20 member states account for about 75 % of global greenhouse gas emissions, it is imperative that the G20 takes the lead for action in this area. The G20 can play an important role to enable the collective action of member countries for the provision of global public goods, such as a stable climate. The G20 Action Plan on the 2030 Agenda emphasises the goal of combating climate change as "a priority of G20 countries". In recent years, the G20 has reiterated its commitment to combat climate change. For example, in the G20 Leaders' Declaration of St. Petersburg 2013, the G20 highlighted the need to address climate change:

> *"We underscore our commitment to work together to address climate change and environment protection, which is a global problem that requires a global solution."*

In line with this commitment, the G20 has continuously expressed its support for the negotiating process under the UN Framework Convention for Climate Change (UNFCCC). Meanwhile, G20 member states have moved towards implementing the G20 commitment of 2016 to join the Paris Agreement which aims at limiting the global average temperature rise to well below 2°C, and pursues efforts to limit it to 1.5°C. The nationally determined contributions related to the agreement spell out domestic efforts in addressing climate change. The successful implementation of the Paris Agreement will be a huge step in the direction of a global solution to climate change.

Important means to address climate change and environmental protection lie in the area of finance. The G20 has paid considerable attention to this issue, as can be seen in the establishment of the study groups on Climate Finance (2012, now closed) and Green Finance (2016). The Climate Finance Study Group provided research on the options

[1] The United States is currently in the process of reviewing many of its policies related to climate change and continues to reserve its position on the climate language in this document.

↑ Solar power generation for agricultural irrigation systems (Betal Para, Bangladesh)

to effectively provide climate finance and considered the question about which role climate finance could play in development cooperation. In 2016, the group presented inter alia a report on the promotion of climate finance provision and mobilisation, emphasising the need to align climate finance with country-driven strategies and priorities, for increased efficiency in the usage of financial instruments and provision of resources, and to increase transparency. The Green Finance Study Group develops options to enhance the ability of the financial system to mobilise private capital for green investments. In 2016, the group published a synthesis report, which included a number of policy options to be considered for voluntary adoption by G20 member countries. Thus, both study groups focused on research and the exchange of national experiences and best practices. So far, some initial measures have been taken, which can serve as an inspiration for adoption in other member jurisdictions. For example, in Germany the national development bank Kreditanstalt für Wiederaufbau is active as both an issuer and anchor investor in green bonds. Furthermore, the Chinese Banking Regulatory Commission issued Green Credit Guidelines for different forms of financial institutions. These guidelines encourage entities to scale-up support for a low-greenhouse gas emissions and climate resilient development.

In the area of energy, outcomes agreed by the Energy Sustainability Working Group since its establishment in 2013 support G20 efforts to transform energy systems to decrease greenhouse gas emissions and environmental pollution, for example the G20 Energy Efficiency Action Plan from 2014, the Energy Efficiency Leading Programme from 2016, the G20 Toolkit of Voluntary Options for Renewable Energy Deployment from 2014, and the G20 Voluntary Action Plan on Renewable Energy from 2016. The resulting activities include multilateral cooperation on best practice exchange on energy efficiency and renewable energy solutions across different sectors and analysis by the International Renewable Energy Agency, for example on renewable energy technology cost development, and the International Energy Agency, for example on grid integration of variable renewables. Since their 2009 commitment to rationalise and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, progress has been heterogeneous across countries, with significant remaining potential. In 2013, the G20 introduced a voluntary peer-review of inefficient fossil fuel subsidies to increase transparency and accountability. China and the United States were the first countries to participate in 2016, both proposing a set of inefficient subsidies for reform. Germany and Mexico are currently undergoing review.

In spite of the actions already taken by the G20 in the past, in face of the tremendous challenge of climate change, work remains to be done to complete this commitment. Since this year, a newly established Sustainability Working Group is the central forum for G20 efforts in this area.

3.2. THE GLOBAL TAX AGENDA IN THE G20

The G20 Action Plan on the 2030 Agenda reiterates the importance of mobilising domestic resources to finance sustainable development. Both developed and developing countries have prioritised the need to combat tax evasion and avoidance, illicit financial flows, and to make tax collection systems fairer and more effective. Fair taxation is furthermore a means to reduce inequalities in all countries, which has been set as SDG 10 in the 2030 Agenda.

SDG 17, Target 1 calls for all countries to strengthen DRM, including through international support to developing countries, to improve domestic capacity for tax and

other revenue collection. The Addis Ababa Action Agenda (AAAA) recognises domestic revenues as a key component of global efforts to finance the 2030 Agenda. Many of the problems involved can only be solved on a global scale. Since the financial crisis of 2008, the G20 has made the global tax agenda a high priority in their collective work, partly drawing and building on existing initiatives by the United Nations (UN), the OECD, the World Bank, the International Monetary Fund (IMF), and others.

The projects central to the agenda in the G20 have been dealing with addressing tax planning strategies by multinational corporations and increasing transparency to tackle tax evasion and illicit financial flows. The ambitious G20/OECD Base Erosion and Profit Shifting package has been embraced by G20 leaders and put to work within the short timeframe since 2013. The development of the Common Reporting Standard (CRS) has set the groundwork for AEOI in tax matters between countries and jurisdictions.

Both projects are being joined by many non-G20 countries and jurisdictions, including developing countries. Support for developing countries in matters of international taxation and DRM has been a focus of the DWG (see Chapter II). It has become ever more important with the adoption of the initiatives on international tax cooperation to include developing countries in their formulation and implementation. Thus, capacity-building has become an integral part of the agenda of the G20 in the area of international taxation, in line with the principles of universality and coherence that the Agenda 2030 requires.

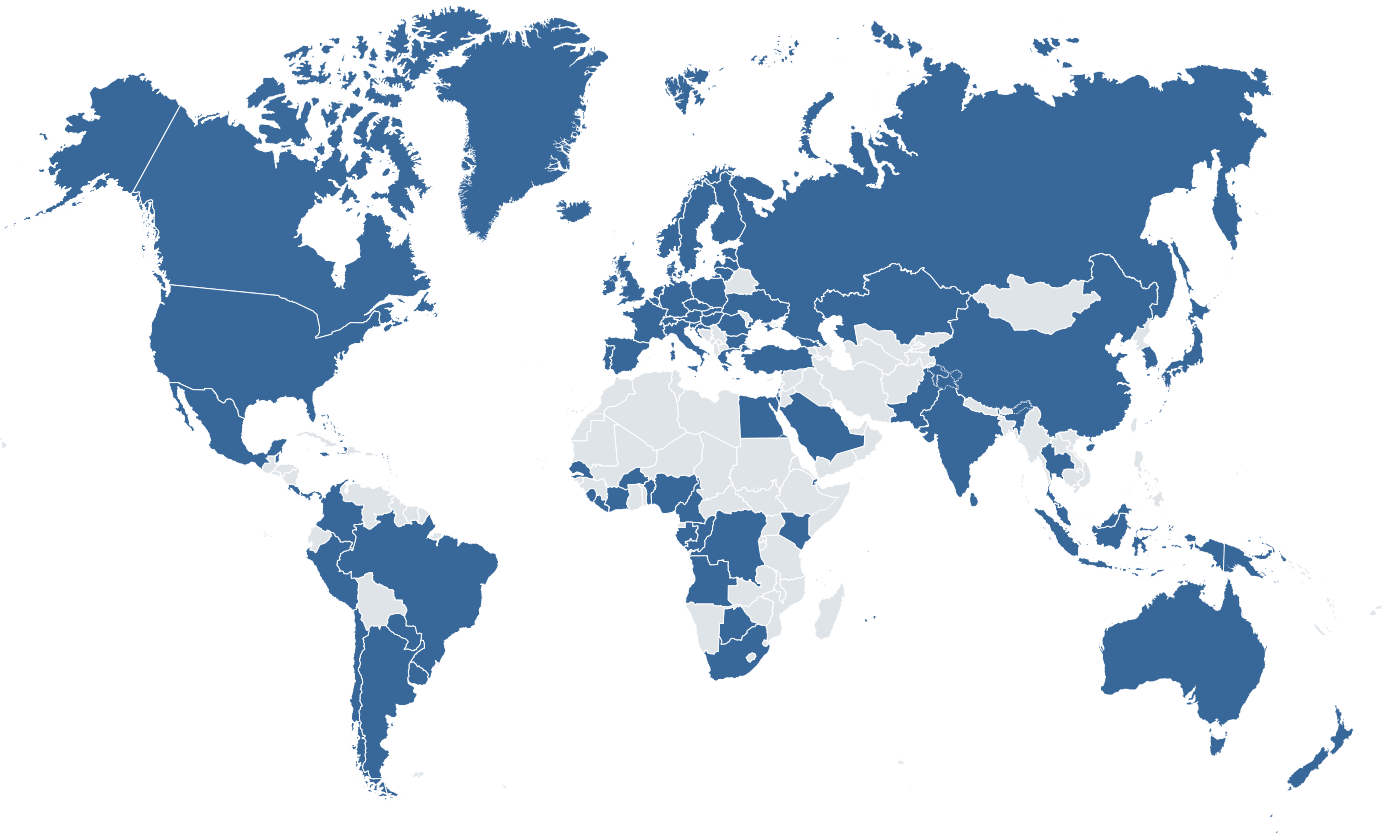
Through its contribution to the global tax agenda, the G20 has proven its ability to act in a leading role to support a global public good, and cooperate effectively with outside actors, in particular developing countries. The progress made through these initiatives represents a huge step forward in the global effort for financing sustainable development.

3.2.1 THE G20/OECD PROJECT TO ADDRESS BASE EROSION AND PROFIT SHIFTING

The need to address tax avoidance in order to make tax systems more efficient and fair was prioritised by G20 leaders in the 2011 Seoul Multi-Year Action Plan on Development, and reiterated in the Los Cabos Leaders' Declaration of 2012. In joint work with the OECD, a process was initiated to develop concrete policy options on tackling BEPS on the global level. One year later, in July 2013, the ambitious G20/OECD BEPS project was approved by the G20 Finance Ministers in their St. Petersburg meeting. It was endorsed by G20 leaders and presented in a Tax Annex to the St. Petersburg Leaders' Declaration in September 2013:

> *"We fully endorse the ambitious and comprehensive Action Plan – originated in the OECD – aimed at addressing base erosion and profit shifting with mechanism to enrich the Plan as appropriate. We welcome the establishment of the G20/OECD BEPS project and we encourage all interested countries to participate."*

The Action Plan, which was developed by the OECD, comprised 15 Action Points to address BEPS by closing the gaps in international tax rules and updating the international standards. The BEPS package, released in October 2015, includes measures to address prominent issues such as harmful tax practices using preferential tax regimes and tax



↑ Chart 1: Countries and jurisdictions that have joined the Inclusive Framework on BEPS

rulings, transfer pricing, tax treaty abuse, tax challenges of the digital economy, the effects of hybrid mismatch arrangements, base erosion via interest deductions and other financial payments, the permanent establishment definitions, and improving dispute resolution mechanisms. As part of the BEPS package, the G20 agreed that both implementation – especially of the four required minimum standards – and impact of the measures should be monitored.

Although the BEPS project was initially developed in close cooperation between G20 and OECD countries, it was recognised that it would be most effective if non-OECD and non-G20 countries and jurisdictions, especially developing ones, could join the common effort.

In 2015, G20 leaders extended their commitment on the project with the G20 leaders' call in the Antalya Leaders' Communiqué 2015:

"We strongly urge the timely implementation of the [BEPS] project and encourage all countries and jurisdictions, including developing ones, to participate. To monitor the implementation of the BEPS project globally, we call on the OECD to develop an inclusive framework by early 2016 with the involvement of interested non-G20 countries and jurisdictions which commit to implement the BEPS project, including developing economies, on an equal footing."

In February 2016 in Shanghai, G20 Finance Ministers approved the Inclusive Framework on BEPS to extend participation in the BEPS project by inviting *"all relevant*

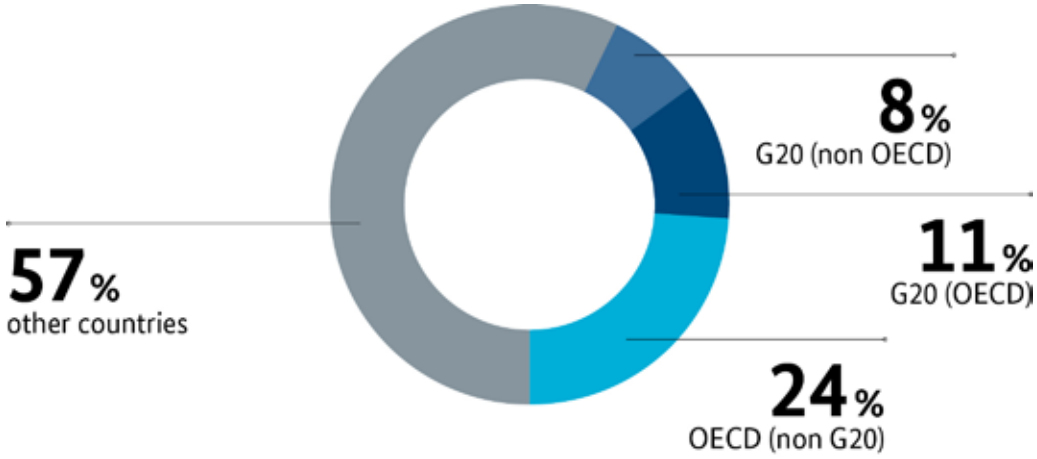
and interested non-G20 countries and jurisdictions, which commit to implement the BEPS project, including developing countries, to join in the framework on an equal footing", if they commit to implement the BEPS package. Participation extends to both the BEPS standard-setting and BEPS implementation-monitoring through participation in the OECD's Committee on Fiscal Affairs (CFA). As of June 2017, the Inclusive Framework on BEPS already has 99 members (see Box VI.1), with more jurisdictions expected to join in the coming months.

Over half of the members of the Inclusive Framework are non-OECD/G20 countries or jurisdictions, with 19 from Africa, bringing a better economic and geographical balance to the project. Besides 12 OECD member countries, a number of developing countries are also in the Steering Group of the Inclusive Framework, which guides the work, including Egypt, Georgia, Jamaica, and Nigeria as members, and Senegal as Deputy Chair. To facilitate participation in BEPS, a number of regional meetings were held in 2016, in partnership with Regional Tax Organisations, in Latin America, Africa, Asia-Pacific, Eastern Europe, and Central Asia.

Although some measures in the BEPS package require implementation through the domestic legislative and regulatory framework, others are most effectively implemented by amending existing bilateral tax treaties. Therefore, with Action Point 15 of the BEPS package, the G20 has committed to develop a multilateral instrument to facilitate the rapid implementation of BEPS provisions on a broad basis. To this end, an ad-hoc working group was established to prepare the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MC-BEPS) which was published in November 2016. The Convention, developed by more than 100 countries and jurisdictions, has been adopted and is open to signature by all interested jurisdictions. It will enable signatories to amend existing double-taxation treaties and allows for flexible implementation of tax-treaty-related BEPS measures. On 7 June 2017, it was signed by 67 signatories, covering 68 jurisdictions. The convention will enter into force when at least five states have ratified it.

By curbing corporate tax avoidance in a broad range of developed and developing countries, the G20/OECD BEPS project can make a significant contribution to mobilising

↓ Chart 2: Composition of the Inclusive Framework on BEPS (as of June 2017)



↑ Employee at the Ministry of Finance (Dhaka, Bangladesh)

the domestic resources needed to finance sustainable development, and thus help to implement the 2030 Agenda. Developing countries also face international tax issues beyond those being addressed directly in the BEPS Action Plan. To identify the highest priority issues, the G20 DWG commissioned a report by the OECD into BEPS and LICs. This report identified eight areas where further work was needed, either as a support to developing countries for aspects of the BEPS project, or related corporate tax challenges. As a result, the G20 DWG has called upon the IMF, the OECD, the WBG, and the UN as partners in a Platform for Collaboration on Tax to produce eight "toolkits" to assist LICs in dealing with issues relating to base erosion and profit shifting. The first toolkit on tax incentives – identified as the most important issue by the countries – was released in October 2015, and other toolkits will be published during 2017 and 2018.

3.2.2 EXCHANGE OF INFORMATION (AUTOMATIC AND ON REQUEST)

Beyond the problem of base erosion and profit shifting by multinational corporations, a lack of transparency on tax information hinders effective and fair taxation for many countries. As early as 2008, the G20 leaders acknowledged in their Declaration of the Washington Summit on Financial Markets and the World Economy the need to promote tax information exchange. In the statement of the G20 leaders in April 2009, they declared that *"the era of banking secrecy is over"*. To achieve this goal, the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes was restructured as a consensus-based organisation in which all members are on an equal footing in order to strengthen implementation of transparency and information-exchange standards (automatically and on request) on a global level.

The Global Forum now has 142 members, half of which are developing countries (including 25 African countries). Technical-assistance and capacity-building activities are essential to the worldwide implementation of the tax transparency standards by all members, particularly those that are developing countries. Given its already extensive membership, all new members of the Global Forum are essentially developing countries, leading to a continuous intensification and expansion of its technical-assistance activities, including an Induction Programme for new members and capacity-building for developing countries to meet the challenges regarding beneficial ownership requirements.

With the Tax Annex of the 2013 St. Petersburg Leaders' Declaration, the OECD was mandated to establish *"a new single global standard for automatic exchange of information"*. This CRS was finally endorsed by G20 Finance Ministers in Cairns, and endorsed by G20 leaders in Brisbane in 2014:

> *"To prevent cross-border tax evasion, we endorse the global Common Reporting Standard for the automatic exchange of tax information (AEOI) on a reciprocal basis. We will begin to*

exchange information automatically with each other and with other countries by 2017 or end-2018, subject to completing necessary legislative procedures. We welcome financial centres' commitments to do the same and call on all to join us. We welcome deeper engagement of developing countries in the BEPS project to address their concerns. We will work with them to build their tax administration capacity and implement AEOI."

This was supported by a commitment to *"ensure developing countries can participate in, and benefit from Automatic Exchange of Information (AEOI)"*.

Overall, 100 jurisdictions have so far committed to implement the CRS, but around 30 developing countries have yet to do this due to capacity- and resource constrains. Fifty jurisdictions will commence exchanges in September 2017, and the next 50 jurisdictions will implement the standard as of 2018. The Global Forum is mandated by the G20 to monitor and review the implementation of the CRS and help developing countries identify their need for technical assistance and capacity-building in order to participate in and benefit from AEOI, thereby drawing on the experiences of the OECD, the WBG, the G20, and others.

All developing countries can participate in pilot projects, which are undertaken as a collaborative effort between the pilot country, the partner country, the Global Forum Secretariat, and, where relevant, other organisations. The intention is that, over time, each developing country participant (the "pilot country") would reach full implementation in accordance with the CRS with the support of a partner country that is more advanced in implementing AEOI. Six pilot projects to support developing countries on AEOI are underway in Asia, Latin America, and Africa, and in most cases the partner country is a G20 country. These are peer-to-peer knowledge-transfers to support developing countries in implementing and benefiting from AEOI in a timely manner.

The Global Forum has furthermore launched the Africa Initiative, a three-year programme (2015–2017) to support the effective use of exchange of information (EOI) in African member countries. Eight "First Movers" (Burkina Faso, Cameroon, Gabon, Ghana, Kenya, Morocco, Nigeria, and Uganda) have made great progress in meeting an agreed set of targets and in succeeding in their peer reviews on EOI on request. All eight jurisdictions completed their peer reviews in 2016 with a rating of "Largely Compliant". Since the start of the initiative, the First Movers have implemented a functioning EOI unit, delegated the function of competent authority from the Ministry of Finance to the Tax Administration, and signed the multilateral Convention on Mutual Administrative Assistance in Tax Matters. A notable result of this initiative has been the enormous increase in EOI relationships that African countries now have. These have increased from under 400 in 2009 to more than 1,400 in 2016 (see Chart 3).

With these frameworks in place, countries are now beginning to see benefits. Since making its first requests for information in 2014, Uganda has recovered more than US$9m in tax in 2015–2016 as a result of exchange of information.

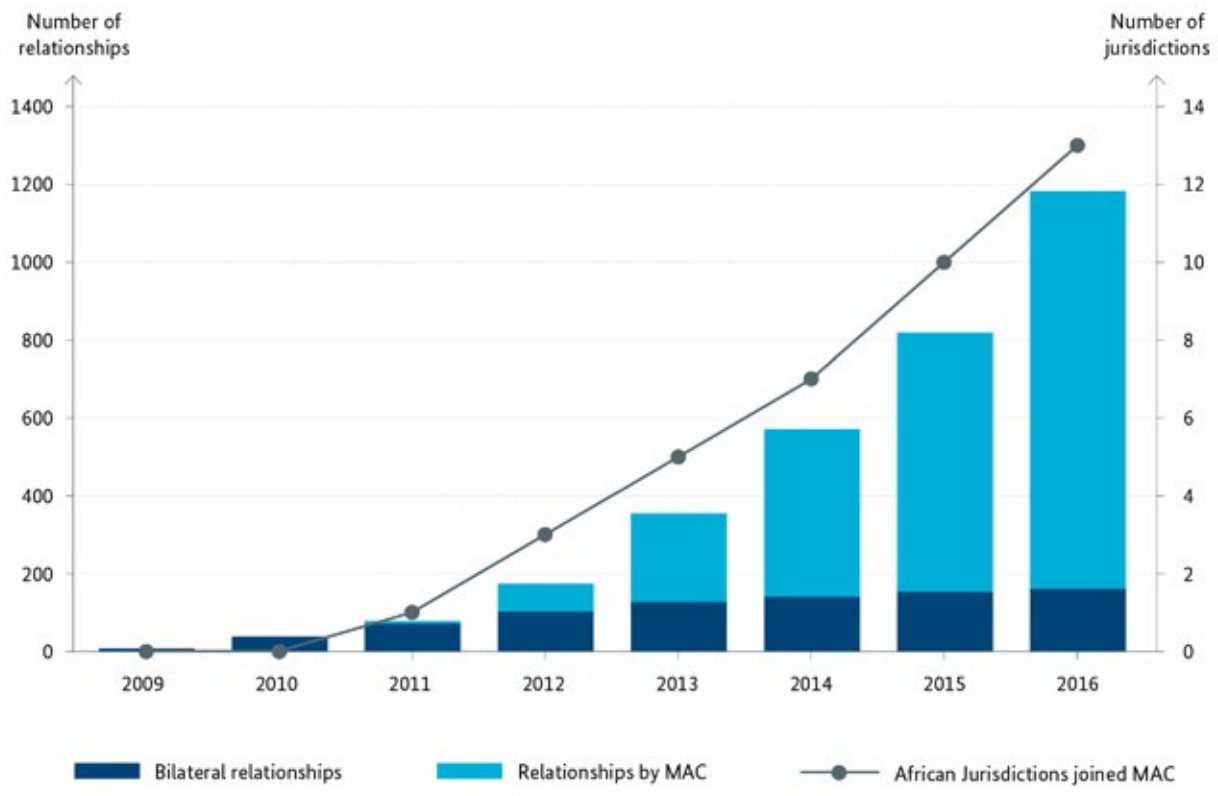
Building upon the success of the initial programme, it was agreed at the Global Forum plenary meeting in Georgia (2–4 November 2016) that the Africa Initiative should be extended for a new three-year period (2018–2020). The extension will focus on expanding the number of members in Africa that participate in AEOI.

2.2.3 CAPACITY-BUILDING FOR DOMESTIC RESOURCE MOBILISATION

In the Tax Annex to the St. Petersburg G20 Leaders' Declaration, the G20 has acknowledged that *"developing countries must reap the benefits of the G20 tax agenda"*. However, for developing countries, a lack of capacity is very often the hindrance to the implementation of international standards, as well as to contributing to their development. The SDGs in Target 17.1 explicitly mention that international support to developing countries is an important dimension of improving domestic capacity for tax and other revenue collection.

In the Tax Annex to St. Petersburg G20 Leaders' Declaration 2013, G20 leaders have proceeded to declare:

↓ Chart 3: Exchange of Information relationships held by African countries



↑ Development worker at a planning session (Fada Ngourma, Burkina Faso)

"[W]e are committed to continue to assist developing countries, including through the IOs, in identifying individual country needs and building capacity in the area of tax administration (in addition to automatic exchange of information) and encourage such support to be developing country led."

This commitment to also encourage the work in this area by partnering IOs has been continuously underlined by the G20 leaders. Most recently, in the Shanghai G20 Finance Ministers' Declaration in 2016, they declared to welcome the different existing initiatives aimed at building capacity for developing economies to their needs on tax issues, including the Addis Tax Initiative (ATI), the Tax Administration Diagnostic Assessment Tool (TADAT), and Tax Inspectors Without Borders (TIWB).

TIWB was launched by the OECD and United Nations Development Programme (UNDP) at the 3rd UN Financing for Development Conference in 2015 in Addis Ababa, Ethiopia, and was created in order to give technical assistance to developing countries in tax auditing matters on a "learning-by-doing" basis.

To date, 21 countries have been, or are, benefitting from TIWB programmes, and the increased revenues attributable to assistance using the TIWB model is more than US$275m; between 2016-2019 the programming has a target for 100 deployments. The year 2016 also saw the launch of the first South-South TIWB programme, as Kenya has begun a programme providing TIWB assistance to Botswana. With the support of Regional Tax Organisations, including the African Tax Administrations Forum (ATAF) and the Inter-American Center of Tax Administrations (CIAT), it is intended to expand South-South TIWB programmes across the globe in the coming years.

G20 members Australia, Canada, the European Commission, France, Italy, Germany, Indonesia, the Republic of Korea, the United Kingdom, and the United States were among the original members of the ATI when it was launched at the Financing for Development Conference as a multi-stakeholder partnership of development partners and partner countries in July 2015. It works towards increasing DRM for sustainable development. In the 2016 Hangzhou Communiqué, the G20 expressed its support for the principles of the ATI. The ATI members have pledged to collectively double technical assistance and broad-based capacity-building by 2020. The aim is to address the challenges in revenue collection that partner countries face, including narrow tax bases and weak administrative capacity as well as domestic and cross-border tax evasion and avoidance. The ATI stresses the importance of improving policy coherence, strengthening local capacity, establishing strong domestic governance

↑ Planning freshwater infrastructure (Zanzibar, Tanzania)

systems, and mobilising the political will to drive forward tax system reforms in partner countries. Since its launch, the ATI's membership base has been expanded to more than 45 member countries and supporting organisations. The first ATI Monitoring Report, which sets the baseline against which the increased efforts for DRM will be measured, was launched at the International Tax Compact (ITC)/ATI Conference on Tax and Development in June 2017 in Berlin, hosted by Germany in the framework of the German G20 presidency.

The TADAT was launched in November 2015 by international institutions and development partners. Since its launch, 22 TADAT assessments have been completed, and they have supported the design of tax administration reforms and support measures in several countries (e.g. Albania, Jordan, Georgia, Rwanda). Results from TADAT assessments are also being used as input into policy dialogue with country authorities (e.g. under Article IV consultations by the IMF and lending programmes of the World Bank). In support of DRM objectives, there is increasing interest from technical-assistance providers to use the TADAT framework to assess the state of health of subnational tax administrations.

→ New ferry dock (Mongla, Bangladesh)

School children peeking into their classroom (Dano, Burkina Faso)

CONCLUSIONS AND OUTLOOK

4

4
Conclusions and Outlook

This Annual Progress Report 2017 of the G20 DWG assesses progress made on core development commitments of the G20. All commitments are considered as completed or being on track. However, the report also shows that the pace of progress varies, or has varied considerably in the past.

Additionally, this APR exemplarily tracks progress towards commitments with relevance to sustainable development that go beyond the scope of the DWG. Addressing the three dimensions of sustainability, it shows the considerable activities of the G20 with respect to the enormous challenge to environmental sustainability that is posed by climate change. The EWG reports limited progress in terms of social sustainability with respect to the inclusion of women in the labour force, but also observes ongoing G20 activities in this regard. The Global Partnership for Financial Inclusion has initiated manifold steps towards ensuring access to finance for SMEs, which is an important means to achieving economic sustainability. In a second part, a view is given on the progress towards G20 commitments on advancing the global tax agenda, which contributes to tax justice as an end in itself and will also be conducive to financing the implementation of the 2030 Agenda and the AAAA in particular. The ambitious BEPS project, conducted jointly by the G20 and the OECD to address corporate tax avoidance, is about to be implemented. A CRS can serve as a basis for the exchange of tax-relevant information. The actions towards these commitments represent promising steps towards the implementation of the 2030 Agenda.

↑ Ramparts against erosion to develop farmland (Cochabamba, Bolivia)

TAKING DWG ACCOUNTABILITY TOWARDS THE 2030 AGENDA HORIZON

Since 2013, DWG accountability is intended to give a true and fair view of the G20 contribution to fostering sustainable development. Under the 2030 Agenda and the Action Plan, the scope of this goal covers actions that go beyond the DWG. Future DWG accountability reports therefore can capture progress on relevant G20 commitments, regardless of where they are anchored within the G20 structure. There are many ways to do this, and each presidency will use the leeway offered in the current framework. Still, the following considerations based on the discussions in the DWG might prove useful to frame a clear way forward:

- The Hamburg Update is designed to provide a comprehensive list of 2030 Agenda-positive G20 actions. This list will have to be updated each year to capture the evolving G20 agenda, in line with the G20 Action Plan for the 2030 Agenda. Therefore, it can serve as an up-to-date reference for a selection of commitments for future DWG accountability reports.

- In order to be manageable and readable, future DWG accountability reports are not expected to cover the entirety of the Hamburg Update or its follower documents. However, selected commitments outside the DWG's remit could be included. There is good reason to leave this

↑ Cashew nut processing plant (Mim, Ghana)

selection to the discretion of each subsequent presidency. To cover a broad and balanced spectrum of active G20 commitments, the presidencies might consider including selected G20 collective actions along either (a) each level of 2030 Agenda implementation (within G20 countries, support of developing countries, provision of global public goods), (b) each dimension of sustainability (economic, social, environmental), or (c) a certain number of different "Sustainable Development Sectors". Subsequent presidencies should clarify the reasons or criteria followed to select commitments outside the DWG, preferably in consultation with the working groups' chairs.

- Some G20 working groups are looking at different ways to gauge the progress made on the commitments in their remit. The Action Plan states that "each relevant working group and work stream will be responsible for actions it takes forward as well as tracking progress through relevant G20 accountability processes and mechanisms. Each relevant working group and work stream can contribute with inputs to the DWG accountability products by sharing the information with the DWG on progress made on relevant actions". Under the Sherpa's leadership and notwithstanding the mandates of other working groups, the DWG can leverage its new function under Annex A of the Action Plan to further strengthen G20 accountability on 2030 Agenda matters.

Training for union workers (Dhaka, Bangladesh)

ANNEX

A
Annex

INFRASTRUCTURE

1

Status
ON TRACK

Commitment (year of adoption: 2010)
Special measures for regional integration: identify a limited number of regional initiatives with an action plan to reduce bottlenecks and deliver concrete outcomes

Progress in 2016/2017
This action was intended to illustrate the bottlenecks and challenges in relation to exemplary regional projects. Many of the 11 identified projects have been significantly progressed by the relevant governments and MDBs.

A specific example of progress being made with the identified projects is the North-South Corridor.

The execution of the two major works contracts along the Mafinga–Igawa road section remains broadly on schedule. However, the execution of the One-Stop Border Post (OSBP) at Kasumulu/Songwe and the One-Stop Inspection Station (OSIS) at Vigwaza have been delayed and are not expected to be completed until mid-2018. TradeMark East Africa (TMEA) is supporting the introduction of Integrated Border Management at the Songwe/Kasumulu border crossing. The project is also improving trauma care in the hospitals and health clinics along the corridor, establishing a pilot emergency response service, and addressing priority accident blackspots.

Phase 2 is financing the rehabilitation of the 46 km Karonga–Songwe road section of the corridor in Malawi, establishment of the OSBP Songwe/Kasumulu with Tanzania, and modernisation of border post facilities on the border with Mozambique (at Dedza, Mwanza, and Muloza). Works are just about to commence on the Karonga–Songwe section; the implementation of the OSBP and border post improvement works is being delayed and not expected to commence until early 2018. Phase 2 is also financing feasibility studies for improving two other sections of the corridor to be potentially financed by the European Investment Bank (EIB), namely Kacheche–Chiweta (70 km) and Mzimba Turn off–Mzuzu–Kacheche (147 km).

Phase 3 of the programme, which is in the pipeline, is expected to cover the Igawa–Songea section of the North-South Corridor in Tanzania, linking to the border crossing with Zambia and Malawi, and complementing construction being financed by TMEA at the Tunduma border crossing. Potential phases 4 and 5 will cover Mozambique and Zambia, subject to readiness in each country to join the programme.

The African Development Bank (AfDB) is financing a Multinational Nacala Road Corridor Development Project – Phase IV, approved Dec. 2014 and expected to be completed Dec. 2018. Rehabilitation of the Liwonde–Mangochi Road (75 km) is underway; a memorandum of understanding on the construction of an OSBP between Malawi and Zambia at Mchinji was signed in May 2017.

The Dar Es Salaam Maritime Gateway Program is currently in the negotiations stage. This is a US$421M investment project, supported by an International Development Association (IDA) credit of US$345M and a grant of GBP10M from the UK Department for International Development (DFID). The Project Development Objective is to improve the effectiveness and efficiency of the Port of Dar es Salaam for the benefit of public and private stakeholders. The main components in the project are the (i) the construction of a new multipurpose berth at Gerezani Creek; (ii) the rehabilitation of berths 1-11; and (iii) the deepening of the entrance channel and turning basin.

Partly focusing on the North-South Corridor, JICA Zambia funded construction of the Inner-Ring Road in Lusaka from 2013 to 2015 and is planning its Phase 2 at present, in addition to the Kazungula Bridge Project. JICA is also formulating a regional technical cooperation project for the OSBP along the North-South Corridor.

2

Status
ON TRACK

Commitment (2010)
Transparency and sustainability: assess how best to integrate environmental safeguards in an effective cost-efficient manner.

Progress in 2016/2017
The World Bank is beginning an intensive preparation and training period (12–18 months) to prepare for the transition to the new Environmental and Social Standards framework, which is scheduled to go into effect in early 2018.

The International Finance Corporation (IFC) is currently developing an integrated ESG (Environment, Social and Governance) Framework to build on IFC's established environmental and social performance standards and cooperate governance methodology.

The MFI-WGESS have been joined by all the co-hosts of the Global Infrastructure Forum, i.e. the AfDB, the Asian Infrastructure Investment Bank (AIIB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the EIB, the Inter-American Development Bank (IADB), the Islamic Development Bank (IsDB) and New Development Bank (NDB), in addition to the WBG. Furthermore, the Black Sea Trade and Development Bank, the Eurasian Development Bank, International Fund for Agricultural Development (IFAD), the Nordic Investment Bank and the Council of Europe Development Bank have joined the group.

The EBRD hosted the MFI-WGESS spring meeting in April 2016 and the Multilateral Financial Institution (MFI)/ Development Finance Institution (DFI) Health and Safety Working Group in November 2016, contributed to the work of the DFI Social Experts Working Group, and continues to chair the MDB Working Group on Gender.

3

Status
ON TRACK

Commitment (2014)
Maximising the Effectiveness of Project Preparation Facilities to Leverage Greater Private Sector Investment: MDB-based PPFs will collaboratively support governments to develop prioritised lists of infrastructure projects, building on existing cooperation and allotting sufficient time for approaches to be evaluated by the relevant institutions. MDB-based PPFs with a focus on PPPs for infrastructure are requested to report on the key elements of their current approach to country-specific sector diagnostic and approaches to project prioritization.

Progress in 2016/2017
The Diagnostic and Project Prioritisation Tools: The WBG and IMF developed the PFRAM, an analytical tool to assess fiscal costs and risks to the government arising from a public private partnership project.

Progress on the Global Infrastructure Facility is a good example of the MDBs "common approach to Supporting Investments in Infrastructure.

The World Bank's Infrastructure Prioritization toolkit tool has been piloted in several countries including Panama, Vietnam, Argentina and Sri Lanka

The international financial architecture working group on 19 April 2017 welcomed the "Principles of MDBs' strategy for crowding-in Private Sector Finance for growth and sustainable development", a common framework among MDBs to increase levels of private investment in support of their development objectives. The Principles reaffirm the commitment of G20 member countries and the MDBs to foster effective approaches to maximise the mobilisation and catalysation of private-sector resources to support countries with the implementation of the 2030 Agenda – including through financial and management resources and innovation. These interventions must, at the same time, be economically viable; market-based while fiscally and commercially sustainable; balanced from a risk-reward perspective; transparent; cost effective and implementable, ensuring at all times that such interventions meet our standards for development effectiveness, our social and environmental safeguards, and are aligned with our commitment to climate-smart investment. The adoption of these Principles is expected to complement the MDBs' high standards of delivery with an enhanced

focus on crowding-in commercial finance as part of the billion to trillions commitment. The Principles are 1) Recognising the primacy of country ownership, 2) Creating an investment-friendly environment, 3) Expanding and standardising credit enhancement, 4) Prioritising commercial financing, 5) Blending concessional resources and private capital, and 6) Reviewing incentives for crowding in private-sector resources.

4

Status
ON TRACK

Commitment (2014)
Promoting Better Understanding of Risk and Return in Infrastructure Investment in LICS: [...] initiate a dialogue on factors affecting risk perception in LICs, to better inform risk management and mitigation approaches and explore engagement between institutional investors and other potential stakeholders.

Progress in 2016/2017
The OECD, along with other IOs, development finance institutions (DFIs), and institutional investors, is discussing the potential to collaborate on data collection in infrastructure, particularly looking at LICs and key characteristics of infrastructure projects.

The WB Benchmarking Public-Private Partnership Procurement survey supports evidence-based and transparent decision-making on PPP Procurement policies and reforms by providing comparable data on PPP institutional and regulatory frameworks and procurement processes. The 2017 report for 82 countries was released on September 29th, 2016. Anticipated scale-up of coverage for 2018 version.

5

Status
ON TRACK

Commitment (2015)
Cross-cutting infrastructure dialogue: promote a policy dialogue with LICs, MDBs, regional institutions, investors and relevant stakeholders on cross-cutting infrastructure issues requiring joint inputs from both groups.

Progress in 2016/2017
As part of the G20 cross-cutting infrastructure dialogue, the OECD will host a conference in November 2017 on infrastructure connectivity.

In 2016, the MDBs established a set of common definitions and metrics and a proposed methodology to measure mobilisation of private capital within MDB-financed projects and advisory projects. They also endorsed a methodology to aggregate mobilisation across MDBs without double-counting, and to jointly report on the total amount of private financing mobilised by the MDBs, starting in 2017. A first joint report using the agreed terms and methodology was published ahead of the 2017 Global Infrastructure Forum (GIF).

The 2017 GIF focused on jointly supporting the effectiveness of resources to plan, execute, supervise, and evaluate sustainable and resilient infrastructure. It was hosted by the Inter-American Development Bank (IADB) and is expected to expand the participation to include additional regional development banks and national development finance institutions (DFIs).

6

Status
ON TRACK

Commitment (2016)
Reaffirm commitment to promote investment with focus on infrastructure in terms of both quantity and quality. [...] [S]tress the importance of quality infrastructure investment [...] ...

Progress in 2016/2017
The G20 Partnership with Africa and in particular the G20 Compact with Africa Initiative aims to boost private investment and investment in infrastructure in Africa. To this end, the African Development Bank (AfDB), the International Monetary Fund (IMF), and the World Bank Group(WBG) have produced a joint report that was warmly received by G20 Finance Ministers and central

bank governors in Baden-Baden. This report proposes a catalogue of instruments and measures designed to improve the macroeconomic, business, and financing frameworks as a way to boost investment. To improve these frameworks in a tailor-made way, individualised investment compacts will be set up between interested African countries, international organisations (IOs), and partner countries.

FOOD SECURITY AND NUTRITION

7

Status
ON TRACK

Commitment (2010)
Promote increased procurement from smallholder producers and strengthen their access to markets in line with domestic and regional strategies.

Progress in 2016/2017
In the 2016 Leaders' Communiqué, the G20 welcomed the paper "Good Practices on Family Farming and Smallholder Agriculture", which identified a set of successful and effective policies, programmes, and tools for the family farm sector that can prove useful to G20 members and beyond.

8

Status
ON TRACK

Commitment (2010)
Confirm commitment to scaling-up nutrition through a combination of direct nutrition interventions and incorporation of nutrition into all relevant policies.

Progress in 2016/2017
The commitment for scaling-up nutrition is included in the FSN Implementation Plan, which remains valid for all G20 members. In 2017, the focus of the DWG's food security work has been on employment for young people in rural areas. Also in this context, the DWG reiterated that decreasing malnutrition in rural areas continues to be a priority, especially given the high impact of nutrition on the ability to learn and be economically productive. While not nutrition-specific, ensuring better social and economic prospects for young people in rural areas is also one determinant for improving food security and nutrition.

9

Status
ON TRACK

Commitment (2015)
Promoting responsible investment in agriculture and food systems, improving market transparency, increasing incomes and quality jobs, and fostering sustainable and productive growth, paying particular attention to the needs of smallholder and family farmers, rural women and youth:

(a) Uphold the VGGT and CFS-RAI and promote their application, on a voluntary basis, to investment originating in G20 members and support the GAFSP.

Progress in 2016/2017
G20 Agriculture Ministers strongly recommend that investments for this purpose respect policy guidance, such as the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI), and the OECD-FAO Guidance for Responsible Agricultural Supply Chains. In the 2016 Leaders' Communiqué, the G20 welcomed the contribution by programmes promoting sustainable agriculture development, including GAFSP. Financial support by individual G20 members to GAFSP has continued.

10

Status
ON TRACK

Commitment (2015)
Promoting responsible investment in agriculture and food systems, improving market transparency, increasing incomes and quality jobs, and fostering sustainable and productive growth, paying particular attention to the needs of smallholder and family farmers, rural women and youth:

(b) Support human resource development, and particularly economic empowerment of rural women and rural youth, through G20-LIDCs knowledge-sharing forums on enhancing vocational training and promoting food security and nutrition safety nets.

Progress in 2016/2017
In 2017, one of the DWG priorities is "Rural Youth Employment", including human resource development (HRD) for rural youth, with a particular focus on women. The G20 conference "ONE World No Hunger. Future of the Rural World" (27–28 April 2017 in Berlin) also addressed this issue, benefitting from a broad exchange between the G20 and partner countries as well as between policy-makers, practitioners, researchers, civil society, and private-sector representatives.

A knowledge-sharing platform (www.skillsforemployment.org) has been established that works towards fostering education and work training.

The 8th meeting of the Social Protection Interagency Cooperation Board (SPIAC-B) was held in September 2016 in New York to advanced analysis and coordination.

With the support of the G20 and the SPIAC-B, a number of G20 members (Australia, Germany, United Kingdom), International Organisations (IOs) (European Union, ILO, OECD, WBG, FAO, World Food Programme), and other partners launched the Inter-Agency Social Protection Assessments (ISPA) website (www.ISPATools.org), and with it public access to a set of instruments aimed at improving social protection for all.

The ISPA partners joined forces to develop tools to support governments to improve the performance of social protection systems.

11

Status
ON TRACK

Commitment (2015)
Promoting responsible investment in agriculture and food systems, improving market transparency, increasing incomes and quality jobs, and fostering sustainable and productive growth, paying particular attention to the needs of smallholder and family farmers, rural women and youth:

(c) Improving the investment climate in agriculture sectors of LIDCs by supporting the Platform for Agriculture Risk Management.

Progress in 2016/2017
The Platform for Agricultural Risk Management (PARM-www.p4arm.org) is a G20 Initiative officially launched in December 2013, in strategic partnership with the New Partnership for African Development (NEPAD), with an initial focus on eight African countries. Its Secretariat is hosted by the International Fund for Agricultural Development (IFAD).

PARM/IFAD has finalised six risk assessment studies (RAS): Uganda, Ethiopia, Niger, Senegal , Cape Verde, and Cameroon.

Two more RAS (Liberia and Zambia) are planned for 2017.

Three feasibility studies in Uganda have been finalised with specific initiatives on finance and information for risk management, plant health control, and capacity-building of extension services. Two feasibility studies are underway in Senegal, related to improving access of smallholders to information and to using remittances as a risk management tool. Cameroon, Niger, and Ethiopia are following.

PARM organised an international workshop on information systems for Agricultural Risk Management in Rome on 31st January 2017 to share knowledge and innovative initiatives with global partners.

PARM has finalised its policy engagement process in Uganda, while Ethiopia and Senegal are in the final phase.

12

Status
ON TRACK

Commitment (2015)
Reducing food loss and waste globally: Promoting reductions of food losses and waste in G20 and LIDCs. Establish a G20 technical platform, building on existing platforms and relevant to both G20 members and Low Income and Developing Countries, for sharing information and experiences in measuring and reducing food loss and waste, and ensure its effective operationalization by the relevant international organizations as soon as possible.

Progress in 2016/2017
The G20 Technical Platform on the Measurement and Reduction of Food Losses and Waste was initiated in December 2015 by FAO and the International Food Policy and Research Institute (IFPRI). The Technical Platform facilitates information-sharing and in-depth discussions between international organisations and countries, including G20 members and non-members, in particular low income countries (LICs).

The development of the platform is on track. The platform website provides information on countries' efforts at reducing food losses and food waste: http://www.fao.org/platform-food-loss-waste/en/ Information, news and events are shared on a continuous basis and in synergy with the SAVE FOOD Initiative and the Community of Practice on Food Loss Reduction.

A Google Analytics report (Dec 2015–Dec 2016) shows 23,000 page views and almost 7,000 visitors, with 44 % returning visitors. A first report was finalised in May 2016 in collaboration with IFPRI.

In May 2016, the Rockefeller Fund financed a regional project managed by the Regional Office for Africa. This project included support for the G20 Technical Platform.

The G20 Technical Platform was mentioned in Information and Communication Technology (ICT) in Agriculture, a report to the G20 Agricultural Deputies submitted by FAO in November 2016; this report highlights the fact that the development of a multi-media tool (food waste app) was proposed for consideration.

In June 2017, the G20 MACS organised a workshop on food loss and waste in Germany.

HUMAN RESOURCE DEVELOPMENT

13

Status
ON TRACK

Commitment (2010)
Knowledge sharing platform: skills for employment.

Progress in 2016/2017
The ILO Global Knowledge Sharing Platform (KSP) continues to be enhanced and updated. Funding to support further development (Korea) is available until mid-2017.

14

Status
ON TRACK

Commitment (2013)
Enhancing national capacities on skills to meet labour market needs: work with relevant IOs to assist interested developing countries to assess skills development needs and build national capacity on quality training for all stakeholders.

Progress in 2016/2017
A Korean-funded project in Nepal and Mozambique was launched in 2015 and is progressing well, with an anticipated closing date of mid-2018.

The ILO and Skolkovo (Moscow School of Management) forecasting tool to anticipate skills needs for technological sectors and the distance training models for the technical and vocational education and training (TVET) of managers was piloted in Armenia, Kyrgyzstan, Jordan, Tajikistan, and Vietnam, and was extended to mid-2016. The manage-

ment of TVET institutions' simulator tool and skill-technology foresight tool was tested in Vietnam and Armenia.

In December 2016, the Russian government agreed to a second phase of the project, which is now in its inception phase. It will build on results achieved in these countries and is expected to be completed at the end of 2018.

15

Status
ON TRACK

Commitment (2013)
Developing regional and international cooperation for training: explore ways to develop south-south and triangular cooperation programs involving G20 members, focused on provision of training and knowledge-sharing to developing country nationals.

Progress in 2016/2017
The United Nations Educational, Scientific and Cultural Organization (UNESCO) and the ILO are preparing a background paper on inter-ministerial cooperation on skills and illustrative case studies. The background paper and coordination typology was completed at the end of 2015. Completion of the 12 case studies has been delayed due to contracting difficulties and should be available the third quarter of 2017.

16

Status
ON TRACK

Commitment (2015)
Strengthening G20 coherence on HRD: Carry out further work in 2016 to improve policy coherence on HRD, specifically between the DWG and the Employment Working Group.

Progress in 2016/2017
The DWG HRD Action Plan for 2016-2018 was developed based on the HRD-EWG Multi-Year Framework, presented for EWG members in Shanghai in April 2016 and approved by DWG members in Xiamen in May 2016.

The New Action Plan comprises extending support in pilot countries to strengthen TVET programmes and institutions to meet the needs of employers through developing skills-anticipation tools and improving TVET management systems in line with G20 Training Strategy and G20 Skills Strategy. In September 2016 Russia provided additional funding to the ILO Trust Fund for supporting HRD commitments in pilot countries.

The G20 Presidency promoted regular consultations between the DWG and EWG in 2016.

FINANCIAL INCLUSION AND REMITTANCES

17

Status
ON TRACK

Commitment (2015)
Implementing, monitoring and updating National Remittance Plans: Annually review the implementation of National Remittance Plans to achieve commitments on reducing costs of transferring remittances, and the GPFI to annually monitor plans, updating every two years

Progress in 2016/2017
The GPFI has established processes to monitor and update the National Remittance Plans. The first annual review was completed in 2016. The second annual review was completed in June 2017.

The first update process of the National Remittance Plans will be completed by November 2017.

The 2014 FIAP has been reviewed by the GPFI; the FIAP Progress Report 2014–2017 also reports on progress against the remittances commitments.

18

Status
ON TRACK

Commitment (2015)
Better understanding remittance sectors: Undertake analysis to better understand remittance sectors and key corridors to maximize the gains from remittances, and boost financial inclusion, consumer protection and literacy.

Progress in 2016/2017
GPFI processes to support monitoring of G20 country plans involves drawing on analysis and advice from international organisations (IOs) and other stakeholders on global issues impacting remittance costs/accessibility and opportunities for achieving broader financial inclusion objectives.

19

Status
ON TRACK

Commitment (2015)
G20 SME Finance Action Plan (formerly: Joint Action Plan on SME Financing): Continue to work with other G20 work streams to support policy coherence on the implementation of the *G20 SME Finance Action Plan* and address the challenges to SME finance and financial inclusion. In 2016, the DWG will consider actions it can support to accelerate financial inclusion, focusing on private sector engagement and the application of modern technology.

Progress in 2016/2017
Work on the Joint Action Plan on SME Financing is led by the GPFI. In 2016, the respective GPFI Implementation Framework was endorsed by the leaders.

In 2017, the first self-assessments against this framework have been carried out by G20 countries. The GPFI has consolidated these assessments in a baseline report that was completed in June 2017.

20

Status
ON TRACK/COMPLETED

Commitment (2016)
Support the continued work of the GPFI to implement the G20 Financial Inclusion Action Plan (FIAP) and ask the GPFI to review the FIAP in 2017.

Progress in 2016/2017
The 2014 FIAP has been reviewed by the GPFI and the FIAP Progress Report 2014–2017 consulted with (and endorsed by) the GPFI Plenary.

Furthermore, the FIAP has been updated and the 2017 FIAP has been consulted with (and endorsed by) the GPFI Plenary in May 2017.

DOMESTIC RESOURCE MOBILISATION

21

Status
ON TRACK

Commitment (2014)
BEPS In LICS: Ensure developing countries can participate in, and benefit from, the G20/OECD BEPS agenda and related international tax issues. IOs will collaborate with regional tax administration forums to assess how practical toolkits can be produced in 2015 and 2016 to assist developing countries in implementing BEPS action items. In 2015, IOs will also draft a report on options for developing countries on efficient and effective use of tax incentives for investment; and agree on ways to support ongoing efforts to improve the availability of quality transfer pricing comparability data for developing countries.

Progress in 2016/2017
Developing countries and regional tax administration forums now have the possibility to participate in the BEPS discussions through the Inclusive Framework on BEPS (IF), if in return they commit to implement the BEPS package.

A Transfer Pricing Comparables toolkit has been released for public consultation, and an Indirect Transfer of Assets toolkit consultation is to be launched mid-2017. Both are due to be finalised later in the year.

The Transfer Pricing Documentation toolkit is due in 2017, with Treaty Negotiation, BEPS Risk Assessments, Base Eroding Payments, and Supply Chain Restructuring due in 2018.

22

Status
ON TRACK

Commitment (2014)
Identify Obstacles to Information Exchange: ensure developing countries can participate in, and benefit from AEOI. The Global Forum will work with the DWG, international and regional organisations, and other development partners, to implement a pilot of the AEOI roadmap. The pilot will identify efficient and effective methods to implement the standard, which will in turn inform other capacity building projects on AEOI. G20 members will consider supporting the pilot through information exchange, technical advice, financial support and/or related capacity building efforts.

Progress in 2016/2017
The Global Forum's technical-assistance activities are continuously intensifying, a comprehensive Induction Programme for new developing country members is now underway, and at least 14 developing countries will have benefitted from country-specific technical assistance in 2017.

The Global Forum raises awareness of the benefits of exchange of information (on request and automatically) as tools for tackling tax evasion through various formats, such as its Africa Initiative, in member countries.

Further AEOI pilot projects with Morocco and Pakistan have begun, and a project with Colombia is coming to a successful conclusion.

23

Status
ON TRACK

Commitment (2014)
Strengthen Capacity: G20 members will, on a voluntary basis: take practical steps to make available tax policy and administration experts to assist international and regional organisations that strengthen developing countries' capacity to participate in and benefit from the G20 tax agenda; implement the DWG's Guiding framework; and support regional (including inter-regional) tax administration forums.

Progress in 2016/2017
The G20 welcomes several initiatives by implementing IOs, supported by G20 member countries, in this area.

The OECD/UNDP Tax Inspectors Without Borders (TIWB) initiative has continued to grow, with more than 20 programmes either completed or in progress.

The first South-South TIWB programme began in late 2016, with Kenya providing assistance to Botswana; in partnership with ATAF and CIAT, the TIWB model is looking to extend to further South-South projects.

To address the increased demand, TIWB is now developing a roster of experts (mostly recently retired) to supplement the supply from development partners' revenue authorities, as supply has not managed to keep pace with demand.

The IMF includes technical staff of tax policy and revenue administrations of G20 countries in its extensive technical assistance and capacity-development work.

The Tax Administration Diagnostic Assessment Tool (TADAT) was launched in November 2015 by international institutions and development partners. Since its launch, 22 TADAT assessments with numerous experts from OECD countries have been completed; they have supported the design of tax administration reforms and support measures in several countries (e.g. Albania, Jordan, Georgia, Rwanda).

24

Status
ON TRACK

Commitment (2015)
Monitoring implementation of the BEPS project globally: Call on the OECD to develop an inclusive framework by early 2016 with the involvement of interested non-G20 countries and jurisdictions which commit to implement the BEPS project, including developing economies, on an equal footing.

Progress in 2016/2017
The Inclusive Framework on BEPS (IF) allows interested countries and jurisdictions to develop standards on BEPS-related issues and review and monitor the implementation of the BEPS package on an equal footing, if in return interested countries and jurisdictions commit to implement the BEPS package. The IF currently has 99 members; the majority of the members are non-OECD/non-G20 countries. It includes 19 from Africa.

The Steering Group of the Inclusive Framework includes 12 OECD countries and Senegal, Georgia, Jamaica, Egypt, and Nigeria as developing countries.

Regional meetings have been held in Africa, Latin America, the Caribbean, Eastern Europe, and Asia, and further such meetings are planned as an integral part of the IF architecture.

25

Status
ON TRACK

Commitment (2015)
Capacity Building: Carry out the first reporting in 2016 on steps taken in relation to the Call to Action for Strengthening Tax Capacity in Developing Countries.

Progress in 2016/2017
The Platform for Collaboration on Tax, through the IMF, the OECD, the UN, and the WBG, has been taking forward a number of the recommendations from their 2016 report on "Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries". A preliminary workshop with personnel from developing countries, donor countries and agencies, and the Platform partner agencies was held in early May, in order to further develop the concept of "medium-term revenue strategies", a centrepiece of the 2016 report. Work will continue through the summer with a larger strategy event anticipated in autumn 2017. With regard to deepening collaboration and cooperation between the IOs (the IMF, the OECD, the UN, and the World Bank) under the Platform, some work remains to be done.

Following the Addis Tax Initiative (ATI) to collectively double support for technical cooperation in the area of taxation/domestic revenue mobilisation by 2020, it is now possible to track the OECD members official development assistance (ODA) commitments and disbursement to supporting DRM; 2015 is the first year for which these new figures are available. The first ATI Monitoring Report was launched at the ITC/ATI Conference on Tax and Development in June 2017 in Berlin, hosted by Germany in the framework of the German G20 presidency.

26

Status
ON TRACK

Commitment (2016)
Continue our work on addressing cross-border financial flows derived from illicit activities, including deliberate trade misinvoicing, which hampers the mobilization of domestic resources for development, and welcome the communication and coordination with the World Customs Organization for a study report in this regard following the Hangzhou Summit.

Progress in 2016/2017
A new initiative in the area of tackling tax and financial crimes – the Africa Academy for Tax and Financial Crime Investigation in Kenya – will be launched by the OECD, Kenya, Germany, and Italy. An Action Plan on Illicit Financial Flows has been developed by the World Customs Organization (WCO).

INCLUSIVE BUSINESS

27

Status
COMPLETED WITH ONGOING MONITORING

Commitment (2015)
Taking forward the G20 Inclusive Business Framework: Establish the G20 Global Platform on Inclusive Business, to be jointly managed by UNDP and the WBG, to take forward the Framework and coordinate with other relevant initiatives.

Progress in 2016/2017
The G20 GPIB held a joint workshop with the Inclusive Business Action Network in May 2017 with a focus on building the enabling environment for IB. The conference underlined the crucial importance of the contribution of the private sector to achieve the SDGs through IB. GPIB and the Inclusive Business Action Network intend to develop a common action plan to strengthen IB policies and support the IB ecosystem, drive forward the discussion, and facilitate IB initiatives on specific topics.

28

Status
COMPLETED

Commitment (2015)
Promoting the development of the G20 Global Platform on Inclusive Business: Report in 2016 on the progress on advancement of actions taken under the Platform, including: expanded research and analysis to build the evidence base; a gap and good practice analysis and case study to ensure added value; knowledge exchange through policy fora and workshops; launch of a website on inclusive business policy; outreach in developing countries; and G20 member national outreach with stakeholders.

Progress in 2016/2017
G20 GPIB and the Inclusive Business Action Network (IBAN) decided on a closer cooperation to take forward the work on Inclusive Business policies.

2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

29

Status
COMPLETED WITH ONGOING MONITORING

Commitment (2015)
2030 Agenda alignment: Develop an action plan in 2016 to further align the work of the G20 with the 2030 Agenda.

Progress in 2016/2017
During the G20 Hangzhou Summit in 2016, G20 leaders adopted the G20 Action Plan on the 2030 Agenda for Sustainable Development as a living document consisting of concrete and collective commitments towards the implementation of the 2030 Agenda.

In order to facilitate the operationalisation of the Action Plan, the OECD and UNDP launched an annual workshop in support of the G20 sustainable development agenda in 2016. The first workshop took place in Paris in October 2016; further workshops are under discussion.

Under the German presidency, a knowledge-exchange between G20 engagement groups and the DWG on the role and contribution of engagement groups in implementing the 2030 Agenda was held in March 2017.

INCLUSIVE GREEN GROWTH

30

Status
ON TRACK

Commitment (2012)
Encourage further exploration of effective mechanisms to mobilise public and private funds for inclusive green growth investments in developing countries, including through the public-private Dialogue Platform on Inclusive Green Investment.

Progress in 2016/2017
Taking up the 2012 commitment, the dialogue platform "GreenInvest" eventually held its initial meeting under the German G20 Presidency in Singapore on 9–10 January 2017. It was attended by more than 50 representatives from 20 developing countries, as well as representatives of international networks and organisations covering banking, insurance, institutional investment, and other sectors. A second workshop took place on 30–31 May 2017. "GreenInvest" is set to promote policy dialogue, leadership, and public private initiatives with, and for, developing countries to advance the mobilisation and mainstreaming of green finance and the context of broader sustainable development objectives.

In 2016, the OECD has taken a major step to support these objectives by establishing a Centre on Green Finance and Investment. The Centre's mission is to help catalyse and support the transition to a green, low-emissions, and climate-resilient economy through the development of effective policies, institutions, and instruments for green finance and investment.

Building on the discussion in the G20 Green Finance Study Group and on the G20 Green Finance Synthesis Report, the OECD delivered the report on Mobilising Bond Markets for a Low-Carbon Transition in 2017.

The 4th OECD Green Investment Financing Forum on 10–11 October 2017 will convene representatives from the OECD, the G20, developing countries, green investment banks, institutional investors, the private sector, IOs, and non-governmental organisations to enhance understanding on mobilising private investment for green growth, notably for financing low-carbon and climate-resilient infrastructure.

INDUSTRIALISATION IN AFRICA

31

Status
ON TRACK

Commitment (2016)
Launch the G20 Initiative on Supporting Industrialization in Africa and LDCs [...] with a focus on women and youth; and promoting science, technology and innovation as critical means for industrialization.

Progress in 2016/2017
The United Nations Industrial Development Organization (UNIDO), the OECD, the AfDB and other International organisations (IOs) are organising an expert meeting to prepare the reporting on the implementation of the G20 Initiative in 2018.

In 2017 the G20 Africa Partnership has been launched to support private investment, sustainable infrastructure, and employment in African countries. It includes an initiative to support employment of youth through skills development (Initiative for Rural Youth). The initiative eSkills4Girls is meant to foster the digital inclusion of women and girls.

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