

## *Overview of main OECD Contributions & Support to the G20 under Turkish Presidency*

In 2015, the OECD has been asked by the Turkish G20 Presidency and the Group, to support many deliverables across the various work-streams by providing analysis and specific outputs in view of an ambitious outcome of the Antalya Leaders' Summit.

### **Engineering Strong, Sustainable, Balanced and *Inclusive* Growth**

The OECD was asked this year to support the implementation of the National Growth Strategies (NGS), in support of promoting inclusive growth.

➤ **National Growth Strategies:** The OECD, in the Framework Working Group, has helped shape the identification by countries of their **Key Commitments** within their comprehensive NGS and to come up with *Adjusted Growth Strategies*. The OECD, together with other IMF, is supporting the peer review exercise which underpins the implementation of the NGS. It also provided a first **quantitative assessment** of progress towards the 2% target that was shared with Ministers of Finance at their meeting in September, in Ankara.

In February, the 2015 issue of the OECD [Going for Growth](#) report was presented in Istanbul in the presence of Deputy Prime Minister Babacan and SG Gurría, on the occasion of the meeting of G20 Finance Ministers and Central Bank Governors. This OECD flagship report helps governments setting a structural reform agenda to improve citizens' well-being.

➤ **Growth-inequality nexus:** Contributing to the Turkish Presidency's priority to promote Inclusive Growth, the OECD provided the FWG members with a **qualitative assessment of the implications of above-mentioned Key Commitments for inequality** which could help members identify those measures which both reduce inequality and foster more inclusive growth and, on a voluntary basis, prioritize them in their adjusted growth strategies and/or complement existing commitments with new ones aimed at reducing inequalities. The OECD is making additional contributions pertaining to the growth-inequality nexus, notably in the employment track of the G20 (see below), including with specific analysis and proposals to support the inclusiveness objective. The OECD, jointly with the IMF, is also informing G20 discussion on **fiscal policy from a growth and equity perspective** (note delivered to the FWG in May 2015 and welcomed by Ministers of Finance in September).

➤ **Investment:** the OECD is providing support to one of the flagship outcomes of the finance track, by helping countries design and analyse **G20 country-specific investment strategies**, and by assisting in providing an **aggregate reference in fostering investment**, including in infrastructure, by the Antalya Summit. The outcome of this work was welcomed by Ministers of Finance assembled in Ankara in September.

### **A more transparent, effective and fairer international tax architecture**

The OECD delivered on the remaining action points of the **G20/OECD BEPS project to Ministers of Finance in Lima, in October 2015**. As per the mandate given by Ministers of Finance to the OECD in Ankara in September, the OECD is now developing the tools and the mechanisms (an "inclusive framework") for implementation and follow-up of the 15 BEPS agreed actions. It will continue to support and monitor (through the Global Forum on Tax transparency hosted at the OECD) progress towards the implementation of **AEOI** and implementation of the (OECD) international standards on

EoI on request. The OECD is also working with other IOs to ensure developing countries will be in a position to benefit from the new international tax environment (LIDCs pilots for the move towards AEoI, toolkits on tax incentives, access to quality transfer pricing comparability data, etc.), and with dedicated strategies such as Tax Inspectors without Borders (in partnership with UNDP) and partnerships with other IOs (IMF, WBG, RDBs) and regional tax organisation (e.g. ATAF).

### Making Labour Markets work for All

The OECD is contributing to the employment agenda, producing analysis and supporting deliverables which will help the Presidency show strong outcomes in Antalya on inequality and job creation.

- **Skills strategy:** The OECD, jointly with ILO developed a G20 Skills Strategy to counter inequality and grapple with low productivity growth in many G20 countries. It developed the main elements (actionable proposals) of the Strategy for developing and using skills for the 21<sup>st</sup> century. This Strategy is a main building block of the Presidency's inclusive growth agenda and was endorsed by Labour and Employment Ministers (LEM) in Ankara, in September 2015.
- **Youth employment:** The OECD has helped the Presidency developed the analytics for a quantitative target on youth unemployment, and the qualitative analysis to explain the rationale. Together with the ILO, the OECD provided a **G20 note on Setting Objectives for achieving better Youth Employment Outcomes** to highlight the magnitude of the problem of disadvantaged youth in G20 countries and set targets for improving the situation of youth who are low-skilled, neither in employment, education or training (NEETs) or working in the informal sector. Such a target was endorsed by G20 LEM. The OECD is ready to support its implementation.
- **Job quality:** A **G20 Quality Job Framework**, based on an OECD proposal with inputs from ILO, allows quantifying this important dimension of labour market performance and inclusiveness as a basis for policy decisions and labour market reforms. It was endorsed by LEM in September 2015.
- **Employment plans/commitments:** The OECD devised a **monitoring template for the gender target and youth employment commitments** which will underpin the self-reporting exercise on employment-related commitments.

### Making the economy, trade and GVCs more inclusive for SMEs and LIDCs

The OECD supported the Presidency's emphasis on SMEs development and LIDCs participation in the global economy throughout the G20's various streams as part of its inclusiveness agenda.

- **Integrating SMEs in LIDCs into GVCs:** the OECD, together with the World Bank, prepared a **Report on SMEs and LIDCs in Global Value Chains**. Preliminary results were discussed at the G20-OECD Stocktaking Seminar on SMEs and LIDCs in the International Market Place held in June 2, 2015 in Paris. Looking into GVC mechanisms through the WTO-OECD TiVA database and opportunities and challenges for the LIDCs and SMEs at the firm, national and international levels, it was tailored to identify possible policy options for countries at all levels of development and could provide the basis for a high-level deliverable on SMEs (still being discussed by G20 members). This report was presented by the OECD Secretary General at the meeting of G20 Trade Ministers held on October 6 in Istanbul and informed their discussions.
- **Trade Facilitation:** OECD has updated its **Trade Facilitation Indicators** for 152 countries with 2015 data – to support implementation of the WTO TFA. This could contribute to support the G20 Leaders deliver a strong push, in Antalya, for the ratification and implementation of the TFA. Trade facilitation is also essential to facilitating SMEs participation into value-chains.
- **Access to finance:** The OECD delivered to the G20 a report on **New Approaches to SMEs and Entrepreneurship Financing: Broadening the Range of Instruments** and an **updated OECD Scoreboard for Financing SMEs and Entrepreneurs**, the latter together with Deputy Prime Minister

Babacan in Washington D.C. It is also developing **voluntary principles on SMEs Access to Finance**, a draft of which was welcomed by Ministers of Finance in September in Ankara.

➤ **Corporate Governance:** The OECD co-organised with the Turkish Presidency, the *G20/OECD Corporate Governance Forum* to discuss the content and the direction of the review of the OECD Principles of Corporate Governance. These revised principles, now called **G20/OECD principles of corporate governance were endorsed by G20 Ministers of Finance in Ankara in September**. A specific report on their use for the enhancement of SMEs' corporate governance was also delivered by the OECD to the G20 upon the request of their Finance Ministers.

### Cleaner Energy for All

The OECD has actively supported all work streams in the ESWG and is a lead player in the G20 initiative on rationalising and phasing out inefficient Fossil Fuel Subsidies. The OECD was asked to participate as part of the reviewing and support team for the first two reviews (US and China) and will continue supporting upcoming reviews. At the Energy Minister's Meeting in October, **the OECD/IEA Update on recent progress in reform of inefficient fossil fuel subsidies** that encourage wasteful consumption, including emerging economies, was discussed as a possible basis of taking the phasing out of such subsidies further.

OECD provided input for **the policy framework part of the G20 Deployment of Renewable Energy report**. The **"G20 Toolkit of Voluntary Options on Renewable Energy Deployment"** was adopted. In the area of Energy Efficiency, the OECD contributed to the workstream on Energy Efficiency Financing. Ministers welcomed the "Voluntary Energy Efficiency Investment Principles" for G20 participating countries. In the Finance Track, OECD delivered a Toolkit on adaptation finance for LDCs as well as an outline of a Climate Funds Inventory to G20 Finance Ministers in early September.

### Anticorruption

The OECD is supporting the implementation of the 2015-2016 Anticorruption Action Plan with a particular focus on essential areas of work. In particular, the Organisation supported the drafting and adoption of **G20 Principles on Integrity in Public Procurement**, the first policy document jointly agreed to by all members of the G20. It also assisted the G20 in promoting **private sector integrity** and co-organised with the Turkish Presidency the **High-Level Conference on Anticorruption for Business and Governments**. It also helped countries identify and address gaps in their countries' **foreign bribery commitments** and supported the discussions **on Open Data** as a crucial tool to fight corruption and promote government transparency and accountability. Finally, the OECD continues to support the sectoral efforts led in the G20, in particular with regards to customs and extractive industry.

### Development

The OECD supported the **Framework Study on G20 and LDCs**, commissioned by the Turkish Presidency, and led by the WBG. This note provides an overview and takes stock of G20 work and achievements in the area of development, analyses the value-added of the G20 development agenda vis-à-vis other international development initiatives and outlines possible ways forwards for the G20 in this domain, notably in light of the just-agreed Agenda 2030. The OECD also contributed to the elaboration of a **G20 Inclusive Business Framework** and provided the **Report on Promoting Better Understanding of Risk and return in Infrastructure Investment in LDCs**. Also, a note on Coherence and coordination on Human Resource Development between the G20 Development and Employment Working Groups was delivered by the OECD (jointly with ILO) – which organised a G20/OECD/ILO Knowledge Sharing Workshop on Human Resource Development, Skills and Labour Mobility for Inclusive Labour Markets and Growth", held at the OECD Conference Centre in Paris on 7 and 8 October 2015. The workshop, jointly organized by the OECD and the ILO in support to the G20,



brought together experts and policy makers from G20, low income and other developing countries together with international partners to share knowledge and their respective experiences on skills, human resource development and labour mobility.

Broadly speaking, the OECD pays particular attention on mainstreaming development in all its inputs and deliverables to the G20 (energy, tax, skills, investment, etc.).

### Agriculture

At their meeting on 7-8 May in Istanbul, G20 Agricultural Ministers highlighted the role of the OECD in promoting sustainable food systems. The **OECD Policy Framework for Investment in Agriculture** was recognized as useful policy guidance for promoting private sector investment. The OECD was also called on, together with other IOs, to continue its work to implement the **G20/OECD framework for improving agriculture productivity sustainably**.

### B20, L20 and other engagement groups

The OECD hosted together with B20 a special **seminar to share the B20 and G20 Turkish Presidencies' agenda and priorities** with participants of the OECD Week and also a B20/BIAC event on **Business Access to Global Value Chains and Financing SMEs**, supporting G20 outreach activities. During the B20 conference on 3 September, the OECD presented its work on improving SME access to finance, including with the development of related OECD/G20 SME Principles, set out the key considerations for accessing and diversifying financing instruments. The Principles are very much in line with the key recommendations of the B20 task forces. The World SME Forum can be a crucial partner to the G20 and in cooperation with the OECD to support their effective implementation (the OECD will sign a Memorandum of Understanding with the WSF in the margins of the Antalya Summit). The OECD has also contributed and facilitated the dialogues between SME representatives and policy makers through its Business and Industry Advisory Committee (BIAC).

With respect to L20, the OECD, jointly with the ILO, have analysed the scale of the remaining “jobs gap” which is expected to increase by 3 million in 2015 and by a further 8 million in the following four years. The L20 submission to the EWG Subgroup in May 2015 called for comprehensive plans to reverse the rise in income inequality which included “strengthening the rule of law with cross border legislation that mandates due diligence and promoting the OECD Guidelines for Multinational Enterprises, applying them to global supply chains, and also stepping up actions aimed at improving the National Contact Points (NCPs), including by increasing the regularity of country peer reviews”. Moreover, OECD Employment Outlook, OECD Skills Strategy and PISA work were instrumental in setting their policy agenda.

The OECD G20 Sherpa, Gabriela Ramos, gave a speech in the 6th Girls20 Summit entitled “25 by 2025 - Promoting gender equality for women and girls in G20 countries”. During the W20 Summit on 26 October in Istanbul, Turkey, the OECD Sherpa delivered a video address on empowering women in G20 countries through education, entrepreneurship and employment. The OECD also contributed to conceptualising and to defining the terms of reference of the W20.