G20 GERMANY 2017
BUSINESS 20 DIALOGUE

Shaping an Interconnected World

Building Resilience – Improving Sustainability – Assuming Responsibility

B20 POLICY RECOMMENDATIONS TO THE G20

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Key Message to the G20

Shaping an Interconnected World

Almost ten years ago, the international financial system stood at the brink of collapse. G20 leaders took decisive action that prevented the global economy from spiraling into a deep depression. Not only did the G20 coordinate macroeconomic policies, the leaders also committed to a standstill and rollback on protectionism, which – albeit not fully implemented – helped to preempt beggar-thy-neighbor policies. The G20 thus played a vital role in preventing a repetition of the Great Depression of the 1930s. Through trade, investment, financial integration, data flows, and migration, our economies are growing more and more interdependent. This interdependence is a driver of economic growth and prosperity. However, it also means that crises can spread more easily, from country to country and region to region, and that existing opportunities can only be fully leveraged through joint efforts. In our interconnected world, international cooperation is key – to realize the benefits but also to tackle the challenges.

The financial and economic crisis revealed many shortcomings in financial regulation and supervision. Since then, the G20 has come a long way in building a stronger and safer international financial system. Recent regulatory reforms, both domestic and international, have made markets more resilient. While the stability and resilience of financial markets have greatly improved, global economic growth remains subdued. Many countries are still struggling with high unemployment rates – especially among young people – and socioeconomic inequalities. There has been a worrisome increase in protectionist measures worldwide, dampening growth and productivity while reducing welfare and purchasing power. In addition, geopolitical conflicts, climate change, terrorism, and mounting questioning of the international order make 2016–2017 one of the most uncertain periods in decades. Recent elections and referenda in both emerging and developed countries have shown that a growing proportion of our citizenry seem to be discontent with the political establishment. This has manifested itself foremost in the opposition to globalization – be it trade, investment, or migration – as well as a rejection of global governance. Trust in public institutions seems to be eroding. For too long, we have ignored these trends.

The global business community is strongly convinced that globalization is beneficial. However, common rules, strong institutions, and international cooperation are necessary to shape the outcomes of globalization and ensure that everyone has the chance to benefit from its opportunities. Therefore, the themes of this year's G20 presidency are well chosen: Building Resilience, Improving Sustainability, and Assuming Responsibility. They are essential to ensure that growth is not only dynamic but also inclusive and sustainable.

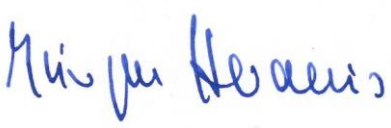
Building Resilience: A resilient economy is characterized by three aspects: First, our economies must have sufficient coping mechanisms to absorb crises. Second, our economies need to have the capacity to adapt. They need the ability to change in order to minimize potential damages and to take advantage of emerging opportunities. Third, they need to have transformative capacity – in other words, they should be able to fully react to change, if necessary by overhauling existing institutions, rules, and practices. Resilience is not just an issue of the financial system. Cybersecurity, energy access, and infrastructure connectivity are just some examples of fundaments for resilience. Particularly important for a strong, resilient economy are Small and Medium Enterprises (SMEs). For many countries, they form the backbone of their economies and societies. Today, resilience can only be achieved through international collaboration. Approaches to address or hedge risks need to be coordinated. Isolated national measures risk causing fragmentation and fragility.

Improving Sustainability: Sustainability rests on three pillars: economic sustainability, social sustainability, and environmental sustainability. Sustainability means managing natural resources in a way that meets the needs of the present generation without compromising the ability of future generations to fulfill their needs. There should also not only be equal opportunities of social advancement for the current, but for future generations. Business can make an important contribution to ensuring that all three components of sustainable development go successfully hand in hand. Around the globe, businesses are major innovators, tax contributors, employers, and educators. From technological developments that reduce air pollution, to life-long learning, to responsible business conduct: businesses are fundamental enablers of sustainability. For business to play its part, it needs an enabling international level playing field: fair competition, clear and transparent rules, and investor certainty.

Assuming Responsibility: Being responsible is characterized by thinking ahead and by anticipating the effects of an action on future generations and beyond national borders. Rather than echoing the populist discourse that scapegoat's globalization for all kinds of problems – from economic downturn to security concerns – we need to advocate real solutions. Responsibility also means responsiveness. Politicians, business leaders, and leaders from civil society have to listen carefully to what people have to say. This also concerns the current anti-globalization sentiment. While the increasing interconnectedness through the flow of goods, services, people, capital, and information has significantly contributed to wealth and welfare, we must not ignore that globalization and greater competition have contributed to displacements and increasing uncertainty. Leadership means addressing these concerns and incorporating them in future policies – also at the G20 level. Business is ready to carry its share of responsibility, through employment creation, education and vocational training, responsible business conduct, and innovation.

This is not the time for national solo runs. This is a time for international cooperation. If the G20 did not exist today, we would need to create it. The G20 is the premier forum for international economic cooperation and is increasingly becoming the central forum for all questions of global governance. It holds the necessary weight and legitimacy: Its members are not only responsible for 85 percent of global gross domestic product (GDP) and three-quarters of global exports (goods and services), but also represent about two-thirds of the world's population.

As business, we want to play our part and support the endeavors of the G20: We want to assume responsibility and contribute to finding the best solutions for today's challenges and opportunities such as climate change, digitalization, or sustainable growth. We aim to be responsive to the varying needs and concerns in all sectors and countries of the G20. And we want to build resilient, future-oriented economies. As a family entrepreneur, I work under the premise: "The economy serves the people – not the other way around." I am convinced this is also true for the bigger picture of the G20 business community.



Jürgen Heraeus
B20 Chair

Berlin, May 2017

20 to 20 – B20 Recommendations to the G20

Building Resilience

Recommendation 1: Strengthening an Open and Inclusive Trading System – The G20 should confirm its unconditional commitment to open and inclusive trade that is underpinned by transparency and robust adjustment assistance programs, resistance to protectionism in all forms, and a strong, nondiscriminatory rules-based global trading system.

Recommendation 2: Making Use of Digital Trade Potential – The G20 should facilitate an enabling environment for digital trade by accelerating capacity building, encouraging implementation of interoperable and nondiscriminatory e-commerce-related policies, and by calling for a WTO negotiation mandate on digital trade.

Recommendation 3: Facilitating SME Participation in Trade – G20 members should facilitate SME participation in trade and global value chains (GVCs) by systematically including their voice and needs in trade agreements, by fostering capacity building, and by easing business travel.

Recommendation 4: Fostering Global Connectivity – The G20 should foster global connectivity through the definition of a harmonized cybersecurity baseline framework, by supporting norms for responsible state behavior, by enabling free and trustworthy cross-border data flows, and by fostering investment in ICT infrastructure as well as in skill and capacity building.

Recommendation 5: Strengthening Industry 4.0 and the Industrial Internet – The G20 should support the dissemination of Industry 4.0 and the Industrial Internet (I4.0&II) by fostering innovation, ICT infrastructure deployment, and the development and use of global standards.

Recommendation 6: Embracing Artificial Intelligence – The G20 should support the evolution of human-centric artificial intelligence (AI) and related technologies by ensuring informed public dialogues on opportunities and challenges, by supporting the development and deployment of innovation, and by accelerating the rollout of smart infrastructure.

Recommendation 7: Building Digital Capacities and Capabilities for SMEs – G20 members should facilitate SME access to the digital economy by strengthening digital infrastructure outside industrial centers and expanding SME capacity building as well as knowledge exchange.

Recommendation 8: Designing Growth-Enhancing Financial Regulation – The G20 should reaffirm its support for international cooperation, while calling on international financial standard-setting bodies and national regulators to increase regulatory coherence, transparency in the development and implementation of regulation, and accountability to all G20 objectives, as well as to facilitate the digitalization of finance.

Recommendation 9: Advancing Financial Inclusion for SMEs – G20 members should ensure implementation of the G20/OECD High Level Principles on SME Financing, the G20 Action Plan on SME Financing, and the G20 High Level Principles for Digital Financial Inclusion, in particular by strengthening financial market infrastructure and enhancing access to diversified financial instruments.

Improving Sustainability

Recommendation 10: Curtailing Climate Change – The G20 should curtail climate change by implementing the Paris Agreement, developing consistent and robust carbon pricing, as well as by fostering green finance.

Recommendation 11: Fostering the Global Energy Transition – The G20 should accelerate the market readiness and deployment of low-carbon technologies through effective and predictable energy policies, a joint innovation agenda, and strengthened Energy Access Action Plans.

Recommendation 12: Advancing Resource and Energy Efficiency – The G20 should advance resource and energy efficiency by establishing a Resource Efficiency Platform and translating the Voluntary Energy Efficiency Investment Principles into a policy toolkit.

Recommendation 13: Fostering Investment Facilitation – The G20 should foster a reliable legal environment, enhance sustainable investment facilitation, and identify the benefits and drawbacks of a multilateral investment framework.

Recommendation 14: Boosting Infrastructure Finance – G20 members should boost infrastructure finance by developing and promoting bankable and investment-ready infrastructure project pipelines and by enhancing the role of Multilateral Development Banks as catalysts for private sector investment.

Assuming Responsibility

Recommendation 15: Promoting Open, Dynamic and Inclusive Labor Markets – G20 members should promote open, dynamic and inclusive labor markets by removing structural and legal barriers, promoting diverse forms of work and female employment, and by bringing labor migration policies in line with labor market needs.

Recommendation 16: Harnessing Technological Change – G20 members should harness the potential of technological change through better education and training, entrepreneurship, and innovation frameworks.

Recommendation 17: Creating a Global Level Playing Field and Promoting Fair Competition – G20 members should ensure better implementation and enforcement of legislation to prevent human rights infringements, while creating a global level playing field, based on the principles of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Recommendation 18: Establishing Beneficial Ownership Transparency – G20 members should increase their efforts to implement beneficial ownership transparency so that risks related to the ultimate owner(s) can be identified.

Recommendation 19: Recognize Compliance Efforts – G20 members should be supportive of a company's proactive engagement by providing positive recognition of effective anti-corruption and compliance systems.

Recommendation 20: Enhance Responsible Business Conduct in Infrastructure Projects – G20 members should increase transparency and accountability at all stages of the project cycle in order to mitigate the risk of corruption and increase efficiency.

Shaping an Interconnected World

Building Resilience

Resilience is the ability to cope with unexpected changes. A resilient economy is able to quickly absorb a crisis, limiting the magnitude of immediate losses. It also has the ability to reconstruct and recover, as well as the capacity to adapt in order to reduce potential damages or take advantage of emerging opportunities. In addition, a resilient economy needs to have transformative capacity – in other words it has to be able to fully react to change, if necessary by overhauling existing processes, procedures, and practices.

The last financial and economic crisis has shown how vulnerable the world economy is. Since then, we have come a long way – but not far enough by a long chalk. Resilience is not just an important issue for the financial system. From cyber and energy, to infrastructure – the vulnerability of a wide range of systems has increased. To strengthen resilience, our economies need to be diversified with flexible product and labor markets. Rules and regulations need to be well-balanced and growth enhancing. Our economies need to incentivize and reward entrepreneurship and innovation while at the same time cushioning possible disruptive aspects of new technologies. A fundamental factor of resilience is inclusiveness. Societies, in which large parts of the population feel left behind, will, in the end, not be resilient. Governments thus need to ensure that everyone has the opportunity to leverage the benefits of interconnectedness. The high costs of crises underline that it is worthwhile to invest more in building resilience. Approaches that address or hedge risks need to be coordinated internationally. Isolated national measures risk fragmentation and fragility.

Trade as an Engine for Inclusive Growth

Trade promotes prosperity worldwide. Between 1990 and 2014, world trade increased about fivefold and global per capita income grew by a factor of 2.5. This had a very real and positive effect on people's lives: Hundreds of millions of people have been lifted out of poverty and have seen their living standards and incomes improve. Trade fosters a resilient, responsible, and responsive global economy by boosting growth, employment, welfare, purchasing power, and productivity. Both exports and imports enhance economies of scale, specialization, and competition, while lowering input prices. Imports significantly contribute to consumer welfare, as trade provides access to a more diverse range of goods and services at lower prices. This is especially beneficial for lower-income households. Through the flow of ideas, goods, and services, people can learn from each other both in business and beyond. Mercantilist policies are thus misguided: They risk destroying innovation, wealth, and growth potential. Rather, trade policies need to focus on removing discrimination and unnecessary trade barriers to both exports and imports while ensuring fair competition, sustainability, and inclusiveness through a rules-based global trading system.

The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda underline the crucial importance of trade for resilience, inclusiveness, and development. However, globalization is also accompanied by challenges. Despite the overall benefits of trade flows, not everybody has benefitted sufficiently from globalization. A growing part of our societies seem to feel left behind. This not only calls for better communication on both the benefits of globalization and the drawbacks it entails – governments and businesses also need to ensure that the benefits of trade are widely shared throughout the entire economy. We need to redouble our efforts to improve education and lifelong learning to help people seize new opportunities in a changing world. Social protection systems, which ensure a safety net for people who have lost employment, active labor market and adjustment assistance policies that support people getting back to work, and a strong social part-

nership can help to make economic growth more inclusive.

At the same time, the G20 needs to ensure that trade is open and rules-based. The forecasts for trade growth are disappointing. In 2016, global merchandise exports grew slower than global GDP for the first time in 15 years. Since the financial crisis, economic uncertainty and political instability in developed countries have coincided with lower growth rates in emerging markets, leading to reduced global demand. Furthermore, the expansion of global value chains has significantly slowed down, while protectionism has risen and trade liberalization at the multilateral level has decelerated considerably. A B20 survey on trade barriers confirms that, since 2011, not only the quantity of trade measures but also the overall restrictiveness has increased. The B20 urges the G20 to take concrete actions to strengthen the implementation of the protectionism standstill and rollback. The G20 Trade Measures Report should contain a more detailed categorization of trade barriers, include a qualitative impact assessment of specific prevalent trade barriers, and encompass root cause analyses.

G20 members should reinforce their commitment to the multilateral trading system. The World Trade Organization (WTO) is the premier guardian of a global level playing field and fair competition. Today, it is more imperative than ever to strengthen the WTO, its rules, its monitoring instruments, and its dispute settlement mechanism. The WTO Ministerial Conference in Buenos Aires in December 2017 (MC 11) is an opportunity to lay the groundwork for a future-oriented multilateral trade agenda. The B20 supports the goals of the Doha Round and asks G20 members to strive for an ambitious and rapid conclusion of the remaining topics. Furthermore, G20 members need to actively support the implementation of the Trade Facilitation Agreement (TFA) and the expanded Information Technology Agreement (ITA). Special attention should also be given to further expanding the Agreement on Government Procurement (GPA), of which many G20 members are not yet a part.

The classic image of cargo ships loaded with containers now represents just one facet of the overall landscape of trade. Services play an increasingly large role in global exchanges, and the rise of the Internet has made cross-border data flows one of the most important issues in international commerce. It is therefore imperative that the G20 pushes for a forward-looking trade agenda, independent of the conclusion of remaining Doha issues. The G20 should agree on the most promising areas for new plurilateral initiatives under the WTO umbrella that advance a rules-based global trade regime. All sectoral or other plurilateral agreements should be negotiated and implemented in a transparent manner and be open to all countries.

> "Protectionism and mercantilist policies can in no way propose a solution to concerns about inclusiveness. Quite the contrary, they hurt the poorest the most."
>
> **Emma Marcegaglia**
> TF Trade and Investment

A particular focus should be placed on SME participation in global trade. SMEs contribute over 50 percent to GDP and two thirds to formal employment in most countries. SMEs, which often form the backbone of the middle class, are important for social stability, innovation, inclusive growth, and poverty alleviation.

G20 members should adopt the "think small first" principle in trade policy, focusing on transparent and simple rules, reducing unnecessary regulatory divergences, abolishing administrative barriers through trade facilitation, and simplifying rules of origin. When addressing new negotiation topics, the WTO should prioritize the issues that would be particularly beneficial for inclusiveness and SME integration into value chains, such as digital trade.

Digital trade holds huge potential, in particular for SMEs. It lowers transaction costs and scale requirements while giving easy access to a global market place. However, substantial barriers prevent the potential benefits of digital trade from being fully realized. First, the lack of e-commerce readiness impedes many citizens in developing countries, as well as many SMEs, from participating in digital trade. Second, discriminatory or incompatible national policies on e-commerce increase costs, reduce the marginal benefits to cross-border e-commerce, and

prevent the development of new trade relations. Third, the lack of clarity on existing trade rules and legal gaps in the global trade regime foster uncertainty and can entail digital protectionism. G20 members should align their e-commerce related policies with existing international principles and guidelines. To identify best practices and ensure interoperability, G20 members should strengthen regulatory dialogues on e-commerce-related policies and technical standards among each other, as well as with non-G20 members and private stakeholders. While also striving for coherent rules on digital trade in their bilateral and regional trade initiatives, G20 members should push for a WTO negotiation mandate for digital trade at MC11. G20 members and international organizations should streamline existing Aid for Trade initiatives towards capacity building for digital trade, such as digital skills, ICT infrastructure, and an adequate legal framework.

B20 Recommendations: Trade as an Engine for Inclusive Growth

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Digitalization for All

The remarkable development of the digital economy has created unprecedented opportunities for growth and inclusiveness. It deepens and broadens trading patterns, takes productivity to a higher level, and scales up services. It allows customized production, facilitates new forms of collaboration, accelerates access to knowledge, inspires innovation and entrepreneurship, and fosters competition. Digitalization boosts consumer welfare and facilitates both participation and equality. It is a critical cross-sectoral and cross-cutting means for achieving the Connect 2020 Agenda, the Sustainable Development Goals (SDGs), and the Addis Ababa Action Agenda. From growth, trade, and employment to health, education, energy access, infrastructure, agriculture, food security, and overall societal welfare: digital technologies are crucial catalysts of progress. While digitalization already significantly contributes to socioeconomic development, barriers to leveraging its full inclusiveness potential persist. As digitalization transcends borders, international cooperation becomes more and more important.

The lack of adequate and affordable Internet access is a major issue relating to development and inclusiveness in low-income countries. But also in industrialized economies, insufficient broadband coverage diminishes economic potential. Affordable and high-quality broadband coverage is a precondition for the effective use of digital technologies. Individual households and SMEs are particularly affected by access barriers such as low availability of broadband or high costs. To reach the goal of “Internet access for all,” G20 members have to set ambitious national targets for broadband coverage and make them operative through investment-conducive policies and public-private partnerships. This should include allocating more spectrum, considering the established and important principle

of technological neutrality, and ensuring a simplified, market-oriented, and transparent regulatory environment. Overall, G20 members should minimize the regulatory burden for operators and service providers, reduce barriers to foreign direct investment, and complement private investments with public funds in less profitable deployments and remote areas. G20 members should implement sound policies in the telecommunication area, with a strong focus on competition and fair access.

While ICT infrastructure is an absolute must, by itself it is not enough to increase inclusiveness and growth to the benefit of all. Without building adequate capacity and skills, innovation and the use of locally relevant content, services, and business models will be impeded, diminishing the potential of the digital economy.

Digital technologies will continuously lead to rapidly shifting skill requirements and demands. To better prepare business and people for the digital economy, governments have to work together with the private sector to understand current and future skill needs. Curricula in schools, universities, vocational training, requalification programs, and continuing education should be regularly adjusted accordingly. All people – including girls and women – should be enabled to excel in the digital economy.

In a world where services, infrastructure, public administration, and households are increasingly inter-connected, cybersecurity is a critical issue. Not only do cyber threats create economic damage; if there is lack of confidence in the safety and security of digital technologies, the adoption of new technologies – such as autonomous driving and digital health care – will falter even if they offer substantial benefits. As cyber risks do not know borders, international cooperation among governments and private stakeholders is essential to effectively ensure security and safety while enhancing interoperability and manageability. Common standards in a baseline framework and an interoperable information-sharing platform are needed to effectively tackle existing risks as well as to avoid the fragmentation of cyberspace through incompatible approaches. G20 members should aim to reach a global agreement on common norms. Given its crucial importance for resilience and connectivity, the G20 should make cybersecurity a permanent agenda topic.

Enabling cross-border data flows is another important dimension for an open, global, and interoperable Internet. G20 members should commit to refraining from digital protectionism, while at the same time ensuring a high level of privacy and data protection. In particular, G20 members should commit in trade agreements to a free flow of data across borders – without prejudice to clearly defined exceptions for the protection of privacy and security. Furthermore, governments should facilitate the use of instruments that enable the transfer of data without impeding the level of privacy – such as contractual clauses, binding corporate rules, or bilateral agreements like the Privacy Shield.

> "Digitalization has revolutionized business models, interactions, and our daily lives, the ways we communicate, trade, produce and work."
>
> **Klaus Helmrich**
> TF Digitalization

Further opportunities for growth, productivity, and resilience lie in digital applications related to Industry 4.0 and the Industrial Internet (I4.0&II). G20 members should facilitate the use and dissemination of technology solutions by increasing awareness of use cases and opportunities. An international knowledge exchange platform should be initiated at the OECD and World Bank Group, and demonstration systems of private organizations and academia should be supported.

Because of a lack of awareness and expertise, small firms tend to use digital innovations less than their larger counterparts. Therefore, G20 members should establish SME innovation hubs to encourage usage and knowledge of new applications, technologies, and innovations. Looking ahead, G20 members should also embrace the transformative potential of artificial intelligence (AI). Given the nascent nature of the AI rollout, it is crucial not to throttle its potential and innovation with preemptive regulation. Governments need to work with all stakeholders to increase the understanding of potential socioeconomic impacts.

To increase market efficiencies and product value of innovative technologies, G20 members should foster the industry-led development of globally interoperable standards and specifications by supporting cross-sector cooperation between standardization organizations and market-driven standardization initiatives. Furthermore, governments should encourage the use and dissemination of available global standards and specifications by referencing them in public procurement.

B20 Recommendations: Digitalization for All

Recommendation 4: Fostering Global Connectivity – The G20 should foster global connectivity through the definition of a harmonized cybersecurity baseline framework, by supporting norms for responsible state behavior, by enabling free and trustworthy cross-border data flows, and by fostering investment in ICT infrastructure as well as in skill and capacity building.

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Financial Systems as a Pillar of Resilience and Economic Growth

An open and resilient financial system is crucial to support sustainable growth and development. The last economic and financial crisis exposed many shortcomings in the regulation and supervision of the financial system. The G20 played an important role in managing the crisis, and recent regulatory reforms – both domestic and international – have made markets more resilient. Banks have made significant progress in meeting increased capital requirements, building recovery and resolution planning, enhancing corporate governance standards, and increasing liquidity buffers. Consultations around Insurance Capital Standards and a common framework for supervision of internationally active insurance groups are also moving ahead. International financial standard-setting bodies, such as the Basel Committee on Banking Supervision (Basel Committee) and the Financial Stability Board (FSB), play an important role in ensuring resilient financial markets.

However, not all regulations have had an undisputable positive effect. The B20 is worried about the implications of certain measures on investment, productivity, and growth prospects – particularly of SMEs – as well as trade. International financial standard-setting needs to adhere to good regulatory practices. All international financial standards should be balanced, based on an explicit cost/benefit analysis and taking into account both financial stability and growth objectives. International financial standards need to be applicable in a wide range of jurisdictions and by a wide range of financial institutions, in a flexible way to calibrate parameters to local specificities, complemented by options to use approved internal models under the strict control of supervisors. The standard-setting process should be transparent, and regulators should establish well-defined timetables and provide reasonable time for market participants to respond to regulatory proposals.

Standard-setting should be evidence-based and holistic.

Good standard-setting requires a full understanding of the combined effects of reforms in order to prevent duplicative or contradictory measures and to ensure positive effects on both stability and growth. The B20 also encourages the G20 to pay closer attention to policy coherence to avoid divergences between national regulations when implementing international standards. The G20 should mandate the FSB to set up a more formal mechanism for continuous and systematic cross-border dialogue with and between national regulators, including addressing possible unintended consequences of conflicting objectives across regulations.

More attention should also be given to the issue of tax certainty. The consistent implementation of the Base Erosion and Profit Shifting (BEPS) package is key to ensuring an international level playing field. Overall, G20 members should enhance the certainty of tax systems to support a stable international tax environment by prioritizing consistency, simplification, support for investment, and capacity building in tax authorities.

To foster inclusive growth, G20 members should advance financial inclusion. Financial inclusion is a key enabler of reducing poverty and boosting prosperity. Two billion individuals and 200 million businesses in emerging economies lack access to savings and credit. This is particularly the case in sub-Saharan Africa, where more than 70 percent of the adult population is without access to formal financial services. Limited access to finance is one of the key impediments to SME growth. In 2015, the World Bank found that 50 percent of SMEs do not have access to formal credit. While the financing gap varies considerably between countries and regions, it is particularly wide in Africa and Asia. Access to trade finance is a case in point. According to the WTO, the estimated value of unmet demand for trade finance in Africa is $120 billion (one third of the continent's trade finance market) and $700 billion in developing Asia. Since the financial crisis and subsequent restricted access to bank credit, a variety of non-traditional bank financing instruments and channels for SMEs have emerged. However, a number of challenges persists that limits SME uptake of non-bank financial instruments.

Many entrepreneurs and business owners lack financial knowledge, strategic vision, resources, and awareness to successfully secure financing other than straight debt. Among others, G20 members should improve access to various forms of financing and take specific and targeted measures to boost financial literacy by encouraging the establishment of supporting networks, including in areas such as mentorship and financing networks. The B20 would like to see more concrete steps in the implementation of the G20 High-Level Principles for Digital Financial Inclusion.

> "Development of SMEs is a major factor in increasing prosperity and fostering the well-being of the citizens in G20 countries."
>
> **Rudolf Staudigl**
> CTG SME

Digital finance has particular potential to advance financial inclusion. It could provide 1.6 billion people in emerging economies with access to financial services, more than half of them women. It has the potential to transform the economic prospects of billions of people, reduce poverty, empower women, and help build stronger institutions.

However, accessibility, usability, affordability, and sustainability remain as challenges. The digitalization of finance offers opportunities, but also poses new risks to financial stability. The G20 needs to find a balanced approach to the regulation of new financial services, creating an environment that allows business to embrace new technologies, while at the same time mitigating risks and ensuring a level playing field for all market players across all countries.

B20 Recommendations: Financial Systems as a Pillar of Resilience and Economic Growth

Recommendation 8: Designing Growth-Enhancing Financial Regulation – The G20 should reaffirm its support for international cooperation, while calling on international financial standard-setting bodies and national regulators to increase regulatory coherence, transparency in the development and implementation of regulation, and accountability to all G20 objectives, as well as to facilitate the digitalization of finance.

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Improving Sustainability

Sustainability rests on three pillars: economic sustainability, social sustainability, and environmental sustainability. Sustainability means managing natural resources in a way that meets the needs of the present generation without compromising the ability of future generations to fulfill their needs. Sustainability also encompasses fair opportunities for social advancement, ensuring human as well as labor rights, and corporate governance. And it entails sustained and inclusive growth, including higher productivity, lower unemployment, and continuous innovation. The three pillars of sustainability are mutually reinforcing: Economic growth is indispensable for job creation, welfare, and social empowerment. Social inclusiveness fosters economic development and environmental sustainability through better education as well as higher ecological awareness. And environmental sustainability is a precondition for future economic growth and the well-being of people around the globe.

Under the Chinese presidency, the G20 committed to further aligning its work with the 2030 Agenda for Sustainable Development to ensure that no one is left behind. G20 Germany aims to advance the implementation of the Paris Agreement and to establish a G20 Resource Partnership promoting resource-efficient economic practices in the G20. The G20 also proposes a Compact with Africa, which is to bring more private investment to the African continent. The B20 welcomes these initiatives. Around the globe, businesses are major innovators, tax contributors, employers, and educators. From technological developments to reduce air pollution, to programs for life-long learning, and closing the infrastructure gap – businesses are fundamental enablers of sustainability. For business to play its part, it needs an international level playing field and enabling environment: fair competition, clear and transparent rules, and investor certainty.

A Climate for Change: Advancing Climate Protection and Resource Efficiency

Economic growth has moved billions of people out of poverty and is indispensable in fulfilling the 2030 Agenda and the SDGs. At the same time, economic growth and a growing world population are increasing the stress on ecosystems and natural resources that are already scarce today, such as agricultural land, terrestrial and marine wildlife, water, and minerals.

The effects of climate change have made action inevitable. Meeting the future demand for reliable, affordable, and sustainable energy will require significant and timely investment in resource-efficient and climate-friendly infrastructure. The accelerating pace of innovation is transforming most industry sectors and offers opportunities as well as solutions to master the transition towards a sustainable world economy.

With the SDGs and the Paris Agreement, governments committed to taking decisive action towards sustainable development and against global warming. To achieve this, the Parties agreed to aim for a peaking of global greenhouse gas (GHG) emissions as soon as possible and net-zero emissions in the second half of the century. About two thirds of global anthropogenic GHG emissions originate from the use of fossil fuels for energy purposes. The transformation of the energy sector is therefore the centerpiece of global climate mitigation efforts.

The B20 is convinced that a future-oriented, sustainable, and competitive world economy can only be successful if businesses keep finding innovative solutions to curtail climate change, foster the energy transition, and decrease the resource intensity of the world economy. Digital innovation research and the development of new products and services can increase the resilience of the energy system along the whole supply chain.

However, to provide the necessary business solutions, companies need a predictable and stable climate and energy policy framework that is

market-oriented, cost-effective, and strengthens competition among technologies. While business commends the G20 efforts in the areas of energy efficiency, renewables, and partly also with regard to energy access, the G20 has not yet come up with predictable market-based policies on climate change.

As a main forum for international economic cooperation, the G20 should take the lead in maintaining the momentum of the Paris Agreement. The G20 members should support the UNFCCC in developing effective monitoring, reporting, and verification standards (MRV) that ensure transparent setting of Nationally Determined Contributions (NDCs) and stocktaking. They should also enable carbon pricing mechanisms as well as transparent tracking and reporting of climate finance and verification of the achieved results. The G20 governments should back up their NDCs with national long-term low GHG emission development strategies, supported by technology needs assessments and transparent GHG abatement cost calculations and methodologies. The G20 should also establish an intergovernmental G20 Carbon Pricing Platform as a forum for strategic dialogue to create a basis for global GHG emissions pricing mechanisms and to phase-out inefficient fossil fuel subsidies.

"The B20 is providing the innovations required to combat climate change. To better leverage our innovative power, we need to have a globally consistent implementation of the Paris Agreement to ensure a level playing field."

Kurt Bock
TF Energy, Climate and Resource Efficiency

Regarding the global energy transition, the G20 should accelerate the market readiness and deployment of low-carbon technologies through effective and predictable energy policies, a joint innovation agenda, and strengthened Energy Access Action Plans. The G20 should broaden the technology scope of the G20 Voluntary Action Plan for Renewable Energy and develop an energy policy toolkit. With regard to innovation, the G20 should develop an Energy Innovation Action Plan with an R&D innovation roadmap to facilitate collaborative and focused R&D in the energy sector. Furthermore, the G20 Energy Access Action Plans for sub-Saharan Africa and for Asia and the Pacific should be substantiated into national, urban and rural action plans.

The 2030 Agenda highlights the importance of using resources more efficiently. Of the 17 SDGs, 12 refer to the sustainable management of global resources. Natural resources, especially raw materials, are key production factors and are therefore at the heart of human prosperity. In many industry sectors, raw material costs represent more than 50 percent of total costs. Therefore, for many companies, resource- and cost-efficient production structures are essential factors in maintaining international competitiveness. If the current trends continue, the extraction of natural materials is expected to double by 2050. To avoid unsustainable environmental degradation and economic losses from price increases, price fluctuations, and increasing scarcity of raw materials, efforts to improve resource efficiency have to be accelerated. Businesses have already developed innovative solutions towards more resource efficient and life cycle-oriented production processes. It is therefore high time for the G20 to put resource efficiency and life-cycle-based thinking on its agenda, discuss its potential, and initiate fora for best practice exchanges such as a Resource Efficiency Platform. G20 governments should use such a platform to share best practices and knowledge to build a robust and consistent international understanding of and scientific basis for resource efficiency, and identify areas of further potential international collaboration.

Green finance – financing of investments that provide environmental benefits in the broader context of environmentally sustainable development – can play a crucial role not only in helping to meet the climate goals, but also in fulfilling the SDGs. The B20 would like the G20 to encourage global policy-makers to calibrate regulatory and prudential market-based frameworks to address disincentives for long-term green investment. The G20 and its members should foster the growth of green finance markets through commonly accepted terminologies and concepts, through improved publication of information, as well as by encouraging the development of international standards for proportion-

ate and consistent market regulation. On climate-related financial disclosure, G20 members should build on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and work towards its implementation, in particular through harmonized metrics endorsed by relevant industries, chambers, and associations.

B20 Recommendations: Advancing Climate Protection and Resource Efficiency

Recommendation 10: **Curtailing Climate Change –** The G20 should curtail climate change by implementing the Paris Agreement, developing consistent and robust carbon pricing, as well as by fostering green finance.

Recommendation 11: **Fostering the Global Energy Transition –** The G20 should accelerate the market readiness and deployment of low-carbon technologies through effective and predictable energy policies, a joint innovation agenda, and strengthened Energy Access Action Plans.

Recommendation 12: **Advancing Resource and Energy Efficiency –** The G20 should advance resource and energy efficiency by establishing a Resource Efficiency Platform and translating the Voluntary Energy Efficiency Investment Principles into a policy toolkit.

Investment in Future-Oriented Growth

The exponential growth of flows and stocks of foreign direct investment (FDI) over the past decades has driven economic growth worldwide. FDI is important for all countries, but can be particularly beneficial for developing countries. According to the World Investment Report 2014, at current levels of investment in SDG-relevant sectors, developing countries alone face an annual gap of $2.5 trillion. FDI creates jobs in local markets, supports infrastructure development, transfers knowledge and skills, and allows for the production and sale of goods where trade may not be feasible due to prohibitive costs, policies, or other factors. The Addis Ababa Action Agenda thus places significant emphasis on mobilizing private finance to support the implementation of the SDGs.

Even though – in comparison to trade – the protectionism standstill for investment measures has been largely respected by G20 members, the rollback of investment-restrictive measures is barely advancing. The continued existence of market access barriers, discrimination of foreign investors, and lack of investor protection, as well as the complexity due to diverging legal environments are part of the reason why FDI flows still have not recovered to pre-crisis levels.

One way to foster FDI is investment facilitation. To date, investment facilitation has received relatively little attention compared to trade facilitation. While many countries have national efforts aimed at investment promotion – like image building, the provision of market information or incentives – few have investment facilitation programs. In addition, international investment agreements (IIAs) have relatively few components aimed at investment facilitation. Building on the G20 Guiding Principles for Global Investment Policymaking, the G20 should therefore make progress on a concrete G20 Investment Facilitation Package, support the resumption of a dialogue in the WTO on strengthening coherence of trade and investment policies, and enhance international support programs for investment in developing countries to meet the SDGs.

> "Improving investment conditions includes providing greater transparency and quality of information to the private sector on investible infrastructure projects."
>
> **Oliver Bäte**
> TF Financing Growth and Infrastructure

In particular, the G20 should foster investment in infrastructure. Infrastructure is a powerful lever for economic growth, with both a positive short- and long-term impact. In the short-term, investment in infrastructure stimulates economic demand and creates jobs. Over the medium- and longer-term, well-designed infrastructure projects drive productivity, for instance

by deepening markets and making economies more competitive. Approximately 75 percent of the infrastructure that will be in place in 2050 does not exist today. Thus, there is a great need to channel investment to future-oriented, sustainable and resilient infrastructure projects. Until 2030, the infrastructure investment, which is needed to support currently expected rates of economic growth, is estimated to average $3.3 trillion per year. Emerging economies account for the biggest part of the investment required – 60 percent – due to increased urbanization as well as population and economic growth. Despite the great need, investment in infrastructure has declined as a share of GDP in eleven of the G20 economies since the financial and economic crisis.

The investment gap in infrastructure is not the result of a shortage of capital. Real long-term interest rates are low, there is ample supply of long-term finance, interest by the private sector is high, and the benefits are obvious. However, a number of factors hold back investment, both on the financing and the funding side. The main challenge is to find bankable and investment-ready projects. The G20 has already taken a number of actions to improve the environment for investment in infrastructure. The G20 Investment and Infrastructure Working Group (IIWG) was established under Russia's G20 Presidency in 2013. The Global Infrastructure Initiative and the Global Infrastructure Hub (GIH) were called into life under Australia's G20 Presidency in 2014 to grow the global pipeline of quality bankable and investment-ready infrastructure projects. The Global Connectivity Alliance was established under China's G20 Presidency in 2016 to improve connectivity within, between, and among countries. Yet, more needs to be done. To mobilize private investment in infrastructure, G20 members need to address the following needs: 1) the need for structured and accessible information about projects; 2) the need for a broader spectrum of financial instruments and vehicles to crowd-in capital of different classes of investors, as recommended in the "G20/OECD Guidance Note on Diversification of Financial Instruments for Infrastructure and SMEs," and 3) the need to improve the stability and reliability of the legal and regulatory environment.

The G20 should ask the GIH and the World Bank, in close cooperation with other relevant Multilateral Development Banks (MDBs), to actively promote the use of local, regional and global portals that provide relevant information about infrastructure projects. They should define a common template for the publication of project feasibility information. The GIH, in conjunction with the World Bank, should also develop a methodology for comparative economic efficiency analyses between conventional infrastructure provision and PPPs both at construction and post-construction stages. The G20 should encourage MDBs to further expand their role as catalysts for and not competitors to private sector investment, for example, by extending guarantees and co-financing, with a clearer focus on the construction phase of infrastructure projects.

B20 Recommendations: Investment in Future-Oriented Growth

Recommendation 13: Fostering Investment Facilitation – The G20 should foster a reliable legal environment, enhance sustainable investment facilitation, and identify the benefits and drawbacks of a multilateral investment framework.

Recommendation 14: Boosting Infrastructure Finance – G20 members should boost infrastructure finance by developing and promoting bankable and investment-ready infrastructure project pipelines and by enhancing the role of Multilateral Development Banks as catalysts for private sector investment.

Assuming Responsibility

In our increasingly interconnected world, few to no actions occur in isolation. Their repercussions affect people in other countries as well as future generations. Being responsible is thus characterized by thinking ahead and by anticipating the effects of an action on future generations and beyond national borders. And it means responsiveness. Politicians, business leaders, and leaders from civil society have to listen carefully to what people have to say. But rather than echoing populist discourses, responsibility means advocating real solutions.

Businesses are major stakeholders in the future development of our societies. They are important levers for growth and development and fundamentally shape the world we live in. Acting responsible does not only mean to "do no harm," i.e. to avoid causing adverse impacts (social, environmental, human rights, etc.). It means acting in the best interest of the environment and society as a whole. This, of course, does not in any way diminish the responsibility of governments to ensure that rules and rights are respected, and that adequate frameworks as well as incentives are in place – be it to address the skills mismatch, to foster and incentivize anti-corruption and responsible business conduct, or to ensure that, around the globe, current and future generations can live healthy and productive lives: Governments need to ensure enabling environments.

Promoting Open, Dynamic, and Inclusive Labor Markets

Globalization and interconnectedness, coupled with exponential technological progress and innovation, have created a wealth of opportunities. However, many societies still face persistent unemployment – particularly among young people –, weak or unstable growth, and high levels of informality and poverty, as well as human rights violations.

In 2015, the global number of unemployed people reached 197.1 million – that is 1 million more than in 2014 and over 27 million higher than pre-crisis levels. The current rate of youth neither in education nor in employment and training ranges from 10 percent to well over 30 percent in G20 countries. At 46.6 percent, global female labor force participation is much lower than the participation rate of men (76.1 percent). Inequality and a lack of opportunity hamper the ability of people to deploy their talents and abilities, to advance and succeed in life.

The B20 thus fully supports the SDGs, particularly SDG 8, which calls for "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all." It is imperative that all people have access to quality education and training programs and are given the best possible conditions to effectively enter and navigate in the labor market. We need to do more to enable everyone to benefit from globalization and the changing world of work.

G20 members have a key role to play in improving access to the labor markets – particularly for disadvantaged groups –, and strengthening the alignment of education and vocational training systems with labor market needs. The G20 should promote open, dynamic, and inclusive labor markets by removing structural barriers on the labor market and by promoting diverse forms of work. Furthermore, governments should ensure policy frameworks that improve female entrepreneurship and female labor market participation. Finally, G20 countries should bring labor migration policies in line with labor market needs. Thus, governments should set up easy-to-understand, employment-friendly immigration laws that allow easy access to the formal labor market and reduces incentives for informality.

Technological change creates jobs, increases productivity, and generates wealth and access to new markets. It is creating new business models and new modes of working – the platform economy and crowdsourcing are two prevalent examples. The nature of jobs and work it-

self is changing at the same time. Robotics and cognitive technologies are creating a world where many employees will work and collaborate with robots and learning machines. These changes are being felt across all organizations, industries, and geographies. The changing work environment urgently requires modern education and training systems that are consistently aligned with shifting labor market needs and practical requirements. As new technologies are introduced, mechanisms are needed that allow both young people and current employees to acquire relevant knowledge and skills in order to work with/alongside these technologies, for instance through work-based and life-long learning. Governments and businesses need to shift away from education systems that stop once people enter the workforce, and focus on continuously developing and updating skills and knowledge. They need to ensure that the workforce evolves with innovations rather than being made redundant. In addition, G20 countries should promote entrepreneurship, which is crucial for more dynamic labor markets, not least because entrepreneurs are job creators.

"The G20 plays a key role in providing broader access to labor markets, aligning education with labor market needs and creating a global level playing field"

Gerhard Braun
TF Employment and Education

The preponderance of research indicates that participation in regional and global value chains creates not only more but also better jobs. It also fosters the transfer of knowledge and skills.

There are, of course, decent work challenges in some global supply chains. These challenges are, however, in the vast majority of cases not caused by cross-border trade, but mirror the decent work challenges in national economies generally. The B20 fundamentally rejects any violation of the 1998 Declaration on Fundamental Principles and Rights at Work. Forced and child labor, discrimination, and the denial of freedom of association and collective bargaining are severe forms of human rights violation, with grave impact not only for the individuals, but also their families, which cannot escape poverty, and societies at large which are hampered in their development. They are also a form of unfair competition.

It is the duty of governments to protect their people from human rights abuses. This duty means that governments should have effective laws and regulations in place to prevent and address business-related human rights abuses. G20 countries should ensure better implementation and enforcement of legislation at the national level. They should acknowledge that many companies are already very active with regard to risk prevention in their global supply chains through private compliance efforts, including auditing and supplier capacity building. The G20 should avoid creating a two-tiered compliance system, where people working for exporters are protected or have higher standards but the rest get lesser or diluted protections. The G20 should support the comprehensive set of existing initiatives to promote sustainable and responsible global supply chains and responsible business conduct while at the same time ensuring a global level playing field. These initiatives are in particular the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises (MNE) and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration).

B20 Recommendations: Promoting Open, Dynamic and Inclusive Labor Markets

Recommendation 15: Promoting Open, Dynamic and Inclusive Labor Markets – G20 members should promote open, dynamic and inclusive labor markets by removing structural and legal barriers, promoting diverse forms of work and female employment, and by bringing labor migration policies in line with labor market needs.

Recommendation 16: **Harnessing Technological Change–** G20 members should harness the potential of technological change through better education and training, entrepreneurship, and innovation frameworks.

Recommendation 17: **Creating a Global Level Playing Field and Promoting Fair Competition** – G20 members should ensure better implementation and enforcement of legislation to prevent human rights infringements, while creating a global level playing field, based on the principles of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Enabling Responsible Business Conduct

A growing number of companies strive to enhance their performance through Responsible Business Conduct (RBC). RBC means making a positive contribution to economic, environmental, and social progress with a view to achieving sustainable development. It also means that businesses avoid and address adverse impacts of their operations. However, their success depends heavily on their ability to compete on a global level playing field. To increase the pace of positive change, the private sector needs the unambiguous support and commitment of G20 members.

Businesses are committed not only to joining the fight against corruption, but also to recognizing the opportunities stemming from the important role of business in society, in leading by example and demonstrating the benefits of RBC. By tackling misconduct at the business level, companies make a lasting impact and contribute to a culture of integrity in society.

The B20 calls upon G20 members to address both the demand and the supply sides of corruption. Combatting corruption is fundamental for sustaining economic stability and growth, maintaining the security of societies, protecting human rights, reducing poverty, protecting the environment for future generations and addressing organized crime. The overall cost of corruption is estimated at more than five percent of global GDP ($2.6 trillion) with over $1 trillion paid in bribes each year. Corrupt behavior is estimated to raise the costs of doing business by up to ten percent and affects a company's competitiveness across a number of dimensions, including its external business relations, its interaction with regulators, its public reputation, and the morale of its employees. Corruption also leads to the inefficient use of public resources and undermines governments' ability to deliver inclusive economic growth. When systemic corruption affects virtually all state functions, distrust of the government can become so pervasive that it can lead to violence, civil strife, and conflict, with devastating social and economic implications.

G20 members have to improve accountability, efficiency, management, and transparency in public administration and implement methods for detecting, investigating, prosecuting, and penalizing misconduct by public officials. In particular, G20 members need to ensure that public officials do not abuse their office for private gain. They must increase their efforts to implement the 2013 G20 Guiding Principles to Combat Solicitation and address the practical difficulties faced by companies when reporting bribery solicitation. With regard to the supply side, G20 members should be supportive of business efforts to engage in RBC and anti-corruption. They should provide clear guidance to businesses on what is expected of them and what credit they can receive. Integrity, transparency,

and accountability will only flourish if initiatives from the private sector go hand in hand with initiatives from governments and other professionals, developing globally accepted principles and good practices for both the public and private sector.

G20 members should continue to lead the world in realizing beneficial ownership transparency by progressively implementing their action plans, raising global standards of data quality, exploring possibilities of connecting ownership information, and monitoring implementation progress. Second, the availability of information is key. G20 members should ensure easy access to, and efficient use of, beneficial ownership information by laying down clear rules governing access to information and facilitating access for users through adequate measures and guidance. Lastly, the exchange of information should be improved. The G20 members should facilitate the timely and effective exchange of beneficial ownership information at the national and international levels by defining or adopting data standards, providing guidance on legal set-ups in their country, and assisting developing countries in improving company registers.

"Combatting corruption must be a joint effort that addresses both the supply and the demand sides of corruption."

Klaus Moosmayer
CTG Responsible Business Conduct & Anti-Corruption

An area requiring particular attention is infrastructure. Insufficient infrastructure represents one of the greatest obstacles to economic growth and social development worldwide. As infrastructure is highly interconnected and lasts for a very long time, G20 members should incentivize investment in sustainable infrastructure. G20 members should provide national roadmaps and investment plans associated with SDGs and create adequate fiscal incentives, standards, contracting vehicles, and other steps that facilitate a business environment that supports sustainable infrastructure and removes barriers to bankability. Due to their complexity, modern infrastructure projects – whether they are public or joint public-private projects – are characterized by a variety of risks that threaten their efficiency, sustainability, and resilience and are often plagued with problems such as corruption, cost overruns, delays and the unavailability of private financing.

In addition to the volume of transactions and the financial interests at stake, corruption risks are exacerbated by the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders. Many of the risks inherent in infrastructure projects can be addressed by governments in the procurement process, as this process is most vulnerable to corruption. However, corruption in infrastructure projects can originate even earlier, during the identification and conception stage of a major project, just as it can prevail during the realization, modification and amendments of contracts. It is therefore vital to mitigate corruption risks throughout the entire cycle of an infrastructure project – from the selection phase, through procurement and contracting, all the way to ribbon-cutting.

Last but not least, G20 members should recognize corporate compliance efforts when awarding public contracts and when imposing sanctions for breaches, and they should explore additional ways to acknowledge compliance efforts. G20 members should be encouraged to harmonize their administrative and legal approaches to self-disclosure of compliance breaches, recognize effective and safe internal reporting, and support adequate self-cleaning. Overall, G20 needs to create a culture of integrity worldwide.

B20 Recommendations: Enabling Responsible Business Conduct

Recommendation 18: Establishing Beneficial Ownership Transparency – G20 members should increase their efforts to implement beneficial ownership transparency so that risks related to the ultimate owner(s) can be identified.

Recommendation 19: Recognize Compliance Efforts – G20 members should be supportive of a company's proactive engagement by providing positive recognition of effective anti-corruption and compliance systems.

Recommendation 20: Enhance Responsible Business Conduct in Infrastructure Projects – G20 members should increase transparency and accountability at all stages of the project cycle in order to mitigate the risk of corruption and increase efficiency.

The B20

The B20 is an integral part of the G20 process, representing the entire G20 business community. The mission of the B20 is to support the G20 through consolidated representation of interests, expertise, and concrete policy proposals. Furthermore, the B20 promotes dialogue among policy-makers, civil society, and business at the international level.

B20 Germany was organized in five taskforces, two cross-thematic groups, and one initiative.

Taskforces

- Trade and Investment
- Energy, Climate, and Resource Efficiency
- Financing Growth and Infrastructure
- Digitalization
- Employment and Education

Cross-thematic Groups

- Responsible Business Conduct and Anti-Corruption
- SMEs

Initiatives

- Health

The focus topics of each taskforce and cross-thematic group were determined through a survey among participants of previous B20 cycles, major G20 business associations, and international business networks. Each taskforce and cross-thematic group as well as the initiative developed a policy paper with implementable policy proposals for the G20.[1]

The taskforces and cross-thematic groups were headed by a Chair and several Co-Chairs. In each taskforce, cross-thematic group, and initiative around 100 representatives from companies and business associations, from all G20 member countries and economic sectors, worked together to find solutions to global challenges. The decision-making process was consensus-based.

B20 Germany Leadership

The German government mandated the leading German business associations – the Federation of German Industries (BDI), the Confederation of German Employers' Associations (BDA), and the Association of German Chambers (DIHK) – to conduct the official G20 economic dialogue, the Business 20 (B20), under the German G20 presidency. The BDI, DIHK, and BDA officially assumed the B20 presidency with the hand-over from B20 China early September 2016. B20 Germany is chaired by Jürgen Heraeus, Chairman of the Supervisory Board of Heraeus Holding GmbH. He is assisted by the three members of the Executive Committee Dieter Kempf, President of BDI, Eric Schweitzer, President of DIHK, and Ingo Kramer, President of BDA, as well as B20 Sherpa Stormy-Annika Mildner.

[1] The recommendations of the Health Initiative, which was founded in early 2017, were still under development at the time the B20 Recommendation paper "Shaping an Interconnected world" was finalized.

B20 Chair		
Juergen Heraeus, Chairman of the Supervisory Board of Heraeus Holding GmbH		
Members of the B20 Germany Executive Committee		
Dieter Kempf, President of BDI; Eric Schweitzer, President of DIHK; Ingo Kramer, President of BDA		
Chairs	**Co-Chairs**	
Trade and Investment		
Emma Marcegaglia President, Businesseurope	Loic Armand President, L'Oréal France Jack Ma Executive Chairman, Alibaba Jamal Malaikah President & COO, National Petrochemical Industrial Company	Sunil Bharti Mittal Chairman, International Chamber of Commerce Alexey Mordashov Chairman of the Board of Directors, Severstal PAO
Energy, Climate, and Resource Efficiency		
Kurt Bock CEO, BASF SE	Aldo Belloni CEO, Linde AG Elmar Degenhart CEO, Continental AG Xabier Etxberria Muguruza Business CEO, Gamesa Corporación Tecnológica S.A. Peder Holk Nielsen President & CEO, Novozymes A/S	Joanne Farrell Group Executive Health Safety and Environment and Managing Director Australia, Rio Tinto Francesco Starace CEO & General Manager, Enel S.p.A. Dany Qian Vice President, Jinko Solar Ltd.
Financing Growth and Infrastructure		
Oliver Bäte CEO, Allianz SE	Timothy D. Adams President and CEO, Institute of International Finance John Cryan CEO, Deutsche Bank AG John W. H. Denton CEO, Corrs Chambers Westgarth	José Manuel González-Páramo Executive Board Director, BBVA Jean Lemierre Chairman, BNP Paribas Axel Weber Chairman, UBS Group AG Ju Weimin Executive Vice President, CIC
Digitalization		
Klaus Helmrich Member of the Board, Siemens AG	Sabine Bendiek Chairwoman of the Management Board, Microsoft Germany Hans-Paul Bürkner Chairman, The Boston Consulting Group Timotheus Höttges CEO, Deutsche Telekom AG	Pierre Nanterme Chairman & CEO, Accenture Klaus Rosenfeld CEO, Schaeffler AG Rajeev Suri President & CEO, Nokia

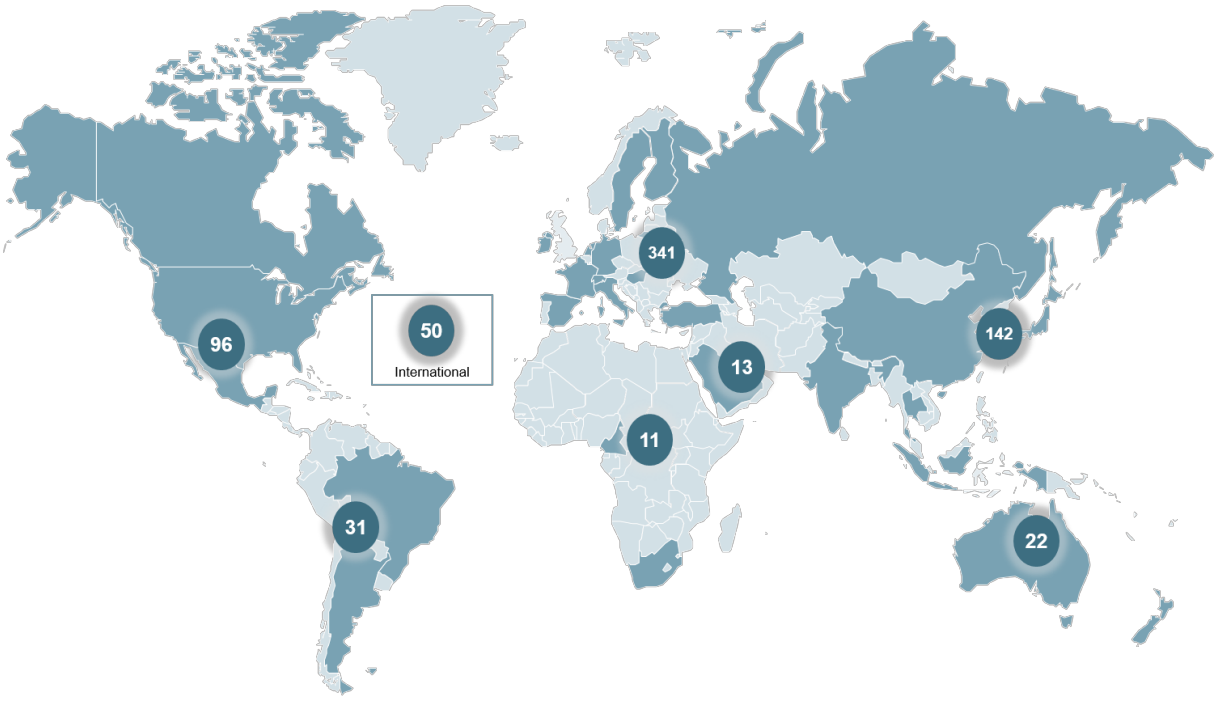
Employment and Education		
Gerhard Braun Vice President, Confederation of German Employers' Associations (BDA)	Daniel Funes de Rioja President, International Organisation of Employers David Iakobachvili President, Orion Heritage Company Erol Kiresepi Vice President, Turkish Confederation of Employer Associations (TİSK) Zhang Lei Founder & CEO, Hillhouse Capital Group	Mthunzi Mdwaba Vice President Africa, International Organisation of Employers (IOE) Yogendra Modi Executive Chairman, Great Eastern Energy Corporation Ltd Kathryn Porter Director of Youth Strategy for Europe, Middle East and Africa, Hilton Worldwide Peter Robinson President & CEO, USCIB
Responsible Business Conduct and Anti-Corruption		
Klaus Moosmayer Chief Compliance Officer, Siemens AG & Anti-Corruption Chair of BIAC	Andrey Bugrov Senior Vice-President, MMC Norilsk Nickel Andre Gustavo de Oliveira Member of South America Executive Team, BASF SE Corinne Lagache Senior Vice President, Group Compliance Officer, Safran S.A.	Jorge Mandelbaum President, CIPPEC Anny Tubbs Chief Business Integrity Officer, Unilever PLC/NV
Small and Medium Enterprises		
Rudolf Staudigl CEO, Wacker Chemie AG	Mary Andringa Chair of the Board, Vermeer Corporation Bertram Kawlath Managing Associate, Schubert & Salzer Monique Leroux President, International Cooperative Alliance; Chair of the Board, Investissement Québec; President & CEO, Desjardins Group	Lynette Magasa CEO, Boniswa Corporate Solutions Ltd. Rosan P. Roeslani President, Kadin Diane Wang Founder & CEO, DHgate

B20 Membership

B20 Germany had 706 members (not counting double membership of individuals in several taskforces or cross-thematic groups) from 39 countries. Membership of each B20 cycle is constituted anew with the change of presidency. In September 2016, B20 Germany had called for applications among previous B20 members and leading G20 business associations. Criteria for the selection process were country, regional, and sectorial balance.

Country	No.	Country	No.	Country	No.	Country	No.
Argentina	13	Germany	131	Mexico	7	United States	70
Australia	21	India	36	Russia	22	EU (other)	75
Brazil	18	Indonesia	2	Saudi Arabia	9	International	50
Canada	19	Italy	20	South Africa	10	Other	16
China	75	Japan	10	Turkey	31	Total	706
France	32	South Korea	9	United Kingdom	30		

The B20 consists of 706 members from 39 countries*



*Membership can diverge from the sum of individual Taskforces and Cross-thematic Groups due to double membership.

Impressum

B20 Germany

IFG Industrie-Förderung Gesellschaft mbH
Gertraudenstraße 20
10178 Berlin
Deutschland
https://www.b20germany.org/

Berlin, May 2017

An Initiative by