



ARGENTINA 2018

BUSINESS 20

**3rd
SHERPA
MEETING**
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B20 Argentina Statement
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Business 20 Statement

Acknowledging the importance of the Third G20 Argentina Sherpa Meeting in Mendoza, we, the Business 20 (B20) Argentina welcome the opportunity to share our main recommendations for G20 leaders.

Nine months into the G20 Argentine Presidency, the 1200 companies and business federations that are members of the B20, the largest representation of the business sector of the G20 countries in its current format, have engaged into more than 56 task force meetings and numerous cross-thematic roundtables, addressing difficult issues with total transparency, equitable and open discussion, in order to develop meaningful recommendations and action plans on a consensus basis.

The priorities set by the G20 Argentina Presidency are fundamental enablers for a developed and equitable future. At the same time, we firmly believe that multilateral cooperation is crucial to define consistent rules and standards that ensure investment predictability, promote economic growth and ultimately improve governability

In this respect we prioritized our discussions focusing on the most relevant and structural issues that are both urgent and implementable either at the multilateral level or within national policies, looking for consensus on best practices.

The B20 enclosed recommendations are also fully aligned with UN Sustainable Development Goals and aim at the following focal points: building a culture of integrity; creating jobs and providing quality education; developing infrastructure; securing a fair competitive business environment; reinforcing and reshaping the global trade and investment system ensuring a level-playing field; ensuring a sustainable food future; transitioning towards cleaner energies; addressing climate change; promoting a sustainable use of resources; maximizing the potential of digital technologies for inclusiveness and economic development; facilitating an ecosystem for MSMEs creation and growth; and ultimately ensuring equal opportunities for everyone with a particular focus on gender equality and the inclusion of vulnerable sectors of society.

These recommendations would be insubstantial without implementation. Therefore, the B20 wishes to contribute to the G20 by providing the adjoining concrete action plans, commitments and key performance indicators.

We concluded that, 75% of these proposed action plans are implementable at the national level and consequently should drive a compelling agenda for G20 governments. The outcome of enacting this agenda could in turn become a set of best practices to be shared with other non-G20 countries, the very principle of leading by example. On the other hand, the remaining 25% of the B20 action

plans are meant to be discussed and implemented within multilateral forums.

Throughout this period, the B20 also joined efforts with other engagement groups to promote a comprehensive viewpoint on themes aligned with the priorities set by the G20 Argentine Presidency, i.e., integrity, education, sustainable food system, decent work and social protection, issuing several relevant joint statements which we also enclose.

Cooperation with G20 working groups has been extensive and fruitful. We have conveyed our willingness to contribute beyond this cycle towards the implementation of national agendas derived from adopted principles and roadmaps and to support the corresponding multilateral and plurilateral forums' discussions.

We are fully committed to build consensus with governments and all members of civil society in order to advance concrete measures that will ensure a fair, inclusive and sustainable future.



INTEGRITY & COMPLIANCE

Corruption is a major barrier to prosperity and equality, erodes trust in government, affects economic and financial stability, threatens investment and curtails the basic rights of citizens. When corruption intervenes, it affects the whole investment ecosystem and, in the end, society pays social and development costs that are difficult to evaluate.

Strong national anticorruption policies build through collective action are positive for business and society as a whole. The Business 20 underscores the urgency of effectively advancing the anti-corruption agenda and expresses its readiness to work with relevant stakeholders to carry it through.

A public-private commitment to Integrity and Ethical Standards (CIES) towards a set of common values and standards, that promotes a culture of integrity, transparency, accountability and social responsibility, consistent with G20 High-Level Principles and international conventions related to integrity and anti-corruption would provide a common basis on which to hold the public and private sectors to account. It would thereby ensure a level playing field and create an enabling environment that upholds education, the rule of law and digitalization as the foundation of its execution.

In this sense, we welcome the principles and tools developed by the G20 Anti-Corruption Working Group (ACWG), especially on asset recovery, beneficial ownership transparency, asset disclosure by public officials, open data and integrity in public procurement, as valuable starting points. It is urgent to fully put them into practice, and track whether these commitments are having the expected impact.

Following prior B20 recommendations, B20 Argentina focused in three pillars:

1) Enhancing integrity and transparency in public procurement with a focus on infrastructure projects:

To address the susceptibility to corruption in infrastructure projects, this recommendation promotes integrity enhancement by transparent access to relevant information, by streamlining procedures, by applying integrity standards requirements to all stakeholders in the procurement cycle and by building reporting mechanisms, maximizing the use of digitalization for this purpose.

It also proposes establishing incentives for companies that adhere to high-quality standards of integrity and compliance in the form of an eligibility requirement or affirmative competitive preference, ensuring the participation of all stakeholders in the procurement process.

2) Implementing high standards of ethics and integrity with a focus on State-Owned Enterprises (SOEs):

As custodians of public assets, SOEs should be the champions of integrity and transparency. This recommendation therefore looks upon high implementation standards of integrity and compliance for State-

Owned Enterprises (SOEs) -establishing programs adopted by the private sector customized to consider specific risks of State enterprises, ensuring accountability through information, transparency and public account reporting, as well as promoting collective action between SOEs and the private sector to develop integrity initiatives.

3) Pursue the implementation of beneficial ownership transparency:

To deter the wrongful use of legal persons and arrangements, this recommendation focuses on the full implementation of beneficial ownership action plans, the mandating of public registers of beneficial ownership information, and the development of rules for its effective and efficient data handling and exchange.

Recognizing the need to monitor advances in the implementation of previous and current G20 commitments related to integrity and anti-corruption, the B20 calls on G20 leaders to entrust the task of developing and applying specific indicators for monitoring progress and measuring impact, as well as publishing results.

We remain fully committed to contribute with governments and international organizations in the fight against corruption.



SUSTAINABLE FOOD SYSTEM

Sustainably increasing production to levels required to ensure global nutritional security is one of today's world greatest challenges.

According to United Nations data, by 2050, the world's population will reach 9.7 billion people, with increased growth and increased urbanization, particularly in Asia and Africa¹. This demographic shift will directly affect consumption patterns, increasing demand for industrial food and value-added products. This growth comes at a time where substantial parts of the global population still experience food insecurity. With roughly 815 million people currently living under food insecurity, production must also increase to feed those that are already hungry.

Without action, the increased production of food will entail additional use of critical environmental resources (e.g., water, land, carbon, etc.). Amidst the global demographic growth and changing global climate, it is imperative to turn the food value chain into a positive environmental actor that sustainably utilizes and restores natural resources. In order to continue feeding future generations, global food producers must broadly adopt sustainable agricultural practices to mitigate, adapt to and increase resilience to climate change.

In addition to broad global adoption of existing agricultural best practices, new and innovative technologies need to be developed and deployed across the food value chain to increase yields in a resource efficient way. New technologies

¹ United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, Key Findings and Advance Tables. Working Paper No. ESA/P/WP.241.

(e.g., biotechnology, digital technology, etc.) will play key roles in increasing production yields and maximizing resource efficiency to minimize environmental impact.

Alongside enhanced production, the global trade of food must function fluently while minimizing waste to ensure food security. The UN estimates that one third of food is either lost in the pre-harvest, harvest, or processing stages or wasted by distributors and end consumers. Consequently, food value chains must function more efficiently and reduce (or find alternative uses for) lost or wasted food.

Global food trade has a critical role to play in feeding the world; by matching food supply to global demand, efficient markets ensure that food is accessible and properly priced across the world. Barriers to global food trade distorts resource efficiency and discourage investment in food production and innovation.

Based on this context, the task force working group has focused on five primary issues for G20 leaders to address:

1) Eradicating malnutrition, undernourishment and obesity:

In planning public policy to address malnutrition, it is essential to consider instances of public-private cooperation and dialogue. Policy should aim to strengthen regulatory frameworks and promote nutritional and healthy lifestyle programs. The B20's final recommendations include reinforcing multilateral food regulatory frameworks, strengthening the role of the Codex Alimentarius as an internationally approved set of guidelines, promoting consumer education, and developing food value chains that ensure food availability in developing countries.

2) Ensuring environmental conservation as well as mitigating and adapting to climate change & 3) Fostering technology development and adoption:

G20 leaders should also develop policies, incentives and capabilities to encourage the adoption of new technologies and practices that increase the sustainability and resilience of food chains. These should increase productivity and the efficiency of resources, mitigating climate change, and enhancing soil conservation and ecosystem that sustain food production. Many of these practices already exist and have demonstrated their potential to increase yield while decreasing the negative environmental impacts (e.g., soil conservation or carbon sequestration).

Recommendations include creating economic benefit systems that incentivize the efficient use of resources, financing the creation and adoption of new technologies, developing public-private partnerships to boost ecosystem management programs, and investing in rural productive infrastructure.

4) Minimizing food loss and waste:

Minimizing loss and waste can be one of the most effective ways to achieve a more sustainable food system that provides food security in a resource-efficient way. In this respect, B20 recommends to incentivize investments towards storage facilities, energy availability, transportation,

access to telecommunications and other infrastructure to reduce food losses, particularly in developing countries.

Educating consumers on how to reduce food waste at the household level and creating self-sustaining and efficient secondary food markets or circular economies can decrease the negative environmental and societal effects from food waste.

5) Reducing barriers to global food trade:

The B20 remains committed to a multilateral trading system that is open, non-discriminatory, and rule-based. However, advances are required to help achieve SDGs throughout global food value chains. Business as usual is not an option. The trading system should progressively eliminate and correct barriers and distortions in global food and agricultural markets, enabling a greater integration of SMEs in developing countries into regional and global value chains. Final policy proposals regarding trade focus on the transparency of non-tariff measures and reducing non-tariff barriers, minimizing tariff barriers and distortive domestic support, and promoting the harmonization of regulatory frameworks, following the international science-based guidelines established in the Codex and in other multilateral avenues of consensus to prevent new NTBs.



EMPLOYMENT & EDUCATION

The context of technological revolution stimulates hopes and fears about the future which sometimes risk overshadowing some of the most urgent education-related challenges of today. This is especially true in developing and emerging economies where gaps in basic skills, such as numeracy and literacy remain persistent issues. Worldwide, hundreds of millions of children who end primary school do not master basic competencies. In fact, more than 60 percent of primary school children in developing countries still fail to achieve minimum proficiency thresholds in core competencies. In low-income countries, 14 percent of students reach this minimum level near the end of primary school, and in lower-middle-income countries the figure is 37 percent[2].

Learning shortfalls of basic skills during the school years show up as an impediment for employability in the workforce, and although the skills needed in labour markets are becoming more multidimensional, no student can afford to bypass foundational skills in reading, writing, and mathematics. Also, digital skills are now being considered a foundational skill as their absence can acutely disadvantage a child's life chances.

- 1) Educational disparities among and within G20 countries pose a major challenge on employability and inclusiveness that needs to be properly addressed, furthering efforts to **close the basic education gaps in order to promote a level playing field for all.**
- 2) **Employability has to be a key component of education systems in**

order to avoid skills mismatches on the labor market. In this sense, close cooperation between businesses and relevant government agencies and institutions is key to ensure that the curricula of training systems are in line with labor market needs. Optimizing the use of and access to labor market information, and harmonizing approaches to labor market data collection and treatment across the G20 is fundamental to track employment and education trends and to set out consistent educational policy plans.

- 3) Current labor market trends show that the pace of change is accelerating the demand for knowledge-based, interdisciplinary, project solving and team-based work, which in turn boosts the requirement for continued education. In addition, current skills shortfalls such as content skills, (namely reading comprehension, writing, speaking and active listening) and process skills (i.e. critical thinking and active learning) highlight the **necessity of strengthening smart investments in innovative teaching methodologies in order to enhance students' core competencies, particularly in STEM subjects with special focus in gender equality.** At the same time, it is vital to **foster a culture of integrity by including ethical citizen values and respect for the rule of law in educational curricula.**
- 4) While technology innovation accelerates and brings along exciting new opportunities, we have to form citizens that are prepared to constantly adapt. To achieve this, **it's key to develop a "learning to learn" model that will help our population to stay open to the future.**
- 5) G20 countries also need to **invest in appropriate digital infrastructure to allow broad-based access to digital learning solutions and integrate them into the physical teaching environment.** Digitalization is also an opportunity for women to improve their skills and income, and to increase their participation in the labor market. With the right policies in place, the digital economy could boost opportunities and reduce inequalities faced by people with disabilities and other vulnerable groups.

Persistent high unemployment remains one of the greatest challenges in many countries around the globe. Job creation must remain the number one priority for G20 countries, particularly bringing women, youth and the disabled into the labor market.

- 1) Formal, dynamic and inclusive labor markets with simple, transparent, flexible and predictable legal employment frameworks continue to be key for inclusiveness. **Regulatory frameworks need to adapt to new forms of work.** Countries which do not fully embrace these new realities in their regulatory framework will either lack job creation or will push employment into the informal sector.
- 2) **Social protection systems must be updated,** looking for effective ways to adapt existing support systems to this new and growing workforce.

Social protection schemes need to be **adequate, comprehensive and portable**, while at the same time they need to be **financially sustainable**.

- 3) As for female employment, **leaders should report the advances made on the implementation of the 2014 Brisbane commitment, especially in national policy plans**

Today, 1.3 billion people live in informal employment². Informality exacerbates inequalities and affects the most vulnerable in our societies. Besides, it creates an unfair competitive playing field.

- 4) **The B20 calls for a roll back on informality.** G20 leaders should reconsider the cost-benefit drivers of informality and encourage formalization through real benefits established in national-tailored policy plans. These may include streamlined business registration, temporary special incentives linked with labor registration and promotion of digitalization of payments, among others.

Entrepreneurship and innovation are key drivers for job creation and economic growth in the formal economy. Yet, most countries, the complexity of regulatory procedures remains the main obstacle to entrepreneurial activity.

- 5) In turn, **G20 leaders should promote an enabling environment for start-ups and entrepreneurs**, facilitating their access to finance, by simplifying regulatory burden, such as registration processes, and by promoting practical entrepreneurial education in school and in VET institutions. At the same time, it is crucial that G20 leaders incentivize apprentices' programs by implementing past commitments in this regard.

² ILO January 2017, Enterprise Formalization Brochure



FINANCING GROWTH & INFRASTRUCTURE

Estimates indicate that global infrastructure needs will reach almost USD 70 trillion by 2035, and the world could face a USD 5.5 trillion gap, compromising economic growth and population's wellbeing. Also, the lack of access to affordable housing will affect more than 1.6 billion people by 2025, mostly in major cities. This gap in infrastructure investment is uneven around the world, especially when considering the urgent needs that underserved regions face in terms of basic economic and social infrastructure. Moreover, financial markets are in constant evolution and require regulations to provide a stable environment for incentivizing growth and investment.

To close this investment gap, world leaders need to increase their efforts towards sustainable and resilient infrastructure investment, helping to also meet the Sustainable Development Goals while considering climate change adaptation and mitigation.

Closing the infrastructure gap will entail facilitating public and private investment in infrastructure through new and improved investment vehicles as well as strengthening the global financial sector. To this effect, the B20 encourages G20 leaders to pursue the following four actionable pillars:

1) Advancing the implementation of infrastructure as an asset class by improving project bankability, supporting the creation of financial vehicles for infrastructure, and enhancing the role of MDBs

We advise G20 leaders to adopt market-oriented pipelines in order to create bankable and investable infrastructure assets; and to keep improving the project pipeline to bridge the gap between national planning priorities and private investor's needs. Also, we prompt the G20 to standardize the risk/return profiles of infrastructure investments, support the creation of marketplaces, and incentivize the creation of financial vehicles that can support the development of infrastructure as an asset class. The G20 should enhance the role of MDBs to support riskier infrastructure investments, project preparation and data transparency.

2) Increasing the impact of PPPs by clearly establishing their role, implementing competitive procurement mechanisms and promoting executional excellence

We encourage G20 leaders to clearly establish the role of PPPs, to develop a competitive governance framework for PPPs, and to promote PPPs executional excellence. Additionally, the G20 should adopt PPP models considering financial, practical and political outcomes and increase project delivery efficiency through adoption of best practices.

3) Narrowing the affordable housing gap by setting policy targets, increasing resource efficiency and expanding financial access for developers and buyers

We recommend G20 leaders to define affordability thresholds and promote a ladder approach for housing development. Moreover, G20

leaders should expand financing to reduce costs for home buyers and developers while supporting a healthy rental market. G20 leaders should also implement financing policies that expand the housing market by providing adequate instruments for developers and home buyers.

4) Ensuring consistency in financial regulation that fosters growth, stability and investment in infrastructure

We encourage G20 leaders to enhance cross-border financial regulation consistency and to promote regulatory consistency to reduce compliance arbitrage costs by ensuring a proper dialogue with stakeholders in the implementation phase. Also, G20 leaders should encourage sustainable development financing, since the development of quality infrastructure investment financing runs parallel to the development of a suitable financial system for sustainable development.



TRADE & INVESTMENT

The B20 community continues to believe that a rules-based multilateral system, ensuring open trade with a level playing field, is crucial for inclusive development and economic growth. To ensure continuity and improvement of the multilateral trade system as an enabler of inclusive and sustainable globalization, a comprehensive approach needs to be undertaken. **An ambitious and positive agenda for the 21st century, which includes the development of new rules and institutional adaptation, is therefore urgently required** to avoid unilateral approaches and ensure governability.

In terms of the **Trade Agenda**, the B20 has identified three top priorities where joint action from leaders is required:

- 1) **Addressing state-related competitive distortions**, by initiating negotiations on transparent new rules that would ensure that no party is granted access to any non-commercially available benefit exclusively based on its ownership. These rules would therefore particularly address market-distorting industrial subsidies and consequently trade distorting actions by state-owned enterprises, which the Charlevoix G7 Summit Communique has recently pointed at.
- 2) **Adapting rules to the digital age** in order to provide regulatory coherence and identify regulatory gaps that need to be addressed to facilitate an open, inclusive and transparent digital trade with strong data protection and data privacy regulations.
- 3) **Ensuring further inclusion of Micro, Small and Medium Enterprises** (MSMEs) in international trade by improving access to finance, simplifying regulatory environments, tackling non-tariff barriers that impede the fragmentation of global value chains and refraining from introducing new distortive measures that prevent inclusion. The B20 would welcome further concrete joint public-private work in the arena of technical barriers to trade and phytosanitary

measures to ensure transparency and full adherence to international standards and scientific evidence in the case of Sanitary and Phytosanitary (SPS) measures.

In terms of the **Investment Agenda**: the B20 highlights the importance of proactive involvement in **investment facilitation negotiations** aimed at reaching a predictable, transparent, non-discriminatory investment framework while fully ensuring protection of intellectual property rights. In pursuing these objectives, there is also an opportunity for leaders to reach a clear, shared vision regarding **investment screening mechanisms**.

The World Trade Organization (WTO), due to its determinant role in international trade, is usually referred to as the guardian of the multilateral trade system. The B20 members concluded that **reform and structural functional improvements of the WTO** need to be put into place to regain momentum. Several institutional reforms such as having a structured business advisory committee, addressing governance methods that would promote advancement (i.e. by considering alternative decision-making methods), as well as enhancing compliance (i.e. by strengthening the notification system), would bring substantial benefits. Finally, the B20 also strongly believes leaders should urgently get the Appellate Body vacant posts filled and work towards reforms that would foster effectiveness and a shortened timeframe for dispute resolutions.

It is of utmost importance that G20 countries, who lead by example, strongly support adaptation to new economic realities and take positive actions to reshape the global trading system.



ENERGY, RESOURCE EFFICIENCY & SUSTAINABILITY

The B20 Argentina calls for G20 leaders to pursue accelerated transitions towards a low carbon, sustainable and equitable energy future as mandated by the UN Sustainable Development Goals (SDGs). The B20 also calls for decisive action against climate change and the provision of actionable roadmaps aimed at the accelerated reduction of greenhouse gases (GHG) emissions. B20 acknowledges that for signatory Governments, the Paris Agreement provides an international legal framework capable of ensuring local and regional paths to fight climate change at global scale.

To accomplish this goal, the B20 is determined to cooperate with the G20 leaders to overcome present challenges: Over 1.1 billion people worldwide still lack access to energy, 2.8 billion are in need of clean cooking solutions, and climate adaptation policies only account for 7 percent of climate impact investments.

At the same time, global energy-related CO₂ emissions grew by 1.4 percent In 2017, reaching a historic peak of 32.5 gigatons, while energy efficiency improvements slowed down. Worldwide consistent strategies to cope with the

irreversible consequences of climate change need further conscious cooperation.

Additionally, resources are being utilized at an unsustainable pace, yet resource efficiency still falls behind in the leaders' agenda, hampering necessary transformations from linear to circular economies.

The B20 has identified five actionable recommendations to address these challenges:

1) Accelerate transitions to a low carbon future – The G20 should act decisively on mitigation strategies, favoring the substitution of high carbon fossil fuels for low carbon, renewable sustainable and cleaner energy sources.

A clean and efficient energy future will entail the widespread adoption of renewable energy sources complemented by cleaner energy sources namely: natural gas, cleaner liquid fuels, biofuels, hydrogen, nuclear and energy efficiency initiatives.

Firstly, we advise G20 leaders on the importance of strengthening national policies that augment the capacity of countries to implement energy transitions while meeting growing energy demands. We support developing roadmaps for energy transitions, respecting national specificities; scaling financial solutions to enable roadmap execution; promoting flexible regulatory environments and fostering just transitions. Secondly, we prompt the G20 to encourage accelerated research, development and deployment of renewable energies and cleaner sources, enhancing grid electrification, re-electrification, digitalization and storage technologies; fortifying carbon capture, usage and storage; and developing interconnections and international trade.

2) Increase coverage and impact of energy efficiency policies – The G20 should foster the expansion of energy efficiency policies, advancing standard-setting in energy and utility companies, businesses, households and transportation systems

Firstly, we encourage the G20 leaders to commit to appropriate energy efficiency policies within energy and utility companies and across industries' value chains. This includes reinforcing the global discussion towards a harmonized global carbon pricing as a policy to reduce energy waste and as an incentive to lower emissions. Secondly, we advocate for efficient policies and practices for buildings and households, implementing time-dependent pricing and smart meters; and mandating sustainable building design. Thirdly, we recommend the development of sustainable and efficient mobility systems setting standards for ground transportation.

3) Ensure access to affordable, reliable and sustainable energy – The G20 leaders should support the global expansion of energy access through on-grid, off-grid and clean cooking solutions for underserved communities striving to minimize the energy access gap.

Firstly, we encourage G20 leaders to promote rapidly implementable transition solutions to reach SDG7, facing the challenges of each

alternative, such as densification and expansion of on-grid solutions for urbanizations and decentralization and off-grid solutions for rural communities, while systematically prioritizing the provision of clean cooking solutions. Secondly, we encourage and support the G20 to assist countries in public policy planning and in promoting sustainable business models to reach underserved communities.

4) Promote resource efficiency and circular economies – The G20 should promote policies and incentives for the adoption of circular business models to finally decouple economic growth from environmental issues.

Firstly, G20 governments should promote knowledge and capacity to facilitate and regulate circular economy development, enabling public and private sector cooperation to identify practical opportunities in: resource recovery, product life extension, circular design, shared platforms. Secondly, we prompt G20 leaders to develop metrics and methods to track and efficiently promote circular activities in the private sector, enhancing reuse, recycling and upscaling, while strengthening competitiveness and innovation.

5) Expand climate change adaptation policies – The G20 leaders must improve climate-resilience plans, evaluation and funding of adaptation policies.

Firstly, we recommend G20 leaders to enhance the ability to assess and predict the impacts of climate change on infrastructure, production and business operations through climate modelling and forecasting tools, emergency response and disaster recovery plans. Secondly, we call for innovative technological integration of climate models and risk assessment into development policies and plans, supported by financial mechanisms to close the investment gaps in adaptation.

Finally, we firmly believe that the achievement of a sustainable energy future requires a platform for international cooperation guiding and supporting the different transition paths that countries are implementing. Such a platform needs to facilitate and coordinate evidence-based policy making and accelerate actionable practices towards a low carbon future.

Through enhanced international cooperation and the implementation of the recommended actions, the G20 leaders hold a unique opportunity to make progress towards mitigation and adaptation to climate change and advancing towards the Sustainable Development Goals, delivering the promise of a shared and sustainable prosperity within a low carbon and equitable global economy.



DIGITAL ECONOMY & INDUSTRY 4.0

Digital economy and Industry 4.0 permeate all aspects of society, including the way companies and governments work but also how people communicate and live their lives. The emerging digital economy has the potential to create economic growth and improve social welfare. Therefore, it is critical that policy

makers create an environment for digitalization to flourish. B20 calls on governments to seize to the opportunity of digital transformation and Industry 4.0 with holistic enabling policy and regulatory frameworks based on 7 key pillars (digital skills, Industry 4.0, global connectivity, MSMEs, digital trade and data flows, financial technology and cybersecurity).

1) Digital Skills. Digitalization, automation and other technologies are fundamentally changing the nature of work. It is essential that governments focus on policies and investment in human capital and education to prepare the workforce for the future of work. In order to achieve a digitalized world, digital literacy and technical digital skills need to be fostered, no matter what job, what position or what industry today's children will be working on, they will require a certain level of digital skills. Governments, first of all, need to work together with businesses to assess the current and future digital skills gap and minimize that gap by investing in education programs, ensuring digital skills are an integral part to the curriculum, and also by helping to reskill and upskill the existing workforce. It is essential that education programs be accessible to both genders and address the digital skills gender gap.

2) Industry 4.0. Manufacturing practices are beginning to be transformed by the use of digital technologies. This fourth industrial revolution will make it possible to gather and analyze data across multiple devices, enabling faster, more flexible, and more efficient processes to produce higher-quality goods at reduced costs, leveraging technologies such as autonomous robots, big data and analytics, additive manufacturing and the cloud. Governments should support the creation of an Industry 4.0 ecosystem to foster best practices and use case sharing, enable collaboration between public and private institutions and encourage innovation. The Government's role will be bringing together and aligning between all key stakeholders, matching new technology users and suppliers, equipping initiatives with greater public weight and supporting them financially. These developments will need an unprecedented degree of integration among systems and across borders, creating the need for developing international standards that allow an international coordination and cooperation.

3) Global Connectivity. Connectivity is a prerequisite for digitalization and, while the number of people "online" has improved during the last decade, there is still 50 percent of the global population "offline".³ Given the enormous impact that connectivity has on a nation's GDP and welfare, it represents a relevant topic in every policy maker's agenda. It is key then that governments encourage and facilitate private investment in infrastructure. The needed investments, focused on unserved areas, will allow consumers to have affordable connectivity while extending its coverage. To expand broadband connectivity, countries will also need to maximize spectrum availability ensuring an adequate mix of protected, licensed, shared and unlicensed spectrum. Demand side has to be enhanced as well, promoting the creation of content and online services that foster a higher adoption.

³ ITU, *UN Broadband Commission sets global broadband targets to bring online the world's 3.8 billion not connected to the Internet*, accessed February 25, 2018, <https://www.itu.int/en/mediacentre/Pages/2018-PR01.aspx>

4) MSMEs. MSMEs are the predominant form of enterprise across the world. In surveyed countries, they account for approximately two thirds of existing jobs.⁴ With such an important share of the economy, their digitalization should be of prior importance to governments. Frequently the reason for MSMEs not adopting innovative technologies are: either being unaware of the existence of such technologies, missing implementation know-how or absence of awareness of the economic fundamentals that justify implementation. Governments must create awareness on cutting-edge technologies and best practices while improving support for regulatory compliance if MSMEs are involved in Global Value Chains. They should also foster discussion forums between larger and smaller companies to improve collaboration and even create commercial opportunities.

5) Digital trade and data flows. Digital trade has become an engine of economic growth for large and small businesses around the world. Even today, approximately 50 percent of all traded services are enabled by information and communication technologies.⁵ Governments need to address e-commerce policies across borders that do not hinder international e-commerce growth, and coordinate cross-border payment systems, data security, consumer protection and authentication, among others. It is essential to encourage negotiations with international trade organizations to align on such cross-border policies. As governments seek to address the challenges to tax systems raised by the digitalization of the economy, they should pursue a multilateral, consistent approach and avoid unilateral measures targeting a single sector or group of companies. Moreover, to foster digital trade and international business operations it is important for countries to avoid data localization requirements and promote efficient data transfer mechanisms.

6) Fintech. More than 30 percent of the world's does not have a bank account – a gap that is unevenly distributed among developed and developing countries.⁶ Supporting Fintech innovation is one of the potential solutions to close this financial gap, which is key given the positive effect that financial inclusion has on people's welfare and the GDP. G20 members should adopt policy frameworks that enable financial technology services by players from different sectors, promoting competition across all levels of the financial service value chain, fostering innovation. Moreover, governments should encourage companies to provide environments for cooperation which allow the Fintech ecosystem to facilitate testing and connectivity to current systems (e.g., APIs, Sandboxes).

7) Cybersecurity. In this era of digitalization where an increasing amount of information is shared among users, devices and machines, cybersecurity is becoming a key issue. Cybercrime has had an impact of as much as us\$600 billion in 2017, and governments have a key role to play to stop cyber-threats.⁷ In order to improve cybersecurity across countries, governments should partner with industry to adopt a holistic cybersecurity risk management approach. Both have a joint responsibility to protect and empower people globally, to partner

⁴ World Trade Organization (WTO), *World Trade Report (2016): Levelling the trading field for SMEs*, accessed June 19, 2018, https://www.wto.org/english/res_e/booksp_e/world_trade_report16_e.pdf

⁵ UNCTAD, *Information Economy Report (2017)*, 30, accessed February 28, 2017, http://unctad.org/en/PublicationsLibrary/ier2017_en.pdf

⁶ World Bank (2018), op. cit.

⁷ McAfee, *Economic Impact of Cybercrime Report (2017)*, accessed May 2, 2018, <https://www.mcafee.com/us/solutions/lp/economics-cybercrime.html>

with others and increase the security of our technology to assure cybersecurity and to combat offensive cyber capabilities of criminals, terrorists, and other threats, avoiding damaging trust in the online environment. G20 members should agree on starting baselines to adopt increasingly ambitious goals regarding cybersecurity frameworks. A cross-sector and cross-border collaborative environment is needed and should be achieved through information-sharing efforts. This will allow countries to protect valuable data from malicious actors.



SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

Small and Medium Enterprises (SMEs) account for over 95% of enterprises, 60-70% of employment and 55% of the gross domestic product and are essential to strengthening productivity and delivering more inclusive growth.

Even though there is a wide acknowledgement of SMEs importance to national economies, they yet face already identified roadblocks such as informality, low productivity and scarce access to finance that need to be addressed with a fresh impetus.

While SMEs heterogeneity in terms of their diversity, ecosystem and life cycle need to be properly considered, policy makers should focus on advancing concrete actions for each of SMEs' stages of development: creation, survival and growth. When grouped around their stage of growth, it quickly becomes apparent that SMEs face common barriers that therefore should be tackled comprehensively.

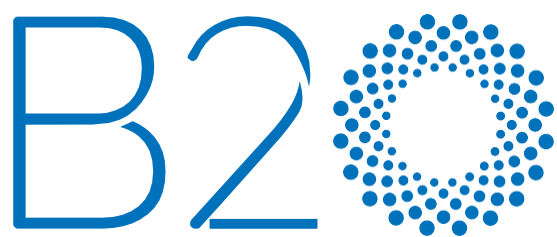
In order to foster SMEs generation, G20 leaders should focus on ensuring a necessary competitive and stable economic environment to start their business and thrive.

- 1) **Entrepreneurship is at the core of the SMEs formation, their survival and growth.** Governments should aim at promoting entrepreneurship skills through education and training broadening the funding alternatives and financial assistance and introducing special entrepreneurship programs that may, for instance, temporarily reduce tax burden.
- 2) Equally relevant is the fact that **SMEs need to develop capabilities to attract and maintain talent.** Even if this is an issue transversal issue is common to enterprises of all sizes, SMEs often find this task particularly troublesome due to a lack of resources, that typically tied to their ability to compete with larger firms in terms of salaries, recruitment and on the job training opportunities.
- 3) The B20 also encourages the **development of clusters and innovation networks to provide SMEs with an alternative way of sharing knowledge and best practices.** Cooperation between different stakeholders -namely industries, research institutions, and universities-

can improve SMEs' productivity, competitiveness and foster innovation.

- 4) **Across all stages of their life cycle, SMEs require access to sources of financing to start-up, survive and grow.** SMEs' "financing gap" is increasingly becoming one of the main challenges to development, particularly in developing countries. Since SMEs are often the most vulnerable link in national economies, financial inclusion should be at the center of any SMEs policy. While bank lending is the most common source of external financing for SMEs, other forms of funding should be considered. Public-private investment to reduce the risk of business failure or crowd funding could be some of the alternative financial instruments to be encouraged. In addition, enhancing financial literacy of SMEs simplifying capital market procedures and lowering the accessibility cost structure especially for the unbanked, is key.
- 5) Similarly, **institutional and regulatory settings are fundamental to ensure that all businesses compete on a level playing field.** As complex regulatory frameworks inflict higher burden for small enterprises than larger businesses, tailored policies that advance regulation simplification schemes should also be implemented. Increasing tax burdens and high administrative costs impacts negatively is on job creation reduction and/or rises informality. Administrative simplification, regulatory coherence and reduction of tributary weight is necessary for SMEs to scale up. An effective regulatory framework can help SMEs to improve their productivity and competitiveness, inclusion in global value chains becoming a part of the global economy.
- 6) **Internalization offers opportunities to SMEs expansion as it allows firms to specialize and benefit from knowledge spillovers from participation in Global Value Chain.** In order take full advantage of internalization potential, G20 leaders should promote SMEs upscaling by investing in skill development, management organization and processes. In these respect Digital economy offers new opportunities for SMES inclusion
- 7) **Digital transformation also opens new opportunities for SMEs scaling up, reducing the cost of access to skill, talent, enhancing recruitment and knowledge partners through new communication channels and by enabling disruptive ways for business models to succeed,** typically referring to e-commerce platforms. Furthermore, the use of digital tools grants SMEs access to global value chains and international markets.
- 8) Finally, a large number of SMEs have not been able to take advantage of the benefits of the digital economy. **Adoption of digital technologies has not been equal between SMEs and larger firms. To narrow this gap, policies should target not only connectivity and digital infrastructure, but access to digital-enabled platforms, e-commerce and mobile applications.**

The B20 SMEs Cross-Thematic Group is confident that the implementation of the recommended actions will allow for SMEs to deliver valuable contributions towards inclusive growth sustainable economic development.



ARGENTINA 2018

BUSINESS 20

Key Policy Recommendations & Action Plans



INTEGRITY & COMPLIANCE

RECOMMENDATION 1: Enhance integrity and transparency in public procurement with a focus on infrastructure projects – To address the susceptibility to corruption of the public procurement process, this recommendation seeks to establish incentives for companies that adhere to high quality standards of integrity and compliance in the form of an eligibility requirement or affirmative competitive preference, ensure the participation of all stakeholders in the procurement process including maximizing the use of digitalization for this purpose, and promote collective action between the public and private sectors.

Policy Action 1.1: Establish standardized incentives in public infrastructure procurement – G20 Members should establish and enforce incentives, in a way that is consistent with applicable procurement laws, for companies that adhere to high quality standards of integrity and compliance while providing the corresponding guidance and support to SMEs that would address barriers to their involvement in public procurement.

Policy Action 1.2: Ensure openness, fairness, transparency and accountability in the entire procurement cycle of public infrastructure – G20 Member Governments should ensure that all stakeholders are able to participate in the procurement process by enabling timely access to information that is provided in line with the G20 Anti-Corruption Open Data Principles and across the contracting process and contract cycle, identifying opportunities to employ technology in the procurement process, and streamlining procedures.

Policy Action 1.3: Build cooperation, trust and strategic alignment between the public and private sectors in relation with infrastructure projects – G20 Members should facilitate collective action between the public and private sectors by developing complementary and joint efforts that prevent corruption while preserving their respective independence. Taking into account that the building of trust requires a concerted commitment to implement and enforce transparency, G20 Members must also promote initiatives and reporting mechanisms that promote openness, dialogue and accountability.

RECOMMENDATION 2: Implement high standards of ethics and integrity with a focus on SOEs – To address corruption risks of SOEs, this recommendation calls on the G20 Members to ensure that SOEs adhere to and disclose high quality standards of integrity and compliance in line with international good practice, and facilitate joint action geared towards building trust and exchanging lessons learned.

Policy Action 2.1: Ensure that SOEs commit and adhere to high quality

standards of integrity and compliance, and assume accountability to stakeholders including reporting publicly on anti-corruption programs – G20 Members should demonstrate their continuing commitment to upholding integrity by (i) applying high quality standards of integrity and compliance within the public sector itself, and (ii) ensuring that SOEs and other companies—including SMEs—implement the same standards in line with international good practice and SOE anti-corruption guidelines, and publicly disclose such standards, particularly in connection with procurement and bidding processes.

Policy Action 2.2: Promote collective action among SOEs, the general government and the private sector – G20 Members should facilitate the professional cooperation between the public and private sectors by developing joint initiatives, building trust and exchanging information and lessons learned, among others, that encourage the adoption of robust best practices on integrity and the implementation of effective compliance measures across all sectors. Such facilitation should not come at the expense of maintaining a strict separation of government functions in the exercise of ownership of SOEs.

RECOMMENDATION 3: Pursue the implementation of beneficial ownership transparency – To deter the wrongful use of legal persons and arrangements, the recommendation calls on the G20 Members to pursue the full implementation of beneficial ownership action plans, ensure the availability of information and establish the rules for information exchange.

Policy Action 3.1: Implement previously established beneficial ownership action plans and ensure consistency in beneficial ownership regulation including for Designated Non-Financial Businesses and Professions (DNFBPs) and legal professional privilege – G20 Members should ensure the implementation of beneficial ownership action plans, making sure that regulation of beneficial ownership is consistent, to remove regulatory arbitrage and to aid businesses who need to provide and use this information from having to comply with differences across jurisdictions. This will ensure a level playing field for all and remove prospective barriers to entry.

Policy Action 3.2: Mandate public registers of beneficial ownership that utilize globally consistent data classifications and verification of information – G20 Members should ensure access to beneficial ownership information by mandating public registers of beneficial ownership that utilize globally consistent data classifications and verification of information. This will combat corruption and money laundering at all levels of government and corporate business dealings, as well as ensure transparency in public procurement across the supply chain.

Policy Action 3.3: Develop rules for effective and efficient exchange of information – G20 Members should scale the availability and use of beneficial ownership information by creating rules to ensure its effective and efficient exchange. International standards on data privacy, data handling and data classification must be defined.



SUSTAINABLE FOOD SYSTEM

TOPIC 1: ERADICATE MALNUTRITION, UNDERNOURISHMENT, AND OBESITY

RECOMMENDATION 1: Educate consumers on the importance of a healthy lifestyle and a balanced diet starting even from pregnancy and early childhood, by designing general communication and school education campaigns with a comprehensive approach on food, physical activity, social issues, environment, and culture

Policy Action 1.1: Analyze nutritional guidelines from several countries to determine impact on environmental sustainability and overall public health, with a particular focus on childhood and maternal nutrition

Policy Action 1.2: Design educational strategies and programs that enhance the training of key stakeholders (e.g., healthcare providers, teachers, parents, etc.) and a comprehensive approach to teaching the public health benefits of improved nutrition

Policy Action 1.3: Develop simple, easy-to-understand, and science-based dietary and government endorsed nutritional recommendations that are developed with input from key stakeholders across business, policy, non-profit, and public health communities

Policy Action 1.4: Ensure that the food and beverages available in schools are representative of government endorsed nutritional guidelines for a balanced and healthful diet

RECOMMENDATION 2: Ensure access to and visibility of clear and precise dietary information through food product labelling to allow consumers to make informed purchase and consumption decisions

Policy Action 2.1: Analyze the impact of existing labeling systems on their desired outcomes

Policy Action 2.2: Adopt a harmonized, multi-lateral (e.g., Codex-based), and science-based labeling system across countries that clearly provides information required to select products at time of purchase or consumption, ensuring that:

- 1) Consumers are transparently informed of nutritional information
- 2) Companies are motivated to improve product formulation
- 3) Food and beverages are considered as part of an overall balanced diet, without any isolated negative or unscientific characterizations of specific ingredients and products

Policy Action 2.3: Create a public-private governance system to monitor adherence and alignment with multi-lateral labeling guidelines across countries (e.g., via Codex)

RECOMMENDATION 3: Facilitate the development of food-producing value chains in developing countries (through public-private partnerships) to ensure accessibility of the local food supply and provide better employment opportunities

Policy Action 3.1: Partner with local governments, relevant business, non-profit, and community-based stakeholders to identify and address key risks to food security in specific countries and parts of the value chain

Policy Action 3.2: Foster the development of local supply chains that lead to employment and economic activity in rural communities through long-term and market-efficient income earning opportunities

Policy Action 3.3: Launch small-scale pilot programs to test and learn from different models of partnership before expanding the pilots within and across at-risk countries

TOPIC 2: ENSURE ENVIRONMENTAL CONSERVATION; MITIGATION AND ADAPTATION TO CLIMATE CHANGE

RECOMMENDATION 4: Create economic benefits to encourage efficient and sustainable use of key resources across food production systems in at most a minimally trade-distorting manner

Policy Action 4.1: Identify environmental impact of current economic policies and key opportunities for improvement or harmonization across countries (e.g., use of biogas in electricity generation)

Policy Action 4.2: Reallocate existing financial support and economic incentives to encourage the adoption of environmentally sustainable practices (e.g. access to credit, soft loans, and other incentives)

Policy Action 4.3: Improve and standardize the measurement of the environmental impact of agriculture across countries, crops, and livestock

RECOMMENDATION 5: Stimulate the development and adoption of innovative technologies and practices to anticipate the impacts of, adapt and build resiliency to, and mitigate climate change

Policy Action 5.1: Identify key environmental or climate-related threats to estimate the socio-economic impact on local and global agricultural markets, with a particular emphasis on developing or low-income countries

Policy Action 5.2: Evaluate different agricultural practices that mitigate the long-term impacts on the environment and build resiliency to high, medium, and low-likelihood climate threats

Policy Action 5.3: Develop accessible, government-sponsored, and comprehensive risk management strategies to combat the impact of climate threats to SMEs and other agricultural producers (e.g., through insurance programs, government-backed financial instruments, etc.)

Policy Action 5.4: Along with business and non-profit stakeholders, establish an integrated policy and strategy action plan to preserve food production

amidst climate and environmental risks

RECOMMENDATION 6: Promote and finance the creation of ecosystem management programs through public-private partnerships focused on early landscape planning, landscape level management, sustainable land management, and other programs

Policy Action 6.1: Identify critical or at-risk ecosystems and geographic areas (e.g., forests, freshwater sources, etc.)

Policy Action 6.2: Partner with business and non-profit stakeholders to develop and promote specific management and preservation initiatives (e.g., soil conservation techniques and regenerative agriculture such as no-till)

Policy Action 6.3: Provide funding for the training and adoption of ecosystem management practices

TOPIC 3: FOSTER TECHNOLOGY DEVELOPMENT AND ADOPTION

RECOMMENDATION 7: Promote and foster the development of innovative technologies to increase sustainable food production across the world (e.g., through bio-technology, digital technologies, etc.)

Policy Action 7.1: Develop and implement public policies to ensure that domestic regulatory frameworks broadly encourage investment in research and development of innovative technologies

Policy Action 7.2: Promote cooperation between academic and business stakeholders to identify challenges to domestic agricultural sustainability and address them by prioritizing key areas for innovation (e.g., soil degradation, water efficiency, GHG emissions, etc.)

Policy Action 7.3: Further expand use of existing multi-lateral funding mechanisms (e.g., CGIAR, GFAR, CABI) to foster early-stage foundational research into agricultural science, ensuring a focus on technologies that improve environmental sustainability and resource efficiency

RECOMMENDATION 8: Facilitate technology adoption in developing countries and SMEs, throughout the food value chain, that experience productivity gaps

Policy Action 8.1: Identify productivity disparities across countries and enterprises and quantify the case for change to attract the partnership of non-profit, business, and local stakeholders

Policy Action 8.2: Establish financing mechanisms for long-term capital investments and knowledge sharing forums to help build capabilities and capacity to improve yields

Policy Action 8.3: Convene relevant business and non-profit stakeholders to build an open-source (and free-to-use) knowledge platform of key agricultural technologies, practices, and other relevant information so that SMEs across the world have equal opportunity to build their capabilities and access markets

RECOMMENDATION 9: Increase investment for sustainable and resilient rural infrastructure to foster SME technology adoption and improve access to markets and knowledge

Policy Action 9.1: Identify critical domestic infrastructure gaps and quantify their impact on agricultural inefficiency (e.g., due to lack of accessible transportation, electricity, storage, telecommunications, water management systems, etc.)

Policy Action 9.2: Ensure that existing infrastructure funding mechanisms prioritize agriculturally important regions

Policy Action 9.3: Partner with local business stakeholders to raise the necessary funds for long-term improvements in infrastructure

Policy Action 9.4: Invest in alternative and environmentally resilient methods of transport for rural communities (e.g., ports, rivers, roads, trains, etc.)

TOPIC 4: REDUCE BARRIERS TO GLOBAL FOOD TRADE

RECOMMENDATION 10: Enhance the design, transparency and implementation of non-tariff measures applied to and affecting agri-food trade, and reduce and eliminate existing non-tariff barriers to trade

Policy Action 10.1: Strengthen the criteria for domestic support to be considered non-trade-distorting, including in respect of policies with environmental or sustainability objectives

Policy Action 10.2: Ensure that existing national and regional agri-food trade regulations are fully consistent with WTO SPS and TBT Agreements, suppressing all standards that are not technically-justified or science-based and striving to build on internationally approved and recognized standards

- 1) For SPS: Codex, OIE and IPPC
- 2) For TBT: Strengthen the role of Codex in the definition of principles for guiding countries in the development of labelling systems, in order to avoid unilateral advances that become technical barriers to trade

Policy Action 10.3: Enforce application of SPS and TBT agreements among WTO member states, making use of its faculties for dispute resolution

Policy Action 10.4: Ensure that the development and implementation of NTMs is transparent and fully consistent with WTO rules

RECOMMENDATION 11: Commit to eliminating or significantly reducing the effects of tariff barriers and trade-distortive domestic support by fully implementing negotiated WTO agreements regarding agriculture (including the Bali and Nairobi packages), implementing the new WTO Trade Facilitation Agreement and supporting continued WTO Negotiations to enhance agri-food market access, prioritizing liberalization in markets and sectors of interest in developing countries dependent on agricultural trade

Policy Action 11.1: Prioritize WTO negotiations to continually reduce tariffs on agricultural trade in ministerial conferences, with special focus on reducing tariffs on products that affect developing countries

Policy Action 11.2: Ensure full implementation of the Nairobi package agreement of 2015 regarding agricultural export subsidies, with special urgency on products produced by developing countries

Policy Action 11.3: Renew negotiations on reducing trade distortive domestic support to achieve a successful agreement in the next WTO ministerial conference

Policy Action 11.4: Put an end to harmful and illegal fisheries subsidies that are enhancing fishing capacity in a situation of international overfishing

Policy Action 11.5: Implement remaining Bali package decisions regarding public stockholding of food, quota administration, services that qualify for Green Box support, reduction of export subsidies and enhancement of transparency and monitoring

RECOMMENDATION 12: Move towards regulatory coherence at a country and regional level of rules that impact trade of agri-food products (e.g. front-of-pack labeling, consumer care, trade, among others) aiming to achieve global equivalence, mutual recognition, and incremental progress to convergence, striving to build on internationally approved standards:

a) For SPS: Codex, OIE, IPPC

b) For TBT: Strengthen the role of Codex in the definition of principles for guiding countries in the development of labelling systems, in order to avoid unilateral advances that become technical barriers to trade

Policy Action 12.1: Work with the private sector to assess country-level and regional regulations negatively impacting trade of agri-food products

Policy Action 12.2: Conduct research in collaboration with Codex to determine the impacts of different labeling systems and their impact on consumer decisions and foreign trade

Policy Action 12.3: Define international standards setting bodies such as Codex-OIE-IPPC as the unique forum for discussion of conflictive regulations and setting of internationally recognized rules

Policy Action 12.4: Align regulations impacting trade to ensure compliance with international standards setting bodies, avoiding the establishment of these as effective barriers

TOPIC 5: MINIMIZE FOOD LOSS AND WASTE

RECOMMENDATION 13: Design and implement an adequate framework of regulation and incentives that promotes circular economies, strengthening the role of non-profits and community organizations dedicated to reducing waste by leveraging every possible use case of food

Policy Action 13.1: Standardize and harmonize measurements and methodologies to quantify food loss and waste across countries to enable an

accurate assessment of social and environmental impact and data-driven comparisons across countries

Policy Action 13.2: Reflect the environmental impacts of food loss by establishing a prioritized structure of for the uses of discarded food

- a. Prioritize donations of consumable food before using it in animal feed or composting, and finally disposing it in an environmentally efficient manner

Policy Action 13.3: Develop a legal framework to reduce the legal liability of food donations

- a. Compare the benefits and impacts of different donation models of countries that have similar regulations to limit legal liability of donors and encourage food donations (e.g., USA's Good Samaritan Laws)
- b. Approve a domestic legal framework to achieve best results and ensure health safety, with the input of the private sector (to allow for flexibility of different operating models and room for innovation)
- c. Strengthen the role of non-profits and community organizations involved in the food donation model

Policy Action 13.4: Establish economic incentives that discourage waste and establish markets for alternative or secondary uses of food

- a. Foster early-stage development of these markets through credits, tax incentives, loans, or subsidies until markets have viable scale to be economically self-sustaining

RECOMMENDATION 14: Incentivize investments towards storage facilities, energy availability, transportation, access to telecommunications and other infrastructure to reduce food losses in developing countries

Policy Action 14.1: Create a fund (e.g., through World Bank's IDA) dedicated to identifying critical value chains and the most important gaps in infrastructure causing food loss in developing countries

Policy Action 14.2: Finance infrastructure works such as roads, collection points, cooling systems, access to energy, access to telecommunications, and access to market information

Policy Action 14.3: Partner with businesses to stimulate the adoption of technologies and farming practices at the pre-harvest and harvest stages that aim at reducing food damages and leakages (e.g., through providing microcredits or other financing programs)

RECOMMENDATION 15: Educate consumers on how to reduce food waste at the household level

Policy Action 15.1: Design an education campaign for consumers to raise awareness and encourage them to reduce household waste

Policy Action 15.2: Include information that can help consumers planning or purchasing groceries for meals, checking food stocks, making shopping lists, developing recipes for leftovers, better using of refrigerators and freezers for storage, better understanding date labels

Policy Action 15.3: Create a public-private partnership to implement the campaign through different media channels (e.g., radio, digital, television, print,

etc.) and distributions at retail locations, public events, or other community engagements



TOPIC 1: PROMOTE OPEN, DYNAMIC AND INCLUSIVE LABOUR MARKETS

RECOMMENDATION 1. Support Entrepreneurship and Innovation

I. Develop and implement ambitious support strategies for entrepreneurs

Invest in government-backed entrepreneurship support services, particularly for youth and female entrepreneurs, which start-ups and SME can consult on legal and financial issues. Create specific entrepreneurship laws to encourage entrepreneurial activities. Enable greater access to a variety of funding sources for SMEs and particular female entrepreneurs, such as temporary tax incentives for early stage investors, start-up loans with favourable interest rates and guarantees in order to minimize the default risk for lenders.

II. Promote enabling environments for entrepreneurs.

By effectively and regularly assessing the impact of regulation on businesses and job creation, including easing the burden of registration and compliance for independent contractors and self-employed persons. Ensure enterprise registration requirements do not act as an unnecessary barrier to innovation and employment. Create innovation-friendly framework conditions, in which start-ups can generate new ideas and inventions through sufficient R&D spending.

III. Promote education for entrepreneurship.

Promote practical entrepreneurial education in secondary and university education as well as VET that also includes a failure culture, in which entrepreneurs are not shamed for failings. Foster clusters to create synergies between universities, R&D centers, start-ups and public administration. Encourage the involvement of companies in apprenticeships co-planned with universities.

IV. Foster entrepreneurship at international level

Annually follow up the G20 Action Entrepreneurship Plan established in 2016. Support actions regarding the G20 SMART Innovation Initiative.

RECOMMENDATION 2: Promote diverse Forms of Work

The B20 reiterates the need for G20 governments to promote flexible labour law and a diversity of forms of employment that are future looking and conducive to robust job creation at every point along the skill curve. G20 governments should make sure social benefits and rights are transferrable and

portable across different sectors and jobs, regardless of specific contractual employment relations. These includes the promotion of knowledge-based work that has configured a new breed of service industry.

RECOMMENDATION 3: Strengthen inclusiveness of labour markets

I. Strengthen Female employment

Removing legal restrictions that hinder women from participating in the formal labour market and having formal self-employment opportunities such as proper access to finance for female entrepreneurs. Improve supportive mechanisms such as accessible and affordable child care and elderly care.

Ensuring access for all girls and women from a very early age to compulsory, high-quality education systems with proper acquisition and application of the core competences, particularly in STEM. Address cultural norms that discourage women from acquiring these skills.

II. Develop targeted initiatives aimed at increasing youth participation in the labour market

Create attractive regulatory framework conditions which stimulate the establishment of apprenticeships systems. Enhance cooperation between business and VET institutions as well as colleges and universities and public high/secondary school districts.

III. Improve the labour market integration for persons with disabilities

Focus on practical measures which contribute to facilitating the employment, job retention and return-to-work opportunities for disabled persons. Support and advice should be provided to business on how to address the barriers that often prevent persons with disabilities from obtaining jobs in the private sector (demand side). Design social protection systems that promote labour market participation of disabled.

RECOMMENDATION 4. Strengthen inclusiveness of labour markets address conditions that encourage the informal sector

Simplifying taxation schemes by reducing the complexity of tax codes and by creating progressive tax structures that encourage small businesses to enter the formal sector. Also, lower entry barriers such as costs and time of bureaucratic procedures.

RECOMMENDATION 5. Foster labour migration in line with labour market needs

Adopt migration policies that are timely and flexible to accommodate new and longstanding business models, but also predictable and transparent so that employers can effectively manage compliance. Ensure employers are partners in identifying skills gaps and establishing frameworks for assessing foreign qualifications as well as appropriately engaged in the migration process itself.

TOPIC 2: STRENGTHEN SKILLS DEVELOPMENT AND LIFELONG LEARNING FOR SUSTAINABLE GROWTH

RECOMMENDATION 6: Close basic education gaps to promote a level playing field for all future labour market participants.

Governments should focus education investment in early childhood education, especially in low-income countries where preschool attendance is very low. Build implementation and management capacity to better organize education systems and schools, targeting the quality of education outcomes. Also, revamping teachers' professional development, improving how they are recruited, paid, rewarded, assessed, and trained.

RECOMMENDATION 7: Promote and support Life-Long Learning at every age

Formalize the role of “learning to learn” in childhood education systems as a fundamental competence. Prioritize the role of Lifelong Learning in government training and education systems. Collaborate formally with businesses and business organizations in the design of skill-building and re-skilling initiatives to ensure relevance to future workforce needs. Where possible, leverage the opportunities brought by new technologies (such as Extended Reality) to achieve it, engaging in new teaching approaches, which are adopted to adult realities. Use this opportunity to encourage more formal on-the-job training approaches within businesses.

RECOMMENDATION 8: Upgrade education systems to align with tomorrow's labour market needs

Ensure access for all to compulsory, high-quality education systems for all, that deliver proper acquisition and application of a broad range of essential skills, from core competences (particularly literacy, numeracy and science, technology, engineering and mathematics (STEM) subjects) to more complex reasoning, critical thinking, social and behavioural capabilities. Incorporate active learning techniques such as project-based learning and team-based learning activities as a formal part of curricula from an early age. Design targets and metrics that are centred around the learner's acquisition of this range of skills.

RECOMMENDATION 9: Embrace new digital learning models and technologies to improve teaching techniques and environments

Invest in appropriate digital infrastructure to allow broad-based access to digital learning solutions and enabling the integration of digital learning solutions into the physical teaching environment. Leverage the rapid advances in private sector and not-for-profit Education Technology (Ed Tech) organizations to create partnerships that broaden access to next-generation

digital learning solutions.

RECOMMENDATION 10: Optimize the use of and access to labour market data and intelligence

Harmonize across the G20, approaches to labor market data collection and treatment, and do so in collaboration with relevant businesses, training institutions and academic experts. Moreover, engage with existing proposals for comprehensive frameworks to improve consistent global skills measurement, such as UNESCO's Global Framework to Measure Digital Literacy. This will enable the generation of necessary skills anticipation plans to predict potential skills gaps and bottlenecks, and thereby guide better-informed investment decisions as well as policies on employment, training and migration.



FINANCING GROWTH AND INFRASTRUCTURE

RECOMMENDATION 1: G20 Leaders must improve project bankability, support the creation of financial vehicles for infrastructure, and enhance the role of MDBs in infrastructure investment in order to advance infrastructure as an asset class

Policy Action 1.1: Improve project pipeline to bridge the gap between national planning priorities and private investor's needs.

- Consolidate and centralize long term national project commitments
- Adopt fact-based project selection to improve resilience and investment feasibility
- Increase the amount of funds allocated to infrastructure investment by promoting hedging instruments and improving liquidity

Policy Action 1.2: Standardize risk/return profiles, support the creation of marketplaces, and create adequate financial vehicles.

- Standardize risk/return profiles of infrastructure as an asset class and develop a history of risk/return data for different investment instruments
- Enhance private sector partnerships between banks and insurers as well as securitization
- Create a global marketplace to increase liquidity and asset trade

Policy Action 1.3: Enhance the role of MDBs to support riskier infrastructure investments, project preparation and data transparency.

- Support riskier infrastructure investment in emerging and developing countries through project bonds, securitization of loans, and syndication arrangements

- Increase investment towards MDBs infrastructure data platforms and portals supporting project preparation tools and promoting knowledge sharing
- Grow the expertise required to increase implementation of infrastructure as an asset class
- Ensure support by MDBs is provided where actually needed and avoid private investment crowding out

RECOMMENDATION 2: G20 leaders must clearly establish the role of PPPs, implement competitive procurement mechanisms, and promote executional excellence to successfully implement PPPs and increase their impact.

Policy Action 2.1: Clearly establish the role of PPPs and develop a competitive governance framework for PPPs.

- Clearly establish the role of PPP by creating a transparent and robust pipeline of PPP projects and implementing adequate legal and institutional frameworks
- Implement a competitive governance framework

Policy Action 2.2: Promote PPPs executional excellence

- Adopt PPP models considering the financial, practical and political outcomes, and design robust business plans
- Increase project delivery efficiency through the adoption of best practices

RECOMMENDATION 3: G20 leaders must set policy targets, increase resource efficiency, and expand financial access for developers and buyers in order to narrow the affordable housing gap.

Policy Action 3.1: Define affordability thresholds and promote a ladder approach for housing development.

- Define aspirations and targets at all government levels to frame the affordable housing policy
- Increase resource efficient utilization

Policy Action 3.2: Implement financing policies that expand the housing market by providing adequate instruments for developers and home buyers.

- Reduce the cost of financial access for residents
- Support developer financing
- Generate appropriate rental or leasing options as an alternative for lower income households

RECOMMENDATION 4: G20 Leaders must ensure financial regulation that fosters growth, stability and investment in infrastructure.

Policy Action 4.1: Promote regulatory consistency to reduce compliance

arbitrage costs by ensuring a proper dialogue with stakeholders in the implementation phase.

- Increase pre and post implementation analyses to understand the impact of financial regulations in stability, growth and infrastructure investment
- Promote collaboration among public and private stakeholders to reduce the negative impact of diverging financial regulations

Policy Action 4.2: Encourage sustainable development financing.

- Financial regulation should support long term investment contributing to a greener and cleaner economy
- Mobilize financial centers action on sustainable development



TRADE & INVESTMENT

TOPIC 1: AGENDA FOR THE FUTURE OF THE MULTILATERAL TRADE SYSTEM

I. Addressing State-Related Competitive Distortions

RECOMMENDATION 1: G20 countries should prioritize establishing measures that ensure that state-owned enterprises do not have privileged access to non-commercial assistance in order to allow for a level playing field for investment and trade.

Policy Action 1.1: Recognize the principle of competitive neutrality to address distorting behavior by state-owned enterprises.

Policy Action 1.2: Foster a plurilateral agreement on government-driven competitive distortions.

Policy Action 1.3: Promote the extensive application of domestic/regional policies ensuring non-discriminatory behavior from SOEs.

II. Designing New Rules for Digital Trade and E-Commerce

RECOMMENDATION 2: G20 leaders should agree on a plurilateral approach to harmonize data flow regulatory frameworks and standards in order to unleash the benefits of digital trade.

Policy Action 2.1: Address restrictions on free data flow and localization requirements.

Policy Action 2.2: Data privacy standards should be properly defined and enforced with a focus on alignment across national policies to the greatest extent practicable.

Policy Action 2.3: Seek international cooperation frameworks and exchange of

information to enhance cyber security protection.

Policy Action 2.4: Support the timely achievement of a plurilateral trade agreement on e-commerce under the umbrella of the WTO.

III. Global Value Chains Development and Small and Medium Enterprises Inclusion

RECOMMENDATION 3: Address increasing non-tariff barriers to trade that restrain value chain fragmentation and promote SMEs inclusion in Global Value Chains.

Policy Action 3.1: Refrain from increasing trade distorting measures that end up affecting inclusiveness.

Policy Action 3.2: Further the WTO's work in the arena of technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPMs) regarding: best practices, timely notification and due follow-up, particularly in the agribusiness sector.

Policy Action 3.3: Enable SME inclusion by facilitating international trade, trade defense and access to dispute settlement mechanisms.

TOPIC 2: MULTILATERAL INVESTMENT POLICY

RECOMMENDATION 4: G20 should foster a multilateral investment policy coordination that would improve transparency and predictability, allowing for a significant increase in Foreign Direct Investment (FDI) flows.

Policy Action 4.1: Accelerate the multilateral framework initiative on investment facilitation and encourage all G20 member countries to contribute.

Policy Action 4.2: Reach a clear and shared vision on investment screening.

TOPIC 3: IMPROVING THE WTO MULTILATERAL TRADE SYSTEM

RECOMMENDATION 5: Governments should discuss structural functional improvements of the WTO, particularly in the field of reaching new agreements and on the enhancement of the dispute settlement system.

Policy Action 5.1: Promote a structured contact between the WTO and the business community.

Policy Action 5.2: Strengthen the notification system.

Policy Action 5.3: Consider alternative decision-making schemes.

Policy Action 5.4: Improve the dispute settlement system, avoiding deadlocks.



**ENERGY, RESOURCE
EFFICIENCY AND
SUSTAINABILITY**

TOPIC 1: ENERGY TRANSITIONS

RECOMMENDATION 1: Accelerate Transitions to a Low Carbon Future

Policy Action 1.1: Further Transitions Readiness

- Implement roadmaps for energy transitions through renewable and cleaner energies.
- Scale financial solutions for renewable and cleaner energies.
- Support energy regulatory reforms to unleash innovation.
- Commit to just transitions.

Policy Action 1.2: Support Innovation in Renewable and Cleaner Sources

- Enhance replacement of high carbon energy sources, promote and update electrification, re-electrification and energy systems digitalization across the power system.
- Address storage technology challenges for renewables advancement.
- Advance research and deployment of Carbon Capture, Usage and Storage.
- Develop transnational interconnections and global energy trade.

TOPIC 2: ENERGY EFFICIENCY

RECOMMENDATION 2: Increase the Coverage and Impact of Energy Efficiency Policies

Policy Action 2.1: Incentivize Energy Productivity Across Utility Companies and Industrial Value Chains

- Reward energy waste reduction through reflective pricing, certifications and management standards. Support the global discussion on carbon pricing.
- Incentivize the entry of new technologies into the energy infrastructure.

Policy Action 2.2 Increase Support for Efficient Policies and Practices for Buildings and Households

- Develop smart building plans.
- Implement time-dependent pricing, smart meters and home-device interoperability to profit from home connected devices.

Policy Action 2.3: Promote the Development of Sustainable and Efficient Mobility Systems

- Set standards for ground transportation, especially heavy-duty trucks.
- Incentivize fuel efficient and electric vehicle purchases, and the deployment of EV charging infrastructures.

TOPIC 3: ACCESS TO ENERGY

RECOMMENDATION 3: Ensure Access to Affordable, Reliable, Sustainable and Modern Energy

Policy Action 3.1: Promote Appropriate Rapidly Implementable Transition Solutions to Reach SDG7.

- Promote densification and expansion of on-grid solutions and improve user paying systems.
- Focus on decentralized solutions for rural communities.
- Prioritize the provision of clean cooking solutions to address the urgent problem of Household Air Pollution.

Policy Action 3.2: Improve Policy-Planning Capacity to Meet SDG7.

- Support national planning and business plans to achieve affordable, reliable and sustainable energy demand.
- Engage MDBs in developing financing solutions for energy projects.

TOPIC 4: CIRCULAR ECONOMY

RECOMMENDATION 4: Promote Resource Efficiency and Circular Economies

Policy Action 4.1: Enhance Public and Private Sectors' Capacity to Achieve Greater Resource Efficiency and Circular Economies

- Develop integral resource efficiency and circular roadmaps.
- Promote the adoption of industry-specific parameters for resource efficiency and circular economy.

Policy Action 4.2: Promote the Adoption of Resource Efficiency Actions in all Industries

- Prioritize policies that encourage the private sector to implement resource efficiency and circular economy.
- Enhance reuse, recycling and cascading at the product's end of life to an extent that brings about the highest sustainability benefits according to full life cycle assessment.

TOPIC 5: CLIMATE CHANGE ADAPTATION

RECOMMENDATION 5: Adapt to Climate Change with a Focus on Integrating Resiliency Plans into Public and Private Investment Plans

Policy Action 5.1: Integrate Adaptation Measures into Country Development and Mitigation Plans and Investments

- Enhance assessment and prediction capacity of climate impacts in key economic sectors.
- Integrate climate-change adaptation into development policies and plans.
- Promote the collaboration of the public and private sectors to implement effective adaptation measures.

Policy Action 5.2: Promote Financial Mechanisms to Overcome the Investment Gaps in Adaptation

- Promote financial mechanisms to close the investment gaps in adaptation



DIGITAL ECONOMY & INDUSTRY 4.0

TOPIC 1: HELP WORKFORCE DEVELOP THE NECESSARY DIGITAL SKILLS

RECOMMENDATION 1: Understand the current and future digital skills gap with reliable, substantiated and regularly updated forecasts on demands of jobs and competencies

Main policy actions: Organize skills councils, inter-ministerial working groups and industry-specific strategic foresight groups to evaluate present and future skills demand, fostering the development and use of standardized skills taxonomies and coordinate multi-sector efforts to agree on a future skills forecast.

RECOMMENDATION 2: Minimize the skills gap in the future by investing in digital education programs today

Main policy actions: Increase access to and popularity of STEM and computer sciences throughout the educational system, teach programming and coding to children and young people and foster “soft” and “complementary” skills that are uniquely human (e.g., critical thinking). Build on cybersecurity awareness.

RECOMMENDATION 3: Bridge the digital skills gap by re- and upskilling the existing workforce

Main policy actions: Define digital core competencies and create a common taxonomy of digital skills. Co-fund adult digital learning opportunities. Encourage companies to provide a minimum amount of training. Redesign education courses to make them more specific and support the provision of online learning platforms. Encourage companies to rethink how they assess qualifications and credentials.

RECOMMENDATION 4: Facilitate job transition by addressing the lack of flexibility

Main policy actions: Support workers who have been affected by changing skills needs and make proven job search technologies available within government employment programs. Equalize rights and benefits for employees and self-employed and attach rights, benefits and obligations to a person, rather than to the employer.

RECOMMENDATION 5: Ensure access of women and girls to digital education

Main policy actions: Create educational opportunities in digital literacy and skills targeting women and girls, both in and outside the formal education system, include STEM training in the first years of primary education, develop scholarship programs for STEM courses aimed at women and launch public awareness campaigns.

TOPIC 2: FOSTER THE DEVELOPMENT AND UPTAKE OF INDUSTRY 4.0 TECHNOLOGIES

RECOMMENDATION 6: Support the creation of an ecosystem fostering the development and implementation of Industry 4.0 technologies

Main policy actions: Establish and run an online platform for all stakeholders to become involved; initiate, fund and support research and company-led projects, test-beds and competence centers for the piloting of production systems; create and fund dedicated centers of excellence or research projects driving innovation and adoption of new manufacturing technologies; foster the participation of MSMEs in the adoption of Industry 4.0 technologies.

RECOMMENDATION 7: Encourage the development of international standards and definitions for Industry 4.0 technologies

Main policy actions: encourage the relevant stakeholders to work together to develop relevant and appropriate definitions and globally interoperable standards. Foster the use of such standards by supporting industry-led multi-stakeholder cooperation and market driven standardization initiatives.

RECOMMENDATION 8: Encourage development & roll-out of Industry 4.0 technologies

Main policy actions: foresee policy approaches focused on motivating sustainable private financing of Industry 4.0 initiatives and set clear priorities on what aspects of Industry 4.0 should be supported. Engage MSMEs in Industry 4.0 initiatives and generate forums and spaces where interactions between large companies and MSMEs may lead to commercial links.

TOPIC 3: PROMOTE GLOBAL CONNECTIVITY & INFRASTRUCTURE DEVELOPMENT

RECOMMENDATION 9: Encourage and facilitate private investments in infrastructure to expand coverage, even in less profitable areas

Main policy actions: assess availability, quality and cost of infrastructure to create the appropriate policies. Commit to comprehensive digital agendas and broadband plans. Create a policy environment that is simple and transparent to enable industry players, support them to avoid administrative barriers and ease public rights of way.

RECOMMENDATION 10: Promote affordability by facilitating access to devices and connectivity, especially in developing countries

Main policy actions: avoid imposing restriction for device manufacturers to enter the market, consider the negative effects of taxes and foster availability of as many connectivity choices as possible, considering deployment in public spaces.

RECOMMENDATION 11: Promote broad spectrum usage

Main policy actions: leverage and utilize as much spectrum as possible to enable Internet access through a “balanced spectrum policy” and encourage a variety of technologies to build and deploy networks. Provide incentives for spectrum investment by adopting a market-based spectrum pricing and designing a coherent and consistent tax system.

RECOMMENDATION 12: Promote the creation of content and services that foster demand

Main policy actions: encourage third parties to develop new and innovative Internet services, while avoiding unnecessary regulation of Internet content, services and applications. To enhance demand, governments should also incentivize digital interactions with citizens leading by example.

TOPIC 4: FOSTER DIGITALIZATION OF MSMES

RECOMMENDATION 13: Create awareness and share information on cutting-edge technologies and best practices

Main policy actions: spread success stories in which the adoption of cutting-edge technologies had a positive impact. To accomplish this, governments need to foster discussion forums / platforms between smaller and larger companies while setting the right incentive scheme for big corporations to share their knowledge.

RECOMMENDATION 14: Foster interactions with governments services through digital channels

Main policy actions: increase the digital services offered to MSMEs and enable a wider access by encouraging them to interact mainly on digital channels.

RECOMMENDATION 15: Improve support for regulatory compliance for MSMEs participating in GVCs

Main policy actions: provide advice and support on international, commercial partner’s regulation compliance for MSMEs including companies from all sectors and activities.

TOPIC 5: ENABLE DIGITAL TRADE AND INTERNATIONAL DATA FLOWS

RECOMMENDATION 16: Implement robust, future-proof, common, interoperable and nondiscriminatory e-commerce policies across borders

Main policy actions: coordinate cross-border aspects of Internet taxation, payment systems, data security and consumer protection, foster interoperable and technologically neutral approaches to authentication, establish dialogues on e-commerce related policies among G20 and non-G20 countries and ensure they are aligned with existing international standards and guidelines.

RECOMMENDATION 17: Encourage negotiations on digital trade within the WTO and other trade organizations

Main policy actions: encourage a dialogue aiming at continuous negotiations on digital trade with the WTO and other trade organizations.

RECOMMENDATION 18: Work towards consistent tax rules

Main policy actions: do not rush to enact new measures until the effects of implementation of BEPS process are fully realized. Refrain from unilateral actions or interim measures that could lead to double taxation, create significant uncertainty and negatively impact investment, innovation and growth. Continue to work together through the Inclusive Framework at the OECD to develop consistent and sustainable tax rules that do not discriminate against any industry or specific group of companies.

RECOMMENDATION 19: Foster interoperable data protection and privacy protection standards

Main policy actions: develop frameworks for privacy and data protection using as a reference the Privacy Guidelines provided by the OECD and seek to establish cross-border data transfer mechanisms wherever possible. Foster portability of data.

RECOMMENDATION 20: Avoid data localization requirements, promote efficient data transfer mechanisms and reduce barriers on digital trade

Main policy actions: keep requirements to store data within a particular jurisdiction or locate computing facilities locally to a minimum and promote efficient transfer mechanisms of all forms of data across borders. Favour a level playing field among sectors and consider IP protection and enforcement and appropriate limitations of liability for intermediaries as important elements of a balanced policy framework. Remove unnecessary barriers to cross-border law enforcement requests.

TOPIC 6: SUPPORT INNOVATION IN FINANCIAL TECHNOLOGY

RECOMMENDATION 21: Adopt flexible policy frameworks that enable financial technology services by players from different sectors

Main policy actions: promote competition within all levels of the financial services value chain and update regulation in order to best meet innovation, while weighing heavily financial inclusion when designing the tiered approach to KYC.

RECOMMENDATION 22: Help individuals create a valid digital identity

Main policy actions: promote public-private sector collaboration to create a valid and interoperable digital identity while educating consumers to appropriately manage their digital footprint.

RECOMMENDATION 23: Foster the development of enabling architecture and common standards

Main policy actions: promote regulation that does not imply the usage of a specific technology or solution while encouraging companies to provide environments for cooperation (e.g., APIs). In addition to this, encourage regulatory tools such as sandboxes that foster innovation and collaboration.

TOPIC 7: IMPROVE CYBERSECURITY

RECOMMENDATION 24: Partner with industry to promote holistic cybersecurity and cyber-risk management and align on cybersecurity and cyber-risk frameworks

Main policy actions: Hedge the impact of cyber-crime and create a common basis of trust across globalized markets with all stakeholders to work together, taking responsibility at the highest levels and deepening common understanding of cybersecurity requirements.

RECOMMENDATION 25: Work towards a platform to share information on cybersecurity globally and across sectors

Main policy actions: encourage research, data and intelligence sharing among stakeholders from the private and public sectors by providing adequate exchange platforms. To further enhance information sharing, work with industry to identify changes in regulations or policies that would encourage companies to more freely share information on cyber incidents.

RECOMMENDATION 26: Commit to promoting responsible nation state behavior in cyberspace

Main policy actions: promote a reinvigorated international dialogue on the ways to promote responsible state behavior online, in a multi-stakeholder way. Leverage previous agreements on norms providing a roadmap for future discussions.

RECOMMENDATION 27: Agree on a minimum set of principles to reduce cyber-risk and protect citizen information

Main policy actions: promote coordination between the private and public sector since it will benefit both consumers, companies and regulators. Additionally, seek to engage in more ambitious cybersecurity policies and support the private sector in complying with them.



SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

TOPIC 1: TALENT ATTRACTION AND ENTREPRENEURIAL SKILLS DEVELOPMENT

RECOMMENDATION 1: G20 leaders should promote productivity-enhancing skills in education while providing SMEs formal training for talent management

Policy Action 1.1: Strengthen SME capabilities to attract and preserve needed skills

A deeper pool of managers allows for better strategy development. New forms of work may provide SME's with tools and skills to better evolve in their competitive environment. Policies that encourage and preserve new forms of work with adequate social protection are therefore required.

Policy Action 1.2: Create a collaboration network to review and propose adjustments to the curricular content of technical schools and university programs to address the changing needs of the working environment

Collaboration networks between the business and public sector can be crucial to promote concrete actions and work agreements with schools and universities. Education programs should foster clear programs to increase youth entrepreneurship.

Policy Action 1.3: Increase awareness of the importance and complexity of business transfer planning

Fostering local institutions investment in knowledge exchange platforms for succession and to raising awareness of the importance of the process. Promoting market-oriented business management and entrepreneurship courses in schools and universities, cultivating curiosity and creative thinking in a potential new generation of successors.

TOPIC 2: ACCESS TO FINANCE

RECOMMENDATION 2: Improve access to finance by diversifying financing instruments and simplified financial procedures

Policy Action 2.1: Introduce policy measures to promote a better balance between public and private investments to reduce the risk of business failure

Development of credit guarantee schemes. Favor the approach of public banks to support investments in SMEs.

Policy Action 2.2: Facilitate accessibility to low interest rate loans

Establishing a transparent framework for eligibility requirements related to grants and subsidies. Increasing credit availability by lowering the cost and administrative burden for banks, relative to loan amount for qualified SMEs.

Policy Action 2.3: Favor access to funding via alternative financial sources

Developing and setting awareness programs to educate SMEs with access to suitable instruments along their lifecycle and depending on their objectives.

Policy Action 2.4: Develop a comprehensive policy framework with extensive policies and strategies for SME access to capital markets, including actions to reduce cost and administrative burdens for application and listing

Simplifying access procedures and low-cost structures (application and listing fee reductions/exemptions). Tax incentive schemes for SMEs, reducing taxation, depending on the duration of the investment.

TOPIC 3: SIMPLIFIED AND SME-FRIENDLY REGULATORY FRAMEWORK

RECOMMENDATION 3: G20 leaders should promote simplified regulatory environments for SMEs, specially providing the necessary conditions for SMEs integration into the formal economy.

Policy Action 3.1: Facilitate an effective and timely transition from the informal to the formal economy, respecting and ensuring informal workers' rights and social protection

Integrating a policy framework, to guarantee that the transition to the formal economy is included in national development strategies. Safeguarding employment in the transition to the formal economy and fostering a policy response that differentiates among the various types of informal enterprises.

Policy Action 3.2: Encourage special support for new ventures

Encouraging a tax and administrative framework that creates a level-playing field for new ventures, grace period regarding direct taxation, special treatment for SME indirect taxes and special deductions against taxable income.

Policy Action 3.3: Reduce disproportionate tax compliance cost

Creating tax systems for SMEs with reduced tax burden and lower compliance obligations, which would be gradually and progressively increased over a certain period of time.

Policy Action 3.4: Promote the application of policies to reduce costs associated with the hiring of workers by SMEs

Encouraging first-job promotional benefits. Allowing the labor relationship of local workers with foreign employers through the creation of a registry for the latter.

Policy Action 3.5: Develop and install SME knowledge programs to improve the level of business information accessibility in order to close the gap related to information asymmetries

Making information available through as many communication channels as possible. Coordinating financial literacy training and developing a single portal for SMEs which provides technical advice, training services, and mentoring programs.

TOPIC 4: SMES PARTICIPATION IN DIGITAL ECONOMY

RECOMMENDATION 4: G20 leaders should enhance innovative inclusion through digital transformation, providing SMEs the necessary instruments to equally benefit from digitalization

Policy Action 4.1: Promote technological clusters to enhance knowledge sharing and innovation

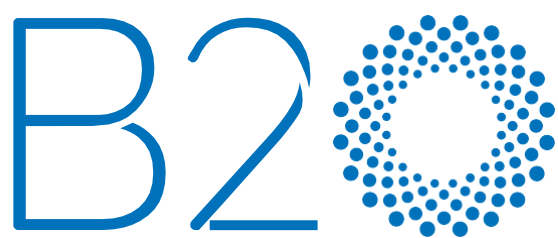
Promoting linkages among SMEs, as well as between enterprises and their institutional environment, to support scale-up and knowledge absorption through innovative practices and approaches.

Policy Action 4.2: Invest in digital infrastructure to foster SME connectivity and close the digital gap

Accelerating investments in digital infrastructure developing national plans to close the digital gap. Clear and measurable standards must be set to ensure broadband can be effectively accessed. Helping promote the adoption of digital technologies among SMEs.

Policy Action 4.3: Promote awareness across SMEs on productivity monitoring and introduce policy measures to improve the efficiency of resource allocation

Promoting awareness across SMEs on the importance of defining and measuring productivity. Fostering a legal system that allows an easy entry for new firms and a quick exit for inefficient firms to restructure, and improves the efficiency of resource allocation (capital and talent) to the most productive and innovative firms in order to facilitate up-scaling entry into global markets. Supporting productivity-enhancing investments, particularly in knowledge-based capital, through tax benefits combined with a broader set of direct support policies.



ARGENTINA 2018

BUSINESS 20

Joint Statements

B20 & C20 Joint Statement

IMPLEMENTATION OF NATIONAL ANTICORRUPTION STRATEGIES



June 28th, 2018

Corruption is a major barrier to prosperity and equality, erodes trust in government, affects economic and financial stability, threatens investment and curtails the basic rights of citizens. In recent years, a multitude of corruption scandals emphasizes the evidence, witnessed by citizens, of widespread wrongdoing.

In a context in which large-scale, cross-border corruption cases are becoming increasingly frequent, national level efforts to combat corruption often fall short. International forums such as the G20 are essential to allow governments to coordinate their anti-corruption policies and contribute to the global fight against corruption.

In this sense, we welcome the principles and tools developed by the G20 Anti-Corruption Working Group (ACWG), especially on asset recovery, beneficial ownership transparency, asset disclosure by public officials, open data and integrity in public procurement, as valuable starting points. It is urgent to fully put them into practice, and track whether these commitments are having the expected impact.

That is why, **we encourage G20 countries to commit to developing national-level anti-corruption strategies** that would draw G20 commitments into the national sphere and could be complemented with additional anti-corruption priorities that are contextually driven, should contain specific objectives, timelines and their results must be measured and made public.

Collective action to fight corruption must be a joint goal of governments, business and civil society, particularly regarding public procurement and infrastructure projects. In this respect National level Anti-Corruption Strategies should be developed in partnership with both constituencies.

We also welcome current ACWG initiative on state owned enterprises as they have an increasingly significant impact in world economy and is fundamental to promote a levelled playing field and a culture of integrity.

When it comes to corruption in the public sector (including state owned enterprises). We expect from G20 determined and effective enforcement of the rule of law. It is also important to both encourage and acknowledge private sector compliance and integrity initiatives, including MSMEs.

We remain fully committed to contribute with governments and international organizations in the fight against corruption.

B20 & C20 Joint Statement

INCREASING INTEGRITY AND TRANSPARENCY IN STATE-OWNED ENTERPRISES



June 28th, 2018

Ethics and integrity are important elements for all organizations, not just for fostering a positive working environment but also in terms of improving reputation and creating long-term value. For the public sector, implementing high standards of ethics and integrity is especially crucial in rebuilding trust in public institutions and laying the groundwork for sustainable growth.

It is likewise important for State-Owned Enterprises (SOEs) to implement such standards because, particularly in emerging markets, SOEs can represent a large portion of many countries' GDPs and are often used by governments to provide critical services to citizens, such as water and energy. Moreover, SOEs continue to increase as major players in the international market, competing directly with some of the largest private corporations. According to the United Nations Conference on Trade and Development, roughly 1,500 state-owned multinational enterprises have more than half of their headquarters in developing countries and nearly a third in the European Union. These SOEs own almost 10% of all foreign affiliates.⁸ Moreover, Transparency International states that approximately one quarter of Fortune 500 companies are state owned and are often the largest employers in certain countries.⁹

The highest corruption risks for SOEs lies in public contracting, conflicts of interest, marketing, privatization processes, theft of assets and money laundering. Some reports show hard evidence on these tendencies: An OECD report analyzing completed bribery cases showed that 81 per cent of the total bribes were promised, offered or given to SOE officials.

At the same time, weak public reporting practices by SOEs are indicators of poor anti-corruption systems. A 2016 TI survey on transparency of corporate anti-corruption reporting found that out of 100 global companies from emerging markets being assessed, 21 Chinese SOEs scored only 12.9 per cent compared to the rest of the companies, which scored 43.3 per cent.

Transparency of ownership and operations and public reporting on anti-corruption programs are the best defense against corruption yet Transparency International's research shows that many states do not perform well on transparency of their beneficial ownership and that SOEs are weak in reporting on their anti-corruption programs.

⁸ United Nations Conference on Trade and Development, *World Investment Report 2017: Investment and the Digital Economy* (Geneva: United Nations, 2017), xi, accessed 13 May 2018, http://unctad.org/en/PublicationsLibrary/wir2017_en.pdf.

⁹ Transparency International, *Transparency International Launches 10 Anti-Corruption Principles for State-Owned Enterprises* (28 November 2017), 1, accessed 3 April 2018, https://www.transparency.org/news/pressrelease/transparency_international_launches_10_anti_corruption_principles_for_soes.

A 2018 report by Transparency International assessed the extent to which G20 members were fulfilling their legal and regulatory commitments implicit in the G20 Principles three years after their adoption. report on the efforts of the G20 nations, with 11 G20 countries showing either an average or weak legal framework for implementing the G20 Framework.

To counter corruption in SOEs, all actors - states, SOEs, investors, business partners, civil society and the public - need to set expectations for SOEs to operate according to high standards of integrity, transparency and accountability. All actors should hold SOEs accountable for the way they meet these standards. Best practice standards should include:

The report delivered a mixed

- OECD guidelines on corporate governance of SOEs (2015).
- Transparency International's 10 Anti-Corruption Principles for SOEs which provide comprehensive best practice anti-corruption guidance (2017).

C20 and B20 call upon G20 governments to significantly strengthen their efforts to implement existing commitments made under previous presidencies, including the G20 High Level Principles on Beneficial Ownership Transparency, and the G20 High-Level Principles on Promoting Integrity in Public Procurement. The implementation of those Principles is imperative for increasing integrity and transparency and preventing corruption in SOEs – a key priority of the Argentinian Presidency. To achieve this, we recommend the implementation of best practice standards in SOEs founded on cultures of integrity, good governance, continuing risk assessments, rigorous oversight and monitoring, transparency, public reporting and stakeholder engagement. As custodians of public assets SOEs should be champions of integrity and transparency. This is also the best check against corruption.

More specifically, states are encouraged to make the following anti-corruption requirements from SOEs:

- Design and implement best practice anti-corruption programs based on the SOE's commitment to integrity and the results of anti-corruption risk assessments.
- Apply good governance with balanced boards of directors, representation of independent directors and a rigorous and transparent process for appointments of board directors.
- Be transparent about integrity and anti-corruption programs including:

- The anti-corruption policies and procedures.
- Risk-assessment process, key corruption risks and mitigation measures.
- Publishing online up-to-date information on the beneficial ownership of the SOE and related conflicts of interest.
- Reporting regularly to the public on the SOE's integrity and anti-corruption measures and performance.
- Manage conflicts of interest by maintaining up-to-date, online, public registers of conflicts of interest of board members, senior executives and those in critical decision making or other sensitive positions and implementing procedures for dealing with conflicts of interest when they could intrude in an SOE's operations.
- Counter corruption risks in procurement and contracting and significant asset transactions by:
 - Making public transparency of procurement, asset transactions and other vulnerable processes.
 - Requiring anti-corruption standards from third parties. Carry out due diligence on them and monitor contracts once awarded.
- Carry out regular independent review of the SOE's integrity performance and the design and implementation of their integrity anti-corruption programs.
- Adopt and implement high-quality reporting, governance and financial management practices.

In addition, we call upon G20 members to:

- Significantly strengthen the implementation of G20 anti-corruption High Level Principles:
 - G20 High Level Principles on Organizing Against Corruption.
 - G20 High-Level Principles on Beneficial Ownership Transparency.
 - G20 High Level Principles on Promoting Integrity in Procurement.
 - High Level Principles on the Liability of Legal Persons for Corruption.
 - High Level Principles on Countering Corruption in Customs.
- Work collectively to counter SOE corruption by engaging all actors – SOEs, - investors, business partners, civil society and the public.

- Set expectations for SOEs for integrity and anti-corruption standards, provide guidance, oversight, advice and support.
- Support the good governance of SOEs by prohibiting the appointment of serving politicians as board directors or senior management.
- Monitor the performance of SOEs against the expected standards
- Be transparent and accountable to the public on how the state directs and works with SOEs to build integrity and counter corruption and on the performance of SOEs.
- Encourage SOEs to advance integrity standards in all countries where they operate by being examples of integrity and giving practical support in supply chains and communities.
- Work with non-G20 countries to encourage and assist the application of the above recommendations.
- Provide the public with confidential channels including ombudsmen for raising concerns regarding SOEs.

Joint B20-L20 Statement towards the G20
Labor and Employment Ministers Meeting 2018

A COMMON MESSAGE ON SKILLS AND SOCIAL PROTECTION FOR INCLUSIVE GROWTH



In an increasingly fractured world, the B20 and L20 call on G20 governments to adopt robust strategies for inclusive growth as a means of strengthening social and economic progress and social peace. In order to achieve this, economies must reconcile economic, social and environmental considerations. The G20 can be an important driver for policies that promote more and better jobs that respect fundamental rights at work, comply with decent work standards, and include vulnerable groups.

Ten years after the establishment of the G20 in its current form, the B20 and L20 are stressing the importance of a rule-based multilateral system and international cooperation.

To increase credibility, the G20 must have impact and results. Implementation is key in this regard. The G20 has made important commitments in the last ten years and agreed on highly relevant policies, on youth employment and apprenticeships, female employment, skills development, entrepreneurship, labor income, social protection and working conditions. The B20 and L20 now call for action and follow-up in order to promote open, inclusive and dynamic labor markets. The best policies and frameworks are useless if they are not implemented.

The way people work is being challenged. Digitalisation, artificial intelligence, robotics and automation are impacting the way we work, what and how we produce, how we sell and how we bring goods and services to the market. The increasingly accelerated pace of technological change is impacting the world of work more than ever before. While the B20 and L20 recognise and appreciate the wealth of opportunities and possibilities technological progress is offering, they also stress the need to better adapt to the future of work.

At the same time, the digital revolution also provides an efficient approach to new technologies, in the framework of a just transition.

The development of public social cohesion policies, with social dialogue, inclusion and social protection, as well as policies for investment in education and lifelong learning, are key aspects that should facilitate workers to enter a growth cycle.

The skills needed in the labor market are rapidly evolving. According to new OECD research, 14% of jobs in OECD have a high risk of automation and another 32% of jobs in OECD countries may experience significant changes on how they are carried out. This means that:

- Workers will need to adapt to new job requirements. Skills development, including reskilling and upskilling throughout a person's career, is fundamentally important. Lifelong learning needs to be prioritised. This transformation requires innovative proposals for education and work that would foster productive growth while taking into account workers' needs. The B20 and L20 call on G20 governments to develop overall national strategies for lifelong learning aimed at transforming all aspects of human life (labor, social and personal). These strategies should be tailored to the socio-productive context of each region and provide diverse possibilities of development to each worker.
- Governments and all stakeholders should actively promote and engage in retraining. OECD research found that workers whose jobs are most at risk to be automated are also the ones who are less likely to be undergoing training. To ensure that training is effective and current, and that it caters to labor market needs, social partners need to be fully involved in creating the curricula and developing the training frameworks. Although there is no single model that should be promoted above others when it comes to social partners' involvement, the key role social partners play as real actors in the labor market must be fully taken into account when developing or modernising national training strategies.
- Learning how to learn is a foundational skill that has to be considered appropriately in education programs. Education systems must identify what skills and education requirements will be needed in tomorrow's labor market, including highly technical STEM skills and essential skills, such as verbal and written communication and problem solving. For modern education systems to be effective, it is highly important that they include cross-cutting skills, teamwork, sustainability awareness, health and safety precautionary training, citizen values, and the promotion of a culture of integrity. Furthermore, the G20 should invest in appropriate digital infrastructure and provide new digital learning modules and technologies to improve teaching techniques and environments.
- Digitalization is an opportunity for women to improve skills and income, and to increase their participation in the labor market. With the right policies in place, the digital economy could boost opportunities and reduce inequalities faced by people with disabilities and other vulnerable groups.
- In turn, G20 governments must ensure social protection across the digital economy and look for effective ways to adapt existing support systems to this new and growing workforce. Social protection schemes need to be adequate, comprehensive and portable, while at the same time they need to be financially sustainable.

- Social protection systems should be key in smoothening transitions and support labor income. The development and extension of social protection must be undertaken proactively in order to prevent social exclusion.
- New forms of employment and work organization are becoming increasingly dynamic and diversified, but risk falling outside of labor rights protections. Labor market systems should be adapted to fully regulate these new forms of work. The aim cannot be to stop diversification or to push jobs and people into informality, but to ensure fair competition, compliance with the law, and full respect of labor rights in these new work settings.

Sound industrial relations are essential for inclusive growth. Technological progress might change the way we work and produce, but not our values.

The B20 and L20 are committed to cooperate at national and at G20 level and call on G20 governments to fully include them in the elaboration and implementation of G20 commitments.

B20 T20

JOINT STATEMENT ON A SUSTAINABLE FOOD FUTURE



In an era marked by volatility and uncertainty, the world prepares to feed a growing population with a declining resource base. According to OECD data, by 2050 the world's population will reach 9.7 billion people, with growth and increased urbanization particularly pronounced in Asia and Africa.

This growth comes at a time where substantial parts of the global population still experience food insecurity. Today, roughly 815 million people are currently living under food insecurity. Sustainably increasing production to levels required to ensure global nutritional security is one of the world's greatest challenges to meet the 2030 Sustainable Development Goals (SDGs).

We the B20 and the T20 engagement groups, committed to promote Sustainable Food Systems (SFS) and Food Security and Sustainable Agriculture (FSSA), in line with the Argentinean G20 presidency priorities, reached to a common set of well-founded policy recommendations, which can contribute to spread sustainable food systems, foster R&D&I to achieve global food and nutrition security, promote healthier consumer habits and reduce food loss and waste.

We recognize that the effective response to these challenges requires not only progress in policy formulation at the international and domestic levels; but also the inclusion of the agri-food sector in the multilateral trading system, as well as public-private sector collaboration and a multi-stakeholder approach.

We the B20 and the T20 engagement groups call the G20 governments to:

Eradicate malnutrition, undernourishment and obesity via the following actions:

- a) educate consumers on the importance of a healthy lifestyle and a balanced diet,
- b) facilitate the development of food value chains in developing countries through public-private partnership to ensure accessibility of local food supply,
- c) reinforcing multilateral food regulatory frameworks by strengthening the role of the Codex Alimentarius as an internationally approved set of guidelines;

- d) support the coordinated and cooperative implementation of voluntary guidelines to foster SDG-compliant investments in food systems.

Ensure environmental conservation, mitigation and adaptation to climate change via the following actions:

- a) create economic benefits and promote investments to encourage efficient and sustainable use of key resources,
- b) stimulate the development and adoption of innovative technologies and practices,
- c) promote and finance the creation of ecosystem management programs through public-private partnerships.

Foster technology development and adoption via the following actions:

- a) facilitate technology adoption in developing countries and SMEs,
- b) increase investment for sustainable and resilient rural infrastructure to foster access to markets and knowledge,
- c) promote the development and adoption of sustainable intensification technologies, focusing on more productive lands of the world,
- d) promote a common measure of sustainable agricultural productivity across countries and international organizations,
- e) foster the investment in agricultural R&D&I matching the public and private sectors.

Minimize food loss and waste via the following actions:

- a) standardized methodologies to quantify food loss and waste,
- b) incentivize investments on storage facilities, energy, transportation, telecommunications and other infrastructure in developing countries,
- c) educate consumers to reduce food waste at the household level,
- d) promote circular economies with the design and implementation of regulations and incentives

We the B20 and the T20 engagement groups recommend to joint efforts to

reduce barriers to global food trade. *We the B20 and T20 remain committed to a multilateral trading system that is open, non-discriminatory, and rules-based. However, advances are required to help achieve SDGs throughout global food value chains. Business as usual is not an option. The trading system should progressively eliminate and correct barriers and distortions in global food and agricultural markets, enabling a greater integration of SMEs in developing countries into regional and global value chains.*

W20, Y20 & B20 Joint Statement

EDUCATION: THE TRUE ENABLER OF EQUAL OPPORTUNITIES



We, the Women, Youth and Business engagement groups of the G20 countries (W20, Y20 & B20) recognize the importance of leading the way into more fair and inclusive societies and cooperative discussions to find consensus recommendations, best practices and action plans for development and growth.

Education is at the core of all strategies.

We acknowledge and that the 2017 G20 Leaders' Declaration was an important step forward in recognizing the importance of education, digital literacy and lifelong learning as part of the main goals to be targeted by 2025. Yet, concrete steps into implementing these commitments must be taken.

Seventy years have passed since the United Nations Assembly proclaimed free, compulsory and accessible education as a fundamental human right. Action to ensure this right has provided equal opportunities, and has taken thousands out of poverty.

Still, disparities among and within countries remain high, and the reduction tendency of children's enrollment at all levels of education has been almost stagnant since 2008. Additionally, world aggregates show that more girls than boys are out of school at all education levels.¹⁰ To ensure that education is provided effectively, and that boys and girls have the same opportunities to learn, governments should ensure that all learners, parents and stakeholders eliminate biases, especially those related to gender and its impact on career choices. This can be achieved if G20 countries guarantee that all girls and boys complete free, equitable and quality primary and secondary education.

Moreover, gaps in basic skills, such as numeracy and literacy remain persistent issues. Worldwide, hundreds of millions of children who end primary school do not master basic competencies. In fact, more than 60 percent of primary school children in developing countries still fail to achieve minimum proficiency thresholds in core competencies.¹¹ Thus, educational deficiencies rely not only on the scope and reach in terms of quantity but in fact, call for smart strategies in terms of quality.

Further efforts need to be accomplished in order to erase these disparities and meet Goal number 4 of the UN Sustainable Development Goals. We call our leaders to strengthen education systems that ensure no child is in an unfavorable situation based on gender, socio-economic or geographical conditions. Education must be the engine of inclusion, instead of being the first trigger of inequalities within societies.

¹⁰ World Bank Data. 2018. UNESCO Institute for Statistics. Children out of school, male (% of male primary school age). Accessed August, 2018. <https://data.worldbank.org/indicator/SE.PRM.UNER.MA.ZS?view=chart>

¹¹ WDR 2018 team, using "A Global Data Set on Education Quality" (2017), made available to the team by Nadir Altinok, Noam Angrist, and Harry Anthony Patrinos. Data at http://bit.do/WDR2018-Fig_O-5.

Learning shortfalls of basic skills during the school years turn into an impediment for employability in the workforce, and although the skills needed in labor markets are becoming more multidimensional, no student can afford to bypass foundational skills such as reading comprehension, active listening, writing, oral expression as well as process skills like critical thinking and active learning.

In addition, while technology innovation accelerates and brings along exciting new opportunities, everyone needs to be prepared to constantly adapt. Consequently, on the one hand, digital skills are now being considered as *the* foundational skills to be promoted from early childhood education, and on the other, “learning to learn” strategies in a lifelong learning model is fundamental to help people stay constantly updated and open to the future. In this respect, it is crucial that G20 leaders incentivize apprentices’ programs by implementing past commitments.

What is more, given that entrepreneurship and innovation are key drivers for job creation and economic growth in the formal economy, G20 leaders should promote an enabling environment by fostering practical entrepreneurial education, focusing on skills such as creativity, critical thinking, flexibility, and interpersonal dynamics.

Lastly, it is of utmost importance that, within education curricula, G20 leaders prioritize fostering a culture of integrity and respect for the rule of law as well as fundamental citizen values and environmental awareness.

Regarding the strategies to address present and future labor market demands in terms of content and educational methodologies, current trends show that the pace of change is accelerating the demand for knowledge-based, interdisciplinary, project-solving and team-based work, which in turn boosts the requirement for continued education. In addition, current shortages in developing countries reinforce the urgency of action to achieve SDG 4 in order to increase the enrollment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programs. Therefore, we highlight the necessity of strengthening smart investments in innovative teaching methodologies in order to enhance students’ core competencies, particularly in STEM subjects (science, technology, engineering and mathematics) with a special focus in gender equality. G20 countries must take action to encourage young and adult women to pursue and continue tertiary studies in areas of advanced technology and in those key subjects that are driving the digital transformation, in order to avoid missing opportunities and increasing exclusion. Arts is another conducive subject to be considered in educational curricula as it is unique to humans and complements all human endeavors.

Educators also need to adapt to the exciting new realities. Revamping teachers’ professional development, improving how teachers are recruited, paid,

rewarded, incentivized, assessed, and trained is key to succeed. Leaders need to build implementation and management capacity to better organize education systems and schools, targeting the quality of education outcomes and facilitating the use of metrics to guide improvements in the education system performance. It is also crucial to incorporate active learning techniques such as project-based learning and team-based learning activities as a formal part of curricula from an early age to nurture socio-emotional, interpersonal, empathy and creative skills.

Additionally, educational policies need to leverage the opportunities digitalization brings in terms of inclusiveness. Thus, G20 leaders should invest in appropriate digital infrastructure as it is a prerequisite to allow broad-based access to digital learning solutions and to integrate them into the physical teaching environment. Digitalization is also an opportunity for women to improve their skills and income, and to increase their participation in the labor market. With the right policies in place, the digital economy could boost opportunities and reduce inequalities faced not only by women, but also by youth and other vulnerable groups.

Finally, in order to avoid skills mismatches in the labor market, close cooperation between businesses and relevant government agencies and institutions is key to ensure that the curricula of training systems are in line with labor market needs. Optimizing the use of and access to labor market information, and harmonizing approaches to labor market data collection and treatment across the G20 is fundamental to track employment and education trends and to set out consistent educational policy plans.

The future of education will have to be coupled with transformation and innovation processes that must be backed with the strengthening of international policies for financing education. At the Hamburg Summit, G20 leaders agreed to examine the UN Secretary-General's proposal to establish an International Finance Facility for education considering other existing initiatives, such as the Global Partnership for Education and Education Cannot Wait. Adequate follow up is highly important.

The gender gap needs to be particularly addressed. We believe that girls and young women, especially those living in rural or vulnerable areas, should be encouraged to remain in the educational system through Inclusion and Educational Permanence Support Policies and scholarships. Moreover, child care systems that are articulated with the educational system will help young mothers and fathers to remain in education and pursue a better future.

Social Dialogue is key to reach timely, targeted yet smooth transitions into new education environments. Partnerships, particularly constructive engagement between social partners, are important to address these challenges and grasp the opportunities the future of work offers. We remain committed to cooperate

with G20 authorities to pave the way for a better and more inclusive future of education.