

## OECD contributions to the G20

The OECD has actively partnered with the G20 by building on its well established reputation in co-operating with the G8, APEC and other *fora* and drawing on its first-rank expertise in numerous policy domains. Given its multidisciplinary character, the OECD participates in G20 meetings at the Leaders, Finance Ministers, Deputy, Sherpa and technical levels, by contributing to virtually all of the Group's strands of work and most G20 working groups with data, analytical reports and policy recommendations. By working with the different Presidencies, the OECD has broadened its support and become a recognized partner of the Group. This paper offers an overview of the breadth and depth of past and future OECD contributions to the G20.

### *Framework for Strong, Sustainable and Balanced Growth*

As a member of the G20 Framework Working Group, the OECD has been supporting G20 country-led efforts by providing evidence based policy analysis on the impacts of structural reform options. Through our regular *Economic Surveys* and our *Going for Growth* exercise, we have shown that well-designed and well-implemented reforms yield a triple dividend – they lift output and employment, strengthen public budgets and rebalance global demand.

In particular, the OECD had been gradually tasked, since the Toronto Summit:

- to collaborate with the International Monetary Fund (IMF) on the Mutual Assessment Process (MAP) exercise, with simulations on the structural policies that could help governments achieve higher growth consistent with an “upside scenario”;
- to evaluate and assess the underlying structural sources of persistent imbalances as part of the international organisations’ (IOs) input to the MAP;
- and to take stock of how countries have progressed in the implementation of their structural policy commitments set out in the successive Action Plans as part of the MAP’s accountability exercise

The OECD will continue to contribute to the central work carried out in the context of the Framework Working Group – in particular the implementation of the Los Cabos Action Plan.

### *Financial Education and Consumer Protection*

The OECD has drawn on its long-standing and extensive expertise on financial education and financial consumer protection (FCP) and built on OECD-sponsored relevant networks to provide the following inputs to the G20:

- On request of G20 countries, the OECD developed the **High-level Principles on FCP** endorsed at the Cannes Summit, aimed at promoting strategies which foster financial literacy and raise overall awareness on this issue.
- **The OECD-hosted Task Force on FCP** was instrumental in developing the High-level Principles on FCP, jointly with the Financial Stability Board. When developing these principles, special attention was also given to consultation with consumers associations and with representatives from the financial industry.
- On Financial Education, the OECD conducts its work through **the International Network on Financial Education (INFE)**, which brings together representatives from around 200 public authorities (mainly financial) from 95 countries, including all G20 members. As requested by the G20, INFE delivered a set of principles for the **development of national strategies in the field of financial education** for the Los Cabos Summit.

### *Taxation*

The work of the **Global Forum on Transparency and Exchange of Information for Tax Purposes (GF)**, hosted and supported by the OECD, has been critical in achieving the remarkable progress registered in the realm of international tax transparency since the Washington Summit in November 2008:

- Upon the request of the G20, the GF successfully embarked on a large-scale peer-review process of national legislations pertaining to the international exchange of tax information:

- All of the 87 jurisdictions that were members of the GF when the peer-review process was launched now comply with international standards of tax information exchange and transparency;
- 109 countries now participate in the GF and since April 2009, more than 700 exchanges of information agreements to the standard have been signed.

Upon G20 request, the OECD promoted the automatic exchange of information. An amending Protocol has revised the joint OECD/Council of Europe Convention on **Mutual Administrative Assistance in Tax Matters** to bring it up to the new information exchange standards and to allow all countries, including non-members of the OECD and the Council of Europe, to adhere to the Convention. The latter has now been signed by 37 countries and ratified by 17 of them. Moreover, all G20 countries signed or conveyed their willingness to adhere to this instrument.

### *Investment and Trade*

Since the London Summit, the OECD, the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) have led a semi-annual **monitoring of trade and investment protectionist measures**. Also, the OECD played a pivotal role in helping the Mexican authorities to organise the **first G20 trade meeting held at ministerial level** (Puerto Vallarta, Mexico, April 2012). Our Organisation helped shape the agenda and provided background documentation on the relationship between trade and employment as well as on innovative approaches of international trade through the lens of global value chains and value-added trade.

### *Disaster Risk Management*

The G20 Mexican Presidency created a new strand of work aimed at **strengthening global resilience against natural disasters**. In Los Cabos, the World Bank (WB) and the Mexican Presidency delivered a joint report entitled *“Improving the assessment of disaster risks to strengthen financial resilience”* that includes an OECD contribution related to risk management and financing. The OECD report on a methodological framework for national strategies will be presented at the G20 Finance Ministers Meeting in Mexico City on 4-5 November 2012.

### *Green Growth*

Upon the request of the G20, the OECD partnered with other IOs to submit two reports to the 2012 Los Cabos Summit, which were welcomed by G20 Leaders:

- Under the Finance track, a joint report by OECD, WB, and UN on **“Incorporating Green Growth and Sustainable Development Policies into Structural Reform Agendas”**;
- In the context of the G20 Development agenda managed by the Sherpas, a joint report by the African Development Bank (AfDB), OECD, UN and WB on **“A Toolkit of Policy Options to Support Inclusive Green Growth.”**

### *Climate Finance*

The OECD, WB and IMF submitted a report to the 2011 Cannes Summit on **“Mobilizing Sources of Climate Finance”** to support climate change adaptation and mitigation in developing countries. In Los Cabos, Leaders welcomed the creation of a G20 **climate finance study group** to continue this work.

### *Fossil Fuel Subsidies*

Since their Summit in Pittsburgh in September 2009, Leaders have repeatedly committed in to **rationalise and phase out over the medium-term inefficient fossil-fuel subsidies that encourage wasteful consumption**. They have requested the OECD, International Energy Agency, WB and Organization of the Petroleum Exporting Countries to provide an analysis of the scope of energy subsidies, suggestions for the implementation of this initiative and a periodic report of the progress made in implementing their commitments. The third joint IOs' report was delivered to G20 Finance Ministers in October 2011 and G20 Leaders in November 2011 at the Cannes Summit. The importance of phasing-out inefficient fossil fuel subsidies is also prominently featured in the OECD, WB and UN report on **“Incorporating Green Growth and Sustainable Development Policies in Structural Reform Agendas”** delivered to Los Cabos.

## *Agriculture*

Responding to the call by G20 Leaders in Seoul, **the OECD, jointly with Food and Agriculture Organization (FAO), played an active role in the inception of the Action Plan on Food Price Volatility and Agriculture** that was endorsed by G20 Agriculture Ministers in June 2011. The report on *Price Volatility in Food and Agricultural Markets: Policy Responses*, co-drafted by 10 IOs under the leadership of OECD and FAO, was a major input into the Agriculture Action Plan of the G20. With this contribution, the OECD also played a pivotal role in the setting-up of the Agriculture Market Information System (AMIS) and its associated Rapid Response Forum, which has proven essential in the current context. The OECD is an active member of AMIS and of the RFF.

In June 2012, upon the request of the Mexican Presidency, the OECD and the FAO (with contributions from other IOs) submitted a report entitled *“Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms”*, which puts together policy options for G20 and low-income countries to close productivity gaps, create environments which foster increased investment in agriculture and promote R&D for agro-technologies – taking into account issues pertaining to climate change and resource scarcity. The final report was welcomed by G20 Agriculture Vice Ministers (May 2012) and endorsed in Los Cabos.

## *Employment and Social Policies*

The OECD has contributed extensively to the preparation of the three G20 Labour and Employment ministerial meetings (Washington April 2010; Paris September 2011; Guadalajara May 2012). Notably, we suggested policy actions to improve the employment prospects of the youth, the unskilled and the long-term unemployed, and drafted a note on sustainable development, green growth and quality employment for the consideration of Labour and Employment Ministers assembled in Mexico. We also assisted countries in drafting the Conclusions of all three Labour Ministerial Meetings.

Working closely with the French Presidency, the OECD provided assistance in installing the G20 Task Force on Employment, in order to define its terms of reference and subsequently working with the Mexican Presidency to make it operational– e.g. providing input into the “G20 Strategies for Youth Employment”, which is being elaborated by the Task Force.

The OECD produced a report entitled *Boosting Jobs and Living Standards in G20 Countries*, examining how the G20 economic reform agenda (notably with regard to structural reforms) could contribute to job creation. Some of its elements were incorporated in the new G20 Action Plan on growth and jobs, adopted in Los Cabos.

## *Development*

The OECD played a key role in assisting the Korean Presidency for the 2010 Seoul Summit in designing the G20 development agenda and developing the G20 Seoul Multi-Year Action Plan (MYAP). Along with other IOs, **the OECD coordinated several pillars of the Seoul MYAP** including: **food security; human resource development; private investment and job creation; domestic resource mobilization; and knowledge sharing**. The Organisation has also contributed to the work undertaken in other pillars: **trade (aid for trade); infrastructure; and growth with resilience**. We also supported the 2012 Mexican Presidency in mainstreaming green growth into the G20 development agenda and developing a *Toolkit of Policy Options to Support Inclusive Green Growth* (see Green Growth above).

## *Anti-corruption*

Since the beginning of the G20 Anti-corruption Working Group, the OECD has actively participated in its meetings and