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A report by Nancy Alexander and Aldo Caliari

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INTRODUCTION

Many observers are cynical about big global Summits which can produce lots of hot air and empty promises. In fact, cynics in search of a cause will find empty G20 promises with regard to unmet commitments to roll back protectionism (which has increased),[1] eliminate fossil fuel subsidies, or implement a range of national economic reforms.

But, it would be folly to undermine the importance of the G20 Summit in Hangzhou, China on September 4-5, 2016. It came at a time when "the impetus toward further economic integration has stalled and in some respects gone into reverse. Globalization is no longer driving world growth," as Martin Wolf comments in the *Financial Times*.[2] To some extent, globalization is a scapegoat for other problems such as technology-induced job loss. However, it is also true that there is a rising public consensus that globalization is over-sold and that solutions to crises, such as rising inequality and global warming, must be at the center of global leadership and policy-making.

The Hangzhou Action Plan acknowledges that "support for our efforts to foster further growth hinges on whether the benefits of such growth are shared broadly and reach the poor and more vulnerable segments of society." Indeed, the Leaders' Communiqué declares that "…we, the G20, as the premier forum for international economic cooperation, forge a comprehensive and integrated narrative for strong, sustainable, balanced, and inclusive growth…" (para. 6, emphasis added.)

The G20 has staked its reputation on increasing its GDP growth by more than 2% over trajectories by 2018. It urged each member nation to help realize this collective commitment by implementing their own growth strategies which focus on increasing investment, lifting employment and participation, and enhancing trade and competition in the context of sound macroeconomic policies.

This commitment is not being realized despite the G20's resolute focus on improving and implementing its Growth and Investment Frameworks. To the contrary, financial market volatility has risen and rates of growth, investment, and trade have slowed to a degree that many policy-makers find alarming. In addition, although the G20 and its partner organizations have taken important steps toward financial reform, vested interests have prevented more far-reaching implementation that is needed to protect the world from another financial crisis.

In addition to financial reform, the G20 has many other inter-related mandates pertaining to investment, energy, infrastructure development, employment, anti-corruption, international taxation, food security, and trade. The 2016 Summit addressed

1 The monthly average of trade restrictions is at its highest level since 2009, according to the latest report by UNCTAD, WTO and the OECD.

2 "The tide of globalization is turning," 2 September 2016.

sustainable development goals for the first time, launching the G20 Action Plan on the 2030 Agenda for Sustainable Development.

As a result of reviewing the G20 Leaders' Communiqué and some of the 100+ documents appended to it, this paper emphasizes key outcomes in the following areas:

- Infrastructure, Energy and Climate
- The Enhanced Structural Reform Agenda
- Trade and Investment Openness
- Industrialization and Innovative Growth
- Financial Regulation and Green Finance
- International tax cooperation and debt
- International Financial Architecture
- G20 Action Plan on Agenda for Sustainable Development

1. Infrastructure, Energy and Climate

Because its member countries dominate so many national, regional, and multilateral development banks, the rare consensus in the G20 can be disseminated with speed and efficiency. This is the case with the G20 consensus related to infrastructure investment.

The allure of the infrastructure development agenda is understandable.[3] There is an enormous infrastructure deficit which must be overcome to foster development. The G20 estimates that $90 trillion of investment in infrastructure is required between 2015 and 2030 to support growth and development. To achieve this goal, total annual investment would need to increase more than twofold, from $2.5–3 trillion to above $6 trillion.

Done well, infrastructure development can help achieve many sustainable development goals. Done badly, infrastructure can be a disaster: locking-in carbon-intensive technology, accelerating global warming, draining national treasuries, burdening the next generation with more debt, and making energy, water, or transport services unaffordable for many.

The Alliance

A signature initiative of the G20 Summit was the launch of a Global Infrastructure Connectivity Alliance for which the World Bank will serve as Secretariat. The Alliance will develop regional infrastructure plans and "pipelines" for bankable infrastructure projects that connect countries, regions and continents to, among other things, facilitate trade. As described in the MDB Joint Declaration of Aspirations on Actions to Support Infrastructure Investment, eleven multilateral development banks (MDB) plan to invest a minimum of $350 billion in 2016-18 in infrastructure development, especially to attract and partner with the private sector in the energy, transportation, water, and information, communications and technology (ICT) sectors.

The G20 intends for the Alliance to foster a cooperation model among MDBs, donors and national development banks (such as the Chinese Development Bank or the Brazilian National Bank) to set quantitative goals for catalyzing private investment. In other words, each bank will use its (public) money to mobilize private investment in order to achieve specific targets in terms of the total volume of resources invested. The

3 As a result of the 2010 G20 Summit in South Korea, an effort to promote infrastructure development was launched. In 2014, the G20 efforts went into high gear when the G20 created an Investment and Infrastructure Working Group (IIWG) which was so popular that most of the G20 member countries wanted to join.

Alliance would also facilitate the pooling of resources, knowledge and information for increased impact.

Among the regional initiatives that could be built, strengthened and connected, there are the European Investment Plan, the Program for Infrastructure Development in Africa, the One Belt One Road Initiative of China, the Greater Mekong Sub-region Economic Cooperation Program and the Initiative for the Integration of Regional Infrastructure in South America (IIRSA).

Some dimensions of the initiative follow:

(i) **Geopolitics.** The U.S., Europe and Japan have dominated the post-World War II architecture of international and regional financial institutions. But, from 2000 to 2014, as global GDP more than doubled to $75 trillion, the G-7 countries' share of the world economy dropped from 65% to 45%. As a result of the rise of certain emerging market countries, power shifts within global institutions are inevitable. Importantly, many new institutions, especially the China-led Asian Infrastructure Investment Bank (AIIB) and the BRICS' New Development Bank, come as collaborators and rivals in competing for access to natural resources and markets. (The U.S. opposed creation of the AIIB and, to its dismay, most of its closest allies have joined the institution.)

(ii) **The Big League: Supersizing Projects.** The G20 contends that massive investment in infrastructure — on the order of $90 trillion by 2030 — could be a key element in kick-starting global growth and accelerating recovery. Due to budgetary contraction and high debt levels in many countries, the G20 relies on the private sector (as well as state-owned enterprises) to be the engine of growth, investment, innovation, and inclusion.

Enormous sums can only be mobilized if a range of actions are taken. For instance, the G20 urges:

- Governments to implement structural reforms (as described in Section 2) to attract investors – especially long-term institutional investors — to launch public-private partnerships (PPPs).
- Governments to use public dollars (user fees, taxes, pensions, aid) to leverage long-term institutional investors, such as pension funds, which hold over $100 trillion dollars.
- Development banks to scale-up the provision of guarantees and other supports to private investors.
- Decision-makers to standardize PPP procedures, such as, procurement processes, and contract design.
- Project preparation facilities (PPFs) to fill national and regional "pipelines" with "bankable infrastructure projects".

A strategy of 8 multilateral development banks (MDBs), entitled "From billions to trillions: MDB Contributions to Financing for Development" (2015) suggests that, by supersizing investment, the banks put themselves in a whole new league.

The United Nations shares the analysis that "unlocking" these private funds represents a magic bullet. In his synthesis report on the post-2015 development agenda, U.N. Secretary-General Ban Ki-moon stated, "Urgent action is needed to mobilize, redirect, and unlock the transformative power of *trillions of dollars of private resources* to deliver on sustainable development objectives."

Indeed, mega-projects are growing in number and in scale at a fast pace. Investments in behemoth infrastructure projects in the transportation, energy, water and agricultural sectors, in particular, are skyrocketing. According to Oxford University infrastructure investment expert Bent Flyvbjerg, megaprojects are plagued with benefit shortfalls and cost overruns. His data show that "nine out of 10 projects have overruns" while "50 percent [overruns] in real terms are common [and] over 50 percent are not uncommon." As noted above, project selection and management need dramatic improvement to avoid such outcomes.

(iii) **Problematic Biases.** The G20 should promote "appropriate scale" projects and relinquish its bias in favor of mega-projects. Projects that cost billions and trillions of dollars also involve mega-risks. For instance, in the event of contract termination of PPPs, the state may be required to take over infrastructure service provision to ensure the provision of public goods. And, unless the process of project selection changes (see below), risks could materialize with potentially catastrophic consequences. (See Section 5B.)

Nor should the G20 be biased in favor of PPPs over conventional public works. PPPs are required to provide a competitive return on investment. As result, according to researchers at the London School of Economics, they "are not regarded as an appropriate instrument for [information technology] projects, or where social concerns place a constraint on the user charges that might make a project interesting for the private sector." Private investors seek to sustain the rate of return on their investments through guaranteed revenue streams and by ensuring that laws and regulations (including environmental and social requirements) do not cut into their profits. The risk is that the quest for profit will undermine the public good.

For the public or private sector to contribute to sustainable development, there must be zero tolerance for corruption. Especially for PPPs, policies must be in place to promote competition, regulate in the public interest, and ensure that fees for services are affordable. Within or between countries, land acquisition policies must be harmonized upward and respect the rights of women and collective ownership by communities. The public and private sectors should be transparent so that all affected communities are adequately informed. Civil society should be engaged throughout the entire project cycle — from identification onwards — and each project and investor should have a grievance mechanism in place.

(iv) **Infrastructure & Sustainable Development Goals.** In its G20 Action Plan on the 2030 Agenda for Sustainable Development, the G20 foresees infrastructure as contributing to the achievement of nine sustainable development goals (SDGs).[4] As described in part 8, it is not clear how the G20 assumes that its infrastructure plans would translate into progress on these nine SDGs. Nor is it clear why the G20 Action Plan indicates that its infrastructure plans would not address certain SDGs, such as reducing inequality, in general, and gender inequality in particular.

(v) Infrastructure, Energy and Climate. The G20 member countries emit nearly 80% of all greenhouse gases. Because they are "the problem", they can be part of "the solution." Until recently, the topic of climate change was taboo during G20 talks, but this has changed.

For the first time in G20 history, under Chinese leadership, a Presidency Statement on Climate Change was released at the Sherpa Meeting in April, 2016. The U.S. and China signed the Paris Agreement prior to the Summit and called on all nations to do the same.

In keeping with climate policy, the G20 can rethink its policy on energy and infrastructure to fulfill the need to stop global warming. At present, fossil fuels account for more than 80 percent of the world's primary energy supply and more than two-thirds of its electricity. Yet, despite the hopes raised by the Presidency Statement on Climate Change, the 2016 G20 Leaders' Communiqué stresses "the importance of diversification of energy sources and routes" and with regard to one source, natural gas, the Communiqué states that "Given that natural gas is a less emission-intensive fossil fuel, we will enhance collaboration on solutions that promote natural gas extraction, transportation, and processing in a manner that minimizes environmental impacts."

This is particularly concerning for three reasons. First, the G20 has not seriously followed through on 2009 promises to eliminate inefficient fossil fuel subsidies, despite some efforts (the U.S., China and other countries are submitting to peer review).

Second, the nine G20 Principles on Energy Collaboration require revision if they are to guide G20 policy. Even the first principle is misguided as it focuses on "access to affordable and reliable energy for all", leaving out "sustainable", "clean" and "safe". (See Andreas Kraemer, "An Energy Agenda for the G20 as If the Future Mattered" (Heinrich Boell Foundation, 2016)

Third, the G20 promotes renewable energy as one source of many, not as a necessity to achieve the 2 degrees centigrade goal promised by the Paris Agreement in 2015. There are several voluntary G20 initiatives, including:

4 SDGs relate to poverty; global health and wellbeing; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry; innovation and infrastructure; reduced inequalities; sustainable cities and economies; climate action; and life on land.

- The G20 Energy Access Action Plan: Voluntary Collaboration on Energy Access, which in focused on Sub-Saharan Africa and would help to ensure access to affordable, reliable, viable sustainable and modern energy for all in collaboration with The Global Facilitation Team of the Sustainable Energy for All (SE4All) initiative.

- The G20 Voluntary Action Plan on Renewable Energy to "consolidate the leading role that the G20 has in the global renewable energy deployment and development, through the established efforts and new initiatives that can be carried out in 2016 and beyond."

- The G20 Energy Efficiency Leading Program. As cited by this program document, the International Energy Agency estimates that "energy efficiency can contribute up to 49% of the energy related CO2 emission reductions that are needed to limit global temperature increases to less than 2°C by 2050." Thus, this program is worthy of significant support.

However, these lack the high priority accorded to other G20 programs, such as the Enhanced Structural Reform Agenda, described below.

2. The Enhanced Structural Reform Agenda

The G20 has desperately sought to identify levers to increase the demand for goods and services necessary to boost economic growth rates. Loose monetary policy has not effectively boosted demand or accelerated growth, while fiscal policies are tight, in general. Some of the demand options may not be working precisely because the financial sector is not operating as the conduit to investments as it should.

Although the G20 member countries find it difficult to agree on a monetary or fiscal reform agenda or weigh the approaches to boosting demand, they have a consensus on structural reform.

Structural Reform Agenda: Content and Examples

The G20 made a breakthrough in agreeing to a structural reform agenda. The high and low priority reforms are listed below.

The Hangzhou Action Plan is largely devoted to highlighting structural reforms made by G20 member countries. The G20 assumes that, as governments implement the structure reform agenda, they will attract private investment in infrastructure and other sectors.

Without an attempt to be comprehensive, a few illustrative examples of each type of structural reform follow:

High G20 Priorities with accompanying indicators and tracking systems.

- **Promoting trade and investment openness.** For instance, "*China* is continuing to open up and accelerate trade in services"; "*Korea* is reorganizing the support of foreign investment in high technology so that it provides more tax benefits to new industries."

- **Promoting competition and an enabling environment.** For instance, "*Spain* is eliminating burdens and barriers in the field of product markets and services, and strengthening the cooperation mechanisms among administrations." "The *European Union*, in the context of its Single Market Strategy, is supporting start-ups and removing barriers to firms' growth and cross-border trade, facilitating access to finance, promoting innovation and reinforcing implementation of its Single Market rules."

- **Encouraging innovation.** For instance, "*Russia* is establishing the Agency for technological development to help enterprises find innovative technological solutions by providing information, analytical and advisory assistance, transaction support, and fund raising."

- **Improving infrastructure.** For instance, "*Germany* is implementing a digital agenda that includes investments in telecommunication infrastructure." "*Turkey* is accelerating the PPP transportation projects via an innovative financial mechanism…" "*Argentina* is investing in road, rail, aviation and river transportation infrastructure (Belgrano Plan) to promote connectivity and intraregional trade within the country."

- **Advancing labor market reform, educational attainment and skills.** For instance, "*France* is adopting a comprehensive labor reform including measures to increase flexibility for firms and protection for employees and is providing additional training courses for jobseekers, particularly those with few or no skills or whose skills are obsolete." "*Argentina* is expanding its family allowance scheme to cover children whose parents have been excluded from the formal labor market."

- **Promoting inclusive growth.** For instance, "*India* is introducing a health insurance scheme which will protect one-third of the country's population against hospitalization expenditures." "*Mexico* is increasing productivity, boosting employment and creating wealth in less developed regions through the creation of Special Economic Zones".

Lower G20 priorities, which may have accompanying indicators and tracking systems in the future.

- **Improving and strengthening the financial system.** For instance, *Korea* is promoting a performance-based wage system of the financial sector. *Italy* is further strengthening the resilience of its banking system by enhancing debt enforcement through expediting forecloses on non-performing loans to corporate and small and medium-sized industries.

- **Promoting fiscal reform.** For instance, "*China* is promoting tax reform by changing its turnover tax to a value added tax." "The *U.K.* is reducing its corporate tax rate to support investment."

- **Enhancing environmental sustainability**, through measures to: 1) extend the use of market-based mechanisms to mitigate pollution and increase resource efficiency; 2) promote the development of clean and renewable energy and climate-resilient infrastructure; 3) develop and deploy environment-related innovations and 4) improve energy efficiency. For instance, "*China* is using savings from electricity price adjustments to support the transformation of coal-fired power plants to super-low emissions models as well as the development of renewable energy." "*India* is establishing a national adaptation fund for climate change…"

Commentary on Enhanced Structural Reform Agenda

One-size fits all?

An important IMF paper[5] took a more cautious approach to structural reforms than the G20 has. The IMF paper judiciously recognized that structural reforms are very country-specific and need to be cognizant of each country's circumstances and needs. The G20 also makes a nod to national specificity, but the adoption of a "common set of indicators" for high priority reforms suggests a uniform "one-size-fits-all" model.

With regard to the indicators, the IMF paper was emphatic about structural reforms being "inherently" difficult to measure as they involve "issues that are not easy to quantify." The G20 neglects this "small" detail, and adopts quantitative indicators, which will become more comprehensive over time. Oddly, "labor productivity" is the main outcome indicator for five priority areas for reforms. Yet, labor productivity is not a problem; it kept rising for a long time while wages were stagnant. Moreover, the other factors of production should be considered. If productivity gains are not captured in real wage growth or employment remains subdued, demand will suffer. [6]

Fiscal Reform

While the G20's fiscal reform agenda sounds reasonable (e.g., improving the efficiency of spending and public service delivery, promoting comprehensive social protection programs, and so on), it masks the reality. That is, rather than fiscal stimulus to boost demand, we have seen austerity even in countries where fiscal space exists for public investment.

According to "The Age of Austerity" (Ortiz and Cummins), there has been a major contraction of government spending in recent years.[7] In response to the Summit, the Trade Unions state that "The global economy needs a boost of aggregate demand by raising wages and public investment now, not more structural reforms which in the short term may cut demand and increase insecurity." They worry that the structural

5 IMF, "STRUCTURAL REFORMS AND MACROECONOMIC PERFORMANCE: INITIAL CONSIDERATIONS FOR THE FUND", November 2015.

6 Employment to population ratio is a variable to measure only in the case of the "*Advancing labour market reform, educational attainment and skills" area.*

7 Demand is undercut by contractionary measures, including reducing subsidies, wage bill cuts/caps, increasing consumption taxes, pension reforms, targeting safety nets, health reform and labor reform.]

reform agenda could be an extension of the austerity driven consensus of recent years." ("G20 Leaders push for short-term recovery with structural reforms — Trade Unions call for long-term inclusive growth", 9/5/16) Instead of finding demand-side solutions to a languishing global economy, the G20 promotes supply-side, solutions which, in light of historical experience with the negative employment and wage effects of such reforms, are likely to make the demand gap worse.

Back to the Future

In G20 priority areas — "Promoting trade and investment openness" and "Improving Infrastructure" — government failures are taken more seriously than market failures. The G20 raises eyebrows by calling for "cost-benefit and value-for-money analysis, possibly supplemented by multi-criteria analysis, for *public* infrastructure projects." (Emphasis added.) Yet PPPs should be approached with at least as much rigor. The G20 ignores a growing body of literature that advises on the risks of corruption and wasteful spending by the private sector. Market failures are not even found under the area of "Enhancing environmental sustainability," which calls for extending "the use of market-based mechanisms to mitigate pollution and increase resource efficiency." Markets can surely be part of the solution, but they are no more immune to failure than governments in some ways. In the end, what matters in both sectors is how governance of infrastructure investment is designed and monitored.

The aforementioned IMF paper is more fair-handed, insofar as, in contrast to the widely-discredited "structural adjustment programs" of the 1980s and 1990s, it identifies structural reforms which would both address government failures as well as market failures. One reading of what the G20's structural reforms are recalls some of the worst biases of past structural adjustment programs.

Enhancing Environmental Sustainability

As noted above, this policy in the Enhanced Structural Reform Agenda is ill-conceived, lacks the priority it deserves and needs metrics to track. Other elements of the Agenda should incorporate environmental — and social — elements in order to achieve the "other Agenda" — the 2030 Agenda for Sustainable Development. A few problems with the conception of the "enhancing environmental sustainability" policy are: a) it should not rely only on market-based mechanisms for goals, such as increasing resource efficiency, since fossil fuel subsidies distort market functioning. b) the focus should shift from climate-resilient infrastructure to climate compatible infrastructure (which, in the selection of projects, would incorporate metrics on the financial risks of transitioning to a low-carbon economy, among other things). c) the metrics should define how the G20 would proceed to promote environment-related innovations and improve energy efficiency.

"Division of Labor" in Global Governance

The G20 insisted that the IMF should analyze what types of structural reforms each G20 country should prioritize, across all reform areas.[8] Yet, clearly other institutions have greater expertise than the IMF with regard to some reforms. For instance, the International Labor Organization (ILO) is a more suitable institution than the IMF to carry out work on labor market reforms. The UN Environment Program is one agency with greater environmental expertise than the IMF. The IMF, itself, recognizes that its engagement on structural reforms should be guided by the scope of its mandate and Articles of Agreement.

Finally, transparency is crucial in global governance. The G20 should not issuing communiqués and declarations after decisions have been taken, since this undercuts the effectiveness of "engagement groups" which provide policy options and recommendations to the G20. There are engagement groups for business, labor, think tanks, civil society, youth, women, and girls. Already, the G20 has a close relationship with the Business 20 (B20), a distant relationship with the Civil 20 (C20) and cordial relationships with the Labor 20 (L20) and the Think 20 (T20).

In addition to greater transparency, the G20 must enhance its accountability to global institutions with more universal membership.

8 "STAFF BACKGROUND PAPER FOR G-20 SURVEILLANCE NOTE: PRIORITIES FOR STRUCTURAL REFORMS IN G-20 COUNTRIES."

3. Trade and Investment Openness

Trade

One symptom of stagnation of the global economy is the evidence of a continued slowdown in the global volume of trade, which remains almost unchanged from 2015 to the present. It is understandable that the G20 felt compelled to show resolve on this front. But the "Global Strategy for Trade Growth" endorsed by the Leaders seems to assume that growing global trade spreads its benefits (trickle-down?) more fairly among and within countries. For instance, the strategy says: "G20 members recognize that facilitating trade and investment will enhance the ability of developing countries and SMEs to participate in and move up the GVCs [Global Value Chains]," something not borne out by experience. In fact, the Summit communiqué does call for "policies that encourage firms of all sizes … to take full advantage of global value chains (GVCs) and that encourage greater participation, value addition and upward mobility in GVCs by developing countries, particularly low-income countries." But experiences of countries whose firms have managed achieve these goals show that they relied on active use of trade and investment policies, not on an expectation that expanding trade would automatically lead them toward greater inclusion in GVCs.

The 2016 Leaders' Communiqué notes with concern "the slow growth in trade and investment globally and commits to enhance an open world economy by working towards trade and investment facilitation and liberalization." The G20 would "reduce barriers to trade and investment through multilateral as well as plurilateral and bilateral agreements…" However, governments and publics are divided about the benefits versus costs (e.g., to workers and the natural environment) of such agreements. There are also concerns about how such agreements rely on international tribunals (e.g., Investor-State Dispute Settlement (ISDS) mechanisms) rather than domestic adjudication of disputes.

WTO Doha Development Agenda (DDA)

The Leaders' Communiqué commits to "advancing negotiations on the remaining DDA issues as a matter of priority, including all three pillars of agriculture (i.e. market access, domestic support and export competition), non-agricultural market access, services, development, Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and rules." From the perspective of WTO trade negotiations, including the Ministerial Conference in Nairobi of December 2015, it is important that the Summit Declaration's reference to Leaders' commitment "to shape the post-Nairobi work with development at its center and commit to advancing negotiations on the remaining

[Doha Development Agenda] issues as a matter of priority …" At the end of the Nairobi Ministerial Conference, a group of developed countries insisted on not recognizing the currency of the Doha Development Agenda anymore unless developing countries were ready to commit to including new issues on the agenda. The DDA has already been under negotiation for 15 years.

Unfortunately the G20 breakthrough in endorsing the DDA was not necessarily a net gain. As reported by "North –South Monitor" (9/2016), the cost of such an agreement was the mention that "a range of issues may be of common interest and importance to today's economy, and thus may be legitimate issues for discussions in the WTO, including those addressed in regional trade arrangements (RTAs) and by the Business 20." The influence and access of the business community — completely out of sync with that of civil society — in trade negotiations is no secret. However, the direct, explicit and, in this case, open-ended, reference to the agenda of a specific group of large businesses in political commitments on trade is an unprecedented development of alarming proportions.

Investment

The G20 Leaders adopted the Guiding Principles for Global Investment Policy-Making[9] that had been endorsed earlier in the year by its Trade Ministers. The principles recognize the right of governments to regulate investment, but also profess the intention to move towards an "open, non-discriminatory" condition for investment. While at the moment these are principles that the G20 have adopted for themselves and should not necessarily apply to other countries, the United States reportedly tried to introduce them in the July 2016 XIV negotiations of UNCTAD — a universal membership organization.

There should be inclusive discussions of the Guiding Principles. Some other G20-endorsed principles, such as the eight "High Level Principles of Long Term Investment Financing for Institutional Investors" consider environmental, social, and human rights considerations as discretionary.[10]

Section 5 on Green Finance describes how investment behavior is changing, leaving the G20 behind the curve.

In addition, there should be discussion about whether the Guiding Principles would be applied to non-G20 members. One would hope that in future non-G20 countries will not be asked to implement such principles "on an equal footing", as was the case with the tax principles. (See International Taxation, below.) However, the Business 20 and the International Chamber of Commerce demand that such Guiding Principles form the basis of a Multilateral Agreement on Investment.

9 With the G20 Trade and Investment Working Group, OECD — collaborating with the Chinese Presidency and UNCTAD — helped facilitate the discussions leading to agreement on the *Guiding Principles*. In particular, inspiration was drawn from the *OECD Policy Framework for Investment*. (See "G20 serves an appetiser to a potential investment policy feast," OECD Insights, 13 JULY 2016.

10 See Aldo Caliari, Center of Concern, "The G20's principles on institutional investment: A Trojan horse for finance-driven infrastructure?" Heinrich Boell Foundation, 2015.

4. Industrialization and Innovative Growth

As part of a "Blueprint on Innovative Growth", the G20 Leaders launched A New Industrial Revolution Action Plan and an Innovation Action Plan.

The dramatic decline in prices for commodities, such as oil and minerals, have slashed revenues in many emerging market and developing countries. The economic shock experienced by these countries reveals that, over decades, the structure of developing countries' economies remain largely undiversified and highly commodity-dependent. Once again, the vital question emerges as to how these countries can industrialize. But, the G20 Action Plan mentions efforts of individual countries most of which are developed. To some extent, the example of developed countries is instructive, but the current trade and investment rules close off opportunities that were available to developed countries. It is important not to assume that all countries, no matter their level of development, have the option to take the same measures or will benefit if they do.

The Action Plan prioritizes dimensions that do not readily apply to developing countries. For instance, one of the main obstacles poor countries face trying to industrialize is the lack of technology. Due to intellectual property rights and the high prices attached to accessing technology from companies that have it — mostly oligopolies in developed countries — developing countries have been thwarted in their industrialization efforts. They repeatedly demand the facilitation of technology transfer and modification of the rules on intellectual property rights such as the WTO Trade-Related Intellectual Property Rights (TRIPs) agreement. But the Action Plan is geared to strengthen protection of IPR.

Similar doubts apply to the priority given to "cooperation in development of standards" which, if it is to be carried out in the G20, may easily become one more barrier for developing countries. These countries already spend significant time and resources trying to catch up to and comply with the many standards of countries and companies that, as a result of having created the standard initially, get to enjoy insurmountable "first-mover" advantages.

There are, though, other aspects in the Action Plan more in sync with developing countries' needs, for instance, skills and adaptability of the workforce to the requirements of industrialization and of Small and Medium-Sized Enterprises (SMEs), which lack "resources and information to help them implement and benefit from new technologies." It will be important to follow what tangible action the G20 is ready to take on these fronts.

5. Financial Regulation and Green Finance

Financial Reform

The creation of the G20 as a Summit-level body was in response to the greatest financial crisis since the Great Depression. In that light, the Leaders' statement that they are "committed to finalizing remaining critical elements of the regulatory framework and to the timely, full and consistent implementation of the agreed financial sector reform agenda" could usefully be strengthened. The critical elements include: 1) Building resilient financial institutions, 2) Ending Too-big-to-fail, 3) Making derivatives markets safer, and 4) Transforming shadow banking into resilient market-based finance. Although the report of the Financial Stability Board (FSB) to the G20 Summit is upbeat, there is considerable progress required, particularly in the last three elements, and in terms of implementing agreed policies.

If one looks at implementation, the picture is not altogether promising. The FSB report noted (in highly diplomatic language) that "Implementation progress remains steady but uneven across the four core areas of the reform programme". Particularly due to pushback against reforms by the financial industry, consequences could materialize such as restrictions on access to finance by emerging markets and developing economies. As it is, the agreed reforms are unlikely to provide the necessary help to prevent a crisis and the worst consequences of its aftermath.

It will represent important progress if, in the future, the G20 views finance as interconnected with other problems. The Communiqué rightly recognizes slowing trade, weak demand, limited growth, de-industrialization, and so on, but does not connect these trends with the poorly functioning intermediation by the financial sector.

Green Finance

Leaders largely endorsed the findings of a synthesis report issued by the Green Finance Study Group set up under the Chinese Presidency of the G20, which describes how banking, insurance, institutional investment and capital markets can advance the transition to a low-carbon world. The Leaders recognized the challenges to the development of green finance, such as "difficulties in internalizing environmental externalities, maturity mismatch, lack of clarity in "green" definitions, information asymmetry and inadequate analytical capacity.” Given the enormous obstacles China faced in its pioneering effort to install this concept within the G20 Finance track (that is staffed by Finance Ministers and Central Bank Governors), the mere inclusion of a paragraph in the declaration could be regarded as a triumph.

However, the fact that the Communiqué only welcomed the “voluntary options developed by the [Green Finance Study Group] to enhance the ability of the financial system to mobilize private capital for green investment” gives some cause for concern. If the concept of green finance is to sustain credibility it will have to show its capacity to move companies farther beyond a pursuit of “business as usual.” For this, it will have to show a proper balance between voluntary and mandatory actions, including regulatory ones.

It will also need to encourage investors to direct their resources in sustainable ways. The financial world shifted on its axis when BlackRock, the world’s largest asset manager (managing $4.9 trillion), made a statement that all investors should factor climate change into their decision-making and doing so would not mean having to accept lower returns. Its 16-page report, which was released after the G20 meeting in China, BlackRock said risks and opportunities would come through the physical effects of climate change, technological change, as well as the regulatory and social response.

The G20 is behind the curve.

6. International Tax Cooperation and Debt

Tax Cooperation

The Leaders' Communiqué states "We will continue our support for international tax cooperation to achieve a globally fair and modern international tax system and to foster growth, including advancing on-going cooperation on base erosion and profits shifting (BEPS), exchange of tax information, tax capacity-building of developing countries and tax policies to promote growth and tax certainty. We welcome the establishment of the G20/OECD Inclusive Framework on BEPS, and its first meeting in Kyoto." In expressing its support for the widespread implementation of the BEPS package, the G20 called upon "all relevant and interested countries and jurisdictions that have not yet committed to the BEPS package to do so and join the framework on an equal footing." The BEPS initiative seeks to tax profits in the jurisdiction in which the profits were earned and curb the practice of shifting profits to low- or no-tax jurisdictions.

The BEPS initiative dates back to the 2013 St. Petersburg Summit, where the G20 adopted an approach by the OECD which could be considered a step in the right direction towards combating tax evasion and avoidance. Moreover, the G20 could add value to the approach through a peer review mechanism that would review national compliance and progress in implementation of said framework.

But, while nations are invited to "join on an equal footing", they were not invited "on an equal footing" to design the rules. This illustrates the dangers of rule-making by a non-inclusive forum such as the G20, even when it engages in outreach to non-member countries.

Debt

The G20 Leaders did not make significant decisions with regard to debt, only saying that they would "continue to improve sovereign debt restructuring processes." The main impetus to address these processes was the stand-off between Argentina and its holdout creditors that extended until earlier this year. Since the resolution of that situation (in favor of creditors), there is little to expect from this forum… at least not until the next high profile sovereign debt crisis hits.

The IMF updated the G20 Leaders on the introduction of reformulated clauses in bond contracts. Only 11 per cent of the outstanding stock of sovereign bonds features the revised contractual clauses which were actually endorsed by the IMF almost two years ago as way to protect countries from lawsuits such as those faced by Argentina.

7. International Financial Architecture

In a welcome development, the 2016 G20 Summit re-established the International Financial Architecture Working Group on (IFAWG), which — after a two year hiatus — reviewed several aspects of the reform of the monetary system. The Working Group can be an effective forum for working out different viewpoints on the governance of financial institutions and key policies, such as capital controls and global/regional safety nets.

Capital Controls

The G20 was created in 1999 (at the level of finance ministers and central bank governors) in the aftermath of the East Asian Financial Crisis, where the tsunami of capital exiting the region during 1996-97 amounted to $105 billion, more than 10% of the GDP of the stricken economies. In 2000, Joseph Stiglitz described the crisis, which spread to Russia and Latin America, largely as a case of capital account liberalization gone wrong creating "the worst financial and economic crisis since the Great Depression." He went on to describe how China and India were relatively protected from the crisis due to their capital controls.[11]

Even 16 years later, there is tension around whether countries should have the option of using capital controls.

The G20 Leaders stated their intent to "improve the analysis and monitoring of capital flows and management of risks stemming from excessive capital flow volatility." A key step in the aftermath of the global financial crisis reforms of the monetary system was a softening of the opposition to capital controls — or capital flows management measures (CFMMs).[12] Nations can put such measures in place when they wish to lessen market volatility by moderating inflows or outflows of capital.

The IFA Working Group featured a review of the country experience with implementing CFMMs and macro-prudential measures by the Financial Stability Board, the IMF and the OECD.

The G20 maintained, in general terms, the existing balance in its previous policy. Explicitly, the IFA Working Group ratified the relevance of the 2011 document entitled "Coherent Conclusions to Guide G20 Members in the Management of Capital Flows

11 "Capital Market Liberalization, Economic Growth, and Instability," JOSEPH E. STIGLITZ World Development Vol. 28, No. 6, pp. 1075±1086, 2000 © 2000 Elsevier Science Ltd.

12 Policy measures countries might introduce to slowdown or shape the composition, profile, volume or purpose of capital inflows or outflows.

drawing on Country Experiences." It is worth noting that, under the IMF Articles of Agreement, its members reserve the right to impose these capital controls. Equally important is the recognition that "there is . . . no presumption that full liberalization is an appropriate goal for all countries at all times."[13]

At the same time, a worrisome aspect of the Working Group's agenda is its inclusion and mention of the OECD's Code on Liberalization of Capital Movements. Indeed, one of the documents received by the G20 was an update on recent developments around such Code. While this was only "noted" by the Leaders, it is dangerous to lump together the OECD scenario — where countries *adopt capital account liberalization through treaty obligations* — and the IMF one, wherein each member nation has preserved the right to pursue such a goal or not.

Global and regional safety nets

G20 Leaders supported "further strengthening" of the size of the Global Financial Safety Net — which is shorthand that refers to the resources available to lend to countries facing financial crises "with a strong, quota-based and adequately resourced IMF at its center." The communiqué also called for "more effective cooperation" between IMF and the Regional Financing Arrangements (RFAs) and welcomed the upcoming test run of the IMF with the Chiang Mai Initiative Multilateralization. (The CMIM is a multilateral currency swap arrangement among the ten members of the Association of Southeast Asian Nations (ASEAN), China, Japan, and South Korea.)

The IFA Working Group had reaffirmed the "common principles for cooperation between the IMF and Regional Financial Arrangements," adopted in 2011, with generic wording that both respects the diversity of the different regional arrangements and facilitates joint action. But the reference to the "fragmented" nature of the GFSN in reports on recent IMF discussions flags that attempts to tighten the IMF imprint on how different RFAs run their programs, especially regarding uniformity of conditions, may alter such a balance.

Importantly, the Leaders also called for maintaining the bilateral and multilateral arrangements that, at the moment, complement the lendable resources of the IMF.[14] This implies maintaining the expanded IMF's New Arrangement to Borrow — which was bolstered to the tune of some USD 170 billion.[15] But the most significant consequence is

13 IMF 2016. Handling capital flows- Emerging issues. Paper prepared for G20. June.

14 The Leaders' Communiqué states "We support maintaining access to bilateral and multilateral borrowing agreements between members and the IMF, in line with the objective of preserving the IMF's current lending capacity, and call for broad participation of the IMF membership, including through new agreements."

15 In 2010 bilateral credit lines amounting to over USD 500 billion offered by members in the wake of the global financial crisis were transformed into an expansion of the New Arrangement to Borrow — a multilateral borrowing agreement that had existed since the 1990s to complement IMF resources. The G20 2010 decision to double quota of members — and therefore capital — came with the side-effect that the NAB would be rolled back in an amount equal to the capital increase.

that it prefigures an inclination to maintain the USD 400 billion of bilateral credit lines which were established in 2012 and are due to expire in October, unless renewed.

Other

Leaders were less assertive on another important part of this agenda: that is, how to improve the type of loans the IMF can make to its members — by removing constraints to speed and reliability and making their features more adequate to the needs of members. The IFA Working Group had been more expansive in its consideration of issues affecting countries facing sharp revenue declines due to drops in commodity prices.

The language in the Communiqué kept hope alive that something might be done to enhance the role of Special Drawing Rights (SDRs)[16] in the international monetary system. The G20 will not endorse further changes to the composition of the basket beyond the recent, important step to include the Chinese currency — the Renminbi — in the SDR basket, along with the Euro, U.S. Dollar, Pound Sterling, and Yen.[17] Nor will it consider deeper reforms to rebalance the global monetary system by transitioning out of a dollar-based monetary system. But a number of possibilities regarding broader use of the SDR remain on the agenda.

16 SDRs are reserve assets that the IMF has the prerogative to issue and allocate to its members under certain conditions.

17 The value of SDRs is set in relation to a basket of currencies selected from among the domestic currencies of the membership on the basis of certain criteria.

8. G20 Action Plan on the 2030 Agenda for Sustainable Development

Description of the Action Plan

On September 25, 2015, a global agenda to end poverty by 2030 and pursue a sustainable future was adopted by the 193 Member States of the United Nations at the outset of a three-day Summit on Sustainable Development. The global agenda includes 17 sustainable development goals (SDGs, see Appendix 3).

Almost a year later, the G20 Leaders (all of whom endorsed the 2030 Agenda for Sustainable Development) pledged to "enhance policy coherence on sustainable development" and reaffirmed their commitment to further align their work with the universal implementation of the 2030 Agenda. The Leaders qualified this statement, saying that the alignment would be based on the "comparative advantage and the added value of the G20 and in accordance with our national circumstances, while acknowledging that the global follow-up and review of the 2030 Agenda is a UN-led process."

Yet, it is not at all clear whether or how the G20 is accountable to the UN for its contribution to the 2030 Agenda.

The Action Plan has two dimensions:

1. **First, the national, domestic actions by the G20 member countries.** These actions, in Appendix B of the G20's Action Plan, are outlined for each G20 member country. For instance, in Argentina, the Argentine National Council for Coordination of Social Policies (CNCPS) is the focal point for the 2030 Agenda and its work is being carried out in 6 committees that work on parts of the Agenda relating to Education; Science and Technology; Sustainable Agricultural Development; Housing, Habitat, Urban Development and Infrastructure; Work and Labor, and Social Protection.

   In contrast, Germany will take a comprehensive approach to revising its National Sustainable Development Strategy through a broad consultative process, including the Parliamentary Advisory Council on Sustainable Development. The Federal Ministry for Economic Cooperation and Development (BMZ) will align its overseas support with the 2030 Agenda.

2. **Second, the actions related to low-income and developing countries.** The G20 actions intend to "advance sustainable development outcomes, support low income and developing countries to implement the 2030 Agenda according to their national priorities, and enable the provision of global public goods." To accomplish this, the G20 proposes work in 15 sustainable development sectors.

   As the appendices show, the G20 emphasizes five Sustainable Development Goals (SDGs) in supporting these countries: Decent Work & Economic Growth (#8), Reduce Inequality (#10), Industry, Innovation & Infrastructure (#9), No Poverty (#1) and Partnerships for the Goals (#17).

Sustainable Development Sectors (SDSs)

The 15 Sustainable Development Sectors (SDS) are: (A) infrastructure; (B) agriculture, food security and nutrition, (C) human resources development and employment; (D) financial inclusion and remittances; (E) domestic resource mobilization; (F) industrialization; (G) inclusive business; (H) energy; (I) trade and investment; (J) anti-corruption; (K) international financial architecture; (L) growth strategies; (M) climate finance and green finance; (N) innovation; and (O) global health (see Appendix 1 and Appendix 2).

Questions and Critique

Those deeply engaged in shaping the 2030 Agenda will have a more rigorous analysis of the G20's Action Plan. However, a few comments are offered here.

Although the Action Plan specifically states that it is not intended to cover all SDGs in a comprehensive manner, it appears that the Plan has not been entirely thought through. For instance:

- Did the G20 intend to make a contribution to every SDG except for one, SDG 14, "Life Below Water"?

- Did the G20 intend that its infrastructure effort should contribute to 9 SDGs, but not reducing inequality, in general, and gender inequality, in particular?

- The G20 Action Plan states that its work in 5 of its 12 "sustainable development sectors (SDSs) will contribute to meeting SDG 1, "no poverty", but these five do not include "human resources development and employment", although employment is a basic means for ending poverty.

- Work in only two G20 SDSs contributes to gender equality (SDG 5): human resources development and employment as well as global health. This is puzzling. For instance, in Africa women make up about 43% of the world's agricultural labor force, which rises to 70% in some countries. Yet, the G20 SDS, Agriculture, Food Security and Nutrition would not explicitly relate to SDG 5.

- Why would only one G20 work stream (anti-corruption) contribute to SDG 16: "peace, justice and strong institutions"?

- According to the Action Plan, the G20's work stream on "growth strategies" would contribute to 3 SDGs: "no poverty," "decent work and economic growth," and "reduced inequalities". But, why have these been singled out rather than others, for instance, SDG 9 on "industry, innovation, and infrastructure"?

- G20 work in five SDSs contribute to SDG 17, "Partnerships for the Goals", including (1) domestic resource mobilization, (2) inclusive business, (3) trade and investment; (4) international financial architecture, and (5) innovation.

Means-ends

The fundamental issue with regard to G20 approaches to the SDGs is a "means-ends" one. To what extent can one show that a particular approach contributes to a particular goal rather than being irrelevant or, in the worst case, undermining its achievement?

For instance, if the G20 fails to revise its approach to infrastructure and structural reforms, some progress toward SDGs will be impeded.

Infrastructure

The Leaders' Communiqué states "We note that infrastructure connectivity is key to achieving sustainable development and shared prosperity." However, it is unclear where the plans exist to translate enhanced infrastructure investment and connectivity into these goals. For such translation to occur, the "master plans" for infrastructure for each nation, region, and continent would need to be designed with the goals in mind. Moreover, investment guidelines would need to prioritize the goal. However, the G20 created a Global Infrastructure Hub with a business plan that does not describe any institutional goals related to the natural environment, climate, and poverty. One cannot assume that without explicit attention to these goals, they will be achieved.

Agriculture

The Leaders' Communiqué encourages "our agriculture ministers to meet regularly to jointly facilitate sustainable agricultural development and food value chains, including through technological, institutional and social innovation, trade and responsible investment, as a means of food security, rural development and poverty alleviation. We support increasing efforts in this regard by the agricultural scientific and private sectors and welcome the opening of the First G20 Agricultural Entrepreneurs Forum."

Many threads of the Leaders' Communiqué and the Communiqué of the Agricultural Ministers deserve attention. For instance, the latter devotes only two lines of the communiqué to climate change. Innovation, effectiveness and efficiency in the agrifood sector (including through reducing food loss and waste) and addressing price volatility feature prominently.

The new G20 Agriculture Entrepreneurs Forum (AE20) may consider two-way agricultural investment between G20 countries and the efficiency of cross-border agriculture-related investment by enterprises and sustainable agricultural investment, among other things. Numerous problems, including land grabs and monoculture cropping, are associated with such large-scale agriculture.

CONCLUDING THOUGHTS

With regard to the future of the G20, attention could be paid to: "the what, the who, and the how" of its work.

With regard to "the what," not everything can be equally important for the G20. Yet it is clear that the G20, as "premier forum for international economic cooperation" is not taking the public consensus on globalization seriously. The public is saying that globalization is over-sold and that solutions to crises, such as rising inequality and global warming, must be at the center of global leadership and policy-making.

The G20 has new initiatives to promote inclusive growth, but that is not the same as addressing the deep and politically explosive trends in inequality. On global warming or climate change, the G20 is misguided. The topic has been taboo and toxic since the G20's launch at Summit level in 2008, but 2016 Leaders' Communiqué actually promotes fossil fuels, particularly natural gas.

A top G20 priority relates to the Enhanced Structural Reform Agenda (part 2 of this paper). It is assumed that, if governments adopt this Agenda, they will more readily attract the trillions of long-term institutional investment (e.g., pension funds) to transform development. But if the new economic paradigm moves from "from billions to trillions" in investment, it is imperative that it be done in a socially and environmentally responsible way.

Some priority policies on the Enhanced Structural Reform Agenda (although not the lower priority environmental sustainability policies on this Agenda) are accompanied by policy and outcome indicators and ways to keep countries accountable to implementation of their commitments. In contrast, the G20 Action Plan on the Agenda for Sustainable Development (part 8, above) is a hodge-podge; the Plan lacks consistent guidelines for reporting by G20 member countries; its development agenda with low-income and developing countries is almost "business as usual."

The G20 must revisit and overhaul its policies to stop global warming and achieve the SDGs. Among other things, this entails:

On energy and climate, in particular, the G20 should cease promoting of fossil fuels in the energy mix of nations; act on its 2009 promise to eliminate fossil fuel subsidies (not only for consumption, but also for exploration and production of fuels); internalize carbon pricing to determine the feasibility of infrastructure and other projects; and advance its work on Green Finance and Climate Finance.

The biggest asset manager in the world — BlackRock — recommends that investors should take notice of the risks and opportunities that come through the physical effects of climate change, technological change, as well as the regulatory and social response. The G20 is behind the curve. (See Section 5B.)

On the 2030 Agenda on Sustainable Development, the G20 should mainstream the SDGs throughout every work stream. This would entail actions, such as revamping its Global Infrastructure Connectivity Alliance and revising (a) the Enhanced Structural Reform Agenda, including environmental and social components; (b) G20 Principles for Energy Collaboration; (c) the G20 model for public-private partnership contracts; and (d) its High-Level Principles for Long-Term Institutional Investment as well as the newer Guiding Principles for Global Investment Policy-Making).

In reporting on their national progress on the 2030 Agenda on Sustainable Development, G20 member countries include measures taken on all SDGs.

Also, the G20 should consult broadly with low-income and developing countries about the types of support they need in implementing the 2030 Agenda. At present, as the appendix shows, the G20 emphasizes five Sustainable Development Goals (SDGs) in supporting these countries: Decent Work & Economic Growth (#8), Reduce Inequality (#10), Industry, Innovation & Infrastructure (#9), No Poverty (#1) and Partnerships for the Goals (#17). However, each country needs to work on a different mix of SDGs, not just a few.

With regard to "the who," the G20 is choosing what other global governance partners and engagement groups it will take to the dance. It is unclear whether or how the G20 will be accountable to the United Nations with regard to its contribution to the 2030 Agenda or other part of its work program.

It is clear that — of all the engagement groups relating to business, labor, think tanks, civil society, and women — G20 is taking business (the B20) to the dance. The G20 and B20 Summits overlap. And, the Business 20 and the International Chamber of Commerce join the working groups, steer priorities, and hold the G20 accountable for each of its actions.

It is also clear that the G20 is taking the Organization for Economic Cooperation and Development (OECD) to the dance. In the Annex to the Leaders' Communiqué from the Hangzhou Summit, there is a short section entitled "Acknowledgement and Way Forward" in which the OECD is mentioned 15 times in association with nearly every agenda item. The engagement of the OECD in the G20's Agenda cannot be underestimated. It has evolved into a "quasi-Secretariat" for the G20, although that is not the OECD's official position.

Given that the OECD is a governance "club" with 34 advanced country members (excluding some G20 members), it is worth asking whether the OECD policy advice to the G20 supports the pledges that G20 nations have made in other fora to sustainable development and climate goals. Studies of this question reveal a soloed approach by the OECD between its advice on topics such as growth and investment in infrastructure, on the one hand, and sustainable development, on the other.[18]

Even in instances where more representative institutions have competed with the OECD for jurisdiction over an issue, such as international tax cooperation, the G20 has chosen the OECD.

18 See "In Search of Policy Coherence: Aligning OECD Infrastructure Advice with Sustainable Development," by Motoko Aizawa and Waleria Schuele, Institute for Human Rights and Business, Heinrich Boell Foundation, 2016.

The OECD reports that Germany has informed it of topics of interest for its G20 Presidency in one area — development — namely: industrialization of Africa, global health, food security and nutrition, climate change and green finance and energy efficiency, and tax systems and transparency. However, it is evident from the report that the OECD is working across most of the G20 agenda, not only development.

"The how" matters as well. At present, the G20 member countries have limited transparency or outreach among and engagement with their own citizens. In fact, there is a rise in the number of countries that are suppressing civil society engagement and activism.[19] Collectively, for the whole G20, transparency and engagement is also lacking. Most groups wishing to influence the G20 cannot do so in an informed way due to the lack of information disclosure, especially prior to G20 decisions.

As the G20 Presidency shifts from China to Germany, it is important for the G20 to be accountable to the wider community of nations and draw upon the experiences of more diverse countries than the G20 or the OECD members represent.

19 Government suppression of citizens can be accelerated by trade and investment agreements and PPP contracts with provisions that require governments to pay private investors in the event that strikes or protests delay or disrupt a project.

APPENDIX 1. G20 ACTION PLAN NAMES SUSTAINABLE DEVELOPMENT SECTORS (SDSS)

Each of these aims to achieve different SDGs.

SDSs (Sustainable Development Sectors)		SDGs (Sustainable Development Goals)																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
A	Infrastructure	X		x			x	x	x	x		x	x	x				
B	Agriculture, food security and nutrition		x						x	x	x		x	x		x		
C	Human resources development and employment				x	x			x		x							
D	Financial inclusion and remittances	X							x		x							
E	Domestic resource mobilization																	x
F	Industrialization									x	x							
G	Inclusive business	X								x				x				x
H	Energy							x	x	x			x	x				
I	Trade and investment								x		x							x
J	Anti-corruption																x	
K	International financial architecture										x							x

SDSs (Sustainable Development Sectors)		SDGs (Sustainable Development Goals)																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
L	Growth strategies	X							x		x							
M	Climate finance and green finance												x					
N	Innovation								x	x								x
O	Global health	X		x		x												

APPENDIX 2. G20 ACTION PLAN GIVES 5 SDGS PRIORITY

* Priority is given to SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), SDG 9 (Industry, Innovation and Infrastructure), and SDGs 1 (No poverty) and 17 (Partnerships for the Goals).

APPENDIX 3. LIST OF SDGS

SDGs (Sustainable Development Goals)	
1	No Poverty
2	Zero Hunger
3	Good Health and Wellbeing
4	Quality Education
5	Gender Equality
6	Clean Water and Sanitation
7	Affordable and Clean Energy
8	Decent Work and Economic Growth
9	Industry, Innovation and Infrastructure
10	Reduced Inequalities
11	Sustainable Cities and Economies
12	Responsible Consumption and Production
13	Climate Action
14	Life Below Water
15	Life on Land
16	Peace, Justice and Strong Institutions
17	Partnerships for the Goals

ECONOMY & SOCIAL ISSUES

Some Highlights of the 2016 China-led G20 Summit

This report on "Some Highlights of the 2016 China-led G20 Summit" describes and assesses important Summit outcomes in eight areas. It finds that several G20 initiatives are incompatible or in conflict with social and environmental priorities, which could, in turn, undermine their economic and financial feasibility. For instance, the G20 launched the Global Infrastructure Connectivity Alliance, which needs retooling to ensure that the infrastructure is compatible with social and low- or no-carbon, environmental imperatives. Second, as a key means for boosting productivity and potential output, the G20 is implementing an Enhanced Structural Reform Agenda, which may not deliver the expected results unless its 9 policy areas are revisited, including the Environmental Sustainability one. Finally, in its Action Plan on the 2030 Agenda on Sustainable Development, the G20 announces 15 policy priorities which are intended to help achieve sustainable development goals (SDGs), but could distort the balance struck by the international community in carefully crafting these goals.

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