



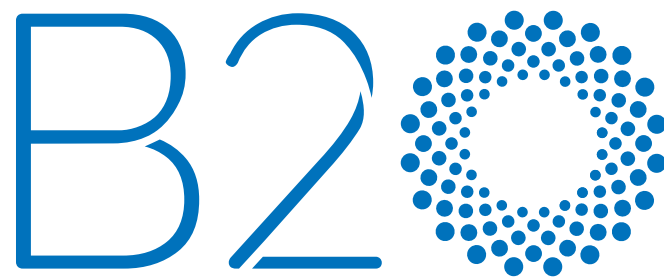
ARGENTINA 2018  
BUSINESS 20

# B20 COMMUNIQUÉ

POLICY RECOMMENDATIONS TO THE G20

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B20 SUMMIT 2018  
OCT, 04 - 05



ARGENTINA 2018

BUSINESS 20

# **B20 COMMUNIQUÉ**

Policy Recommendations to the G20

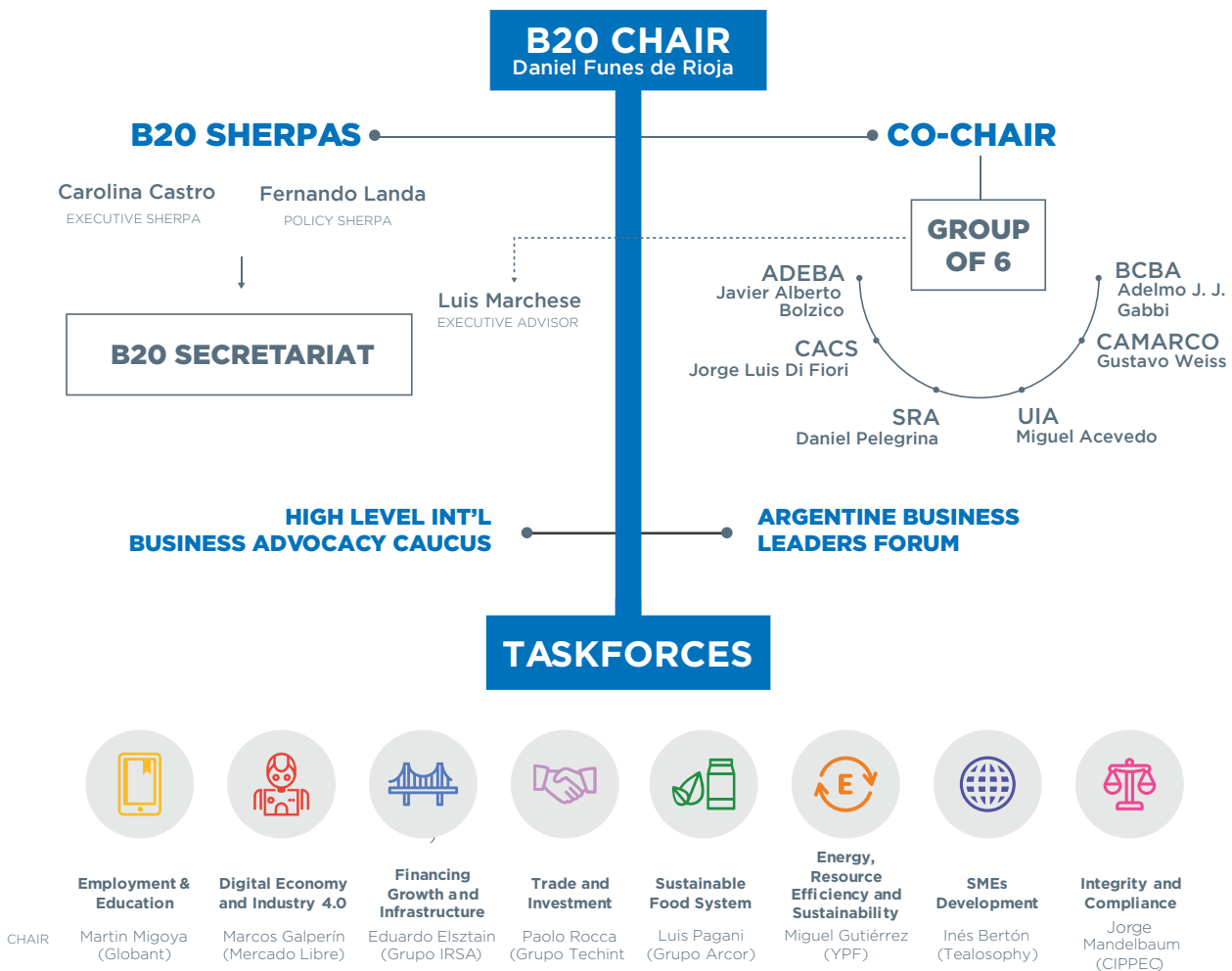


## ABOUT B20

Business 20, or B20, is the private sector’s voice of the G20 community. In 2010, during the G20 Canada Presidency the B20 has become the first engagement group of G20 to be formally recognized as such. Since then, we have worked to provide practical perspectives and generate new ideas in a variety of themes that include: employment and education, trade and investment, financing growth and infrastructure and innovation, among others.

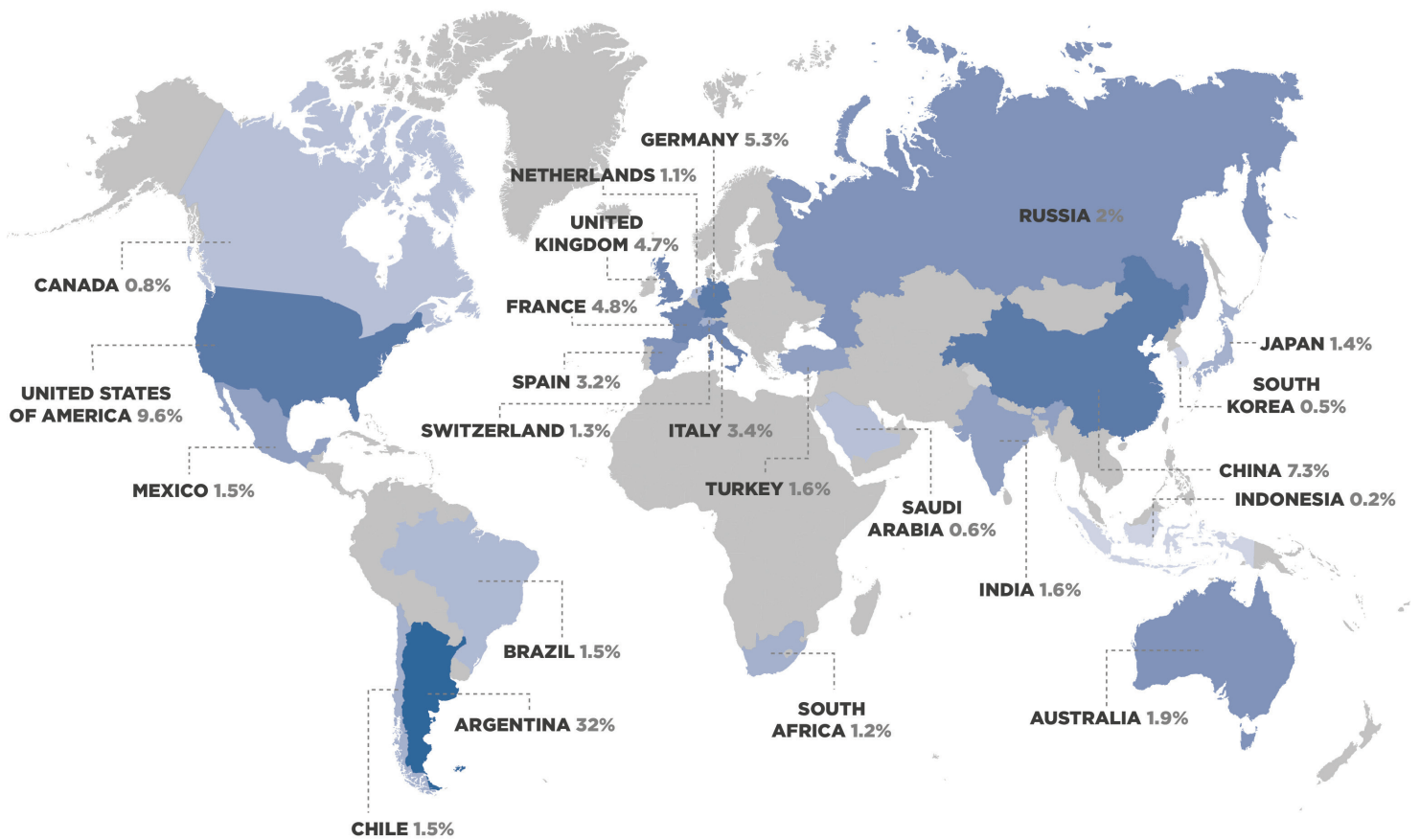
The B20’s trademark is the development of consensus-based concrete policy proposals. As the main driver of economic activity, the private sector plays a key role in developing fair and sustainable growth.

## B20 ARGENTINA STRUCTURE



## B2O IN NUMBERS

More than **1700 business leaders**, from **740 companies** and **260 employers' organizations**, **34% MSMEs** and **27% women**.





## **FOREWORD**

**BY THE B20 CHAIR**

**DANIEL FUNES DE RIOJA**

When I was appointed B20 Chair, my first responsibility was to set a common agenda with the G20 Sherpa in order to assure G20's main concerns would be reflected in our final document. Following up on the German process (2017), I also worked together with the two other members of the B20 Troika to guarantee that the recommendations would be in line with a long-term process.

President Macri set three priorities for the G20 Argentina. The first was employment in the new digital era; the second, the financial support for infrastructure development; and the third one, sustainable food system. We covered all these issues in the context of our task.

Together with my Co-Chair Group - formed by the Association of Private Banks of Argentine Capital (ADEBA), the Buenos Aires Stock Exchange (BCBA), the Argentine Chamber of Commerce and Services (CAC), the Argentine Chamber of Construction (CAMARCO), the Rural Society (SRA), and the Industrial Union of Argentina (UIA) - and the two Sherpas, executive and policy, we have worked as a cohesive team to lead the Argentine round.

We defined eight task forces, led by first-line Argentinean businessmen and women: Trade and Investment (Paolo Rocca), Financing Growth and Infrastructure (Eduardo Elsztain), Employment and Education (Martin Migoya), Energy, Resource Efficiency and Sustainability (Miguel Gutierrez), Digital Economy and Industry 4.0 (Marcos Galperin), Sustainable Food System (Luis Pagani), Development of Small and Medium Enterprises (Inés Berton), and Integrity and Compliance (Jorge Mandelbaum).

Our agenda covered all the main topics outlined by the G20 and we discussed concrete and relevant recommendations that we expect will be reflected in the Head of States Declaration. All along the way, we knew we were not just hatching "imaginary" practices; on the contrary, we wanted to leave crystal-clear policy values and legacies, not only for large businesses, but also for SMEs, and not only internationally, but also building a local commitment.

Our eight Task Forces reached consensus after an intense process involving regular members meetings, a High-Level Caucus (for advocacy) and a number of regional meetings (Forum of national leaders) conceived to link the local concerns with the global strategies, as we are convinced internationalization cannot only be a challenge of business elites and it has to cover and involve the whole business spectrum.

As B20 Chair, I am really proud of the strong consensus we have reached among G20 countries during this year. We have had the active participation of more than 1,200 registered leaders and 500 deputies –27% of which account for women and 34% for small and medium-sized enterprises. Over 1,000 are CEOs and CFOs of companies which employ over 35 million people globally.

For the business community, the B20 means combining private initiative, international markets and fair rules of the game and creating with public-private cooperation policies that are not merely nominal and deductive, but real and effective. Thus, the aim of our final document is to suggest concrete actions that may contribute to G20 countries' economic and social development, taking into consideration the main topics and issues in the current global context.

I trust this call to action will be heard by our country's leaders.

  
**Daniel Funes de Rioja**  
B20 Chair

## B20 CO-CHAIR REMARKS



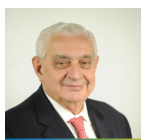
**Javier Bolzico**  
*President of Argentina Bankers Association*



The B20 has seen ever more ambitious agendas, from Seoul 2010 to Berlin 2017. Buenos Aires 2018 is no exception. Moreover, the challenges faced by multi-lateral efforts of any kind by the volatile international agenda at sight, may shape the near and even the long-term future of our society. We, the B20 participants, believe in the relevance and strength of team work within the international business community, as a means to reach the clear objective of a world-wide society developing in peace and fairness.

In light of current events, where cooperation is sometimes challenged, we trust that open and competitive markets, in a setting of equal opportunities, fairness and a leveled playing field are the preconditions for the achievement of B20 and G20 objectives.

The work done by the six taskforces of B20 in the aim of achieving a global vision has been up to the challenge so far. Argentina has the honor of carrying the G20 torch during 2018. We welcome all the participants that honor and strengthen B20 with their presence.



**Adelmo Gabbi**  
*President of Buenos Aires Stock Exchange*



The G20 Summit takes place in Buenos Aires at a historic moment of Argentina's stock and financial markets. The parliamentary will to modify the Capital Markets Law with essential reforms to the original text, and the upgrading of Argentina as Emerging Market by Morgan Stanley, will enable international institutional investors to choose Argentina once again, and thus increase its stock market's liquidity and depth.

This clear improvement of Argentina's position in international markets is a vital step towards recovery, growth and the future development of the domestic economy. As part of the B20 affinity group, the Buenos Aires Stock Exchange increases its effort to transform domestic savings into long-term investment to finance Argentina's infrastructure. Certainly, we have to start to depend more on ourselves and less on global cycles.

Welcome everyone to this meeting, and welcome to the future capital market of Argentina!



**Gustavo Weiss**  
*President of Argentine Chamber of Construction*



Buenos Aires is on the verge of being the headquarters of an international meeting of businessmen that places the country on the right path to consolidate its links with the world. It will be the first time that Argentina and South America in general receive Business 20 (B20), which for all of us is reason for great satisfaction.

We are men and women of business, of diverse places and areas, but we are all convinced that the country must, in a definitive way, consolidate its institutions based on clear precepts and a solid economy.

With the conviction that this type of event is indispensable to give sustainable answers to the demands of citizens, we receive with the most cordial welcome all the participants of the B20 Summit that will meet in the capital of the argentines.



**Jorge Luis Di Fiori**  
*President of Argentine Chamber of  
Commerce and Services*



In the midst of the process of intelligent international reintegration of Argentina that President Macri has faced, the B20 Summit that will take place in Buenos Aires at the beginning of October is very timely. In the Argentine Chamber of Commerce and Services, we support the strengthening of international economic relations in our country and, as a result, we actively participate in different affinity groups of the G20, including B20 and W20. We believe in free and mutually beneficial exchanges as a motor for the development of nations. World history shows that an essential part of the progress of a nation is to know how to properly link with the outside, that is why we celebrate the B20 Summit that will take place in Buenos Aires and that can contribute to the development of the G20 Leaders' Summit, scope of dialogue and cooperation that will take place towards the end of this year.



**Daniel Pelegrina**  
*President of Argentina Rural Society*



Argentina, as a Chair of G20 will receive at the end of this year, the Presidents and Prime Ministers of the most important countries members of the G20 Group. As a farm leader, and member of the B20, I am very proud to participate in this so important event, and have the opportunity to show our visitors all the potential of Argentina in food and renewable energy production.

Farmers commit to achieving the 2015 United Nations Sustainable Development Goals (SDGs) Stakeholders from governments, non-governmental organizations, and corporations engaged in conversation over the last year, on what is working and what might not be working to meet the SDGs Agenda. As agriculture plays a significant role in most of the goals, Sustainable Food Systems task force has a fundamental role in this process.

Agriculture has the opportunity to make tremendous strides towards meeting the UN SDGs. And through the B20, we have the commitment to tackle the challenges we are facing to contribute to the global development of sustainable food systems. We welcome all and particularly business representatives that will participate in our Summit next October in Buenos Aires.



**Miguel Acevedo**  
*President of Industrial Chamber of Argentina*



As President of the Industrial Chamber of Argentina I proudly welcome the Business 20 Summit in Argentina. This community is of vital importance not only for international economic welfare, for building the groundwork of worldwide rules based economic relationship between nations, but also for our national business sector environment which is expectant of creating a better and smarter integration with world markets.

Our international agenda is vast and profound. We were one of the founding members of the B20 since the first meeting in Seoul 2010 and we represent Argentina at the IOE and through it, in the ILO. Our international representation includes BIAC, the UN Global Compact and the Global Business Coalition, among other.

We believe that the G20 and B20 Summit in Argentina is an excellent opportunity to determine the foundations of economic development in the years to come and to make sure that the voice of the developing countries is heard.

UIA supports policies that promote the increase in value added, technology incorporation, and increase in productivity, towards the first and ultimate priority of job creation. These are also the B20 objectives. In a world that is changing faster than before, with the fourth industrial revolution taking place we must actively contribute to assure that this paradigm shift leaves no one behind.

## B20 COMMUNIQUÉ

**“Building consensus for fair and sustainable development”** is the main theme and objective of the G20 Argentina agenda.

Sustainable development has been defined as the one that meets the needs of the present without compromising the ability of future generations to meet their own needs<sup>1</sup>. In turn, the concept of fairness recognizes that benefits from past decades of global growth have not been equally shared, that rules need to be adapted, adjusted or newly defined in order to achieve an inclusive level playing field.

In this respect, the priorities set by the G20 Argentina Presidency: unleashing people’s potential through quality education, building infrastructure for development and ensuring a sustainable food future, while promoting gender equality, are indeed fundamental enablers of a developed and inclusive future.

The Business Community of the G20 countries firmly believes 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, the United Nations 2015 Sustainable Development Goals comprise the most ambitious multilateral consensus reached so far. Consequently, the B20 adopted this agenda as a fundamental guidance for policy-making.

Ten months into the G20 Argentine Presidency, the 1200 companies and business federations members of the B20, have engaged into more than 56 task force meetings to provide meaningful consensus-based recommendations into eight policy documents for the G20 leaders as a contribution toward these goals.

Throughout this period, the B20 joined efforts with other engagement groups to promote a comprehensive viewpoint on themes aligned with the priorities set by the G20 Argentine Presidency. As a result, seven joint documents were also issued with L20, W20, C20, T20 & Y20.

Our societies expect from the G20 more than a set of shared principles, they expect concrete actions and solutions to crucial challenges, prioritizing relevance and impact of results.

In this regard, we focused on the most fundamental and structural issues deemed to be urgent and implementable, either at multilateral level or within national policies, looking for consensus on best practices for moving forward.

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<sup>1</sup> World Commission on Environment and Development. (1987). Our Common Future, Chapter 2: Towards Sustainable Development. Oxford: Oxford University Press.



Policy Recommendations and action plans presented in this document belong to three main pillars:

**I. EQUAL OPPORTUNITIES AND INCLUSIVENESS**

**II. PROMOTING GROWTH**

**III. CLIMATE ACTION AND SUSTAINABLE USE OF RESOURCES**

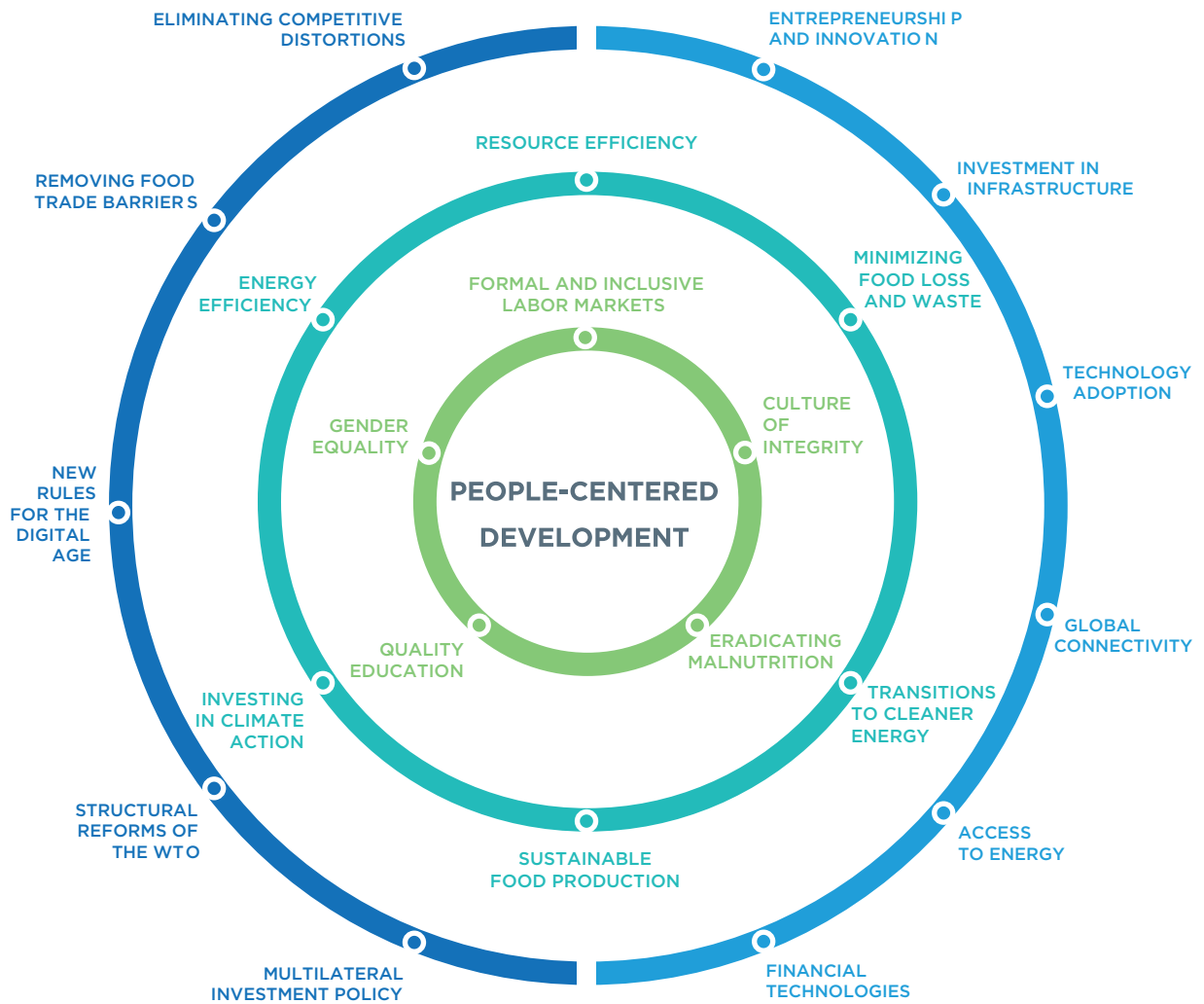
These set of recommendations constitute a framework that looks towards substantial global poverty reduction by providing decent work and economic growth, as well as reduction of inequalities.

As stated before, all this work would be insubstantial without implementation. We, the B20, made a point of building upon prior work, accounting for progress made and understanding roadblocks. Therefore, the B20 also wishes to contribute to the G20 by providing concrete action plans, commitments and key performance indicators.

It is of utmost importance to point out that almost 75% of our proposed action plans are implementable at national level and should therefore drive a compelling agenda for G20 governments. In turn, the outcome of enacting this agenda could become a set of best practices to be shared with other non-G20 countries, 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.

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

# THE B20 CONCEPTUAL FRAMEWORK FOR A FAIR AND SUSTAINABLE DEVELOPMENT



- EQUAL OPPORTUNITIES AND INCLUSIVENESS
- CLIMATE ACTION AND SUSTAINABLE USE OF RESOURCES
- PROMOTING GROWTH: DRIVING NATIONAL ECONOMIC ENABLERS
- PROMOTING GROWTH: RESHAPING THE GLOBAL TRADING SYSTEM FOR A LEVEL PLAYING FIELD

# B20 VISION

## I. PROMOTING EQUAL OPPORTUNITIES AND INCLUSIVENESS

Despite economic growth over the past decades, shared economic development continues to be a pressing challenge as many of the key pillars for inclusion, such as decent work opportunities, satisfaction of basic needs for all, elimination of social discrimination and exclusion, still remain unresolved. In fact, income inequalities in OECD<sup>2</sup> countries are at the highest peak of the past half century and seven times higher than 25 years ago.

In order to ensure social development with inclusion, seven topics were addressed under this pillar:

1. Guaranteeing Quality Education for All
2. Building a Culture of Integrity
3. Eradicating Malnutrition
4. Achieving Gender Equality
5. Ensuring Formal and Inclusive Labor Markets
  - Promote Diverse Forms of Work
  - Rollback on Informality
  - Inclusion of Vulnerable Groups

### 1. GUARANTEEING QUALITY EDUCATION FOR ALL

#### In contribution to SDG 4: Quality Education

Disparities in basic foundational skills that stand in the way of employability among and within countries remain high, and the reduction tendency of children's enrollment has been almost stagnant since 2008. In addition, more than 60 percent of primary school children in developing countries still fail to achieve minimum proficiency thresholds in core competencies<sup>3</sup>. Further efforts need to be accomplished in order to erase these disparities and meet Goal number 4 of the UN Sustainable Development Goals.

Moreover, **nobody can afford deficient foundational skills** such as reading comprehension, active listening, writing, oral expression and process skills like critical thinking and active learning. G20 authorities need to address basic education gaps

<sup>2</sup> Keeley, B. (2015), *Income Inequality: The Gap between Rich and Poor*, OECD Insights, OECD Publishing, Paris, <https://doi.org/10.1787/9789264246010-en>.

<sup>3</sup> 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](http://bit.do/WDR2018-Fig_O-5).

and disparities as a fundamental priority in order to provide a level playing field for all.

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.

In addition, Internet of Things, automation, artificial intelligence between other technologies are fundamentally changing the nature of work, making change the only constant. Thus, everyone needs to be prepared to constantly adapt in a digital working environment.

Consequently, on the one hand, digital skills become a foundational competence 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 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. In this respect we highlight the importance of enhancing students’ core competencies, particularly in STEAM subjects (science, technology, engineering, arts and mathematics).

Governments should also ensure that all learners, parents and stakeholders eliminate biases, especially those related to gender and its impact on career choices.

Regarding educational methodologies, current trends show an increasing demand for knowledge-based, interdisciplinary, project-solving and team-based work. Hence it is also crucial to incorporate active learning techniques such as project-based learning activities as an integral part of curricula from an early age to nurture socio-emotional interpersonal, creative skills and empathy.

Educational policies need to leverage the opportunities digitalization brings in terms of inclusiveness. 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.

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. The use of standardized metrics to guide improvements in the education system performance is of utmost importance.

The future of education 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.

While promoting adaptation of the education systems to ensure future inclusive employability is a priority, it is urgent to address increasing skills shortfalls in the labor market. According to new OECD research, 14% of jobs in OECD have a high risk of automation and another 32% of jobs may experience significant changes on how they are carried out<sup>4</sup>. Furthermore, OECD research found that workers whose jobs are most at risk to be automated are also the ones who are less likely to be in training. Social dialogue and active government involvement, is of paramount importance to assess the current and future skills gap and to reskill and upskill the existing workforce.

## **2. BUILDING A CULTURE OF INTEGRITY AND RESPECT FOR THE RULE OF LAW**

**In contribution to SDG 16: Peace, Justice and Strong Institutions**

Corruption is a major barrier to prosperity and equality. When corruption intervenes, it negatively affects the whole investment ecosystem and ultimately, society pays social and development costs that are difficult to evaluate. Strong national anti-corruption policies built through collective action are positive for businesses and society as a whole.

Governments should therefore lead the way to address corruption and to promote a culture of integrity. Education in ethics and integrity from early childhood, including ethical citizen values and respect for the rule of law in educational curricula is a key element to achieve this end.

A public-private commitment to Integrity and Ethical Standards (CIES) defining a set of common values and standards to promote 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.

In order to rebuild trust in public institutions and to lay the groundwork for sustainable growth, it is fundamental to focus on enhancing integrity in infrastructure projects by maximizing the potential of digital technologies that allow transparent access to relevant data, streamlining procedures and building reporting mechanisms. Establishing incentives for companies that adhere to high-quality standards of integrity and compliance in the form of eligibility requirements or affirmative competitive preferences to ensure the participation of all stakeholders in the procurement process is equally relevant.

As custodians of public assets, State-Owned Enterprises (SOEs) should be the champions of integrity and transparency by implementing standards of integrity and compliance for SOEs, establishing programs adopted by the private sector

<sup>4</sup> 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](http://bit.do/WDR2018-Fig_O-5).

customized to consider specific risks of SOEs, 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.

Addressing private sector transparency and preventing wrongdoing of legal persons and arrangements is important to fully implement beneficial ownership action plans, mandating public registers of beneficial ownership information, and the development of rules for the effective and efficient data handling and exchange.

### **3. ERADICATING MALNUTRITION, UNDERNOURISHMENT AND OBESITY**

**In contribution to SDG 2: Zero Hunger**

The challenge of feeding the world eradicating hunger is critical and requires a multidimensional comprehensive and a multistakeholder approach.

Substantial parts of the global population still experience food insecurity. The total number of chronically undernourished population in the world is estimated to have increased to 815 million (11% of the world population)<sup>5</sup>. At the same time, the incidence of obesity is growing in virtually all regions of the world. As of 2017, there were approximately 600 million obese adults<sup>6</sup>. Additionally, obesity is associated with other diseases such as diabetes and congestive heart failure. Undernourishment, malnutrition and obesity are all critical challenges that create hardship throughout the world by reducing the quality of life for those affected and increasing the economic costs to societies and governments. The negative impacts of malnutrition on development, society, health and well-being are serious and long lasting for individuals, families, communities and countries.

In planning public policies to address malnutrition, it is essential to incorporate instances of public-private cooperation and dialogue. Policies should aim to promote consumer's education, as well as nutritional and healthy lifestyle programs. Policy should also facilitate the development of food value chains that ensure food availability and affordability in developing countries through public-private partnerships. G20 authorities should also seek to reinforce multilateral food regulatory frameworks, strengthening the role of the Codex Alimentarius as an internationally approved set of guidelines.

By 2050, the world needs to produce 50 percent more food than in 2012 to meet the projected growing population's demand<sup>7</sup>.

To face these concerns, global agricultural productivity must be increased in an environmentally sustainable way. Thus, technology represents an opportunity to increase yields across developing and developed countries and feed the growing

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5 FAO, IFAD, UNICEF, WFP and WHO. 2017. The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security. Rome, FAO

6 FAO, IFAD, UNICEF, WFP and WHO. 2017. The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security. Rome, FAO

7 FAO, IFAD, UNICEF, WFP and WHO. 2017. The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security. Rome, FAO

global population without increasing strain on the environment. However, in developing countries the lack of infrastructure and technical expertise inhibit the impact that cutting-edge technologies have on increasing agricultural production. Within this framework it is essential to establish financing mechanisms for long-term capital investments and knowledge sharing forums, including an open-source (and free-to-use) knowledge platform of key agricultural technologies, practices, and other relevant information so that SMEs have equal opportunities to build their capabilities and access markets.

Moreover, trade has a critical role to play in feeding the world, by matching food supply to global demand. Barriers to global food trade work against sustainable food security and can discourage investment in food production and innovation. Therefore, it is vital to both minimize trade distortive barriers and reduce the impact they have on global trade. In this sense, it is paramount for G20 countries to commit to a multilateral, rule-based trade system in order to drive an open and transparent global agricultural and food market.

After seventy-one years of the initial GATT agreements and twenty-three years since the creation of the World Trade Organization following the conclusion of the Uruguay Round and the Agriculture Agreement, very little progress has been achieved regarding the commitment of an ongoing trade reform to incorporate the agri-food sectors to the rules and disciplines of free multilateral trade. Making progress is a necessary condition to achieve zero hunger.

#### **4. ACHIEVING GENDER EQUALITY**

##### **In contribution to SDG 5: Gender Equality**

Female participation rates in paid work in the G20 countries is still 26 percentage points lower than their male counterparts, and it seems evident that action is needed if we are to achieve the 2014 G20 Brisbane Commitment, whereby leaders agreed to reduce the gender gap in labor force participation by 25% by 2025.

To address the structural constraints that affect women's opportunities, G20 leaders should adopt an explicit national policy with a comprehensive approach to tackle several coexisting fronts:

Eradicating gender stereotypes that may discourage women from acquiring technical skills or pursuing entrepreneurial activities through campaigns and role models.

Urgently remove any legal restrictions that hinder women's participation in the formal labor market while strengthening the legal framework in order to combat and eradicate all forms of discrimination in recruitment, training and promotion, and promoting pay transparency, ensuring that the principle of equal pay for equal work or for work of equal value is respected.

Addressing supportive mechanisms for women's participation in the workforce (such as availability and access to affordable, good-quality early childhood and elderly care that disproportionately affect women).

Designing targeted initiatives in education as well as upskilling and re-skilling to address the digital divide and foster the acquisition of STEAM skills.

The business community of the G20 countries is committed to contribute towards the advancement of gender equality and to actively participate, along with social partners and civil society in developing national policies and sound indicators to achieve an inclusive future.

## **5. ENSURING FORMAL AND INCLUSIVE LABOR MARKETS** **In contribution to SDG 8: Decent Work and Economic Growth** **and SDG 10: Reduced Inequalities**

- **Promote Diverse Forms of Work**  
In contribution to SDG 8: Decent Work and Economic Growth

Open, dynamic and inclusive labor markets with simple, transparent, flexible and predictable legal employment frameworks allowing for a diversity of work forms continue to be key for inclusiveness. A wealth of data (including the World Trade Organization (WTO) and World Bank) show that overly rigid labor markets, high non-wage labor costs and an excessively bureaucratic burden hinder the ability of companies to employ people<sup>8</sup>.

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 be financially sustainable.

- **Rollback on Informality**  
In contribution to SDG 8: Decent Work and Economic Growth

Informal sector employment remains a substantial portion of total workforce participation in many of the developing/emerging-G20 economies. In fact, 1.3 billion people are currently living in informal employment and the informal economy is estimated to represent almost 29 percent of global economic output<sup>9</sup>. These figures highlight the magnitude of phenomena that not only promotes an unfair competitive playing field but also exacerbates inequalities and affects the most vulnerable individuals in our societies.

To successfully minimize the size of the informal sector, countries need to strengthen policies that simultaneously encourage participation in the formal economy and increase penalties for those that remain in the informal sector. Governments must reconsider the cost-benefit drivers of informality and encourage formalization through real benefits, enforcement measures and penalties in national-tailored policy plans. These may include streamlined business registration, temporary special incentives linked with labor registration, promoting the digitalization of payments

<sup>8</sup> Arias, Omar S., Carolina Sánchez-Páramo, María E. Dávalos, Indhira Santos, Erwin R. Tiongson, Carola Gruen, Natasha de Andrade Falcão, Gady Saiovici, and Cesar A. Cancho. 2014. Back to Work: Growing with Jobs in Europe and Central Asia. Washington, DC: World Bank. doi:10.1596/978-0-8213-9910-1.

<sup>9</sup> ILO January 2017, Enterprise Formalization Brochure



and simplifying taxation schemes by designing a progressive tax structure that encourages small businesses to enter the formal sector, among others. In this sense, the B20 encourages the full implementation of the ILO Recommendation N° 204 on the Transition from the Informal to the Formal Economy.

- **Inclusion of Vulnerable Groups**  
In contribution to SDG 10: Reducing Inequalities

It is important to recognize that long-standing social, cultural and legal norms have inhibited the inclusion of some groups in the workplace. The unique and particular barriers to inclusion of all groups must be addressed by each state.

On the demand side, support and advice should be provided to businesses on how to address the barriers that often prevent persons with disabilities from obtaining jobs in the private sector. Additionally, measures should be introduced to **foster the integration of persons with disabilities** into mainstream work-related and educational programs and services.

In the case of youth participation, another segment disproportionately affected by unemployment, it is crucial that G20 authorities create attractive regulatory framework conditions, which **stimulate the establishment of apprenticeships programs**, implementing past commitments.

In addition, authorities should enhance cooperation between business and Vocational Education and Training (VET) institutions as well as colleges and universities and public high/secondary school districts.

Migration has grown as widely increasing phenomena in today's interconnected world. According to the United Nations, the number of migrants has reached 258 million people in 2017, 50 percent higher than in 2000<sup>10</sup>. In addition, according to UN, increasing migrant remittances, especially those from developing countries have a huge impact on inclusion. In fact, the total amount of remittances sent home in 2016, are estimated in US \$413 billion<sup>11</sup>.

Therefore, labor migration in line with labor market needs could provide an opportunity to economic development. Adopting migration policies that are timely and flexible to accommodate new and longstanding business models, but also predictable and transparent becomes of increasing importance. Likewise, governments should ensure employers are partners in identifying migrant's skills gaps and establishing frameworks for assessing foreign qualification.

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10 United Nations. 2017. The world counted 258 million international migrants. Population Facts N 2017/5, 1-4.

11 United Nations. 2017. The world counted 258 million international migrants. Population Facts N 2017/5, 1-4.

## **II. PROMOTING GROWTH**

Economic growth is a fundamental driver to lift people out of poverty. In order to pursue growth, adequate structural conditions that enable decent formal job creation, investment in infrastructure and adoption of technologies need to be ensured. Growth also calls for a competitive level playing field that promotes participation in global value chains.

In this regard, the B20 Argentina recommendations comprise 2 categories with several subtopics for each one:

### **A. DRIVING NATIONAL ECONOMIC GROWTH ENABLERS**

1. Entrepreneurship as a Fundamental Source for Job Creation
2. Boosting Investment in Infrastructure
3. Ensuring Access to Affordable, Reliable, Sustainable Energy
4. Reaching Global Connectivity
5. Enhancing Productivity through Technology Adoption:
  - Supporting Industry 4.0
  - Promoting SME's Competitiveness and Growth
  - Supporting Innovation in Financing Technology

### **B. RESHAPING THE GLOBAL TRADING SYSTEM FOR A LEVEL PLAYING FIELD**

1. Eliminating State-Related Competitive Distortions
2. New Rules for the Digital Age
3. Removing Food Trade Barriers
4. Structural Reforms of the WTO
5. Multilateral Investment Policy

## A. DRIVING NATIONAL ECONOMIC GROWTH ENABLERS

### 1. Entrepreneurship as a Fundamental Source for Job Creation

In contribution to SDG 8: Decent Work and Economic Growth

New firms are agents of change in national economies; they introduce innovation and also new forms of work. Thus, G20 leaders should promote an enabling environment for start-ups.

Policy actions may include promoting the value of entrepreneurship and innovation, **fostering entrepreneurial skills through education and training**. In addition, they should also encourage extended access to a variety of funding sources, such as start-up loans and crowdfunding with favorable terms and guarantees in order to minimize the default risk for lenders and temporary tax incentives for early stage investors. Special care should be taken in non-discriminatory lending in the case of women entrepreneurs.

It is particularly relevant to promote enabling environments for entrepreneurs ensuring enterprise registration requirements do not act as a barrier. **Encouraging development of clusters and innovation networks** with universities, research institutes and business as an alternative way of sharing knowledge and best practices is another important policy action.

There is a direct link between an enabling environment for decent work through open, flexible and dynamic labor markets that allow for new forms of work with adequate social protection, widely available quality education to be able to capture the opportunity an innovation environment creates and fostering entrepreneurship. These three fundamental elements should be seen as a single system where formal inclusive employment is created.

### 2. Boosting Investment in Infrastructure

In contribution to SDG 9: Industry, Innovation, and Infrastructure  
and SDG 11: Sustainable Cities and Communities

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<sup>12</sup>.

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.

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.

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<sup>12</sup> Bridging Global Infrastructure Gaps, Has the World Make Progress? McKinsey Global Institute, 2017.

To this effect, G20 should improve infrastructure project's investment attractiveness by the adoption of market-oriented pipelines in order to create bankable and investable infrastructure assets, bridging the gap between national planning priorities and private investor's needs. G20 authorities should 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 role of Multilateral Development Banks (MDBs) to support riskier infrastructure investments should be further encouraged, as well as project preparation and data transparency.

While public investment continues to play a strategic role in bridging the infrastructure gap, public-private partnerships (PPPs) could be an effective instrument to improve public service provision. Also, PPPs aim at sharing risks and combining private and public managerial and technical skills improving overall efficiency. G20 authorities must develop a clear role for PPPs, implement competitive procurement mechanisms and promote executional excellence.

Decent housing is one of the major challenges that G20 leaders face. By 2025, the affordable housing gap could affect 440 million households, or one-third of the global urban population. More than two thirds of urban households without access to affordable housing are living in slums<sup>13</sup>.

Housing comprises a financial aspect (being defined as an affordable allocation of less than 30% of the household income) and a quality standard (meaning the socially acceptable minimum viable requirement).

Addressing housing needs should be a priority in the development agendas, focusing on those groups that are especially affected. At the same time this would represent a 9-11 trillion u\$ global construction opportunity, creating thousands of jobs<sup>14</sup>.

Improving land management, capital productivity, streamlining operation and promoting financial access, including developer financing, are the key drivers in this process while additional subsidies are required to assist the lower income population. Leasing options could be an alternative in this respect.

It is fundamental to ensure financial regulation that fosters growth, stability and investment in infrastructure. According to the International Federation of Accountants and the Business and Industry Advisory Committee to the OECD, different regulations costs business more than u\$780 Billion<sup>15</sup>, impacting liquidity of the emerging market debt, as well as corporate and specialized lending. Collaboration among public and private stakeholders is fundamental to reduce such cost. The B20 supports the Financial Stability Board post-implementation evaluation to understand the impact of reforms in infrastructure investment in particular.

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<sup>13</sup> A blueprint for addressing the global affordable housing challenge, McKinsey Global Institute 2014

<sup>14</sup> A blueprint for addressing the global affordable housing challenge, McKinsey Global Institute. October 2014

<sup>15</sup> IFAC-OECD - Regulatory Divergence, 2018.

### 3. Ensuring access to affordable, reliable, sustainable energy

#### In contribution to SDG 7: Affordable and Clean Energy

Despite increased investment in improving energy access in recent years, 14 percent of the world's population has no energy, 84 percent of them being located in rural areas<sup>16</sup>. Achieving universal energy provision benefits education, sanitation and health and ultimately enables economic growth.

We encourage G20 leaders to promote rapidly implementable solutions such as densification and expansion of on-grid solutions for urbanizations and decentralization and off-grid solutions for rural communities. In highly populated urban areas, close to transition networks is always cost-effective to extend them. In this case, the action point should be financing social tariffs.

**Electricity access deficit is mostly a rural problem.** In 2016, rural areas comprised almost 87 percent of the global access deficit. Solutions include mini-grids which rely on modular generation such as wind turbines, small scale hydropower, diesel, LNG and LPG generators<sup>17</sup>. The second option is stand-alone off-grid solutions for single households, often powered by diesel generators and solar energy. Measures to address this challenge include streamlining procedures for mini-grids, **simplifying permits for power purchase agreements as well as overcoming the up-front cost of the grid.** Provision of clean cooking solutions to address household air pollution, i.e. by piped natural gas distribution, LPG, ethanol or biogas should also be a priority.

Independent power projects, by which government agencies enters into an agreement with private power companies to establish a plant and sell to a government agency, can have a relevant role when governments are unable to fund countries' power needs and utilities do not have investment grade to raise capital. MDBs can provide guarantees and insurance to attract private investment.

### 4. Reaching Global Connectivity

#### In contribution to SDG 9: Industry, Innovation, and Infrastructure

In order to enable a digital environment that has a positive impact on welfare within societies, global connectivity must be met. In fact, most studies show that increasing broadband penetration by 10 percent could result in GDP increases ranging from 0,25 to 2,8 percent<sup>18</sup>. Therefore, and given that the number of offline people is expected to reach 50 percent by 2019<sup>19</sup>, it is urgent for governments to encourage and facilitate private investment in infrastructure, especially focusing on unserved areas. This will allow consumers to have affordable connectivity while extending its coverage. Also, to expand broadband connectivity, countries will need **to maximize spectrum availability, ensuring an adequate mix of protected licensed, shared and unlicensed spectrum.**

<sup>16</sup> Energy Access Outlook 2017 Form Poverty to Prosperity. World Energy Outlook Special Report. International Energy Agency. 2017

<sup>17</sup> Tracking SDG/7 The Energy Progress Report. 2018. World Bank and custodian agencies.

<sup>18</sup> Michael Minges, "Exploring the Relationship Between Broadband and Economic Growth," World Development Report, 2015

<sup>19</sup> Inter-American Development Bank, *Inclusión Financiera en América Latina y el Caribe* (2015), accessed July 2, 2018, [https://publications.iadb.org/bitstream/handle/11319/6990/CMF\\_DP\\_Inclusion\\_financiera\\_en\\_ALC.pdf](https://publications.iadb.org/bitstream/handle/11319/6990/CMF_DP_Inclusion_financiera_en_ALC.pdf)

## 5. Enhancing Productivity through Technology Adoption

In contribution to SDG 8: Decent Work and Economic Growth and SDG 9: Industry, Innovation, and Infrastructure

- **Supporting Industry 4.0**

In contribution to SDG 9: Industry, Innovation, and Infrastructure

United Nations Sustainable Development Goal 9: Industry, innovation and infrastructure, includes among its targets “promote inclusive and sustainable industrialization and, by 2030, significantly raise in industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries”.

Great technological advances that will re-define industry structure and global value chains are underway. Advanced manufacturing, most popularly known as Industry 4.0, comprises a series of process technologies such as high-performance computing for modelling, advance robotics, composite materials, big data analytics, additive manufacturing, artificial intelligence and others, seamlessly integrating information and communication technologies with business data and manufacturing. This forth revolution is making 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. An enormous productivity and competitiveness leap forward for those companies that embrace change.

Uneven adoption of these technologies within countries and regions, therefore, poses specific challenges and also opportunities that calls for immediate action.

In this context, governments should strongly support and promote the creation of Industry 4.0 ecosystems that foster the adaption of these new technologies, including for Micro, Small and Medium Enterprises (MSMEs). Public-private collaboration through institutions such as technology centers or innovation hubs must be encouraged. Likewise, financial support and investing in R&D are pivotal for the development and roll-out of these new technologies.

At international level, these developments will require an unprecedented degree of integration among systems, which may occur across borders, and consequently will drive the development of international standards that would allow effective interoperability.

Artificial Intelligence (AI) is a key in Industry 4.0 technologies and many consumer applications to thrive. It will be ubiquitous in factories, fostering enhancements in production, design and even predicting future demand or quality issues. AI will increasingly impact not only how we work, but also how we live. Thus, society’s trust in the use of this technology becomes crucial to realize its potential. It is key then to address potential concerns about safety and security around automated processes, in particular clarifying responsibility and liability if an automated process goes wrong. Businesses, governments and societal interests will need to collaborate to support the right public debate around technology and promote internationally-consistent

governance frameworks that support the responsible use of this technology.

- **Promoting competitiveness and growth for SMES**  
In contribution to SDG 9: Industry, Innovation, and Infrastructure

Small and Medium Enterprises (SMEs) account for over 95 percent of enterprises, 60-70 percent of employment and 55 percent of the gross domestic product and are essential for delivering more inclusive growth<sup>20</sup>.

Even though there is wide acknowledgement of SMEs importance to national economies, they face roadblocks such as low productivity and scarce access to finance that need to be addressed with new impetus. In this regard, G20 leaders should focus on ensuring a necessary enabling and stable economic environment.

Lack of financial resources has important consequences in their ability to compete with larger firms in terms of salaries, recruitment and on the job training opportunities. 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 crowdfunding** could be some of the alternative financial instruments to be encouraged. In addition, enhancing financial literacy of SMEs, simplifying capital market procedures, remain fundamental.

Similarly, institutional and regulatory settings are critical to ensure that all businesses compete on a level playing field. As complex regulatory frameworks inflict higher burden for small enterprises than for larger businesses, tailored policies that advance regulation simplification schemes should also be implemented. **Increasing tax burdens and high administrative costs impact negatively on job creation and promote informality.** Administrative simplification, regulatory coherence and reduction of fiscal burden are necessary for SMEs to scale up.

Digitalization represents relevant opportunities for SMEs and, therefore, **digital transformation and technology adoption should be an integral part of SME's policymaking** for G20 countries. Governments should promote awareness on cutting-edge technologies and best practices while supporting productivity improvements though the development of clusters and regulatory compliance.

In order to pursue SMEs participation in global trade, business encourages G20 authorities to actively support initiatives aimed at fully implementing the trade facilitation agreement and making trade-related information more readily accessible to MSMEs.

Ensuring further inclusion of MSMEs in international trade involves G20 authorities to **tackle non-tariff barriers that impede the fragmentation of global value chains** and refrain from introducing new distortive measures.

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<sup>20</sup> OECD. (2000). Small and Medium-sized Enterprises: Local Strength, Global Reach. Obtenido de <http://www.oecd.org/regional/leed/1918307.pdf>

- **Supporting Financial Technologies**  
In contribution to **SDG 8: Decent Work and Economic Growth**

Moving towards increasing digitalization of financial services, especially in developing countries, will dramatically change the landscape of financial access and usage. Therefore, **supporting innovation in Financial Technology will be fundamental for financial inclusion** and for reducing the number of unbanked, that today is still 31% of the world population<sup>21</sup>.

In this regard, the B20 highlights the importance of helping individuals create a valid digital identity, encouraging companies to provide environments for cooperation among different players to help innovation thrive and promoting common standards and specifications for financial technologies that are “solution-neutral”.

At the same time G20 leaders should encourage that regulators and supervisors open an international debate on the key issues that demand coordinated action due to their global reach (for instance, regarding cryptocurrencies or cybersecurity).

## **B. RESHAPING THE GLOBAL TRADING SYSTEM FOR A LEVEL PLAYING FIELD**

In contribution to **SDG 17: Partnerships for the Goals**

The B20 community continues to believe that a rules-based multilateral system providing institutional certainty, ensuring fair and open trade, is crucial for inclusive development and economic growth and for achieving a level playing field.

In order to ensure continuity and relevance of multilateral institutions it is of utmost importance that G20 countries strongly support adaptation to new economic realities and **take positive actions to reshape the global trading system**.

In terms of the Trade Agenda, B20 members have identified three top priority recommendations:

### **1. Eliminating State-Related Competitive Distortions**

In contribution to **SDG 17: Partnerships for the Goals**

State-owned enterprises have been gaining influence in the global economy over the past few years. As several studies have identified, the proportion of SOEs among the Fortune Global 500 has grown from 9 percent in 2005 to 23 percent in 2014, including a greater presence in the top rankings across different sectors<sup>22</sup>.

As long as state-owned enterprises continue to be a permanent feature in the economic landscape, it is fundamental to develop transparent new international rules that ensure no party is granted access to any non-commercially available benefit based exclusively on its ownership.

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<sup>21</sup> World Bank, The Unbanked – Global Findex, 2017

<sup>22</sup> Cooper, P. W. (2015). State-Owned Enterprises: Catalysts for public value creation?



Already the developments at the Global Forum for Steel Excess capacity and the Charlevoix G7 Communiqué, have strongly emphasized the **need of negotiations to address market-distorting industrial subsidies and trade distortion actions by SOEs**. Following this notion, G20 leaders should engage in plurilateral negotiations towards an agreement on competitive distortions that would imply significant limitation and/or elimination of policies that accord preferential treatment to SOEs ensuring the possibility of subsequent multilateralization

## **2. Adapting rules to the digital age**

### **In contribution to SDG 17: Partnerships for the Goals**

Digital trade constitutes a key factor of today's global economic development. In fact, approximately 50 percent of all traded services are enabled by information and communication technologies<sup>23</sup>. Despite the positive aspects of digital trade, there is a growing tendency towards digital trade protectionism in the form of data localization and technology barriers that needs to be considered.

In order to provide regulatory coherence and identify regulatory gaps that need to be addressed to **facilitate open, inclusive and transparent digital trade with adequate data protection and data privacy regulations**.

Governments need to also address e-commerce policies across borders aiming at a **coherent framework for cross-border payment systems, data security, consumer protection and authentication**, among others. Authorities, following MC11 should pursue a multilateral, consistent approach to also address the challenges to tax systems raised by digitalization.

Cybersecurity becomes a compelling issue in an era where digitalization has exponentially increased the amount of information that is shared among users, devices and machines. Actually, cyber-crime has had an impact of as much as US\$600 billion in 2017<sup>24</sup>, making cyber-threats a serious detriment that calls for urgent action. In order to improve cybersecurity across countries, governments should partner with industry to adopt a holistic cybersecurity risk management approach. G20 members should start by agreeing on an international baseline that aims at the definition of **coherent frameworks and standards for cyber-risk management**. A collaborative environment, cross-sector and cross-border, is needed and should be achieved through information sharing efforts.

## **3. Removing Food Trade Barriers**

### **In contribution to SDG 2: Zero Hunger**

Global trade in agricultural and food products increased sharply after 2000, but it slowed drastically since 2011 as Doha Round WTO negotiations lost traction. Likewise, import tariffs to agricultural commodities have decreased progressively, but quotas and subsidies persist, and growing non-tariff barriers still inhibit global trade.

<sup>23</sup> UNCTAD, Information Economy Report (2017), 30, accessed February 28, 2017, <http://unctad.org/en/PublicationsLibrary/ier2017>

<sup>24</sup> McAfee, Economic Impact of Cybercrime Report (2017), accessed May 2, 2018, <https://www.mcafee.com/us/solutions/lp/economics-cybercrime.html>

Business calls for eliminating or significantly reducing trade-distorting domestic support and agricultural export subsidies by **fully implementing negotiated WTO agreements regarding agriculture (including the Bali and Nairobi packages)**. Actions may include implementing the 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.

Further work is needed to harmonize the application of WTO rules governing barriers to trade applied for human health protection. The B20 would welcome further concrete joint public-private work in the arena of sanitary and phytosanitary measures to ensure transparency and **full adherence to international standards and scientific evidence strengthening the role of Codex, OIE and IPPC as the unique forums for discussion of conflictive regulations and setting of internationally recognized rules**.

The B20 emphasizes the importance of moving towards regulatory coherence regarding rules that impact trade of agri-food products (e.g. front-of-pack labeling, consumer care, among others) aiming to achieve global equivalence, mutual recognition, and incremental **progress to convergence, striving to build on internationally approved standards, strengthening the role of Codex in the definition of principles aimed at guiding countries in the development of labelling systems**.

#### **4. Structural Reforms of the WTO**

##### **In contribution to SDG 17: Partnerships for the Goals**

The B20 members also concluded that reform and structural functional improvements of the WTO need to be put into place to regain momentum, 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), in a certainty that they 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 resolution.

#### **5. Multilateral Investment Policy**

##### **In contribution to SDG 8: Decent Work and Economic Growth**

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

### III. CLIMATE ACTION AND SUSTAINABLE USE OF RESOURCES

Environmental sustainability has become a priority in development agendas worldwide. Increasingly, the “growth” debate has stressed the relevance of including environmental concerns given its potentially negative effects in people’s well-being around the world. The estimated trends of human growth in the next few years, with the consequent need of expansion of urban spaces and the new social demands of public provisions, will create new challenges to reconcile increasing production with finite and limited natural resources. Economic growth should not be at the expense of life-supporting ecosystems. To balance the interests of the present and future generations, climate change, and a poor use of natural resources need to be urgently addressed.

The B20 identified 6 subtopics for policy development belonging to this category:

1. Sustainable Food Production
2. Minimizing Food Loss and Waste
3. Fostering Resource Efficiency and Circular Economy Models
4. Facilitating Transitions Towards Cleaner Energies
5. Implementing Energy Efficiency Practices
6. Investing in Climate Action

#### 1. Sustainable Food Production

##### In contribution to SDG 15: Life on Land

Without action, increased production of food will drive additional use of critical environmental resources (e.g., water, land, carbon, etc.). Today, the agricultural sector, broadly defined, accounts for 69 percent of water use<sup>25</sup>, 36 percent of land use<sup>26</sup>, and 20-24 percent of total greenhouse gas emissions<sup>27</sup>. Amidst global demographic growth and a changing global climate, it is imperative to turn the food value chain into a positive environmental actor that sustainably utilizes and restores natural resources. Climate change is already contributing to more frequent natural disasters that reduce food availability and generate price volatility.

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

25 FAO (2017). “Water for Sustainable Food and Agriculture. A report produced for the G20 Presidency of Germany”

26 Fiesta database. Accessed May, 2018. <http://www.fao.org/faostat/en/#data/RL>

27 Smith P.; Bustamante, M.; Ahammad, H.; Clark, H.; Dong, H.; Elsiddig, E.A.; Haberl, H.; Harper, R.; House, J.; Jafari, M.; Masera, O.; Mbow, C.; Ravindranath, N.H.; Rice, C.W.; Robledo Abad, C.; Romanovskaya, A.; Sperling, F.; Tubiello, F, 2014, “Agriculture, Forestry and Other Land Use (AFOLU)”

of resources, mitigating climate change and enhancing soil conservation and ecosystems 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).

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. The average annual yield growth of the last decade (around 1 percent) needs to increase to produce the necessary food to meet the demand of the world's growing population<sup>28</sup>. **New technologies (e.g., biotechnology, digital technology, etc.) will play key roles in increasing production yields and maximizing resource efficiency to minimize the environmental impact.**

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 resilient and sustainable rural infrastructure.**

## **2. Minimizing food loss and waste**

### **In contribution to SDG 12: Responsible Consumption and Production**

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.

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, the B20 recommends to **incentivize investments towards storage facilities, energy availability, transportation, access to telecommunications and other infrastructure investments to reduce food loss, particularly in developing countries.**

G20 leaders should also develop policies that promote consumers education on how to reduce food waste at household level, as well as designing and implementing an adequate framework of regulation and **incentives to promote circular economies, strengthening the role of non-profits** and community organizations dedicated to reducing waste by leveraging every possible case of food are fundamental measures to decrease the negative environmental and societal effects of food waste.

## **3. Fostering Resource Efficiency and Circular Economy Models**

### **In contribution to SDG 9: Industry, Innovation, and Infrastructure**

Linear consumption is reaching its limits, pushing resource productivity to a breaking point. Over the last 40 years, annual extraction of materials more than tripled. By 2050, due to population growth and an emerging middle class, the total demand for resources is expected to triple again, a level that will exceed earth's total capacity by more than 400 percent<sup>29</sup>. This calls for minimizing raw material extraction,

<sup>28</sup> FAO. (2017). The future of food and agriculture - Trends and challenges. Rome: FAO.

<sup>29</sup> UNEP International Resource Panel (2016): Global Material Flows and Resource Productivity Assessment Report

reintroduction of existing materials and no waste, decoupling economic growth from environmental issues.

Providing incentives for circular economy is fundamental to maximize value retention of resources, products, components and materials. There are several strategies or models to be applied: circular supplies like bio-based or fully recyclable units, resource recovery out of materials, product life extension including refurbishment, circular design, sharing platforms to increase shared and increased product utilization, and product as a service, moving away from ownership.

Existing metrics are not designed for circular economy and do not provide data on the level of sharing or remanufacturing. In order to foster the process G20 authorities should engage with the private sector to develop metrics and roadmaps as well as driving collaborative platforms. Individual value chains have different approaches to dealing with key barriers such as legal definition and end-of life criteria for waste, perception of secondary products, quality control and others.

#### **4. Facilitating transitions to cleaner energies**

##### **In contribution to SDG 7: Affordable and Clean Energy**

In 2017, global energy-related CO<sub>2</sub> carbon emissions grew by 1,4 percent reaching a historic peak of 32.5 gigatons, driven by a 2,1 percent increase in energy demand at the same time as energy efficiency improvements slowed down<sup>30</sup>.

In order to accelerate energy transitions the G20 should act decisively, favoring the substitution of high carbon fossil fuels for low carbon, renewable and cleaner energy sources. In order to do so, our first recommendation deals with transition readiness which involves developing and implementing roadmaps for energy transitions respecting national specificities including distinct resource availability, capabilities and starting points while scaling financial solutions to enable roadmap execution, promoting flexible energy sustainability regulatory environments and fostering just transitions.

We recognize that 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 power and energy efficient initiatives.

The second recommendation relates to supporting innovation in renewable and cleaner sources. We prompt the G20 to encourage accelerated research and development to replace high carbon energy sources supporting electrification, re-electrification, and energy systems digitalization. B20 also promotes the spread of storage technologies and further studies on how to increase density, efficiency and safety of solutions to overcome renewable energy challenges. We also promote advancing research and deployment of carbon capture usage and storage for decarbonization.

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<sup>30</sup> International Energy Agency, Global Energy & CO<sub>2</sub> Status Report, 2017

Finally developing interconnections and international trade of energy through comprehensive regional energy development plans would complement energy sources and optimize allocation of resources.

## **5. Implementing Energy Efficiency Policies**

### **In contribution to SDG 7: Affordable and Clean Energy**

Energy efficiency policies, one of the key deliverables of the Argentine G20 Presidency create employment, reduce public deficit, improve health and wellbeing and boost industrial productivity. In emerging economies, evidence suggests that efficiency policies alleviate poverty and increase energy access in disadvantaged groups, reducing reliance on imports, and increasing technology adoption to update existing infrastructures.

The B20 adheres to an increased coverage and impact of energy efficiency policies. It implies **incentivizing energy productivity across utility companies and the industrial value chains**, rewarding waste reduction through reflective pricing and certifications and reinforcing the global discussion on global carbon pricing as a policy to lower emissions and as an incentive to reduce energy waste. It also involves promoting the development of sustainable and efficient mobility systems, developing smart building plans, time-dependent plans and smart meters, among others. Dialogue and sharing of best practices are fundamental for a comprehensive energy efficiency process.

## **6. Investing in Climate Action**

### **In contribution to SDG 13: Climate Action**

Governments are strengthening their commitment and efforts to mitigate climate and avoid worse and irreversible impacts; yet, overall GHG emissions have committed us to climate warming, extreme weather events and sea level rise. In Latin American and the Caribbean, for example, climate change will directly and indirectly affect infrastructures with forecasted annual economic losses of 1.5 to 5 percent of GDP by 2050<sup>31</sup>. The severity of these losses will depend on each country's vulnerability or resilience to climate change.

A climate-change adaptation strategy includes **proactive actions in areas such as building resilient infrastructures, resilient food chains and water management**, adequate forecasting and early warning systems, risk management and emergency response.

Experts have calculated a u\$700 billion to u\$1.1 trillion gap in finance needed to deal with climate change. In 2015 adaptation projects represented only 7 percent of the u\$390 billion for climate change initiatives<sup>32</sup>, with enormous disparities among countries in terms of availability of funding. In this respect, the B20 encourages the full implementation and utilization of climate adaptation financial vehicles such as the Adaption Fund, the Global Environment Facility and the Green Climate Fund,

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<sup>31</sup> CEPAL, The economics of climate change in Latin America and the Caribbean, 2015.

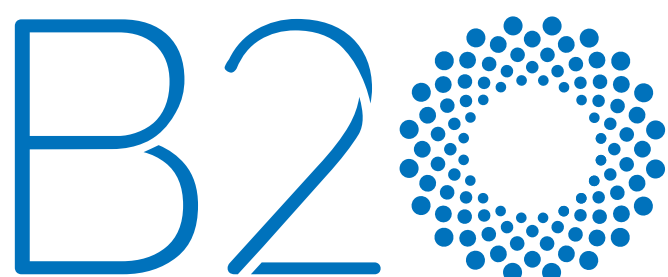
<sup>32</sup> McKinsey & Company. Climate Finance Basics. October 2016.

particularly in developing countries.

The B20 encourages cooperation with G20 governments to translate adaptation plans into investment plans and bankable projects, which will need private sector support.

The development of quality infrastructure investment financing goes hand in hand with the development of a financial system best serving sustainable development. Such a “sustainable financial system” would be long-term oriented and would include green loans, bonds, structured products, funds, benchmarks and indexes.

The G20 should **expand the definition of Green Financing to Sustainable Financing**, and create the right incentives through financial regulation. Specific favorable regulatory treatment should be the result of a solid empirical analysis proving that such products have a lower financial risk. Regulatory capital requirements have to be linked to financial risks.



ARGENTINA 2018


















BUSINESS 20

# KEY POLICY RECOMMENDATIONS & ACTION PLANS





## B20 RECOMMENDATIONS SNAPSHOT

### EQUAL OPPORTUNITIES AND INCLUSIVENESS

TASK FORCE	RECOMMENDATIONS	FOCAL POINT	IMPLEMENTABLE AT	SDG
	1, 2, 3	Building a Culture of Integrity		
	1,2,3	Eradicating Malnutrition		
	2, 5	Guaranteeing Quality Education		
	6, 7, 8, 9, 10			
	1, 2, 3, 4, 5	Ensuring Formal and Inclusive Labor Markets		
	5	Achieving Gender Equality		
	2			



















### PROMOTING GROWTH

#### A. Driving national economic growth enablers



















TASK FORCE	RECOMMENDATIONS	FOCAL POINT	IMPLEMENTABLE AT	SDG
	1	Entrepreneurship and innovation as a fundamental source for job creation		
	5			
	1, 4,5, 6, 7, 10	Boosting investment in infrastructure		
	2, 3, 8, 9			
	9, 10	Reaching Global Connectivity		
	3	Ensuring access to affordable, reliable and sustainable energy		
	7, 8, 9	Enhancing productivity through technology adoption		
	2, 4			
	6, 8, 13, 14, 15, 21, 22, 32			
	7			
	11			
	3			

## PROMOTING GROWTH

### B. Reshaping the Global Trading System for a Level Playing Field

TASK FORCE	RECOMMENDATIONS	FOCAL POINT	IMPLEMENTABLE AT	SDG
	1	Eliminating state-related competitive distortions		
	4	Multilateral Investment Policy		
	2	New Rules for the Digital Age		
	16 to 27			
	10, 11, 12	Removing Food Trade Barriers		
	5	Structural Reforms of the WTO		

## CLIMATE ACTION AND SUSTAINABLE USE OF RESOURCES

TASK FORCE	RECOMMENDATIONS	FOCAL POINT	IMPLEMENTABLE AT	SDG
	5	Investing in Climate Action		
	2	Implementing Energy Efficiency Practices		
	4	Fostering Resource Efficiency and Circular Economy Models		
	1	Facilitating Transitions towards Cleaner Energies		
	13, 14, 15	Minimizing Food Loss and Waste		
	4, 5, 6	Sustainable Food Production		

# INTEGRITY & COMPLIANCE /IC



## FOREWORD BY THE TASK FORCE CHAIR JORGE MANDELBAUM

One of the most important assets of developed, stable and inclusive countries are those which respect and follow the law. It is for that reason that we have taken the premise of following the rule of law as one of the core premises of the work of the B20 Integrity and Compliance Cross-Thematic Group.

It is crucial that we accept that corruption is a major barrier to prosperity and equality, as it affects economic and financial stability, threatens investment and curtails the basic rights of citizens. But most importantly, corruption breaks the social contract between citizens and states. It affects the overall governance and institutional environment and does not allow for a level playing field in any social or business undertaking.

Governments should therefore lead the way to address corruption and to follow a culture of integrity within societies. Education in ethics and integrity from early childhood is a key element to achieve this, enabling for positive working environment and creating a 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.

In spite that much has been written about anti-corruption strategies, this year our task force builds on the solid German recommendations. We have focused our work on an innovative initiative that is instrumentally oriented towards promoting good behavior in the form of a “Commitment to Integrity and Ethical Standards” (CIES) in both the public and the private sector.

We have focused the CIES on two main objectives. It addresses integrity enhancement in infrastructure projects by enabling access to relevant information, by streamlining procedures, by applying integrity standards requirements to all stakeholders in the procurement cycle and by building reporting mechanisms, among others. Secondly, it 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.

We are convinced that collective action is the way forward towards building more ethical and fair societies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge Mandelbaum', written over a faint grey grid background.

**Jorge Mandelbaum**

*President of CIPPEC*

*Centro de Implementación de Políticas*

*Públicas para la Equidad y el Crecimiento*

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### NETWORK PARTNERS



### CONCEPT PARTNERS



**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. Considering that 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 / SFS



## FOREWORD BY THE TASK FORCE CHAIR LUIS PAGANI



It is with great pride that we bring the B20 Argentina Policy Paper on Sustainable Food System (SFS) to the G20 Policy Dialogue process. The paper is the culmination of an intense period of constructive work, collaborative dialogue and consensus building regarding the policy recommendations and private sector initiatives that are needed to further the worldwide development of sustainable food system. This is both a central challenge for the support of human life in our planet, given the pressures to feed a growing population with a declining resource base, and a key pillar for the achievement of the 2030 Sustainable Development Goals (SDGs).

I would like to thank President Mauricio Macri of Argentina, holding the G20 Presidency in 2018, for introducing the global challenge of SFS as one of the three main priorities this year; B20 Chair Daniel Funes de Rioja for newly incorporating this important subject into the B20 agenda; as well as our SFS Task Force co-chairs, concept, knowledge and network partners, and business members - including senior business executives, business associations, international organizations - for their commitment, efforts and valuable contributions.

We identified five most important challenges facing the global food system, which are necessary for the G20 leaders to address: 1) eradicating malnutrition, undernourishment and obesity; 2) ensuring environmental conservation, mitigation and adaptation to climate change; 3) fostering technology development and adoption; 4) progressively eliminating barriers to global food trade; and 5) minimizing food loss and waste.

The effective response to these challenges requires progress in policy formulation at the international and domestic levels, a new positive agri-food trade liberalization agenda for the multilateral trading system, as well as public-private sector collaboration and multi-stakeholder partnerships.

We reached important conclusions regarding how to face these challenges and proposed policy recommendations.

However, we did not stop our engagement here. We as private sector representatives have committed to a number of transformative actions, complementing the policy recommendations to G20 leaders, so as to effectively contribute to solving the five main challenges identified.

I strongly believe that the contribution of the private sector is key both for the global development of sustainable food system and for the achievement of the 2030 SDGs and ensuring a more prosperous and inclusive future for people in the world.

At this time in the current world environment, as B20, we want to express our firm commitment to a multilateral and international trading system that is open, rules-based, and non-discriminatory; a system that should level the playing field for all countries and sectors in the world economy, including the agri-food sectors. We must acknowledge that after 71 years of the initial GATT agreements, and 23 years since its transformation into the World Trade Organization following the conclusion of the Uruguay Round and the Agriculture Agreement, very little progress has been achieved regarding the commitment of an ongoing trade reform to incorporate the agri-food sectors into the rules and disciplines of free multilateral trade. This is a necessary condition for the sustainable growth of the world economy and, particularly, for the sustained growth and inclusive development of our region, Latin America, of Africa and parts of Asia. Protracted poverty, hunger and undernourishment will not be eliminated by 2030 otherwise. Business as usual is not an option anymore.

I honestly hope that the relevance of the challenge of enhancing the well-being of humanity and the conservation of our planet, plus our initial work resulting in a set of well-founded policy recommendations, collaborative public-private sector initiatives and private sector commitments, will ensure the SFS agenda's continuity in future G20 meetings as well as the continuity of this task force in future B20 meetings.

The world has agreed on a long-term agenda, the SDGs 2030, for global sustainable development, the elimination of poverty and hunger, and the integral improvement of people's lives and well-being. Its achievement faces several challenges. The main lesson learned is that the G20 process, and the dialogue with and among the engagement groups, is a key enabling institutional platform to deliver on this long-term sustainable development agenda.

Sincerely,

**Luis Pagani**  
*President of Arcor Group*

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### KNOWLEDGE PARTNER



### NETWORK PARTNERS



### CONCEPT PARTNERS





## 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:

- A. Consumers are transparently informed of nutritional information
- B. Companies are motivated to improve product formulation
- C. 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

A. For SPS: Codex, OIE and 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 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**

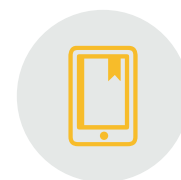
**Policy Action 15.1:** Design an education campaign for consumers to raise awareness and encourage them to reduce household waste

**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.



# EMPLOYMENT & EDUCATION / EE



## FOREWORD BY THE TASK FORCE CHAIR MARTIN MIGOYA



We are living amazing times worldwide. Never in history have we seen the several massive and disruptive revolutions happening at the same time. Globalization and breakthroughs in technology are creating a new source of wealth and development accessible to any region, culture or people that have the right skills. On top of that, the digital and cognitive revolutions are affecting how people interact and are opening more opportunities to foster the growth and development of countries.

In this context, governments have a unique opportunity to promote people's development, so it is imperative to re-think the global approach to education and employment that will enable societies to stay ahead of the ever-changing present. Governments and citizens should make no mistake: the effects of capitalizing on this opportunity could be as profound and as far-reaching as the restructuring of the regions' societies and the democratization of youth participation and leadership in commerce, technology, and industries.

By paying specific attention to promote the right education and employment approach, governments can prepare their countries for the future. The Employment & Education Task Force focuses on these issues by providing a set of guidelines that could propel countries' growth.

We have to develop citizens that are prepared to continuously adapt. It's key to develop a "learning to learn" model that will help our population stay open to the future. On top of that, new fast-growing sectors, such as the Knowledge-based Services (KBS), are now seeking a huge amount of talent capable of making it grow and scale. Data reveals that the Services Sector has more employment generation potential than many traditional sectors and KBS specifically can profoundly impact a country's economy promoting technology, design and innovation development, thus propelling industries and agriculture as well. Governments need to pay special attention to the development of new education models to prepare people for these new forms of opportunities. In this sense, it's important to focus on training our young people in core competencies such as STEM (Science, Technology, Engineering, and Mathematics) disciplines.

A new education and employment approach will also prepare our societies for an inclusive future of work. It is important for governments to create the necessary conditions that will help bring more job opportunities for everyone, avoiding informality through appropriate legislation, and fostering job positions regardless of gender, race, religion or disabilities. This includes implementing awareness-raising initiatives to challenge gender stereotypes and social norms, which act as a barrier for female employment. Also, to engage with employers and workers to develop targeted initiatives at national and local levels to remove the cultural, economic and social barriers.

But it's not just a matter of working with the business status-quo. It's also about fostering the creation of more job opportunities by opening doors to new players. This is where entrepreneurship plays a key part. Entrepreneurs take risks, create companies that have the potential to produce high impact in employment and within countries. They invest and distribute opportunities, and by doing so they help to transform countries and train talent in the latest trends. Governments should work together with these new entrepreneurs, facilitating the initial start-up conditions to help them set up and grow their businesses.

We are experiencing unique moments in history. It is up to us to make this present become a fantastic future for all. We encourage G20 leaders to share a unified vision of these challenges and to work towards that vision, generating a virtuous circle of education, talent, and development, bringing more economic evolution to our entire world.

**Martín Migoya**

*CEO and co-Founder of Globant*



## TASK FORCE COMPOSITION

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### KNOWLEDGE PARTNER



### NETWORK PARTNERS



*The Global Voice of Business*

## 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: 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 adapted 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 & INFRASTRUCTURE / FGI



## FOREWORD BY TASK FORCE CHAIR EDUARDO ELSZTAIN



We are living in a much more integrated world where modern technology allows people to share international events in real time. However, there are marked differences in the development patterns followed by different countries. These differences are leading to continuous divergences in life standards regarding wellbeing, and the distribution of income and wealth. One glaring difference is the diverse policies regarding investment in infrastructure.

People-oriented infrastructure should be a central category in countries' budgets, and new and creative mechanisms of financing such as the Public-Private Partnerships (PPP) should be encouraged and incorporated. In addition, our goal in these pages is to contribute to establish the proper analytical and policy frameworks in order to make infrastructure an asset class.

The significant importance of appropriate and modern infrastructure in the process of development has substantially increased in recent years because of the rising importance of technology as a source of growth.

Technology is an essential component of most of the new production functions and, being embodied in the new massive infrastructure projects, the transfer and diffusion of new technologies is facilitated and energized in countries where infrastructure development is a priority.

In the past, the responsibility to build and finance infrastructure was exclusively of the governments; but economic and population growth creates greater pressure on the public sector and thus transfers the necessity of an increase in the participation of the private sector.

This private participation should be further encouraged to complement public effort in bridging the infrastructure gap. For that reason, we need to promote a solid financial framework to strengthen infrastructure financing and long-term growth, with the adequate legal background, greater transparency and quality of information to guarantee predictability to the private investors that are attracted to these projects.

It is imperative to acknowledge that this is not just a concern for emerging economies and developing nations. It is essential for every country to take advantage of all the benefits that infrastructure investment offers, including the scope for focusing on inclusion and integration development.

It is also worthwhile to remark that recent financial crises show that the political fallout from these events hinges mainly on the negative impact that they have on the distribution of income. In this context, the assembly of social infrastructure and the development of affordable housing has positive externalities since it tends to equal the provision of social requirements, and improve life quality in an increasing world population.

Infrastructure is a lever for economic growth. In the short term, financing infrastructure stimulates demand and creates jobs. In the long term, investments drive productivity, deepen markets, and make economies more competitive.

As FGI B20 Argentina, we look forward to working together with G20 leaders to mobilize the G20 countries, the B20 companies and global policymakers. We have the responsibility and the challenge to take in additional financial resources to prop up growth and sustainable development through the provision and promotion of government support for the rapid growth and stable development of infrastructure.

Sincerely,

**Eduardo Elsztain**

*Chairman of Grupo IRSA & Banco Hipotecario*

## TASK FORCE STRUCTURE

### CHAIR

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Chairman  
GRUPO IRSA - BANCO HIPOTECARIO

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**John Denton**  
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INTERNATIONAL CHAMBER OF COMERCE (ICC) -  
CORRS CHAMBERS WESTGARTH

**José Luis Enrique Cristofani**  
President for Santander Río Argentina  
SANTANDER RÍO



### KNOWLEDGE PARTNER

McKinsey&Company

### NETWORK PARTNERS



## TOPIC 1: DEVELOP INFRASTRUCTURE AS AN ASSET CLASS

**RECOMMENDATION 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 Multilateral Development Banks.

**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 Multilateral Development Banks 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



## TOPIC 2: INCREASE THE IMPACT OF PUBLIC PRIVATE PARTNERSHIPS (PPPS)

**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

## TOPIC 3: NARROW THE AFFORDABLE HOUSING GAP

**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 further work on the opportunities and risks of new technologies in order to arrive to a coherent regulation.

- Prioritize: regulatory and supervisory frameworks that adhere to the fundamental principle of “same activity, same risk, same rules, same supervision”, to guarantee growth, innovation, stability and consumer protection.

**Policy Action 4.3:** Encourage sustainable development financing.

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



# TRADE & INVESTMENT / TI



## FOREWORD BY TASK FORCE CHAIR PAOLO ROCCA

Investment and trade are fundamental engines for job creation, poverty reduction, and ultimately for achieving sustainable development goals.

The multilateral rules-based trading system has played an essential role in providing a credible framework for international investment and for the development of global value chains, contributing to fuel an unprecedented global economic growth and inclusion over recent decades.

However, world trade has changed dramatically since the WTO creation in 1995 after the Uruguay Round. The global scenario is radically different from the post war world that led to the original GATT negotiations. The emerging economic relevance of state-owned enterprises, by substantial cross-border investments as well as by participation in global trade is having an unexpected and significant competitive impact, particularly when distorting subsidies are present.

At the same time, the digital economy is boosting innovation in products and services, fostering the inclusion of micro, small and medium enterprises, and bringing along an enhanced focus on data. New technologies, along with responsible transformations towards more clean and circular economies are driving business leaders to rethink the way they conduct business at an accelerated pace.

Multilateralism, as a source of institutional predictability through international cooperation, is a fundamental enabler for entrepreneurship and investment. It is the way to move forward in order to bridge all social gaps, providing broad-based opportunities for all.

However, to retain much needed consensus and remain relevant, the multilateral trading system needs to evolve addressing distortions that have emerged within this new economic landscape. It needs to face all current issues to capture the enormously positive scenario ahead of us.

Our mission in this endeavor is to identify the most relevant challenges to the global trading system, to provide concrete recommendations about rules that need to be either adjusted or developed, as well as necessary efficiency or functionality improvements that need to be considered.

We are convinced that G20 leaders are facing a unique opportunity to reshape the multilateral trading system and lead the way into a new era of sustainable globalization.

Sincerely,

**Paolo Rocca**  
CEO of Techint Group

## TASK FORCE COMPOSITION

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CEO  
TECHINT GROUP

### CO-CHAIRS

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CEO and Chairman  
SCHNEIDER ELECTRIC



### KNOWLEDGE PARTNER



### NETWORK PARTNERS



### CONCEPT PARTNER



## 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 & SUSTAINABILITY / ERES



## FOREWORD BY TASK FORCE CHAIR MIGUEL ANGEL GUTIERREZ

Energy transitions through actionable and sustainable practices:  
our global, supportive and coordinated perspectives.

The way we generate and distribute energy is of paramount importance for our societies, regardless of our origin. Rational and conscious energy choices need to be made to guide the sustainable development of each nation, bridging business, politics and sciences.

At the same time, the year 2018 has shown us the unprecedented consequences and hazards of climate change, the danger and the scale of challenges that urge our global community to swiftly take control of greenhouse gases emissions. In my role as B20 Argentina Chair of the Energy, Resource Efficiency and Sustainability task force, I am very pleased by how much the B20 community has embraced in terms of low-carbon options energy choices, energy efficiency and distribution upgrades, and climate mitigation measures.

For the Paris Agreement scenarios and targets to be achieved, significant shifts and reforms in the energy systems are required, with leadership motivation, trade-offs and responses coming from our Business Community. We need to overcome climate and energy efficiency challenges while unlocking future business opportunities, guaranteeing lower carbon power generation and society's growth, support and inclusion.

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. Region-centred roadmaps will guide energy transitions according to distinct resource availability and capabilities, starting points and paths to travel.

Fostering tangible actions, the policy paper we propose to the G20 ministers, emphasizes three pillars: roadmaps to guide low-carbon and energy-efficient transitions, just transitions to include all human capital while shifting our energy matrix, and circular economic models to avoid pollution as the inevitable consequence of economic activity and growth.

We are convinced that a supranational cooperation organization, similar to the intergovernmental Resource Efficiency platform proposed by the 2017 B20 Germany, should guide and support countries, especially emerging economies, across these transitional processes.

We, as the Energy, Resource Efficiency and Sustainability Taskforce, are pleased to have worked meticulously and discussed democratically in order to understand and propose actionable and grounded recommendations to accelerate such energy transitions, to deploy energy efficiency in industries and households, to reinforce new energies regulatory frameworks and finally to shift producers and consumers habits towards climate resilient actions through integrated economic and business models. And to have placed emphasis in mainstreaming human capital and technology advancement in such endeavours.

I also want to thank Germany for the brilliant work carried out last year and for leaving us with this process in such good order. And I pledge to do everything I can to ensure an equally smooth and productive transition for our Japanese friends.

Sincerely,

**Miguel Gutierrez**  
Chairman, YPF

## TASK FORCE COMPOSITION

### CHAIR

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Chairman of the Board  
YPF

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Country Chair Argentina  
SHELL



### KNOWLEDGE PARTNER

**McKinsey&Company**

### NETWORK PARTNER



### CONCEPT PARTNER





## 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 mitigation and investments plans:

- 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

- Quantify the effort needed for adaptation investments and resilient infrastructure.
- Promote financial mechanisms to close the investment gaps in adaptation.



# DIGITALECONOMY & INDUSTRY 4.0 / DEI



## FOREWORD BY THE TASK FORCE CHAIR MARCOS GALPERIN

For the first time in the history of humankind, we are at a moment when everyone in the planet can be connected to every other person, instantaneously and at an almost zero marginal cost. The power that this global, immediate, interconnected web has, is endless, like our universe, and equally hard for our brain to comprehend.

We have built our societies, our institutions and our economies in a world where this global network did not exist, and people therefore needed intermediaries and representatives to access goods, services, make decisions, or just live in society. In the next decades, as the benefits of these global interconnections continue to materialize, institutions that were once deemed relevant will become less so, and the same thing will happen to entire sectors of the economy.

We are convinced of the transformational power of technology and people working together to complement and enhance each other. We are now in a much better position to integrate billions of people to the expanding middle class, helping MSMEs to produce more, expand their boundaries, innovate, generate employment, and enhance their productivity.

However, all processes of change, create winners and losers and therefore resistance and conflict. But the overall outcome will be greatly positive for our societies. It is therefore paramount that governments continue to encourage the digitalization of our economies and processes while ensuring that the benefits of these changes, are fairly distributed within our societies.

Our task force focused on the importance of developing the necessary Digital Skills that people will need in order to better address the upcoming demands from companies in this new era.

The relevance of governments developing policies and investments in human capital and education to prepare the workforce for the future of work is essential. By 2020, 30 percent of tech jobs will be unfilled owing to digital talent shortfalls.

We address the importance of fostering the development and adoption of Industry 4.0 technologies as well as Digitalization of Micro Small and Medium Companies (MSMEs).

Thanks to technology, hundreds of millions of people will be able to join the expanding middle class and Micro Small and Medium Companies (MSMEs) -which today generate 70 percent of jobs in the Organization for Economic Cooperation and Development (OECD) countries- will be able to innovate, generate employment and improve their productivity.

Also, acknowledged the importance of Promoting Global Connectivity, connecting the unconnected and driving the necessary investments in infrastructure development.

Digital trade is another aspect to consider as an engine of economic growth around the world, enabling new business models and helping local companies to reach international value chains. In the same line, supporting Fintech innovation is the way to achieve financial inclusion, which today leaves out 31 percent of the world's population (in Latin America this figure reaches 50%). Given the positive effect that financial inclusion has on the global economy, digitalization of finance could boost emerging countries' economies by 6 percent.

As digitalization continues, it is essential to focus on improving cybersecurity to keep a safe ecosystem of information among users, devices and machines. Change is never easy, it is always feared because it brings many unknowns and humans love stability. But to reap the benefits of global, peer to peer interconnection, we will have to continue down this path of transformation that is already underway.

In order to facilitate this transformation, we encourage G20 governments to engage with the private sector, the NGO community, and other stakeholders to discuss how to establish ecosystems that promote innovation, entrepreneurship and economic growth, guarantee availability of key resources and digital inclusion, foster the development of digital enablers and ensure a sustainable and equal digital growth.

Sincerely,

**Marcos Galperin**

*Chair of the B20-Taskforce on Digital Economy & Industry 4.0  
CEO and Founder of MercadoLibre*

## TASK FORCE COMPOSITION

### CHAIR

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PRESIDENT & CEO OF SAM REGION  
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### KNOWLEDGE PARTNER

**BCG**

THE BOSTON CONSULTING GROUP

### NETWORK PARTNERS



**BUSINESSatOECD**  
THE BUSINESS AND INDUSTRY ADVISORY COMMITTEE



### CONCEPT PARTNER

**tecnalia** Inspiring Business

## 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 skill 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, inter-operable 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.



# SMES DEVELOPMENT / SME



## FOREWORD BY THE TASK FORCE CHAIR INÉS BERTON

**Small and medium-sized enterprises (SMEs) and entrepreneurs constitute the backbone of national economies. SMEs are decisive for economic development and account for the largest portion of employment.**

The B20 community emphasized the critical role SMEs play in achieving Sustainable Development Goals (SDGs) and promoting inclusive economic growth. Strengthening SMEs' capacity—in terms of improving their access to finance, fostering talent attraction and entrepreneurial skills development, providing simplified regulatory frameworks, and promoting active participation in the digital economy—is crucial to achieve economic development while reducing social inequality.

The micro, small and medium enterprises sector is dynamic and ever-changing. As its composition varies across countries and industries, a comprehensive view needs to be undertaken when designing national policies in order to enhance SMEs' opportunities. SMEs' heterogeneity can also be classified according to their growth stage. The development stage portrays the nature, particular characteristics and challenges SMEs face at each level. Knowledge of SMEs' life cycle as well as knowledge of entrepreneurship determinants and of the environment that drives SMEs' sectoral and national birth rate is crucial.

While SMEs' contribution to economic development cannot be overstated, they remain disproportionately affected by political and economic barriers and by inefficiencies that constrain their potential for scaling up, thus reducing their positive impact on societies.

Digitalization is changing the economic landscape and creating new opportunities for SME development. Often, new and small enterprises are the leading forces of innovation due to their ability to work outside established paradigms, which is a competitive advantage over larger firms. The relationship between digital economy and SMEs' opportunities for growth needs to be acknowledged and prioritized. Given their nature, SMEs can better adapt to changes, be creative and add value that will ultimately contribute to the development of more inclusive and innovative societies.

The B20 Argentina SMEs Development Task Force endeavor is addressing SMEs' real, day-to-day, concrete challenges, thinking outside the box and compiling better and more powerful ideas to propose to G20 leaders. As entrepreneurs, we are bold and disruptive and we feel the responsibility to provide our unique perspective regarding the design of policies that foster global economic growth.

Sincerely,

**Inés Berton**

*CEO and Founder Tealosophy*

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**KNOWLEDGE  
PARTNER**



**NETWORK  
PARTNER**



**CONCEPT  
PARTNER**



## 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.





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## FINAL REMARKS BY THE B20 SHERPAS



### CAROLINA CASTRO

B20 EXECUTIVE SHERPA

The B20 Argentina process set as a priority to achieve meaningful discussions that could lead to consensus on a diverse number of issues, all of them of great importance for global prosperity. With a record number of 1700 of participants (1200 members and 500 deputies) from 38 countries, a carefully-crafted program of in-person meetings and teleconferences was established in order to assure everyone's voice could be heard and acknowledged.

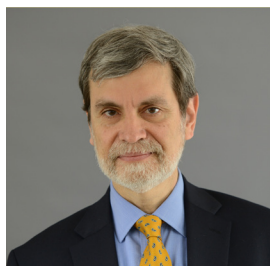
The timeline of meetings was challenging: almost 2 meetings per week in a seven-month period, of which 40% have been in-person. Part of the discussion process that went on during the meetings was preceded by "inspirational sessions" in the form of conferences, such as the ones hosted in Bilbao, Paris, Washington and Buenos Aires.

Six of the eight task forces have held one meeting in Argentina and one abroad. Special mention should be made of the five Business Leaders Forums that we organized in Argentina with more than 3000 participants to broaden the reach of the B20 among our national business leaders.

The strong participation of the global business community of the G20 is a clear endorsement to multilateralism. If businesses worldwide have joined B20, each year to a greater extent, it is in the belief that sustainable and credible consensus at G20 level must be reached in order to assure a path of growth and prosperity that leaves no one behind. The Business 20 contributes to this objective by recommending concrete policy actions each year to the G20 leaders.

The B20 Argentina Summit is the concluding event, in which we present this year's work. We have put together an ambitious agenda with more than 40 international speakers and 1,200 business leaders in attendance.

I say farewell as Sherpa, thanking for the work and commitment of our 1700 members and of our partners and sponsors. Congratulations on the joint efforts!



## FERNANDO LANDA

B20 POLICY SHERPA



It feels like a long time ago since our initial Troika meetings in Berlin and our first joint conferences with our network and knowledge partners.

We were clear about our mission: to carry the torch, building up from the important body of work of B20 in Germany 2017, and to continue providing a transparent forum for a growing number of business leaders and federations of G20 countries, where all voices would be heard with total transparency in an open discussion, driving perspectives towards consensus.

Relevance, urgency, and actionability were the main criteria to decide upon topics to be undertaken to foster achievement of the 17 UN Sustainable Development Goals.

The B20 Argentina has developed more than 70 recommendations, drawing lessons from available best practices and with strong, well founded rationales as presented in each of our Task Force Policy Documents. We have been active participants providing our viewpoints in G20 Working group meetings and more than 30 side events. We have shared our conclusions with G20 Sherpa's in Ushuaia and Mendoza.

But all recommendations would be insubstantial without implementation. Consequently, we provided a detailed concrete list of actions for each one of them, as well as key performance indicators and private sector commitments where appropriate.

75 percent of the B20 proposed action plans are immediately implementable at national level. These action plans should drive a compelling agenda for G20 governments, and most importantly, the outcome of enacting this agenda could in turn become a set of best practices to be shared with other non-G20 countries.

The remaining 25 percent of B20 action plans, on the other hand, are meant to help making progress in defining fundamental rules and cooperation frameworks within multilateral forums.

It is from now on our duty to work enthusiastically, engaging social partners, academia, civil society and governments to carry this agenda forward towards concrete implementation.

The business sector in G20 countries have a unique opportunity and responsibility by engaging with G20 leaders. B20 is not a business summit, it is not about the development of a collection of well documented recommendations, it is about making progress, it is about execution, it is about achieving the 2030 Agenda for Sustainable Development. It is about fostering economic activity and therefore creating jobs, it is about tangibly improving our societies, addressing our most pressing challenges, it is about highlighting opportunities, it is about adding another step in the ladder.

The B20 is not just another business conference, it is a long term voluntary endeavor by the business leaders of our countries, without the constraints of a fixed structure. We hope our B20 summit will clearly reinforce this mission and motivate further progress.

We are deeply honored to have been able to host such dynamic and committed body of companies and business federations throughout 2018 and will continue to contribute within the Troika towards a successful B20 Japan, promoting fair, inclusive growth.

#B202018

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